

## NORTH CAROLINA

William R. Young, Badin.  
Joseph C. Peed, Creedmoor.  
William T. Culpepper, Elizabeth City.  
Thomas T. Hollingsworth, Greenville.  
John E. Morris, Hertford.  
Wightman C. Vick, Norwood.

## OHIO

Carl L. Meloy, Garrettsville.  
Duward B. Snyder, Grand Rapids.  
Helen E. Dunn, Holland.  
Perry L. Heintz, Jackson Center.  
Charles Fishley, Mineral City.  
John H. H. Welsch, Port Washington.  
Clara B. Dix, Prospect.  
Edward T. Brighton, Sylvania.  
Donald K. Studer, Whitehouse.

## OKLAHOMA

Delbert H. Rounsaville, Atoka.  
Cloyd H. Burton, Commerce.  
Erwin D. Keys, Earlsboro.  
John L. Beckham, Enid.  
Cyril M. Surry, Hartshorne.  
Georgie M. Jeffers, Inola.  
Gertrude Barker, Kaw.  
John A. Park, Krebs.  
Pearl Brazell, Lamont.  
Buford E. Stone, Manchester.  
Walter E. Primm, Meeker.  
Dennis F. Almack, Moore.  
Guy B. Hilton, St. Louis.  
John R. Redwine, Jr., Spiro.  
Kib H. Warren, Shawnee.  
William B. Wyly, Tahlequah.  
Charles A. Knight, Tecumseh.

## SOUTH CAROLINA

Allie V. Collum, Jr., Blackville.  
Hattie C. Sherard, Calhoun Falls.  
Basil T. Brinkley, Ellenton.  
Rufus Ford, Jr., Holly Hill.  
Edward H. Blackmon, Orangeburg.  
Jack C. Pate, Sumter.  
Jackson L. Flake, Swansea.

## TEXAS

Glad Campbell, Mertzon.

## WEST VIRGINIA

Thomas F. Ward, Keyser.  
John A. Ball, Mullens.  
Henry S. Ellison, Union.

## HOUSE OF REPRESENTATIVES

TUESDAY, MAY 29, 1934

The House met at 12 o'clock noon.

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

Merciful God, our Heavenly Father, may our faith in Thee be strong and may our hopes lead us to brighter and happier days. Make them vivid, distinct, and free from obscurity and uncertainty. Let them be illuminating, expanding our lives and giving a new meaning to our activities. Be gracious to assure us that all things work together for good for those who put their trust in Thee, who are right in purpose and are unselfish in the things they seek. Heavenly Father, bless the homes of the officers and the Members of the Congress. We entreat Thee to hold us all in Thy hands, in which we may rest without fear. In the dispensation of Thy providence, prepare us for whatever awaits us, and praise and glory be unto Thee forever. In our Savior's name. 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 May 28, 1934, the President approved and signed a bill and joint resolution of the House of the following titles:

H.R. 9530. An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows"; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

## 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 of the House of the following titles:

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury; and

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners.

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

S. 1744. An act enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto and the Emergency Farm Mortgage Act of 1933;

S. 1760. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation;

S. 1786. An act for the relief of Lucile A. Abbey;

S. 1947. An act to provide for the creation of the St. Croix Island National Monument, located near the mouth of the St. Croix River in the State of Maine, and for other purposes;

S. 2242. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.;

S. 2272. An act for the relief of Bert Moore;

S. 2617. An act for the relief of the estate of Jennie Walton;

S. 2619. An act for the relief of E. Clarence Ice;

S. 2888. An act to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2906. An act for the relief of Ransome Cooyate;

S. 2918. An act for the relief of N. Lester Troast;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota;

S. 3096. An act for the relief of John T. Garity;

S. 3286. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 3307. An act for the relief of W. H. Le Duc;

S. 3366. An act for the relief of C. O. Meyer;

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade;

S. 3486. An act for the relief of George L. Rulison;

S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.," approved February 13, 1931;

S. 3502. An act authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg.;

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; and

S.J.Res. 86. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations.

#### FOREIGN-TRADE ZONES

Mr. BYRNS. Mr. Speaker, on yesterday the previous question was ordered on the passage of the bill which was then under consideration, H.R. 9322, 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.

This bill was introduced by the gentleman from New York [Mr. CELLER], who was absent yesterday on account of illness and, therefore, was not able to come here and participate in the discussion and consideration of the bill. I ask unanimous consent that before the roll call is had he may be permitted to proceed for 2 minutes.

Mr. SNELL. The gentleman is making a rather unusual request.

Mr. BYRNS. I know it is an unusual request, but these are unusual circumstances.

Mr. SNELL. I am not going to object, but the statement was made the gentleman could not be here. The request is an unreasonable one, and the gentleman knows it is.

Mr. BLANTON. This is in behalf of a good New Yorker.

Mr. BYRNS. The gentleman from New York [Mr. CELLER] is the author of the bill and was prevented from being here on account of illness. I think we ought to give him the opportunity to make a few remarks.

Mr. SNELL. The gentleman is establishing a very poor precedent, but go ahead.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, may I remind the gentleman from Tennessee [Mr. BYRNS] that before we adjourned yesterday he asked and received unanimous consent of the House that the gentleman from New York may extend his remarks in the RECORD on this bill.

Mr. BYRNS. I did not make that request.

Mr. WOODRUFF. The request was made by someone on that side of the House.

Mr. SNELL. It was made by the gentleman from New York [Mr. CULLEN].

Mr. WOODRUFF. I have an idea that the gentleman from New York may under that leave to extend his remarks set forth fully his views on this bill. In view of the fact, Mr. Speaker, that I have never yet objected to a unanimous-consent request of any Member of this House to address the House, I shall not establish the precedent now.

Mr. TERRELL of Texas. Mr. Speaker, reserving the right to object, may I ask if this will interfere with the 30 minutes that I was allowed to address the House?

The SPEAKER. It will delay the gentleman 2 minutes. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### CELLER FREE PORT BILL

Mr. CELLER. I shall not take long, and rise primarily to express my gratitude to the members of the subcommittee of the Ways and Means Committee, presided over by my esteemed friend the gentleman from New York [Mr. CULLEN], and the other members of the committee, the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Kentucky [Mr. VINSON], the gentleman from California [Mr. EVANS], and the gentleman from New York [Mr. CROWTHER]. I am also indebted to my esteemed friend and colleague, Mr. O'CONNOR, of the Rules Committee, who helped us get the rule. I am very gratified that after 20 years of struggle, we have been able to get this bill out of committee and well on its way to final passage. [Applause.]

This bill has the support of this administration. President Roosevelt, at a press conference, indicated his approval. Hon. Cordell Hull, our Secretary of State, in part writes as follows:

In the opinion of the Department, the establishment of foreign-trade zones under proper regulations is calculated to further the foreign commerce of the United States, and the Department views such legislation with favor.

Hon. Daniel P. Roper, Secretary of Commerce, writes in part as follows:

The Department of Commerce has at various times in the past expressed itself to the detailed provisions of any particular bill. The establishment of such foreign-trade ones is for the purpose of facilitating reexport and transshipment trade. The proposal does not introduce anything essentially new into our law. In fact, this is little more than the minimizing of the official limitations and costs involved in the formalities of entry into bonded warehouse and drawback now provided in the American tariff law. However, it appears that the legislation is desirable in principle as a grant of authority to be utilized should the occasion warrant.

Hon. George H. Dern, Secretary of War, writes in part as follows:

Insofar as the interests committed to this Department are concerned, I am not aware of any objection to the enactment of the bill.

Hon. Henry Morgenthau, Jr., Secretary of the Treasury, in part writes as follows:

I believe that, under normal conditions in world trade, foreign-trade zones, such as provided for in the bill, might aid materially in fostering a growth of the transshipment and reexport trade of ports advantageously situated to handle such trade. In principle, therefore, I believe the bill is meritorious, and I see no objection to its enactment.

In addition, the bill has the approval of the United States Tariff Commission, the United States Shipping Board, and Hon. George Peek, head of the United States Import-Export Bank.

Let me invite your careful attention to the opinion expressed by President Herbert Hoover when he was Secretary of Commerce, in a letter written on December 19, 1925, after the Tariff Act of 1922 had been in operation more than 3 years.

The letter is addressed to the late lamented Senator Jones, of the State of Washington. The letter says:

Complying with your request of the 12th instant for a report from this Department on Senate bill no. 66, entitled "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", it is my opinion that properly located foreign-trade zones would facilitate and encourage the export trade of the United States and be of material benefit to our merchant marine, for the following reasons:

It will promote and expedite our transshipment trade by eliminating the customs formalities and difficulties under our present system of warehousing for reexport.

In the course of the tariff revision of September 1922 customs administrative regulations were so liberalized that many of the activities relating to foreign merchandise under section 3 of the bill are now allowed in bonded warehouses without requiring the payment of duties; however, they are so encumbered with requirements, such as filing manifests, making formal entry of all foreign merchandise whether intended for ultimate entry into this country or not, having goods weighed or otherwise examined before they are allowed to be deposited in bonded warehouses, that the privileges available are not sufficiently attractive to be used to any great extent.

That applies to the provisions of the act of 1930, which did liberalize them to some extent, but they still have the same red tape to go through in the case of reshipment, with the same conditions referred to by President Hoover, who was then the head of the Department of Commerce. His letter to the late Senator Jones goes on to say:

It would place this country in a better position to take advantage of our large consumption of many foreign raw materials and distribute such among foreign countries.

It would improve the opportunity for obtaining full cargoes for American ships both ways and result in a more economical use of our merchant marine by eliminating delays due to customs formalities.

In my opinion, the bill is designed to accomplish the foregoing, and I therefore indorse it and recommend its passage.

The bill has the approval of the following trade associations: Chamber of Commerce of the United States, Port of New York Authority, Chamber of Commerce of the State of New York, the Merchants Association of the City of New York, the Maritime Association, Boston Chamber of Commerce, Boston Port Authority, Maritime Association of Boston, Retail Trade Board of Boston, the State Port Authority of Virginia, Miami Beach Chamber of Commerce, Miami Beach City Commission, the Port of Philadelphia Ocean Traffic Bureau, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Export and Import



Bureau of Baltimore, the New Orleans Association of Commerce, the New Orleans Cotton Exchange, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, the Pacific American Steamship Association, Ship Owners Association of the Pacific Coast, the Trade Association of Hampton Roads and Norfolk, the Chamber of Commerce of Jersey City, the Port of Newark, N.J., the Shippers Conference of Greater New York, and the American Association of Port Authorities.

#### DEFINITION OF A FREE PORT

The question has been asked by many Members, What is a free port? The best definition I know is the one given by the Federal Trade Commission some time ago, after it made an exhaustive study of foreign-trade ones and free ports. This definition is as follows:

The word "free" in connection with "port" or "zone" is apt to be misleading. It is proper to note, therefore, that the term has no relation either to port charges or to any policy of free trade or protection in this case. Conventional nomenclature is in this case misleading. "A neutral zone" would be more properly descriptive. A free port or free zone is a place limited in extent but differs from adjacent territory in being exempt from customs laws as affecting goods destined for reexport. It means simply that, as regards duties, there is freedom unless and until imported goods enter the domestic market. A free zone may be defined as an isolated, inclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship stores, for storing goods, and for reshipping them by land and water—an area within which goods may be landed, stored, mixed, blended, repacked, manufactured, and reshipped without payment of duties and without the intervention of customs officials. It is subject a little within adjacent regions to all the laws relating to public health, vessel inspection, postal service, labor conditions, immigration, and indeed everything except the customs. The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions instituted by custom duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption but for reexport to foreign markets and for the conditioning or for combining with domestic products previous to export.

For the longest time our Government has sought to do the very things that a free port aims at; namely, to encourage transshipments of goods out of the country that have been imported, to encourage the repacking, blending, mixing, manipulating, and reshipment of foreign goods upon which there is now allowed the drawback. It sought to do this by setting up, first, bonded warehouses; second, bonded manufacturing warehouses; and third, by the drawback.

But the Government, jealous of its revenues, has hedged about these drawbacks (which were designed to bring about facility of reexports and transshipments) to such an extent that business finds itself utterly handicapped and frustrated.

A Government bonded warehouse is a place where goods bonded for reexport may be entered and held free of duty. A bonded manufacturing warehouse is a place where, without payment of duties, the imported goods may be handled, altered, sorted, blended, and manipulated, as well as manufactured, either with or without the admixture of domestic materials and parts. The drawback is the payment of 99 percent of the duty paid on imported goods after they have been reexported.

You might ask, after the Government has set up these facilities for drawback, for warehousing, and for manufacturing and warehousing, why is it necessary to pass the free port bill? The answer lies in the restrictions and handicaps inherent in the drawback, the bonded warehouse and the bonded manufacturing warehouse. Let me point out a few of the inadequacies, inconsistencies, and difficulties in these bonding and drawback provisions of our tariff legislation.

First, if a man, for example, wishes to store some imported goods he must give a bond in an amount double of the duty, and that bond is forfeited if the goods are stolen or lost or destroyed or removed. Secondly, even the drayage and the carting of the goods between the dock and the warehouse, probably over a comparatively short distance, must be under bond. Thirdly, there must be constant customs control and supervision.

The Government is so jealous of its revenues, and rightly so, that it sort of holds a policeman's club over the merchants' and manufacturers' heads at all times. The dealer is confronted constantly with a uniform. That surely does not make for peace of mind and business comfort. While, for example, the goods are in the bonded warehouse, they must be placed and arranged in accordance with well-defined regulations, so that at any time they may be checked and inspected by special agents of the Treasury Department. Under the free port bill no such minute regulations as to the placing and arrangement of goods would be necessary. Under a free port, there would be the absence of strict surveillance within the zone. The surveillance would be transferred to the boundaries of the zone.

Under the free port bill there would not be the necessity for the strictest kind of accounts of all warehousing transactions. Under the present regime, the warehouse must be closed and locked by a Government lock, except during usual business hours. Special permission must be obtained, overtime charges must be paid, a customs agent must be present to enter the warehouse after hours. No matter how great the emergency, the merchant or dealer cannot enter the warehouse, save under these conditions and restrictions. All this red tape would be avoided under my bill. There would be no necessity for these minute regulations. There would be no danger of loss of revenue because there would be no necessity for payment of revenue or tariff unless and until the goods leave the stockaded area and enter customs territory.

Permit me to direct attention to some of the irksome provisions concerning bonded manufacturing warehousing, from a report of the Tariff Commission.

The mere statement of the regulations sufficiently indicates the limited usefulness, so far as export trade is concerned, of the bonded storage warehouse. Even more stringent are those applying to the bonded manufacturing warehouse. In the later institution foreign materials may be entered free of duty and worked up into manufactures ready for consumption.

(a) Production can be carried on in such a warehouse for export only. With a few special exceptions, the output cannot be disposed of in the domestic market, even on payment of duty. The most important exceptions are metal from ore smelted in bond, and cigars "made in whole from tobacco imported from one country." Minor exceptions are found in a provision for the entry of Mexican peas, or garbanzo, which have been cleaned at such warehouses, and in the permission to sell for domestic consumption byproducts and waste arising in the manufacture of goods for export, provided duty is first paid on such articles as if imported from abroad.

(a) To protect the public revenue from unauthorized entry of goods into domestic trade, the owner of the goods is required, under present procedure, to give bond in double the amount of the duty, which is forfeited if the goods are stolen, lost, destroyed, or fraudulently removed.

(b) Even drayage between dock and warehouse must be done under bond.

(c) In addition, from the time they enter port until they are reshipped the goods are under constant customs control and supervision.

(d) While in the warehouse they must be placed and arranged in accordance with certain well-defined regulations, so that they may at any time be checked and inspected by special agents of the Treasury Department.

(e) Permits must be obtained for their reception and delivery, and strict accounts must be kept of all warehouse transactions.

(f) Except during the usual business hours in the warehouse there is no freedom; one is constantly met with a uniform and a cop's stick always held over him.

Let us turn to the drawback provision. Importers complain bitterly about the procedure that must be followed. The drawback is the 99-percent return of the duty paid the Government upon the reexportation of the goods that had been imported. Ordinarily, the duty is paid, the goods are taken into customs territory, possibly to the importer's place of business. Then the goods are reexported, either with or without admixture of domestic goods. The re-exporter then makes application for the drawback. But here again the Government imposes so many restrictions and such irksome regulations, that the importer often grows disgusted and abandons his claim. Take the situation, for example, that confronted a very large concern in Brooklyn, from whence I come. The concern is Hills Bros. Mr.

Lucius R. Hillman, of this firm, importers of citrons, dates, and fruits, testified as follows:

We import dry fruits, clementines, dates, and currants from Greece, citron from the Mediterranean. We repack and standardize these goods, and export to Mexico and other countries. This business brought us in contact with the drawback system. I have come to the conclusion that the manufacturing end would be largely an assembling of food products. With the use of sugar and the drawback on sugar, the difficulty which we experienced there has made the drawback claims, in our own case, so complicated and there are so many points which are objectionable, that we dropped making such claims.

The following list shows how the applications for drawbacks are declining, clearly far more proportionately than the general decline of commerce, indicating surely that there is something wrong with the system.

*Amount of customs drawbacks paid by United States since 1922*

1922	\$35,290,000.00
1923	11,934,000.00
1924	14,095,000.00
1925	20,658,000.00
1926	13,136,000.00
1927	13,560,046.08
1928	13,194,682.45
1929	14,925,883.43
1930	12,577,970.51
1931	12,162,475.46
1932	8,418,434.14
1933	7,154,527.56

At the hearings there was given a mass of testimony from most responsible sources, concerning the annoying and piddling regulations of the Government concerning drawback, bonding, and bonded warehouses. Here is a typical example of the testimony of such red tape.

There are a great many provisions in connections with these arrangements which are decidedly difficult and expensive to comply with. I have in my hand the announcement of the Treasury Department of rules governing "storage-manipulation warehouses" which are one of the type of warehouses providing for the handling of this transshipment business. Without going into detail, I want to call your attention to the fact that this notice indicates that there is a considerable routine which must be gone through not only by the owner of the warehouse in question in having his premises inspected, in filing his bond, in having a storekeeper in constant attendance while the warehouse is open, which entails considerable expense, but there is a further provision that when two or more manipulations are carried on simultaneously such additional storekeepers will be detailed as the collector of customs deems necessary. And then if someone comes in to have his goods manipulated—say they are furs—the provisions are that if on that manipulating floor one man has his furs out and with a Government storekeeper watching over their operations, and another man wants to withdraw some of his products from manipulation—that cannot be done at the same time if there is any conceivable possibility that there will be any mix-up.

Now, as this thing shapes up, I think—I may be wrong, but I think the United States actually discourages commerce. First, it sets up this tariff wall, then the customs book, a very formidable affair of regulations, covering some 700 pages, which require a customhouse broker to interpret, then about 8 classes of bonded warehouses, and storage, cartage, and lighterage, in customs, and a hundred forms you get from the United States Shipping Board to fill out. The exporter must export in the original marks of importation.

#### GENERAL SCOPE OF THE BILL

H.R. 9322 authorizes a board consisting of the Secretaries of Commerce, Treasury, and War, that under such rules and regulations as they may provide, to grant to certain corporations the privilege of establishing and maintaining these free ports in or adjacent to ports of entry under the jurisdiction of the United States. The Secretary of the Treasury shall assign to the zones the necessary customs guards and officers to protect the revenue of the United States. The zone may be operated by either a public corporation or a private corporation. If a private corporation, it must be chartered under a special act of the legislature of the State. Each port of entry shall be entitled to at least one zone. In the event of repeated violations, the grant to the public or private corporation may be revoked. The grantee must provide adequate docks, warehouses, and adequate transportation connections with surrounding territory.

#### DECLINE OF OUR REEXPORT TRADE

The following table shows a steady decline in our reexport trade:

1920	\$147,535,486
1921	106,103,332
1922	66,686,628
1923	76,777,989
1924	93,334,536
1925	91,125,076
1926	96,939,347
1927	106,511,635
1928	98,257,740
1929	83,912,175
1930	62,008,991

Here, again, there is indicated that there is something wrong with our system. I firmly believe that a foreign trade zone would greatly encourage this reexport business.

A free port has nothing to do with free trade.

The best statement that I have found on that is by Hon. William C. Redfield, formerly Secretary of Commerce.

He says, on page 20 of this United States Chamber of Commerce document [reading]:

There seems to be a lingering impression in the minds of some persons that a foreign trade zone has something to do with free trade. I wish, therefore, to repeat that a free zone or a foreign trade zone is a normal complement of a so-called "protective" policy. There is no occasion for a foreign trade zone in a free-trade country. A tariff status quo of the United States is maintainable in principle and in fact by the provisions of this bill.

Germany, a highly protective country, has several free ports. Japan and Italy also are protective countries, and have free ports. England, on the other hand, formerly practically a free-trade country, did not need foreign-trade zones, because all England was a sort of foreign-trade zone. Goods could come to English ports and could there be handled, sorted, manipulated, and transshipped to other countries without the embarrassments of customs. It is not the purpose of my bill to make this country a free-trade country in any event.

The foreign-trade zone has not that effect. Whether we have a high tariff or a low tariff, free ports can and should be established. In other words, the tariff policy of a country has nothing to do whatsoever with free ports.

#### THE EFFECT ON TRADE WITH WEST INDIES AND LATIN AMERICA

Permit me to quote the testimony of Hon. Frank Katzentine, mayor of Miami Beach, Fla.:

MR. KATZENTINE. Mr. Chairman, I understand that the proponents of free-trade zones, or foreign-trade zones, or free ports, or whatever you might call it, are here from New York and much more important locations than we are, and I am very happy to concede this position to any of those gentlemen that want to speak.

The only fresh view that we can give on the problem of free ports which might be of interest to this committee, of course, lying close to the Latin-American countries like we do, having a position that we think is strategic for the attraction of Pan American or Latin American trade, we are disturbed in our area by the fact that legislation in many of those Latin American countries is now pending, or about to be brought up, for the establishment of free ports. Now I am familiar, personally, in a degree, with the situation in Cuba. Being so close, within 2 hours from Cuba by plane from Miami Beach, we intervisit a great deal from the two countries, and you would be interested to know that the new regime that has replaced Machado in the Government of Cuba are fighting seriously at this moment to establish Habana as a free transshipping point. Now, that disturbs us. We are making a bid in Miami and Miami Beach to garner all of the island trades that we can. There are many islands in the West Indies, and along the western coast of South America many republics, many independent governments, who do not warrant being made a port of call by ocean liners; and if transshipment features without the intervention of customs could be established in a southern port, and located—if it were possible for us to have the advantages of a free zone where these goods could be brought in and taken out by the small vessels who call at these islands regularly, it would certainly economically be a big feature for us.

#### TRANSSHIPMENTS

Foreign trade in New York dropped 75 percent in value and 50 percent in volume since 1929. This drop is typical of ports throughout the country. We must do something to fill this void. Encouragement of transshipments will help. Establishment of foreign trade zones will induce greater transshipments between two foreign countries by way of ports of the United States.

Our ports are strategically located to handle transit business between South and Central America, West Indies, and



Canada on the one hand, and Europe, Asia, and Africa on the other hand.

One of the difficulties in capturing transit or reexport business is the complexity and cost of the customs regulations now necessary in connection with movement through or storage or manipulation in United States ports. Detailed supervision by Government storekeepers, filing of bonds, making out of endless forms, tickets, and receipts are necessary under the present system, but would be eliminated inside of a foreign trade zone, all policing being limited to the outside barrier in order to see that none of this business leaked into the domestic market without paying duty.

Suppose you are importing laces and embroideries, and fancy goods from Europe, and you want to distribute them in South America, and let us assume that the South American trade is of such a nature that you have got to have a peculiar shape of package, that you can throw over the pack of a mule, or even a llama, an evenly balanced package. You would be surprised to know how much the success of South American trade depends upon such a small thing as the size and shape of the package.

Now, suppose this embroidery and these fancy goods when they come from Europe are in square boxes, which are unsuitable for the South American trade. You cannot put one of them on the back of a mule. The customs regulation will not let you touch that box, or reopen it or repack it or change the shape of the package, without going through so much red tape that it just makes it unprofitable to conduct the operation at all.

Now, under this free-zone proposition, you can bring in all of those goods to this free zone, take them out of their packages, put them into the kind of package you want, and send it down to South America.

Our colleague, Representative J. MARK WILCOX, made a very interesting statement concerning transshipments through Miami. His statement could be duplicated concerning trade in almost every other port of entry along our great sea coast.

The beauty of that plan, as I see it from our own standpoint in southeast Florida, is that the various small Republics—Haiti, Cuba, and the various island republics in the West Indies, and those in northern and western South America, and the Central American countries—will have a point at which they may meet and exchange, somewhat on the idea of the old farmers' exchanges that we have in some of the rural sections of the country.

Now, in Haiti and Cuba and the Bahama group, and the various other small republics in the West Indies, and northern South America, it seems to us, if they had some point at which they might meet and exchange their goods, that it would be to the mutual advantage not only of those republics but of our country as well.

We think that we are particularly favored in our location, with reference to this particular group of nations. We think that great good can come to this country as the result of this, because there will be a point at which the buyer and the seller can meet. They can exhibit their goods, they can inspect their goods, and it will result in mutual advantage to both parties.

Now, it so happens that a great many times these small island republics, particularly down in the Bahama group, there is no individual island that is big enough to import a full cargo of any particular product, but if we had, at Miami, or at Miami Beach, a free port, at which our products might be exhibited, and they might bring their products there for exchange and exhibition, they could probably make up a cargo of various classes of goods and products of this country for importation into their own country; so it seems to me that enormous good can result to our foreign trade, particularly through our port, to South and Central America.

I herewith insert a table concerning transshipments by principal countries, which trade would be greatly benefited by foreign-trade zones.

TABLE I.—*In transit and transshipment trade of the United States, by principal countries, 1932<sup>1</sup>*

[Illustrating trade which may benefit from foreign-trade zones]

Shipped to—	
Belgium.....	\$5, 076, 382
France.....	7, 254, 699
Germany.....	8, 982, 823
Italy.....	5, 038, 854
Netherlands.....	4, 834, 151
Spain.....	2, 358, 066

<sup>1</sup> Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

TABLE I.—*In transit and transshipment trade of the United States, by principal countries, 1932—Continued*

Shipped to—	
United Kingdom.....	\$19, 229, 304
Canada.....	14, 755, 461
Mexico.....	5, 440, 359
Cuba.....	6, 084, 602
South America.....	9, 016, 376
Asia.....	3, 423, 289
Total all countries.....	110, 595, 439

I also insert table of imports and exports of foreign merchandise in the United States. It contains articles of trade which would be greatly benefited by foreign-trade zones.

TABLE II.—*Important exports (reexports) of foreign merchandise from the United States, 1932<sup>1</sup>*

[This is merely an illustration list of articles of trade which may benefit from foreign-trade zones]

Articles	Amount	Principal countries
Total trade.....	\$24, 864, 654	
Bristles.....	354, 493	United Kingdom.
Wheat.....	729, 513	Do.
Bananas.....	592, 710	Canada.
Cocoa beans.....	456, 099	Japan and Canada.
Coffee.....	1, 563, 319	Germany and France.
Cane sugar.....	1, 407, 262	United Kingdom and Mexico.
Rubber, crude.....	2, 015, 612	Canada.
Copra.....	210, 033	Mexico.
Tobacco, leaf.....	541, 980	Netherlands.
Cotton, unmanufactured.....	666, 946	China and Germany.
Sisal.....	1, 339, 593	Canada.
Abaca.....	202, 090	Do.
Combing wool.....	596, 929	United Kingdom.
Silk, raw.....	4, 957, 076	Canada.
Hat braids and sheets of straw.....	435, 469	Switzerland.
Hats of straw, palm leaf.....	619, 185	France and Italy.
Hats and hat bodies of fur felt.....	226, 868	Italy and France.
Other iron and steel manufactures (miscellaneous).....	470, 256	Sweden.
Copper, refined, etc.....	210, 566	France.
Tin, bars, block, etc.....	550, 411	Canada.
Art works, paintings, etc.....	4, 046, 801	France.

<sup>1</sup> Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

I also submit a table of the principal articles upon which drawback was paid, showing other articles of trade which will be benefited by foreign trade zones.

TABLE III.—*Principal articles on which drawback was paid on exportation, 1932<sup>1</sup>*

Illustrations of articles of trade which may benefit from foreign-trade zones

Dairy products	Razor blades
Rice, polished	Jewelry
Patent upper leather	Motion-picture films
Pork and beans, canned	Chewing gum
Hides and skins	Sirup, including maple
Dressed furs	Cotton cloth
Linseed-oil cake	Silk fabrics
Linseed meal	Dress piece goods
Canned fruits	Steel, plates, etc.
Soybean oil	Tungsten
Sugar	Lead, pigs, and bars
Confectionery	Storage batteries and parts
Cigarettes	

#### TRANSHIPMENTS OF ENGLAND

England is way ahead of us in the matter of transshipments. Half of the goods bought by the United States from England are not produced there at all. Cotton from Egypt we buy in London. Tin from Bolivia we buy in London. Wool from Australia and hemp from the Philippines we buy in London. We buy East Indian spirits in English ports. This should all be reversed. Encouragement of transshipments would reverse this process.

#### PORTS OF ENTRY

Where volume of business justifies it, ports of entry may be established inland. This is provided for under section 552 of the Tariff Act of 1930. There are seaports of entry, border ports of entry, and inland ports of entry. By virtue of thirty-eighth volume, United States Statutes at Large, page 633, a port may be established by Executive order. I herewith sub-

<sup>1</sup> Foreign Commerce and Navigation of the United States, 1932, Department of Commerce.

mit from the Customs Bureau a list of customs districts, headquarters, and ports of entry. The inland customs ports of entry are marked with an (x).

*List of customs districts, headquarters, and ports of entry*

[The port first named in the following list is the headquarters for the district. (\*) Indicates ports at which marine documents are issued]

No.	District	Boundary	Ports of entry
31	Alaska.....	All of the Territory of Alaska.....	*JUNEAU. Cordova. Craig. *Eagle. *Hyder. *Ketchikan. *Nome. *Petersburg. *Seward. *Sitka. *Skagway. Unalaska. *Wrangell.
26	Arizona.....	All of the State of Arizona.....	NOGALES. Douglas. Naco. San Luis. Sasabe.
9	Buffalo.....	All of the counties of Niagara, Erie, Cattaraugus, and Chautaugua in the State of New York.	*BUFFALO. Dunkirk. Niagara Falls (including Lewiston).
39	Chicago.....	All of the State of Illinois lying north of 39° of north latitude and all that part of the State of Indiana north of 41° of north latitude.	*CHICAGO. *Peoria, Ill.
47	Colorado.....	All of the State of Colorado.....	DENVER.
6	Connecticut.....	All of the State of Connecticut.....	*BRIDGEPORT. *Hartford. *New Haven. *New London.
34	Dakota.....	All of the States of North and South Dakota and the county of Kittson in the State of Minnesota.	*PEMBINA. Ambrose. Antler. Carbury. Crosby. Hannah. Hansboro. Lancaster, Minn. Neche. Northgate. Noyes, Minn. Portal. Sarles. Sherwood. St. John. Walhalla. Westhope.
36	Duluth and Superior.	All of the State of Minnesota except the county of Kittson lying north of 46° of north latitude and all of the State of Wisconsin lying north of said latitude, and the island of Isle Royale in the State of Michigan.	*DULUTH, MINN. and Superior, Wis. (including West Superior). Ashland, Wis. Baudette, Minn. International Falls, Minn. Ranier, Minn. Warroad, Minn.
24	El Paso.....	All of the State of New Mexico and that part of the State of Texas lying west of the Pecos River.	EL PASO, TEX. Columbus, N. Mex. Fabens, Tex. Presidio, Tex.
18	Florida.....	All of the State of Florida and the north bank of the St. Marys River and the city of St. Marys, Ga.	*TAMPA (including Port Tampa). *Apalachicola. Boca Grande. *Fernandina (including St. Marys, Ga.). Fort Pierce. *Jacksonville. *Key West. *Miami. Panama City. *Pensacola. Port Everglades. *St. Augustine. West Palm Beach.
22	Galveston.....	All of that part of the State of Texas lying east of 97° of west longitude, except the territory embraced in district no. 21 (Sabine).	*Galveston (including Port Bolivar and Texas City). Dallas. (x) *Houston.
17	Georgia.....	All of the State of Georgia except the north shore of the St. Marys River and the city of St. Marys, Ga.	*SAVANNAH. Atlanta. (x) *Brunswick.
32	Hawaii.....	All of the Territory of Hawaii.....	*HONOLULU. Hilo. Kahului. Port Allen.
40	Indiana.....	All of the State of Indiana lying south of 41° of north latitude.	*INDIANAPOLIS. (x) *Evansville. (x) Lawrenceburg (including Greendale).
44	Iowa.....	All of the State of Iowa.....	*DES MOINES. (x) *Dubuque. (x) *Sioux City. (x)
42	Kentucky.....	All of the State of Kentucky.....	*LOUISVILLE. (x)

*List of customs districts, headquarters, and ports of entry—Con.*

No.	District	Boundary	Ports of entry
27	Los Angeles..	All of that part of the State of California lying south of the northern boundaries of the counties of San Luis Obispo, Kern, and San Bernardino, except the counties of San Diego and Imperial.	*LOS ANGELES, CALIF. *Port San Luis.
1	Maine and New Hampshire.	All of the State of Maine and all of the State of New Hampshire except the county of Coos.	*PORTLAND, MAINE. *Bangor. *Bar Harbor. *Bath (including Booth Bay and Wiscasset). *Belfast. *Calais (including townships of Calais, Robinson and Baring). *Eastport (including Lubec and Cutler). Fort Fairfield. Fort Kent. Holeb-Jackman. Houlton. *Jonesport. Limestone. Madawaska. Mars Hill. *Portsmouth, N.H. (including Kittery, Maine). *Rockland. Van Buren. Vanceboro.
13	Maryland.....	All of the State of Maryland and the District of Columbia.	*BALTIMORE. *Annapolis. *Cambridge. *Crisfield. *Washington, D.C.
4	Massachusetts.	All of the State of Massachusetts..	*BOSTON (including Cambridge, Chelsea, Medford, Everett, Quincy, Somerville, Braintree, Weymouth, and Hingham, and waters adjacent thereto). *Fall River. *Gloucester. Lawrence. *New Bedford. Plymouth. *Provincetown. *Salem (including Beverly, Marblehead, and Lynn). Springfield. (x) *Vineyard Haven. Worcester. (x)
38	Michigan.....	All of the State of Michigan except the island of Isle Royale.	*DETROIT. Bay City. Cheboygan. *Grand Haven. Grand Rapids. (x) *Port Huron. Saginaw. (x) *Sault Ste. Marie.
35	Minnesota.....	All of the State of Minnesota lying south of 46° of north latitude.	*MINNEAPOLIS. (x) St. Paul. (x)
19	Mobile.....	All of the State of Alabama and all of that part of the State of Mississippi lying south of 31° of north latitude.	*MOBILE, ALA. Birmingham, Ala. (x) *Gulfport, Miss. Pascagoula, Miss.
33	Montana and Idaho.	All of the States of Montana and Idaho.	*GREAT FALLS, MONT. (x) Eastport, Idaho. Gateway, Mont. Porthill, Idaho. Sweetgrass, Mont.
20	New Orleans.	All of the State of Louisiana except the parishes of Cameron and Calcasieu, and all that part of the State of Mississippi lying north of 31° of north latitude York not expressly included in the districts of Buffalo, Rochester, and St. Lawrence, and also to include the counties of Sussex, Passaic, Hudson, Bergen, Essex, Union, Middlesex, and Monmouth in the State of New Jersey.	*NEW ORLEANS, LA. Baton Rouge, La.
15	North Carolina.	All of the State of North Carolina.	*Albany. *Newark, N.J. *Perth Amboy, N.J.
41	Ohio.....	All of the State of Ohio, and the county of Erie in the State of Pennsylvania.	*WILMINGTON. *Beaufort. Charlotte. (x) Durham. (x) *Elizabeth City. Reidsville. (x) Winston-Salem. (x) *CLEVELAND. Akron. (x) Ashtabula. *Cincinnati. (x) Columbus. (x) Conneaut. Dayton. (x) *Erie, Pa. *Sandusky. *Toledo.



## List of customs districts, headquarters, and ports of entry—Con.

No.	District	Boundary	Ports of entry
46	Omaha.....	All of the States of Nebraska and Wyoming.	*OMAHA, NEBR. (x)
29	Oregon.....	All of the State of Oregon and that part of the State of Washington which embraces the waters of the Columbia River and the north bank of the said river west of 119° of west longitude.	*PORTLAND, OREG. *Astoria. Longview, Wash. *Marshfield. *Newport.
11	Philadelphia..	All of that part of the State of Pennsylvania lying east of 79° of west longitude, all of the State of Delaware, and all that part of the State of New Jersey not included in district no. 10 (New York).	*PHILADELPHIA, PA. (including Camden and Gloucester City, N.J.). Chester, Pa. Lewes, Del. *Wilmington, Del.
12	Pittsburgh....	All of the State of West Virginia and all that part of the State of Pennsylvania lying west of 79° of west longitude, except the county of Erie.	*PITTSBURGH, PA. (x)
49	Puerto Rico..	All of the territory of Puerto Rico..	*SAN JUAN. Aguadilla. Arecibo. Arroyo. Fajardo. Guanica. Humacao. Mayaguez. Ponce. *PROVIDENCE. *Newport.
5	Rhode Island..	All of the State of Rhode Island....	*ROCHESTER, N.Y. Fair Haven. *Oswego. Sodus Point. Syracuse. (x) Utica. (x)
8	Rochester.....	All of the counties of Oswego, Oneida, Onondaga, Cayuga, Seneca, Wayne, Broome, Tompkins, Chenango, Madison, Cortland, Hamilton, Schuyler, Chemung, Herkimer, Monroe, Ontario, Livingston, Yates, Steuben, Orleans, Genesee, Wyoming, Allegany, and Tioga in the State of New York.	*PORT ARTHUR, TEX. Beaumont. *Lake Charles, La. Orange. Sabina.
21	Sabine.....	All of that part of the State of Texas from Sabine Pass north along State line to north boundary line of Shelby County; west to Neches River; down western shore of said river to north boundary of Jefferson County; westerly along said boundary to east boundary of Liberty County; south to Gulf. Also, the parishes of Cameron and Calcasieu in the State of Louisiana.	*SAN ANTONIO, TEX. (x) Brownsville. *Corpus Christi. Del Rio. Eagle Pass. Fort Worth. (x) Hidalgo. Laredo. Rio Grande City. Roma.
23	San Antonio..	All of that part of the State of Texas lying west of 97° of west longitude and east of the Pecos River.	*SAN DIEGO, CALIF. Andrade. Calexico. San Ysidro. Tecate.
25	San Diego.....	All of the counties of San Diego and Imperial in the State of California.	*SAN FRANCISCO-OAKLAND. (Collector of customs located at San Francisco, Calif.) *Eureka, Calif.
28	San Francisco.	All of that part of the State of California lying north of the northern boundaries of the counties of San Luis Obispo, Kern, and San Bernardino.	*CHARLESTON. *Georgetown.
16	South Carolina.	All of the State of South Carolina.	*OGDENSBURG, N.Y. Alexandria Bay. *Cape Vincent. Champlain. Chateaugay. Clayton. Fort Covington. Malone. Moers. Morristown. Rooseveltown. *Rouses Point. Waddington.
7	St. Lawrence.	All of the counties of Clinton, Essex, Franklin, St. Lawrence, Jefferson, and Lewis in the State of New York.	*ST. LOUIS, MO. (including East St. Louis, Ill.). (x) *Kansas City, Mo. (x) Oklahoma City, Okla. (x) St. Joseph, Mo. (x) Tulsa, Okla. (x)
45	St. Louis.....	All of the States of Missouri, Kansas, and Oklahoma, and all that part of the State of Illinois lying south of 39° of north latitude.	*MEMPHIS. (x) *Chattanooga. (x) Little Rock, Ark. (x) *Nashville. (x)
43	Tennessee.....	All of the States of Tennessee and Arkansas.	SALT LAKE CITY, UTAH.
48	Utah and Nevada.	All of the States of Utah and Nevada.	

## List of customs districts, headquarters, and ports of entry—Con.

No.	District	Boundary	Ports of entry
2	Vermont.....	All of the State of Vermont and the county of Coos in the State of New Hampshire.	*ST. ALBANS (including townships of St. Albans, Swanton, Highgate, and Franklin). Albany. Beecher Falls. *Burlington. Derby Line. Island Pond. Newport. North Troy. Richford.
14	Virginia.....	All of the State of Virginia and including the waters and shores of Hampton Roads.	*NORFOLK and *NEW-PORT NEWS. *Alexandria. *Cape Charles City. Petersburg. (x) *Reedville. Richmond. (x) *SEATTLE. *Aberdeen. Anacortes. *Bellingham. Blaine. Danville. Everett. Ferry. Friday Harbor. Laurier. Molson. Nighthawk. Northport. Olympia. Oroville. *Port Angeles. *Port Townsend. South Bend. Spokane. (x) Sumas. *Tacoma.
30	Washington..	All of the State of Washington except that part which embraces the waters of the Columbia River and the north bank of the said river west of 119° of west longitude.	*MILWAUKEE. Green Bay. Manitowoc. Marinette (including Menominee). Racine. Sheboygan.
37	Wisconsin....	All of the State of Wisconsin lying south of 46° of north latitude.	

## SOME OF THE OPERATIONS POSSIBLE IN A FREE PORT

First. Merchandise may be repacked in different containers. If now done, same must be under bond or duty must be repaid and drawback applied for.

Second. Division of goods for preparation of commercial grades.

Third. Mixture of goods with this same object.

Fourth. The hulling and toasting of coffee and cocoa.

Fifth. The working of hides and skins.

Sixth. Grinding of wood.

Seventh. Washing of wool.

Eighth. Extraction of oil from copra, and other oilseeds.

Ninth. The possible solidification of same.

Tenth. All operations involving manipulation of goods.

Eleventh. The exhibition of samples.

I can greatly multiply these examples. Take, for example, rice milling. This is an industry that can be successfully prosecuted in this country, provided we have sufficient supply of raw material. It is now almost limited entirely to the preparation of the domestic products for domestic consumption. It does not involve full employment. There is required expensive machinery and much skilled labor. The largest mills are idle much of the time because the domestic crop can keep them in operation only for half a year. Efforts have been made to use the idle mills in cleaning and milling oriental rice, the supply of which is very large, for reexport to the West Indies and Spanish America. To do this work profitably, the rice must be imported in full shipped cargoes and handled in bulk through grain elevators. These cargoes usually contain about 6,000 tons. The average duty is one-half cent a pound on the rice. The duty, therefore, on a full cargo, is \$60,000. This is a considerable amount of capital to pay out. Under the present regime, it can only be returned by way of drawbacks—a difficult and expensive operation taking months to get the money back. This outlay of capital is a serious handicap to this successful reexport business. However, if we had a free zone or a

free port we could easily bring in this rice from China and Japan to New Orleans or Galveston, clean it and process it and then ship it to Cuba or South America in the finished form without payment of one cent of import duties, and there would result a great stimulation of United States trade, giving employment to many more skilled laborers.

#### CONSIGNMENTS

There would be permitted in the free port the exhibiting of samples. This is now permitted in the Rockefeller Center in New York, where fine articles may be exhibited without the payment of duty. We would extend greatly the principle of exhibiting and consignment of goods by the establishment of a free port.

For example, the United States Chamber of Commerce comments favorably, particularly on that advantage that will result from a foreign-trade zone, in the following language. I will just read it briefly from one of their reports. They say that, alongside of transshipment trade, their chief argument for the free zone is its importance in the building up of a broad consignment market, that is, a consignment market for import as well as reexport. In the free ports of European countries, having protective-tariff systems, and in the ports of free trade of England, extensive consignment markets have grown up. Many grades of many commodities, raw materials, and semimanufactured materials for use in manufacturing, as well as finished products, are shipped to the great ports in quantities large enough to make for economical ocean shipment. There the manufacturers and merchants of the country, buyers from foreign countries, go and buy for immediate delivery, in the quantities desired by each individual purchaser, grades of merchandise which are known from actual display.

Auctions in consignment markets lead to advantageous purchasing. Grades and commodities found not to be suitable for the trade of the domestic market can be reexported without seriously hampering customs formalities.

In the United States we have a high protective tariff bearing on a wide range of raw materials and semimanufactured materials for further use in manufacturing. In 1920 the total dutiable imports of raw and semimanufactured materials, including foodstuffs, greatly exceeded \$1,000,000,000. On manufactured products our manufacturers and merchants do not have the advantages of a consignment market. Our system of bonded warehouses has imposed certain handicaps on this class of business. The American manufacturer or merchant today has to negotiate at long range, often through foreign middlemen, for comparatively large quantities of dutiable merchandise. With free zones in the United States, where a broad consignment market could be built up, the American business men would have the advantages which European business men have, of negotiating in the ports of their home country for quick delivery of merchandise in amounts immediately desired and grades known by inspection. The American manufacturers would benefit by having stocks of dutiable supplies readily accessible and could buy in quantities as needed without tying up the large sums of money now tied up in carrying comparatively large stocks, by reason of the nonexistence of the facilities of a consignment market in the United States. As a diversified entrepôt and consignment business grows up in the United States it would direct to our markets a great many Latin-American and other buyers from abroad, who now do their buying in the established consignment markets in European centers.

#### LIST OF FREE PORTS

I am offering a statement prepared by the Division of Foreign Tariffs of the Department of Commerce on September 26, 1933, listing the free ports and zones through the world.

#### FREE PORTS AND ZONES IN OPERATION

Abyssinia: Assab, Eritrea (Italian Africa).  
Austria: Vienna (practical free port privileges).  
Canary Islands: All ports.  
China: Dwang-Chow-Wan (French leased territory).  
Danzig Free City: Free zone.  
Greece: Saloniki, Pireaus.  
Hungary: Budapest (Csped).

Italy: Genoa, Fiume, Zara, Naples, Trieste, Cararo District, Leghorn, and Bari.

Japanese Manchuria: Darien and Port Arthur (no duties are assessed in this territory).

Latvia: Libau and Windau.

Poland: Gdynia.

Portuguese China: Macao.

Russia (Siberia): Vladivostok.

Denmark: Copenhagen.

Finland: Hango is no longer operated as a free port.

France-Switzerland: Territory of Gex and Haute Savoie.

Germany: Bremen, Bremerhaven, Cuxhaven, Emden, Flensburg, Hamburg, Kiel, Brake, Stettin, Altoona, Goestemuende.

Rumania: Free port at Sulina (discontinued).

Spain: Barcelona, Bilbao, and Cadiz.

Spanish Morocco: Cueta and Melilla.

Sweden: Goteborg, Malmo, and Stockholm.

Switzerland (free depots—no customs control): Basle, Lausanne, St. Gall, and Zurich.

Yugoslavia: Saloniki (section of Greek port).

Bolivia: Puerto Suarez, Yacuba, and Cabija (not real free ports, but places where certain articles for local consumption are free of duty).

#### FREE STORAGE (FOR CUSTOMS PURPOSES THE SAME AS FREE PORTS)

Germany: Hamburg, Koelnigsberg, Leer, and Luebeck.

Spain: Malaga, Mahon, and Valencia.

#### FREE CITIES (DUTIES ONLY ON TOBACCO AND SPIRITS AS A RULE)

Aden, Falkland Islands, Gibraltar, Hong Kong, Kowloon, Phoenix Islands.

Singapore (Straits Settlements). (Duties have recently been assessed on a wide range of commodities for consumption in Malaya.)

Spanish ports: Alhucemas, Pinon de la Gomera y Chalfarina.

Macao (consumption taxes have recently been assessed on certain products).

French Indian ports.

Malacca.

#### FREE PORTS OR ZONES PROPOSED OR AUTHORIZED

Austria: Stadlau.

Belgium: Antwerp, Ostend, and Zeebrugge.

Italy: Ancona, Brindisi, Catania, Messina, Palermo, Ravenna, and Venice.

Latvia: Riga.

Norway: Plans for free zones at Bergen, Christiania, Christiansand, and Trondhjen have been dropped.

Rumania: Galatz and Bralla.

Constanza: Guirgul.

Spain: Almeria, Santander, and Vigo.

Switzerland: Chiasso and Romanshorn.

Estonia: Baltiski.

Irish Free State: Dublin.

Yugoslavia: Spalato and Susak, sections for Hungary and Poland.

Palestine: Haifa, zone for Iraq trade.

Cuba: Matanzas.

Argentina: Buenos Aires.

Brazil: Rio de Janeiro.

Costa Rica: Limon.

Panama: Colon.

Paraguay: Concepcion (mainly a transshipment point to Brazil).

Uruguay: Colonia, Nueva Palmira, and Santo Rosa.

Venezuela: Turiamo.

#### UNDER DISCUSSION

Bulgaria: Varna.

Syria: Beirut and Alexandretta.

Morocco: Tangier.

Mexico: Tia Juana and Ensenada.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MCGUGIN. Mr. Speaker, I ask unanimous consent that upon the conclusion of the remarks today of the gentleman from Pennsylvania [Mr. McFADDEN] I may be permitted to address the House for 5 minutes.

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

There was no objection.

#### THE CRISIS IN EDUCATION

Mr. DRIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an address delivered by the gentleman from Mississippi [Mr. COLLINS] on May 13.

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

There was no objection.

Mr. DRIVER. Mr. Speaker, on Mother's Day, May 13, 1934, of this year I listened with much enjoyment to a very fine speech delivered by Hon. ROSS A. COLLINS, of Mississippi, over the NBC-WEAF network.



The program was sponsored by the National Educational Association of the United States. Dr. Belmont Farley, of that association and one of the outstanding leaders in the educational world, introduced Mr. COLLINS in these words:

INTRODUCTION BY MR. FARLEY

Among those leaders of Congress who have recognized the importance of education at all times is ROSS A. COLLINS, of Mississippi. When he was first a candidate for Congress in 1920, he advocated "I favor additional Government aid for common schools, such aid to be expended by and at all times to be under the control of State authorities." He can be classified as a lifelong friend of the cause of education. We are, therefore, pleased to have Mr. COLLINS speak to you from the headquarters building of the National Education Association in Washington, D.C.

It was Mr. COLLINS who, a few years ago, secured the unanimous passage through both Houses of Congress of a bill to purchase the most famous library of all times, the Vollbehr collection, including the Gutenberg Bible on vellum, thereby preserving thousands of books of historical and cultural value published during the infancy period of printing.

Mr. COLLINS likewise helped to secure for the Library of Congress the Russian Czar's private library.

In recent months he has devoted much time effectively to providing emergency aid to the public schools. Every parent in the Nation is indebted to him for his efforts in behalf of their children.

Recently Congressman COLLINS was rated by Washington newspapermen as one of the eight Members of the House of Representatives possessing the most personal power and influence among their colleagues.

I am pleased to introduce to you Congressman ROSS A. COLLINS, of Mississippi.

SPEECH OF MR. COLLINS

Free education is the United States' greatest contribution to civilization. Our forefathers realized that education is the very root and heart of our national existence and of our natural well-being. Our statesmen were impressed by the intimate relation existing between education and democracy, and today we fully realize that education is essential and, in fact, the first prerequisite for a democratic state. Democracy depends for its very existence and its efficient functioning on education. It, therefore, behooves us, during the strenuous upheaval through which we are passing, that we do not neglect the cornerstone of our democracy.

The national stock-taking of our educational facilities reveals several interesting facts. First, education is expensive but not extravagant. It is worth every cent put into it. Yet it does cost money and, therefore, during the period of economic depression—punctured by bankruptcies of all kinds, business and bank failures, unmarketable crops, unsalable land, and uncollectible taxes—certain economies in public expenditures became necessary, and educational appropriations suffered accordingly.

Until economic adversity overtook the Nation its record of education was an ever-expanding one. New school facilities and new responsibilities were annually being added to the American system of public education. Today this great record of new opportunities for our children has ceased to grow and has receded and shrunk with alarming rapidity.

Instead of new schools being opened old ones are being closed. In all States the school term has been drastically shortened. Thus pupils who would normally have entered high school at 14 may be 16 or 17 when they start to school. It is almost impossible to realize the significance of this retardation in the life of the boy and girl.

Again, the number of teachers, instead of increasing to take care of added enrollment is decreasing month by month. Last year, for example, 15,000 teachers were dismissed and one-third of those actually employed are existing on salaries below the subsistence level. Moreover, courses and opportunities offered to American children are becoming fewer and fewer. A crisis that is a real threat to our Nation and one which deeply concerns every thinking man and woman does indeed exist in our school system. We cannot be indifferent to an educational system that throws children of school age into the city streets.

Recently 32 great civic, labor, and patriotic organizations combined to form a committee to study this crisis. This committee on Federal emergency relief for education confirmed the findings of the United States Office of Education in a survey undertaken late last year. And these two studies have brought home to me with stark effectiveness the critical situation in our school system which has been uppermost in my thoughts and actions during the past 2 years.

This situation demands immediate action. It demands what I have advocated upon all occasions—Federal aid to the States and municipalities that cannot provide for their children complete, up-to-the-minute educational facilities. This Federal aid should be given directly to the States to be administered by the State school systems. There should be no extension of Federal control over our great State school organization. But adequate Federal funds, aggregating at least \$100,000,000, should be provided by this Congress at once.

Figures are tiresome at best. But the figures that show the very real crisis in our schools are so significant as to demand the serious consideration of everyone.

Today more than one million children are in school only because Federal funds are keeping them there. Twenty thousand teachers are inculcating these children with the rudiments of learning and with the tenets of loyal citizenship because Federal funds have made it possible.

Through the liberalization of a Federal relief order, in which I am proud to say I played a small part, hundreds of rural schools have been able to finish their regular terms this spring.

That is the bright side of the picture.

When Federal aid ran out this spring, 140,000 children had to leave school because the schools closed. And unless ample Federal aid is forthcoming for the school year of 1934-35, it may be said without exaggeration that the happiness, the opportunities, and the training in citizenship of hundreds upon hundreds of thousands of children will be seriously affected if not totally wrecked.

Why is Federal aid so necessary? The report I have already mentioned tells how tax delinquencies have mounted, how school budgets have been cut and cut again, how more and more abatements of taxes are effected, how income for school uses has grown smaller and smaller, how States and municipalities have borrowed up to their limit, and how enrollments, due to the elimination of child labor, will increase next year.

No person who has given consideration to our crisis in education denies that virtually all of our States and many localities need Federal aid for their schools. In February, 44 State superintendents of instruction were asked whether Federal aid would be needed for the next year and all but 3 answered in the affirmative.

It must be remembered also that this aid was requested on the basis of the barest necessities in education. I am deeply moved when I think how all the fine advances and refinements and opportunities in our educational system have been practically swept away in the upheaval of the last few years. Kindergartens, nursery schools, art courses, manual and vocational training, night classes, music instruction, domestic science, and specialized work for students with marked aptitude—all of those advances have been cast overboard in the efforts of many school systems to give the minimum three R's under depression circumstances. Today these educational systems are fighting to keep in operation—they are, in truth, drowning men. Unless the Federal Government can give them aid the school year of 1934-35 will see hundreds of casualties in the educational world and hundreds of thousands of children denied their rights.

My message is this: Education is a necessity if this Government is to exist. It is our duty to provide this training for our children. It is the further duty of the Federal Government to see that this obligation is properly fulfilled when circumstances prevent the States and municipalities from fulfilling it.

Therefore, I contend that it would be a great catastrophe if proper and ample provision were not made by the Federal Government to preserve our whole system of public instruction in its entirety. I refuse to stand by and watch our growing generation denied their rights and opportunities. And with this resolution I pledge to you my unswerving service in behalf of our children, our schools, and our Nation.

FOREIGN-TRADE ZONES

The SPEAKER. The unfinished business for today is the passage of the bill (H.R. 9322) 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.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 86, noes 42.

Mr. WOODRUFF and Mr. BLANCHARD rose.

Mr. WOODRUFF. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 254, nays 95, answered "present" 2, not voting 80, as follows:

[Roll No. 149]

YEAS—254

Adair	Brown, Ga.	Cartwright	Crosser, Ohio
Adams	Brown, Ky.	Cary	Crowe
Arnold	Brown, Mich.	Castellow	Crump
Ayers, Mont.	Brunner	Cavichia	Cullen
Ayres, Kans.	Buchanan	Celler	Cummings
Bacharach	Buck	Chapman	Darden
Bacon	Burch	Chavez	Darrow
Bakewell	Burke, Calif.	Cochran, Mo.	Dear
Bankhead	Burke, Nebr.	Colden	Deen
Beam	Burnham	Cole	Delaney
Beck	Byrns	Collins, Calif.	DeRouen
Beiter	Cady	Collins, Miss.	Dickinson
Biermann	Caldwell	Colmer	Dickstein
Bland	Cannon, Mo.	Condon	Dies
Blanton	Carden, Ky.	Cooper, Tenn.	Disney
Bloom	Carmichael	Cox	Dobbins
Boehne	Carpenter, Kans.	Cravens	Dockweiler
Boylan	Carpenter, Nebr.	Crosby	Doughton
Brooks	Carter, Calif.	Cross, Tex.	Doxey *

Drewry	Jacobsen	Mitchell	Smith, Va.
Driver	Jenckes, Ind.	Monaghan, Mont.	Smith, Wash.
Duffey	Johnson, Okla.	Montague	Somers, N.Y.
Duncan, Mo.	Johnson, Tex.	Montet	Spence
Durgan, Ind.	Johnson, W. Va.	Moran	Steagall
Eagle	Jones	Muldowney	Stokes
Eaton	Kahn	Nesbit	Strong, Tex.
Elcher	Kee	O'Brien	Stubbs
Ellenbogen	Keller	O'Connell	Studley
Elzey, Miss.	Kelly, Ill.	O'Connor	Sullivan
Eitze, Calif.	Kennedy, N.Y.	Oliver, Ala.	Sumners, Tex.
Englebright	Kleberg	Oliver, N.Y.	Sutphin
Evans	Kocalkowski	Owen	Swank
Faddis	Kopplemann	Palmisano	Tarver
Farley	Kramer	Parker	Taylor, S.C.
Fernandez	Lanham	Parks	Terry, Ark.
Fitzpatrick	Larrabee	Parsons	Thom
Flannagan	Lea, Calif.	Patman	Thomason
Ford	Lee, Mo.	Peyser	Thompson, Ill.
Frear	Lehlbach	Polk	Thompson, Tex.
Fuller	Lehr	Prall	Tinkham
Fulmer	Lewis, Colo.	Ramsay	Turner
Gambrell	Lewis, Md.	Ramspeck	Umstead
Gasque	Lindsay	Rankin	Underwood
Gavagan	Lozier	Rayburn	Utterback
Gilchrist	Ludlow	Relly	Vinson, Ga.
Gillespie	McCarthy	Richards	Vinson, Ky.
Glover	McClintic	Richardson	Wallgren
Goldsbrough	McCormack	Robertson	Walter
Granfield	McDuffie	Rogers, N.H.	Warren
Gray	McFarlane	Romjue	Welch
Greenwood	McGrath	Rudd	Werner
Gregory	McKeown	Ruffin	West, Ohio
Griffin	McMillan	Sabath	West, Tex.
Griswold	McReynolds	Sanders, La.	Whittington
Harlan	McSwain	Sanders, Tex.	Willford
Hartley	Mansfield	Sandlin	Williams
Hastings	Martin, Colo.	Schaefer	Wilson
Henney	Martin, Oreg.	Schuetz	Wood, Ga.
Hildebrandt	May	Schulte	Wood, Mo.
Hill, Ala.	Mead	Scrugham	Woodrum
Hill, Samuel B.	Meeks	Sears	Young
Howard	Merritt	Shallenberger	Zioncheck
Huddleston	Miller	Shannon	
Hughes	Milligan	Sirovich	

## NAYS—95

Allen	Focht	Lemke	Simpson
Andrew, Mass.	Foss	Lundeen	Sinclair
Arens	Gifford	McFadden	Snell
Beedy	Goodwin	McGugin	Stalker
Blanchard	Goss	McLeod	Strong, Pa.
Bolleau	Guyer	Maloney, Conn.	Swick
Cannon, Wis.	Hancock, N.Y.	Mapes	Taber
Carter, Wyo.	Hess	Marshall	Taylor, Tenn.
Christianson	Higgins	Martin, Mass.	Terrell, Tex.
Clarke, N.Y.	Hill, Knute	Millard	Thomas
Coffin	Hoepfel	Morehead	Tobey
Connery	Hollister	Mott	Traeger
Connolly	Holmes	Murdock	Treadway
Crowther	Hope	O'Malley	Truax
Culkin	Imhoff	Peavey	Weideman
De Priest	James	Pierce	White
Dingell	Johnson, Minn.	Plumley	Whitley
Dirksen	Kelly, Pa.	Powers	Wigglesworth
Ditter	Klinzer	Ransley	Withrow
Dondero	Kloeb	Reed, N.Y.	Wolcott
Dowell	Kniffin	Rich	Wolfenden
Edmiston	Knutson	Robinson	Wolverton
Flesinger	Lambertson	Rogers, Mass.	Woodruff
Fletcher	Lamneck	Secrest	

## ANSWERED "PRESENT"—2

Dunn	Gillette
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## NOT VOTING—80

Abernethy	Clark, N.C.	Jeffers	Pettengill
Allgood	Cochran, Pa.	Jenkins, Ohio	Randolph
Andrews, N.Y.	Cooper, Ohio.	Kennedy, Md.	Reece
Auf der Heide	Corning	Kennedy	Reid, Ill.
Bailey	Douglass	Kerr	Rogers, Okla.
Berlin	Doutrich	Kurtz	Sadowski
Black	Edmonds	Kvale	Seger
Boland	Fish	Lambeth	Shoemaker
Bolton	Fitzgibbons	Lanzetta	Sisson
Brennan	Foulkes	Lesinski	Smith, W. Va.
Britten	Frey	Lloyd	Snyder
Browning	Green	Luce	Sweeney
Brumm	Greenway	McLean	Taylor, Colo.
Buckbee	Haines	Maloney, La.	Thurston
Bulwinkle	Hamilton	Marland	Turpin
Busby	Hancock, N.C.	Moynihan, Ill.	Wadsworth
Carley, N.Y.	Hart	Musselwhite	Waldron
Chase	Harter	Norton	Wearin
Church	Healey	Perkins	Weaver
Claborne	Hoidale	Peterson	Wilcox

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Corning (for) with Mr. Waldron (against).  
 Mr. Seger (for) with Mr. Jenkins of Ohio (against).  
 Mr. Black (for) with Mr. Reid of Illinois (against).  
 Mr. Fish (for) with Mr. Chase (against).  
 Mr. Lanzetta (for) with Mr. Reece (against).

## Until further notice:

Mr. Douglass with Mr. Cooper of Ohio.  
 Mr. Allgood with Mr. Luce.  
 Mr. Kerr with Mr. Turpin.  
 Mrs. Norton with Mr. Bolton.  
 Mr. Weaver with Mr. Kurtz.  
 Mr. Taylor of Colorado with Mr. Buckbee.  
 Mr. Green with Mr. Doutrich.  
 Mr. Bulwinkle with Mr. Thurston.  
 Mr. Busby with Mr. Brumm.  
 Mr. Browning with Mr. Wadsworth.  
 Mr. Abernethy with Mr. Cochran of Pennsylvania.  
 Mr. Boland with Mr. Britten.  
 Mr. Clark of North Carolina with Mr. McLean.  
 Mr. Hancock of North Carolina with Mr. Kvale.  
 Mr. Kennedy of Maryland with Mr. Perkins.  
 Mr. Maloney of Louisiana with Mr. Edmonds.  
 Mr. Sweeney with Mr. Andrews of New York.  
 Mr. Smith of West Virginia with Mr. Moynihan of Illinois.  
 Mr. Church with Mr. Jeffers.  
 Mr. Carley of New York with Mr. Shoemaker.  
 Mr. Pettengill with Mr. Brennan.  
 Mr. Haines with Mr. Claborne.  
 Mr. Lloyd with Mr. Kenney.  
 Mr. Berlin with Mr. Randolph.  
 Mr. Marland with Mr. Snyder.  
 Mr. Wearin with Mr. Harter.  
 Mr. Wilcox with Mr. Sisson.  
 Mr. Lambeth with Mr. Hoidale.  
 Mr. Bailey with Mr. Foulkes.  
 Mr. Auf der Heide with Mr. Lesinski.  
 Mr. Healey with Mr. Sadowski.  
 Mr. Peterson with Mr. Fitzgibbons.  
 Mrs. Greenway with Mr. Frey.  
 Mr. Hamilton with Mr. Hart.

Mr. CANNON of Wisconsin changed his vote from "aye" to "no."

The result of the vote was announced as above recorded. The doors were opened.

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

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement at this time.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, the gentleman from West Virginia [Mr. RANDOLPH] is necessarily absent today. If he were present, he would vote "aye" on this bill.

## ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to ask the majority leader a question about the program.

Will the gentleman inform us whether we are to be in session tomorrow, and, if so, what the program will be for that day and, so far as the gentleman may know at this time, what will be the program for the balance of the week?

Mr. BYRNS. It is the expectation to be in session tomorrow, and the gentleman from North Carolina [Mr. DOUGHTON], Chairman of the Ways and Means Committee, expects to call up the silver bill in the morning.

Mr. SNELL. That will probably take the major part of the day at least?

Mr. BYRNS. I do not know how long it will take.

Mr. SNELL. Can the gentleman tell us what he expects to come up during the balance of the week?

Mr. BYRNS. It is impossible to say now. Of course, it is the purpose to give the appropriation bill the right-of-way as soon as it is reported, but I have not been able to get any definite information about when the committee will be ready to make its report. The same thing is true of the communications bill.

Mr. SNELL. Bills on the Private Calendar are to be considered tonight.

Mr. BYRNS. Yes; and I may say to the gentleman that if the two bills to which I have referred are not reported, or are not ready for consideration, either conference reports or some of the rules that are now on the desk will be taken up for consideration.

Mr. SNELL. In the consideration of the Private Calendar today is preference to be given to bills passed by the Senate?

Mr. BYRNS. That was not the order of the House. Of course, if the House wants to take such action when it meets, that can be done.

Mr. SNELL. I think we really should take action before we meet, if any such action is going to be taken at all, so



that the Members who attend the session tonight may have a definite understanding one way or the other.

Mr. BYRNS. I may say to the gentleman that it has been my purpose to ask the House to hold a session to consider solely Senate bills on the Private Calendar, but I thought it was a little early to make such a request this week, because Members who have House bills on the calendar should have the opportunity of having them considered by the House tonight.

Mr. SABATH. Does not the gentleman think it would be well if the Senate would consider some of the House bills before we act on the Senate bills?

Mr. ZIONCHECK. I think that is a good suggestion.

Mr. BYRNS. I think that is true, and I presume they are doing that.

Mr. ZIONCHECK. I think that is, perhaps, a rather violent presumption.

Mr. HASTINGS. Mr. Speaker, will the majority leader tell us what is to be the program for the balance of the day?

Mr. BYRNS. I understand we have special orders which will consume 1 hour and 20 minutes and then there may be a conference report on the air mail called up by the gentleman from New York [Mr. MEAD]. Then, I understand, it is the purpose to call up the conference report on the legislative bill, and after that, if there are no other conference reports, the Rules Committee proposes to take up a bill authorizing the District of Columbia to borrow money from the P.W.A. Then there is the bill with respect to prison-made goods, introduced by the gentleman from Georgia [Mr. TARVER]. I do not know whether we will conclude the consideration of all of them today or not.

Mr. RAYBURN. Mr. Speaker, I wish to propound an inquiry to the majority leader and the minority leader about the program for this week. Is it the expectation to stay in session all of this week?

Mr. BYRNS. That is the expectation now.

Mr. RAYBURN. I had in mind the conference report on the stock exchange bill, which will go to the Senate this afternoon. I should certainly like to get that out of the way.

Mr. BYRNS. I hope the gentleman may call it up at the earliest opportunity.

Mr. RAYBURN. I also wanted to ask if it would not be possible to get up the communications bill early next week.

Mr. BYRNS. I do not think there is any question about that.

Mr. BIERMANN. I understand the silver bill is coming up tomorrow.

Mr. BYRNS. Yes.

Mr. BIERMANN. Is the consideration of that bill to be completed at that time?

Mr. BYRNS. I may say to my friend that, of course, no one can tell whether the consideration of the silver bill will be concluded tomorrow or not. I hope it will be. I understand some of the gentlemen have made engagements for tomorrow on account of its being Memorial Day, and it is my purpose, if the consideration of the silver bill is concluded and the bill gets up to a vote, to ask the House to postpone the vote until Thursday, so as to give the gentlemen who may be absent an opportunity to be here. However, I cannot, of course, guarantee that this will be done.

Mr. BIERMANN. Does the gentleman expect that we will be in session on Saturday of this week?

Mr. BYRNS. At the present time I think so; but, of course, that is a matter for future consideration.

#### LEGISLATIVE APPROPRIATION BILL—1935

Mr. LUDLOW submitted the following conference report on the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15, and the amendments of the House to

the amendments of the Senate numbered 12 and 16 to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 15; and agree to the same.

Amendment numbered 12: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "\$443,880"; and the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by such amendment of the House insert the sum "\$212,934"; and the House agree to the same.

LOUIS LUDLOW,  
WILLIAM J. GRANFIELD,  
JOHN N. SANDLIN,  
J. P. BUCHANAN,

*Managers on the part of the House.*

MILLARD E. TYDINGS,  
JAMES F. BYRNES,  
MARCUS A. COOLIDGE,  
FREDERICK HALE,  
JOHN G. TOWNSEND, JR.,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate nos. 1, 2, 3, 4, 5, 6, and 15, and the amendments of the House to the amendments of the Senate nos. 12 and 16, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The Senate amendments involve increases in compensation to six employees of the Senate involving a total of appropriations in this bill of \$4,410. The managers on the part of the House have agreed to all of such amendments in the amounts and in the language contained in the Senate amendments.

In the adjustment of this difference between the two Houses involving the principle of the right of each House to determine the compensation of its own respective employees, the managers on the part of both Houses have reached an understanding that in the preparation of future bills carrying compensation of employees of Congress they will confer prior to the formulation and reporting of the bills in either House, with a view to reaching a joint understanding touching the matter of general policy to be pursued toward such compensation.

LOUIS LUDLOW,  
WILLIAM J. GRANFIELD,  
JOHN N. SANDLIN,  
J. P. BUCHANAN,

*Managers on the part of the House.*

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

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

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

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

There was no objection.

The Clerk read the statement.

Mr. LUDLOW. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas, Mr. BUCHANAN, chairman of the committee.

Mr. BUCHANAN. Mr. Speaker, it is absolutely essential that this conference report be agreed to now and the bill signed, so that it can go to the Senate, have the conference report agreed to by the Senate, and the bill reach the President before 12 o'clock tomorrow, when he leaves Washington.

The circumstances are that there are 4,000 employees in the Government Printing Office, and without this bill the authorities will have no money to pay their monthly salaries. They depend upon the monthly salary to pay for their daily bread. It would be unjust to postpone the conference report and make them go without their salaries on a difference between the two Houses of less than \$5,000.

I will say that the conference committee made an agreement that this character of controversy will not arise in the future, if the agreement is lived up to. We agreed that on any future proposed increase of salaries the proper subcommittees of the House will confer and reach an understanding between the two Houses.

Mr. SINCLAIR. In all future differences between the two Houses?

Mr. BUCHANAN. No; but on the differences arising before the bill is marked up as to the salary of employees. The two committees will confer and reach an agreement or policy as to the employees' salary.

Mr. CULKIN. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CULKIN. Does this bill carry an appropriation to take care of the difference in exchange for consular representatives?

Mr. BUCHANAN. A little over \$7,000,000. That was adopted in the first conference on the bill.

Mr. SINCLAIR. Is this resolution the gentleman speaks of in relation to increase in salaries a continuing resolution or law between the two bodies?

Mr. BUCHANAN. It is not a law; it is merely an agreement or understanding recorded in the report of this conference committee for future reference and future guidance. Of course, they can violate it, but I do not believe they will, for we have had too much trouble on this.

Mr. LUDLOW. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Speaker, I merely want to call the attention of the House to the agreement just referred to by the chairman, because it is unprecedented. During the hearings in the House Committee it was learned that certain employees of the House were in line for increases in salary, and that the same condition prevailed in the Senate. It was decided at that time, and supported by the chairman of the full committee [Mr. BUCHANAN] that this was not the time to increase salaries, and if that question was to be considered, that it should be by a special resolution whereby a survey could be made by a special committee and all cases considered on their merits.

At the first meeting of the conferees it was tentatively agreed that the Senate should have additional employees, but promised no additional moneys to be appropriated for increase of salaries. I will ask the gentleman from Texas if that is correct?

Mr. BUCHANAN. That is correct.

Mr. McLEOD. Then, later, the Senate conferees side-stepped and would not agree unless additional salaries were included. There are several House employees whom the House committee felt should receive increases in their salaries. We reluctantly agreed to let that go by this session. Then during the first consideration in the House of this bill, the chairman of the subcommittee [Mr. LUDLOW] advised that there was such a resolution as I referred to a moment ago now pending, for a survey of this situation relative to increasing the salaries of employees of the House of Representatives. With the Senate having the additional places allotted, with no objection on the part of the House, with the House in the position that no increase in salaries

will accrue to its own employees, we are now obliged, in order to cater to the Senate, to accede to their request. This is not necessary and we should stand pat. The chairman of the committee has pointed out that there are 4,000 employees of the Government Printing Office who have to be taken care of at once. They can be taken care of by a continuing resolution. That has been done before and it can be done now.

Mr. BUCHANAN. But the gentleman understands that it would be impossible to get a continuing resolution through both Houses between now and 12 o'clock tomorrow so that the President would have a chance to sign it.

Mr. McLEOD. Does not the chairman believe that such a resolution could be put through as quickly as this conference report?

Mr. BUCHANAN. No; we would have to have an investigation and the report of the subcommittee and a meeting of the whole committee and reported to the House, where it would not have a privilege status, and then it would have to go from the House to the Senate, where the same procedure would be gone through.

Mr. McLEOD. Does not the chairman believe that this indicates a weakness on the part of the House in a situation such as this?

Mr. BUCHANAN. I do not. I believe that we have made substantial progress along the line that the House conferees started out to make. We have procured a solemn recorded agreement that they will confer with the House committee before any other bill is reported by either House covering increase of salaries, and adopt and agree upon a policy to be pursued regarding the salaries of employees of Congress.

Mr. McLEOD. The chairman knows that this bill has been in conference more than 4 weeks. A continuing resolution could have been introduced and passed a long time ago, and this weakness that we are now about to admit would have been avoided.

Mr. BUCHANAN. Would the gentleman deprive 4,000 men of their weekly or daily or monthly salary just on a squabble over less than \$5,000 between the two Houses?

Mr. McLEOD. The gentleman is an authority on this question, and he knows that it would not deprive those employees of a penny.

Mr. BUCHANAN. I certainly know it would.

Mr. McLEOD. A continuing resolution could be put through both Houses if we insisted.

Mr. BUCHANAN. Oh, a continuing resolution could be put through for everything.

Mr. McLEOD. Mr. Speaker, I rose merely to call this situation to the attention of the House. I trust we can find ways and means so that we may not be obliged to continue to bow to the Senate.

Mr. LUDLOW. Mr. Speaker, this is an exigent situation that we are facing. Day after tomorrow, unless we take this action, about 4,000 employees of the Government Printing Office will be camping at our doors. As a matter of fact, instead of displaying weakness, we have made a good fight and have secured the establishment, I think, of a very great principle, and that principle is that the Senate hereafter will make no increases in the salaries of their personnel without first consulting the chosen representatives of the lower branch of Congress on the Committee on Appropriations. I think that fight has been worth while, and I think the result is very important. Mr. Speaker, I call for a vote.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to; and a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### OATHS TO APPLICANTS FOR TAX-EXEMPTION CERTIFICATES, COTTON CONTROL ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 123, empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exempt certificates under the Cotton Act of 1934.



The SPEAKER. The gentleman from Texas asks unanimous consent for the present consideration of Senate Joint Resolution 123, of which the Clerk will report the title.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Is this satisfactory to the gentleman from Kansas [Mr. HOPE]?

Mr. JONES. Yes; I have had the matter up with him. All it does is simply to authorize the county and community committees to take affidavit from these applicants.

Mr. SNELL. And this will make it easier to carry out the Cotton Act?

Mr. JONES. I hope so.

Mr. SNELL. Then I am for it.

Mr. JONES. I thank the gentleman for his consideration.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 123

*Resolved, etc.,* That any county agent or member of a county committee or community committee of a cotton-production-control association who is authorized in writing by the Secretary of Agriculture to act as his agent in the administration of the Agricultural Adjustment Act shall, while he is acting as such agent, have power to administer oaths to persons making applications (if made within the county in which such agent is authorized to act) for tax-exemption certificates under section 6 of the act of April 21, 1934, entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agriculture Adjustment Act, and for other purposes", but no fee or compensation shall be charged or received by any such agent for administering such an oath.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WORK OF THIS CONGRESS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SWANK. Mr. Speaker, the present session of Congress is drawing to a close, and I wish to take advantage of this opportunity to make a few remarks concerning the work done by the administration and Congress.

When President Franklin D. Roosevelt was inaugurated March 4, 1933, we were standing on the brink of disaster, and it was necessary that something be done and done at once. Under the wise and able leadership of the President, Congress passed the National Recovery Act, which authorized appropriations in the sum of \$3,300,000,000 for construction projects throughout the United States to put people to work. Congress and the administration did not have time for prolonged discussion and debate, as immediate action was necessary. We had to try something, and this bill was enacted with notable results, providing work for millions of our former idle and unemployed.

Congress then passed the Agricultural Adjustment Act, which increased the prices of farm products. Many would probably have approached this question from a different angle, but we were all working together and doing the best we could. This bill also provided for refinancing farm loans to the amount of \$2,000,000,000. When this bill was considered in the House I offered an amendment providing for the issuance of sound currency instead of nontaxable bonds, because that is unnecessary and fills the coffers of the money changers of the country with billions of unearned dollars. This bill also provided for inflation of the currency at the discretion of the President.

Against the wishes and objections of the international bankers, the President took the United States off the gold standard and that without consulting other nations. America can legislate for her people without the advice of other nations. President Roosevelt has gone further than any other President since Andrew Jackson toward restoring our Government to the people. These same international bank-

ers, who have in the past controlled the money and credits of the United States, also opposed the remonetization of silver, but they are going to be overridden on that, the same as they were on the gold standard. The question of the issuance and control of money is going to be placed back in Congress, as provided in the Constitution.

In addition to supporting the Agricultural Adjustment Act, I also, for the benefit of agriculture, supported the Frazier bill which would provide for the refinancing of farm mortgages by the issuance of Federal Reserve notes to pay these mortgages at 1½-percent principal and 1½-percent interest per annum over a long period of years. In my judgment, a bill with these provisions will be passed in the near future. I believe that the only way the farmers can eventually pay out of debt is by being given a long time and a small rate of interest. This rate of interest would more than pay for the cost of administration. I introduced a bill to liberalize the provisions of the Home Owners' Loan Corporation for the benefit of home owners who live in towns, along the same lines as the Frazier bill. This provides for the issuance of Treasury notes or currency against the home mortgages to pay the indebtedness at not more than 1½-percent interest and 1½-percent principal per annum over a long period of time.

Before we can recover from this depression, it is necessary that agriculture be rehabilitated. When we have a prosperous agriculture, there is no depression, and every citizen is benefited.

I am also joint author of the Swank-Thomas bill, which provides that farmers shall receive not less than the cost of production for crops consumed in this country, plus a reasonable profit. The Frazier bill, my home owners' bill, and the Swank-Thomas bill are supported by the National Farmers Union of the United States and many other citizens and organizations.

I have always favored remonetization of silver in order to provide a broader basis for the issuance of currency, which is necessary for the business of the country. I helped prepare the Dies silver bill, as it was referred to the Committee on Coinage, Weights, and Measures, of which I am a member. We passed this bill through the House and it is now pending in the Senate. This bill will open the markets of the silver-producing countries of the world for the purchase of our farm products.

I voted against giving \$20,000,000 to Russia, which was done in a previous administration, and opposed the settlement of the French debt which canceled \$2,000,000,000 that country owes us, and also opposed the Italian debt settlement which canceled \$1,500,000,000 due from that country to us. Foreign governments owe us \$12,000,000,000, and I am opposed to any cancellation or reduction of these debts. They were contracted in good faith with our people and the contracts of nations should be kept the same as individuals.

The mother and the home are the foundation of our Government and we should do everything possible to protect them. I have supported all legislation for bettering the conditions of our women and children and supported the child labor amendment to prevent the employment of children in occupations detrimental to their health and welfare. My bill providing Federal aid for public schools has been endorsed by many of the leading educators in Oklahoma and numerous school boards and parent-teacher associations. I appeared before the Committee on Education in support of the bill and also spoke on the floor of the House in its behalf. Since the bill was introduced, larger appropriations have been made for emergency school work.

I have always supported old-age pensions and in the Seventy-second Congress and in this Congress introduced a bill for that purpose. This would prevent many old people from being separated in their declining years and would not cost as much as the present system of almshouses.

When the people sent me to Congress, Platt National Park at Sulphur was receiving an appropriation of \$7,500 per year. The first year I had this increased to \$10,000, and for this year the appropriation is \$28,500, in addition to



\$76,000 allocated by the Civil Works Administration. The Agricultural Adjustment Administration has paid to Oklahoma more than \$16,000,000, and it is estimated that more than \$31,000,000 will be received this year. Rental and benefit payments on cotton for 1933 in each of the seven counties of the Fifth Congressional District of Oklahoma amounted to the following:

Payne County.....	\$136,066.50
Logan County.....	973,377.50
Oklahoma County.....	69,954.28
Cleveland County.....	72,852.00
McClain County.....	219,022.25
Garvin County.....	230,329.87
Murray County.....	63,533.50

Of the 26 conservation camps in Oklahoma, I succeeded in having 8 of them established in the Fifth Congressional District.

The total cotton payments to the State for 1933 amounted to the sum of \$11,595,657.46, and benefit payments for wheat amounted to \$1,149,863.80, or the total sum of \$12,745,521.26.

The Civil Works and Federal Relief Administrations have paid over \$19,000,000 to Oklahoma the past year. We have also appropriated and allocated for public roads in Oklahoma more than \$10,000,000, and for the Public Works Administration more than \$19,000,000. We have appropriated \$2,775,000 for Indian welfare in Oklahoma. All these amounts help our recovery program.

My bill became a law, which provided for the Circuit Court of Appeals to sit in Oklahoma City, and afterward we passed a law creating the tenth circuit which holds sessions of the court at that place. I also introduced a bill which became a law establishing a Federal court at Pauls Valley. I secured Federal buildings for Norman and Stillwater, an appropriation for a building at Cushing, and assisted in getting the large appropriation for the new Federal building at Oklahoma City. Other cities in the district will receive Federal buildings in the near future.

I have worked for universal peace and legislation that will, in the event of another war, if men are drafted, draft capital also. We must take the profits out of war. Legislation to promote these ends is now being considered by Congress.

When the Democrats organized the House of Representatives in the Seventy-second Congress, Speaker Garner did me the honor of calling me, the first Democrat from Oklahoma, to preside over the House after he became Speaker. I have also presided in the present Congress. I am next to the chairman on the Public Lands Committee and third in rank on the Flood Control Committee. I am also a member of the Committee on Claims and the Committee on Coinage, Weights, and Measures. Flood control is one of the most important committees in Congress, and especially for Oklahoma and the West.

I secured an appropriation providing for the broadcasting of livestock and crop reports from Oklahoma City and also established a port of entry there, which is a great convenience to our merchants. Lately Oklahoma City has been made district headquarters for the Interior Department, which has charge of conservation camps.

Some of the big papers and special interests criticized those who voted to override the President's veto on the independent offices appropriation bill affecting disabled veterans. These charges were not only unfair but untrue. Some of the articles stated that we voted to increase our salaries. The provision in the act which reduced Federal salaries 15 percent expires June 30, 1934, and without additional legislation this reduction would have been restored in full. A vote to sustain the veto was a vote to restore the entire reduction and a vote to override was a vote against full restoration of salaries. Under this amendment salaries will be restored 5 percent February 1 and 5 percent July 1, leaving a 5-percent reduction, which would not have been the case had the veto been sustained. Instead of voting to increase our salaries I voted against a restoration, and also voted for the Borah amendment which was offered in the House, and which amendment would have prevented any increase in salaries above \$6,000, which would have included salaries

of Members of Congress. The people are not as easily fooled as some think.

The amount which the appropriation was increased is not \$228,000,000, as some stated. The bill will carry an increase for veterans of \$20,000,000 above the recommendations of the President and \$63,000,000 for Federal employees, making a total increase of \$83,000,000. The chief controversy was around 29,000 presumptive cases of tuberculosis and mental. The bill, as passed, will restore these 29,000 pitiful cases to the compensation rolls, and will not leave it to a board to act arbitrarily. My vote was to place the burden of proof upon the Government instead of upon these disabled veterans. I have always supported legislation for the benefit of our disabled veterans and their dependents, and shall continue to do so.

This vote was not a question of voting for or against the President. In the House 210 Democrats voted to override the veto, including many committee chairmen. The chairman of the steering committee and other administration leaders and friends of the President voted to override the veto. In the Senate 29 Democrats voted to override the veto and 27 voted to sustain. In addition to these stalwart Democrats voting to override the veto, the three leading Progressives voted likewise, namely, Senators NORRIS, JOHNSON, and CUTTING. They all supported the President in his campaign and are supporting him now. No one will accuse any of these men of selfishness or disloyalty. The President of the United States is a big man and accords every Member of Congress the right to vote as his conscience dictates. No one thinks more of the President than I do, and I have supported his recovery program, including the National Recovery Administration, Agricultural Adjustment Administration, Public Works, and other legislation.

This bill did some measure of justice to the veterans, but, as stated before, its passage prevented a complete restoration of Federal salaries.

An appropriation of \$3,300,000,000 was made for the N.R.A. and a few days before this veto was acted upon \$284,658,799 was appropriated for the Navy and \$354,781,899 for the Army. Therefore, \$20,000,000 for these disabled and helpless veterans will not unbalance the Budget.

Those who have heretofore profited by special legislation, like the profiteers during the World War, of course, are opposed to any Congressman who does not take their orders and they will try to defeat such Congressmen. I have always supported legislation that I thought was for the best interests of the people whom I have the honor to represent, and that shall continue to be my course as long as the people of the Fifth Congressional District of Oklahoma keep me in Congress.

#### EXCISE TAX ON PHILIPPINE COCONUT OIL

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the message sent by the President yesterday concerning the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUEVARA. Mr. Speaker, yesterday the President of the United States sent a message to Congress expressing his opposition to the excise tax on Philippine coconut oil as provided in section 602 of the recently enacted revenue act, and urging the appropriate remedial legislation.

In the name of the legislature and people of the Philippines, I wish to register my profound gratitude for the President's message. It is a message that is at once a call to Congress to uphold the terms of the Tydings-McDuffie Act, Public, No. 127, Seventy-third Congress, and a notice to the Filipino people that they can rely on the sense of justice and reasonableness of the American Government.

I hasten, therefore, to ask Congress to accede to the President's request that the coconut-oil provision in the revenue act be reconsidered, repealing the tax forthwith, while a more objective study of the question is made between now and next January with a view to formulating a solution that would be more equitable and satisfactory all around.



Mr. Speaker, my faith in President Franklin D. Roosevelt includes a belief in his genius to read correctly the mind of the American people and to do what they would want done in any given problem before the Nation. I am morally sure his present message will receive their approval, and they will urge its translation into positive legislation once they know the facts and the equities upon which it is predicated. And when it is borne in mind that the present case involves the doing of justice to a dependent people, the 14,000,000 wards of America living half way around the globe, the action of the President in the premises acquires a patent of nobility.

There were two outstanding facts in the question. One involves national policy and the other economic considerations.

On March 23 last, only 9 weeks ago, Congress, with overwhelming majorities in both Houses, passed the Tydings-McDuffie Independence Act. It sets forth in detail the terms and conditions precedent to the achievement of complete Philippine independence. Under it the Philippines assume heavy economic sacrifices in the form of tonnage limitations without compensation and export duties to meet the government-bonded obligations to American banks.

As described by President Roosevelt, the Independence Act is an offer of solution of the Philippine problem formally and deliberately made by the Government of the United States to the people of the Philippines. The offer, Mr. Speaker, was as formally and deliberately accepted by unanimous vote of the Philippine Legislature on May 1, the thirty-sixth anniversary of Admiral Dewey's glorious victory in Manila Bay and 5 weeks after the offer was made. The President of the United States has notified the Congress of the action of the Philippine Legislature.

Now what do we find? Even before the initial step in the organization of the new Philippine government is taken, Congress has already approved a law imposing an excise tax on our coconut oil, a tax that is one and a half times as much as the article sold last year in New York, a tax that is an effective embargo, a clear confiscation, a cruel deprivation of the livelihood of fully a quarter of the entire Philippine population.

Of course, Mr. Speaker, we protest against a treatment so oppressive and so inconsistent. We would be hopelessly recreant to our elemental duty did we do an iota less. The American people will hear our appeals and our supplications, and I am confident they will heed us and bid their Government to give us the old-fashioned American square deal.

Not a word of ingratitude to America will escape from my lips, for my soul wills it so, but I certainly cannot understand how the noble and benevolent America which has been our friend, mentor, and benefactor for the last 36 years should now turn so sharply against us during the short time left before we Filipinos finally bid a grateful farewell to the American flag under which we have lived in security and contentment for over a third of a century.

Mr. Speaker, I wish to direct particular attention to the possible effects of the excise tax law upon the independence legislation.

The tax will annihilate a major industry in the Philippines. The resulting poverty and misery may give rise to civil disturbance which may necessitate the armed forces of the United States to suppress. What does this mean? This means bloodshed, hatred, expenditures of money, destruction of property, and possible overthrow of the constituted government. In other words, Congress will, unwittingly but efficaciously destroy what it proposes to build with the Independence Act. Therefore, I ask, prayerfully ask, the entire Membership of this deliberative body to pause and survey the mischievous possibilities of the situation.

The enactment of the excise tax law gets sets a precedent for similar corrosive and oppressive laws with respect to other Philippine products. Judging by the bills which have already been presented in this Congress, our other industries are due for some rough treatment. And what can we do to resist it? We do not have the power to adopt retaliatory measures. That power Congress has not given us, so

we are entirely at its mercy. Neither do we have the power to conclude commercial treaties with foreign countries, and that is why we cannot find substantial markets abroad for our products. Does not the American Government see that it is putting the Philippines in an economic straitjacket?

With all these unpleasant consequences to the Filipino people, I am afraid the American farmer will benefit not at all. The proscription of coconut oil will not bring an additional dollar a year to him. He will lose a market for some of his products in the Philippines. And he may find that in slaughtering the coconut-oil industry he may be giving life to new foreign industries that can give him real competition.

However, the American bondholders seem to be safe. To pay them, the Philippine Commonwealth government, after the sixth year of its existence, is directed to collect export duties to pay the government bonded indebtedness. If the payment is defaulted the American High Commissioner shall take over the administration of the Philippine customs offices and do the collecting himself. That situation, which smacks of the much-criticized cases of Haiti and Santo Domingo, will surely come to pass if Philippine industries are not given a chance to live, for it is these industries which provide our government with its revenue.

The Filipino people, Mr. Speaker, are entitled to a fair chance to make the government which they will establish under the Tydings-McDuffie Act work smoothly and successfully. But what chance are you giving them? Let me answer in all candor and in all loyalty. You are putting a monkey wrench in the machinery of government which they are trying to put together under circumstances which are already difficult and burdensome. You are digging with the excise tax law the grave for the Independence Act. You are giving the Filipino people mighty little chance to succeed with their new venture in self-government.

Now, Mr. Speaker, I shall ask that certain letters which I addressed to the President of the United States and typical communications to various Members of Congress pertinent to the question I am discussing be printed immediately after the foregoing remarks. These letters discuss the economic questions involved in the excise tax, and I invite their perusal by Members.

I now close with an appeal to you, the constitutional Representatives of the American people, to take up the message of President Roosevelt and translate his recommendations into law. The Filipino people are your friends and admirers. They are your wards and protégés. They are still under your flag. They revere that flag and love the institutions and the principles for which it stands. Mr. Speaker, I bespeak the continued generosity of the American people to my people.

(The letters referred to above follow:)

APRIL 14, 1934.

The PRESIDENT,

*The White House, Washington, D.C.*

(Through the Secretary of War.)

DEAR MR. PRESIDENT: Following my conference today with the Secretary of War on the excise tax on Philippine coconut oil, I am leaving this letter with him with the request that he be good enough to submit it to your distinguished consideration.

I desire to associate myself with Your Excellency, the Secretary of War, and various Members of Congress in declaring that the excise tax in question is a violation of the terms, the spirit, and the plan of the Tydings-McDuffie Act, which the American Government has just offered the Filipino people as their new organic law and as the covenant that shall govern the political and economic relations between the United States and the Philippines before complete Philippine independence is achieved.

If such violation is permitted to stand, I am afraid it would set a precedent for similar violations respecting other Philippine products, and that would simply mean inaugurating in the Philippines while still under the American flag the reign of poverty and penury, chaos and confusion, uncertainty and more uncertainty.

Philippine industries would be destroyed before they could even start an orderly readjustment, which in itself is a mighty difficult operation, from the present tariff-protected to the unprotected basis during the 10-year transition period contemplated in the Tydings-McDuffie Act.

Mr. President, as the CONGRESSIONAL RECORD will show, the coconut-oil excise tax has been posed as a question of the American farmer versus the Filipino farmer, and Members of Congress were



frank in saying that they were for the former. As the Philippines have no vote in Congress and not even a voice in the Senate, it was to be expected that a more judicial attitude would be taken on questions affecting the Philippines.

There are proofs overwhelming that between American agriculture and the Philippines there are infinitely more points of harmony and mutual benefit than competition and conflict. What is needed is a calm examination of their mutual interests.

In the debate in the Senate it was repeatedly stated that taxing the Philippine coconut oil is merely placing the Filipino copra producer on a comparable basis with the American farmer with respect to the processing tax under the A.A.A. May I point out the difference between the two cases by saying that the processing tax accrues directly to the American farmer, while the coconut-oil excise tax goes to the Philippine government, which, under the Norris amendment, is prohibited from subsidizing the coconut industry under penalty of forfeiting the tax.

The provision to give the tax that may be collected to the Philippine government does nothing but raise false hopes for more revenue. The rate of 3 cents a pound is equivalent to 130 percent ad valorem. The steep price increase would inevitably force the consumption of coconut oil in American industries to the very minimum. We have the word of the proponents of the tax that coconut oil is not indispensable except in certain industries which use perhaps less than 5 percent of the coconut oil now consumed.

The net effect of the tax would be to reduce the coconut-oil and copra exports of the Philippines to the United States to a very small proportion of the present amounts, and the corresponding increase of copra surplus in the Philippines for disposal at depressed prices in the markets of the world.

The Filipino copra producer would get less from his product than he is getting now, which is already near the starvation basis; and the Philippine government would not get the revenue, but instead would probably be the loser as its present substantial income from the sales tax on copra and coconut oil suffers considerable diminution.

I am, therefore, urging you to take the necessary action not only to save a major industry in the Philippines but also to save the Tydings-McDuffie Act from virtual disintegration.

Faithfully yours,

PEDRO GUEVARA,

*Resident Commissioner from the Philippine Islands.*

APRIL 30, 1934.

SECTION 602 OF THE REVENUE BILL 1934 AS AGREED UPON IN  
CONFERENCE BETWEEN THE HOUSE AND THE SENATE

The draft of section 602 proposed by the conference between the House and the Senate is no less a violation of our obligations under the Philippine Independence Act than were the drafts of the section in the House bill and in the Senate bill.

It is said that the conferees' proposal is favorable to the Philippines in that it gives them a monopoly in the sale of copra and coconut oil in the American market. The 2-cent preference on coconut oil, however, is merely a gesture and will not result in any real benefits to the Philippine producers:

(a) The tax of 3 cents on this Philippine product will reduce materially the consumption of coconut oil in the United States and thereby reduce the market to which the Philippine producers are entitled under the provisions of the Independence Act.

(b) Palm-kernel oil and other oils are to bear the same tax as that imposed upon Philippine coconut oil. Palm-kernel oil from Africa competes directly with coconut oil. The conferees' proposal gives the Philippine coconut oil no monopoly since it has no advantage in competition with palm-kernel oil.

(c) Babassu-nut oil, cohune-nut oil, and coquito-nut oil are exempt from the tax; and so far as they are available, they will undersell Philippine coconut oil in the American market.

(d) The Norris amendment which returns the tax to the Philippine treasury is no advantage to the producers of copra and coconut oil in the Philippines, since the amendment states that if the Philippine government provides for any subsidy to be paid to the producers of copra and coconut oil, the provisions of the amendment shall become null and void.

The issue remains as it was before the conference met: Whether or not the American Government is going to recognize its obligations assumed under the Philippine Independence Act and under treaties with foreign nations.

WASHINGTON, D.C., April 22, 1934.

HON. GEORGE W. NORRIS,

*United States Senate, Washington, D.C.*

DEAR SENATOR NORRIS: Inspired by your well-earned reputation for fairness and reasonableness, I wish to engage your attention on the effect of the Norris coconut amendment to the revenue bill upon the coconut industry of the Philippines.

I am convinced that you want to do justice to the Filipino. I am equally convinced that you want to secure justice for the American farmer. To you, therefore, it is not a question of wrong against right but rather one of right against right, which is the more difficult question to conscientious men like your good self.

The Norris coconut amendment, I am sure, is the expression of what you consider right and fair to the parties concerned.

Will you allow me to state that the Norris amendment will work terrible havoc with the Philippine coconut industry, impoverishing 4,000,000 Filipinos, endangering law and order and shattering

the simple faith of the people in the goodness and fairness of the American Government.

These deplorable consequences are rendered more poignant and oppressive when it is considered that the coconut industry means so much to the Filipino people while its destruction will bring so little benefit to American agriculture.

The 3-cent tax on coconut oil is equivalent to 130 percent ad valorem. Since, according to the tax proponents, coconut oil is not indispensable in American industries except perhaps to the extent of 5 percent, the tax would push the price of the article up to a level that would make its use prohibitive. That could only mean that thenceforth coconut-oil imports from the Philippines would be reduced to but an infinitesimal portion of the present volume.

That must be the expectation of the tax proponents, for they did not deem it necessary to place a tonnage restriction in the Norris amendment. Indeed, the tax would be more effective than restriction, for it would operate as an embargo.

The tariff duty is not a real protection for Philippine coconut oil in the United States, for copra, from which coconut oil is expressed, is free from foreign countries, and there is a copra-crushing industry in this country.

The Filipino copra producer, Senator, is not placed by the Norris amendment on a comparable basis with the American farmer under the A.A.A., for, while the processing tax accrues to the American farmer, the excise tax does not go to the Filipino copra producer but to the Philippine government, which is prohibited under the amendment from subsidizing the coconut industry under penalty of forfeiting the tax.

And the Philippine government will not get any revenue either, for with coconut-oil consumption in America reduced to the vanishing point, where will the revenue come from? On the contrary, the Philippine government will likely suffer reduction in its income from the coconut industry under the Norris amendment through the diminution in the revenue from the sales tax collected on copra and coconut oil exported to the United States.

After losing the American market, the woe of the Filipino copra producer is not finished. What will happen to the coconuts which no human law can stop the trees from producing. They will form tremendous copra surpluses which will have to be disposed of at distress prices in the world markets if they can be disposed of at all. That would reduce the income of the Filipino copra producer to the starvation level. It would, moreover, demoralize the price structure of vegetable oils in the world markets, and that would affect adversely American competitive exports abroad and otherwise produce depressing repercussions on the fats and oils markets in the United States.

In the debate in Congress the fact that the balance of trade between the United States and the Philippines was against the United States in 1932 was taken as a further justification for the imposition of the tax and presumably and logically the stoppage of the copra and coconut-oil imports from the Philippines. The trade statistics tell but half of the story. The unfavorable trade balance is almost entirely offset by the invisible items which move between the two countries.

Senator, press dispatches from Manila say that the Filipinos will accept in the next 2 or 3 weeks the Tydings-McDuffie Independence Act, which the American Government has offered them. The act sets forth the terms of the relationship between the United States and the Philippines. The Filipinos consider those terms as the solemn word of America, which if altered in the future would be for the purpose of assuring more liberalism to the Filipino people.

Is it too sanguine to hope that America will consider the Tydings-McDuffie Act as obligatory as a treaty? I appeal to you, Senator, to give the Filipinos a chance to enjoy a measure of economic peace during the difficult period of preparation for their final independence. I beg of you not to pit the American farmer against the lowly Filipino copra producer. I plead with you to do justice by the Filipino people while they are still under the American flag.

Repeating what I said at the outset, I am emboldened to tell you my thoughts on this coconut-oil tax question with frankness and confidence, for I consider you as a bulwark of square dealing, civic courage, and humanitarian sentiments.

Faithfully yours,

PEDRO GUEVARA,

*Resident Commissioner from the Philippines.*

WASHINGTON, D.C., April 2, 1934.

HON. MILLARD E. TYDINGS,

*Chairman Committee on Territories and Insular Affairs,*

*United States Senate, Washington, D.C.*

DEAR SENATOR TYDINGS: As the Senate starts consideration of the revenue bill today, I cannot overcome the fear that the final fate of the Tydings-McDuffie Act may be involved in section 602 of the bill taxing Philippine coconut oil.

With the tax, the coconut-oil quota under the Tydings-McDuffie Act may as well be reduced from 200,000 to 50,000 tons. And with the precedent established, the economic readjustment contemplated under the act may become a series of violent business convulsions.

Self-preservation and self-respect would be too strong in any people to acquiesce in such unjustifiable sacrifices. The Filipino people do think of their economic well-being, and they crave for a modicum of fair treatment, and I am confident that even in these hectic times America will not fall them.



Senator, we naturally turn to you in an earnest appeal to labor mightily, as is your habit, for the integrity of the week-old legislation that bears your distinguished name. The challenge to you, sir, if I may presume to express it, is to save the Tydings-McDuffie Act from corrosive laws like section 602 of the pending revenue bill.

Your work, Senator, for the new Philippine organic law has retinted the political horizon of the Filipino people in bright colors. But that is not all you have achieved. You have convinced my people that they have in you a real friend and benefactor. You have, moreover, effected the reconciliation of warring Filipino political factions. And you have salvaged with your deft hands from the legislative scrap heap a measure which it took 18 months to elaborate and complete, and gave it a new lease of life.

With so much at stake, with so much to jeopardize, it would be a superfluity to call on you to take up the fight for the Filipino people. I am sure you will do it without any urging from us. And, needless to say, you have our best wishes and our undivided support. Your fight, sir, as is our fight, is to keep intact the plan, the genius, and the ultimate aim of the Tydings-McDuffie Act.

Faithfully yours,

PEDRO GUEVARA,

*Resident Commissioner from the Philippines.*

WASHINGTON, April 17, 1934.

HON. PAT HARRISON,  
*Chairman Finance Committee,  
United States Senate, Washington, D.C.*

DEAR SENATOR HARRISON: I hope that upon the reconsideration of the revenue bill the Norris coconut amendment may be substituted by your amendment which exempts a certain quantity of Philippine coconut oil from the excise tax fixed in section 602 of the bill.

Theoretically, the Norris amendment would be a godsend to the Philippines, for it would raise the price levels of copra and coconut oil, besides giving to the Philippine government an additional annual revenue of some \$15,000,000, a sum that is more than 50 percent of the total income of that government from taxation.

Actually, it would do just the opposite thing. It would force the consumption to the indispensable minimum, and according to the proponents of the tax coconut oil is indispensable only in certain technical industries which use perhaps less than 5 percent of the present total consumption. It would, consequently, increase the copra surplus in the islands which must be disposed of in the already arid markets of the world at distress prices, thereby causing demoralization and depression in the world's price levels, a fact which would inevitably produce unfavorable repercussions in the oils and fats price structures in the United States.

So the net result would be that the Filipino copra producer would get less for his product under the Norris amendment than what he is getting now, which already borders on the starvation line, and the Philippine government would receive a great disillusionment, for the \$15,000,000 revenue bonanza would not be forthcoming as there would be but a small amount of copra and coconut-oil exports to the United States from the Philippines.

Senator, I don't want to make an unreasonable request in this connection. Your amendment exempts 520,000,000 pounds a year of Philippine coconut oil from the tax. That amount is the average of the depression years. A more normal figure is 600,000,000 pounds, which roughly represents the amount imported in 1933.

As better times have started for the American people, may I prayerfully bespeak for the Filipino people the continuation of America's generosity as we move toward the day of separation as planned under the Tydings-McDuffie Act?

Faithfully yours,

PEDRO GUEVARA,

*Resident Commissioner from the Philippine Islands.*

WASHINGTON, D.C., April 3, 1934.

HON. KEY PITTMAN,  
*United States Senate, Washington, D.C.*

DEAR SENATOR PITTMAN: I cannot resist the apprehension that the final fate of the new Philippine organic law, the Tydings-McDuffie Act, may hinge upon the action of the Senate on the question of taxing coconut oil under section 602 of the pending revenue bill.

The tax of 3 cents a pound is still more than 100 percent of the price received for the commodity on the Atlantic seaboard. Without a doubt the tax is a much heavier burden than the tonnage limitation contained in the Tydings-McDuffie Act. It will at once reduce our coconut-oil exports to the United States by at least one-half, diminishing substantially as the months go by.

So even before the inauguration of the projected Philippine Commonwealth a major industry in the islands would be dislocated and incapacitated to effect a readjustment in an orderly and successful manner.

I am apprehensive not only of the tax itself but the precedent it will set. What if our other products are similarly taxed? And, in fairness to the industry concerned, why should coconut oil be singled out for a special tax burden? Why not sugar also? And what special privilege has cordage to be immune? And what about other Philippine products which are heavily tariff protected but are not even placed under a tonnage restriction under the Tydings-McDuffie Act?

As you know, Senator, I am for the Tydings-McDuffie Act and its parent legislation, the Hawes-Cutting Act. I want it to be accepted by the Filipino people. I want them to know that their friends in Congress prepared it and passed it, spending more than 18 months in the work.

And so I don't want to see any legislation that will vitiate the atmosphere around the new organic law. I don't want the Filipino people to get the idea that Congress has become so hostile to them that even before their expected commonwealth comes into being they will be thrown into an economic holocaust through the enactment of corrosive and oppressive laws like the proposed tax on their coconut oil.

I therefore appeal to you most earnestly and most solemnly to let the Congress know from the floor of the Senate the serious and far-flung implications of section 602 of the pending revenue bill insofar as it relates to Philippine coconut oil.

Faithfully yours,

PEDRO GUEVARA.

HON. JOHN H. OVERTON,  
*United States Senate, Washington, D.C.*

DEAR SENATOR OVERTON: Thank you very much for your letter of March 28. You stated that coconut oil offers a "disastrous competition with cotton and cottonseed oil." Permit me to comment with pertinent facts and figures. I am sure you want to be fair both to American and insular industries.

Over 98 percent of cottonseed oil is used in edible compounds, while 70 percent of coconut oil goes to the soap kettle. It is true that about two decades ago cottonseed oil was used in soap but is now displaced by coconut oil. The displacement has been a good thing to the cottonseed oil. From the soap kettle the oil went to the edible field where it commands much better prices and encounters less competition. It is, therefore, a case of the coconut oil kicking cottonseed oil upstairs.

Of course, you will readily agree that increasing the production of cottonseed oil, which is but a byproduct of cotton, would bring disaster to the cotton industry, upsetting the entire administration program to help that industry under the A.A.A.

The Philippines bought in 1932, a severe depression year, over \$10,000,000 worth of American cotton goods. May I suggest that there is infinitely more of mutual benefit than conflict between the American cotton farmer and the Philippines?

Faithfully yours,

PEDRO GUEVARA.

APRIL 3, 1934.

HON. THOMAS P. GORE,  
*United States Senate, Washington, D.C.*

DEAR SENATOR GORE: Please accept my profound thanks for your letter of March 31, answering mine of the 26th, regarding coconut oil and the proposal to tax it under the revenue bill.

Permit me to salute a real, thoroughgoing Jeffersonian Democrat incarnated in your person. We Filipinos who depend on the sense of justice and fairness of the American people look up to you to champion our reasonable causes in the American Congress, and I hope and trust that when the proposal to tax Philippine coconut oil comes up for debate today or tomorrow, you will let your voice be heard against the proposal.

I am sure American statesmanship can do something, like the suggestion contained in your letter, that will at once meet the reasonable desires of your constituents and save the Filipino people from suffering and impoverishment.

May I submit just one thought. Cottonseed oil is but a byproduct of cotton. To increase its production would imperil the administration program of acreage curtailment of cotton. Besides, over 98 percent of cottonseed oil is used in edible compounds, while 70 percent of coconut oil is used in the soap industry. If coconut oil has driven cottonseed oil out of the soap kettle, the former has gone into a field where it commands better prices and has less competition. In the vernacular, "coconut oil has kicked cottonseed oil upstairs."

Faithfully yours,

PEDRO GUEVARA.

WASHINGTON, D.C., April 1, 1934.

#### STATEMENT TO THE PRESS

By PEDRO GUEVARA, Philippine Resident Commissioner  
THE PHILIPPINE COCONUT-OIL TAX AND ITS IMPLICATIONS

On March 22 Congress passed a new organic law for the Philippines, the Tydings-McDuffie Act, and 2 days afterward it was signed by President Roosevelt.

Tomorrow the Senate will consider taxing Philippine coconut oil under the revenue bill at 3 cents a pound, a tax that is more than 100 percent of its price.

This will precipitate two results:

First, it will dynamite the Tydings-McDuffie Act, which is now pending for acceptance in the Philippines, by injecting into that new covenant of Philippine-American relations changes that will make the economic sacrifices of the Filipino people, which are already heavy, well-nigh unbearable.

Second, it will destroy the coconut industry in the islands, upon which, as Governor General Frank Murphy reports, fully a quarter of the population of the Philippines depend for their livelihood.

Therefore I ask: Is it not colossal inconsistency for the Congress to give the Filipino people a new organic law and, before the President's signature has dried, penalize the recipient with addi-



tional burdens and oppressive inflictions, thereby exposing the week-old law itself, its philosophy and its objective, to disintegration? It looks like giving the Filipino people a boon accompanied with a bomb.

#### DUTY OF THE REPUBLICAN PARTY

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

The SPEAKER. Is there objection?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself to Republican Builders at Town Hall, New York City, May 22, 1934:

I take particular pleasure in appearing before you tonight, for the foundation and development of your organization has been to me one of the most encouraging signs of the times. I am one of the small group now in Congress who has been characterized by an eloquent Member on the majority side as "an almost extinct relic of a fast-dying regime." I have had to sit in my place day after day and watch the steam roller pass over me. I have had to realize that the most earnest and strenuous opposition to dangerous legislation not only is ineffectual, but can hardly be made vocal. I have seen steady encroachment on American liberties by legislative enactment, all in the name of the new deal and the Democratic Party.

We of the Republican Party, who still remain in Congress, and the members of your organization can be of great mutual advantage to each other. We are in a particularly good position to see the wheels go round, evaluate the trends of the administration as typified by the pressure exerted for or against legislation and then report back to you. You can help us bring the truth home to the American people for I have enough confidence in the American people to believe that if they once know the truth, their course of action will be sound. We and those of our party around the country who are expecting next fall to cut down the huge Democratic majorities in the House and Senate must go on the firing line very soon and we want the help of every one of you in disseminating our principles and our policies.

I often think that the years of the depression, bitter though they may be, have rendered a great service to the cause of popular government. When our present troubles are over and the country returns again to a period of steady and orderly progress, as it will in spite of politics and parties, I hope we may look back on these days as a demonstration of the stability of our institutions. Though we may be forgetful of it today, our country has developed under the aegis of the Constitution, and by the operation of the two-party system of national control, whereby responsibility for the operation of the Government is placed on a party rather than on a group. This is no time to digress into a study of parliamentary procedure. There may be advantages in the European system of cabinet representation in parliament where the policies of the government are subject to daily test, and if the responsible ministry fails of support on a test vote, the ministry falls and another one must be set up. Since we have provided by our Constitution for the separation of the executive and the legislative branches and a definite term of office for all our national elective officers, whether executive or legislative, to preserve our governmental system we must perforce look to the record of the party represented by the administration in power and let the people decide from the record whether or not to allow that party to remain in control.

For a number of years there has been great danger that the lack of distinct lines of political cleavage between the parties would tend to break them down. Up until recently even those high up in party councils would have had difficulty in stating wherein the Republican Party and the Democratic Party differed on principle. The tariff has been, of course, theoretically a party question for many years, but we all know that it has been in its essence a local economic question. The Democrats have given tariff reduction lip service, but have showed conclusively that they did not expect to do anything about it. Prohibition, may heaven rest its soul, cut across all parties. Until recently resurrected, currency questions have been dead since the time of Bryan. As between the parties there has been no great issue to challenge the apathetic citizen.

You and I know that the balance of power between the great parties is swung by the great mass of voters who have no fixed party allegiance, and are therefore inclined, unless fundamental issues are presented in a clear-cut way, to vote largely from the point of view of the economic situation in the country. The Republican Party was in power for many years during a time of prosperity. Even though its principles may not have been very distinct in outline to the average voter, there was no particular reason for a change of government. The Republican Party contained to a great extent the political, economic, and financial leaders of the country, and it required some great change in the economic status to shake the confidence of the independent voter. When the period of trade dislocation caused by the Great War finally brought the long-delayed depression, the great mass of the independent voters swung to the Democratic ticket without any particular reason except a blind desire to register their discouragement over the existing situation. There was no deep study of principles. The temper of the people was such that platforms, campaign promises, or principles meant little. They forgot the

years of peace, prosperity, and progress, but remembered only a few months of disaster. As they had been content to credit the party in power for good times, they blamed it unthinkingly for the bad. It is safe to say that no matter what principles had been enunciated by the respective candidates, in the last Presidential campaign, the result, with slight variations, would have been the same. The people wanted a change and they got it with a vengeance.

The situation today is greatly altered, and is altering more rapidly every day. The President has been in office considerably more than a year, and has had during this time a House of Representatives with a majority of almost 3 to 1, and a Senate with a majority of more than 3 to 2 of his own political faith. It is therefore right and fair to judge the Democratic Party by the record of the administration. This record shows that for the first time in many years there are fundamental issues at stake on which the parties must take the field in battle array. Our party has an opportunity unequalled in recent years to obtain the backing of the orderly, common-sense American citizen on a platform of constitutional and hereditary liberty.

I am not much interested in pointing out the discrepancies between the Democratic record since March 1933, and the principles enunciated in the Democratic platform, Mr. Roosevelt's campaign speeches, and his inaugural address, except so far as it is pertinent to point out that the voters who put Mr. Roosevelt into office certainly did not visualize what he was going to do after he was elected, for what he said he would do, and what he has done are the poles apart. What I do wish to point out, however, is that all campaign promises have been jettisoned, and the administration has charted out a course, which carried to its logical conclusion will ultimately change fundamentally the principles of government laid down by our forefathers and found by their descendants to be worthy over a period of 150 years. The time has come for the Republican Party to take up the gage of battle and bring this great issue home squarely to the country. If with full knowledge of the situation the people of the country wish to continue such a course, so be it, but it is the duty of those of us who see the danger to warn of it in no uncertain terms. If this is done properly, I have little fear of the outcome.

I am convinced that the great thinking mass of the American people believes basically in the competitive economic system under which our country has developed so greatly. They have realized that no system is perfect, and that there are shortcomings in the competitive system—times when it must be supported and directions in which it must be curbed. They realize, however, that the experience of other countries with other systems has not tended to bring about anywhere near the wealth, comfort, peace, and happiness that ours has given us over a long period of years. Our system is based on the liberty of the individual, from which in turn arises the ability of private industry to develop and thus to give employment on a fair basis to the wage-earning group, which, after all, is far the largest and most important in any country. Any system which tends to break down that theory spells the doom of this country's greatness.

It is the profit motive which makes for thrift, for efficiency, and for the energy and foresight which result in the development of natural resources. Once placed all this under a planned economy of a Tugwellian nature, and the inefficiency, wastefulness, arbitrariness, and red tape of government kill the vital spark. It is this we face today.

Please do not look on me as a blind obstructionist or objector. I have tried to lean backward in studying without partisanship the whole administration record. In the last and present sessions of Congress I have supported a number of measures which in my opinion gave hope of relief and recovery and which tended to help the individual, whether human or corporate, keep its head up and help itself. It is the sinister and insidious attempt to regiment the individual person and the individual business which has had and shall have my continued and bitter opposition as long as I have any voice in public affairs.

I could talk indefinitely along this line. I could take up each important measure passed during the last 14 months and point out how it fits into my exposition of administration trends. I could show how the two theories—one of relief the other of reform—come into direct conflict; how proper relief helps industry and how ill-considered reform tends to disrupt it. In times of business prosperity certain reforms are advantageous. In times of business depression we must avoid at all costs the upheaval of business which untried experiments bring about.

What I wish to point out particularly, however, is the steady creep of the tentacles of the governmental octopus of control; how little by little, in measure after measure, powers unheard of in the past have been given to the Executive, powers which in the nature of things he cannot exercise personally but must delegate to subordinates—subordinates in many cases who do not even have to be appointed by and with the advice of the Senate, as provided in the Constitution, but may be irresponsible individuals picked by the Executive for political considerations or otherwise. Whether we refer to the Securities Act, the stock-exchange-control measure, the Agricultural Adjustment Administration, the National Recovery Administration, the control of the value of the dollar, the enormous Public Works fund, in all of these we find vast discretionary powers delegated to the Executive, which in turn will be exercised not by him but by some subordinate body or individual. It may be the Federal Trade Commission, it may be the Administrator of the National Recovery Act, it may be the head of the A.A.A., it may be the Secretary of the Treasury, it may be the Public Works Administrator. The fact



remains that a bureaucrat with no responsibility to anyone except the individual who has appointed him and who is far too busy to give personal attention to the acts of his appointees, is given supreme power over matters on which depend the prosperity, happiness, almost the lives of you and me.

There is contained in all this new legislation an even greater menace to our liberties. Not only are we subjected to civil suit for damages resulting from innocent acts but most of these measures contain criminal provisions, subjecting us to fines and in many cases jail sentences for a breach not only of the specific law itself but of rules and regulations not set forth in the law, but as they may be promulgated from time to time at the whim of the bureaucrat in whose hands the administration of the law may be placed. This country has come to a pretty pass when the owner of a plot of land can be sent to jail for producing more cotton than some official in Washington says he can produce, or when the director of a small company which happens to be listed on a stock exchange can be held liable to damages for an inadvertent statement with respect to his company unless he can sustain the burden of proof that he made the statement in good faith. These are merely a few of the results of the new deal which I could elaborate indefinitely if the time only permitted.

I am not asking a return to the doctrine of *laissez faire*. I realize that the frailties of human nature are such that government must for many years exercise certain reasonable restraints on the unbridled development of financial and economic power. These restraints should, however, be exercised as far as possible in cooperation with private industry and private capital and with sympathy for its problems. I do not believe that happiness and prosperity will return with greater and greater governmental control or through the adoption by the Government of measures which tend to make business doubtful of the future.

I believe that basic conditions, through the operation of the inexorable laws of supply and demand, are today very much better than at the depth of the depression. I believe that the world at large, and this country particularly, are prepared for general improvement. I deeply fear that this general improvement will be greatly delayed by experimenting with the currency, by unnecessary overexpenditure, which will place a tax burden on the country which it must carry for many years, and particularly by overcentralization of government, and by Government interference and competition with business, which makes it increasingly difficult for industry to get into its stride.

There are three simple principles which I should like to see made the background of the new development of the Republican Party which is now on its way.

First. We must balance the Budget, and balance not only the regular Budget but the so-called "emergency budget." Bankruptcy of a nation is just as destructive whether it comes as a result of emergency expenditures or of regular expenditures.

Second. We must fix once and for all our currency policy. The experience of the centuries proves that a stabilized currency is the only thing which the average business man can understand and which will give him confidence. Commodity dollars may be satisfactory for the professor, but the mere fact that even the commodity-dollar professors cannot agree on the way in which they can control the value of their dollar seems to indicate that such an experiment is unsound and full of dynamite.

Third. We must get rid, as soon as possible, of our emergency governmental bodies, abolish the regimentation of industry which the present administration is developing more and more, and give it a chance to help itself. I firmly believe that if these three principles are carried at once to the American people there will result an ever-growing return to the Republican Party as the party of common sense and constitutional rights.

#### WHAT BUTTER SUBSTITUTES ARE MADE OF

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

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, the message of the distinguished President of the United States, urging the exemption from import duty or excise taxes of the 440,000,000 pounds of coconut oil from the Philippines, is full of tender sympathy for the Philippine exporter but makes only a casual reference to the dairymen who, due to the importation of this oil and its manufacture into butter substitutes, is unable to live decently, pay his taxes, and educate his worth while child. Nor does it mention the health of the American people which is jeopardized by the importation and manufacture of coconut oil into butter substitutes.

For some years, under the lash of the internationalists and the importer who were benefited by this strange performance, agriculture and particularly dairying, has been sacrificed on the altar of foreign trade. It is not called by that name but that is the real influence back of the whole situation. The fact is that in the last year 127,967,000 pounds of coconut oil valued at \$6,782,000 has gone into the manufacture of butter substitutes. These substitutes

have depressed the price of butter and are at the root of the present unhappy condition of the dairymen. The profits from this performance have gone either to the Philippine exporter or to the packer kings of America who have made millions of dollars from the sale of this counterfeit food.

Let us look into the source of coconut oil and consider the matter from the standpoint of the American consumer.

Coconut oil is made from copra which is dried coconut meat. A description of copra and the processing procedure appeared in Duncan's Trade Register, a grocery magazine, published at Portland, Oreg. It is as follows:

The coconuts fall from the trees, are broken open and the meat dried in heaps under the tropical suns. This is called copra.

When dry, copra looks and smells something like stable manure, or worse.

When the stuff is ready for shipment swarms of half-naked Malays load it on ships, tramping it in the hold of vessels with bare feet. An army of naked Malays sweating under the tropical heat tramping copra that is going to be made into the poor man's butter. Think of it!

When copra arrives at American oil mills it is run out of the ship with conveyors. Generally it is piled up in the open air, where it attracts millions of flies and looks exactly like piles of stable manure, and smells a "darn sight" worse.

This compost is then ground and pressed between steam-heated rollers. The raw oil is about the most rancid and evil-smelling thing in the world. Until recently it was used exclusively for soap grease. German scientists discovered ways of refining it. The process is simple.

First, the oil is heated to a very high degree. It is then placed in vats and large quantities of sodium injected. The rancidity attacks the sodium solution and is eaten away. The oil is then treated with ether, which process solidifies the oil.

And this is the stuff they advertise as the "white meat of the coconut." This is the fatty substance of the poor man's butter. This is the vile carrion the packer kings give American children.

But do not take my word for it. Go to the copra mill and see for yourselves. Watch the process from compost to coconut oil. If you can see it made and still eat it or feed it to your children, there is nothing that will turn your stomach.

Is not it about time to get away from sentimentality and think not only in terms of the American dairymen, whose condition is desperate, but also give consideration as well to the health and well-being of the growing children of America.

The health of the American people can be given a belated inning and the American dairyman, who thus far has been ruthlessly ignored and partially destroyed by the administration's policies, materially aided by the enactment of H.R. 6612, which provides that the manufacture and sale of butter substitutes shall hereafter be prohibited in America. This measure is patterned on the Canadian statute which has been in effect for more than 10 years. The enactment of this legislation would substantially increase the buying power of the 4,000,000 dairymen in America and give great impetus to national recovery.

I wish the distinguished President had presented this phase of the case more fully in his message to Congress.

#### REVISION OF AIR-MAIL LAWS—CONFERENCE REPORT

Mr. MEAD. Mr. Speaker, I call up the conference report upon the bill S. 3170, to revise air-mail laws, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from New York calls up a conference report upon the bill S. 3170, to revise the air-mail laws, and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise air mail laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:



"That the act of April 29, 1930 (46 Stat. 259, 260; U.S.C., supp. VII, title 39, secs. 464, 465c, 465d, and 465f), and the sections amended thereby are hereby repealed.

"SEC. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 6 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 initial periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: *Provided*, That where the Postmaster General holds that a low bidder is not responsible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General who shall speedily determine the issue, and his decision shall be final: *Provided further*, That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33 1/3 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 0.1 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, except that in no case shall payment exceed 40 cents per airplane-mile.

"(b) No contract or interest therein shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person without the approval of the Postmaster General; and upon any such transfer without such approval, the original contract, as well as such transfer, shall at the option of the Postmaster General become null and void.

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 100 miles, and only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the contract rate on that route.

"(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

"(e) If on any route only one bid is received, or if the bids received appear to the Postmaster General to be excessive, he shall either reject them or submit the same to the Interstate Commerce Commission for its direction in the premises before awarding the contract.

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

"(g) 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 let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided*, That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

"SEC. 4. The Postmaster General shall cause advertisements of air-mail routes to be conspicuously posted at each such post office that is a terminus of the route named in such advertisement, for at least 20 days, and a notice thereof shall be published at least once a week for 2 consecutive weeks 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. After the bids are opened, the Postmaster General may grant to a successful bidder a period of not more than 30 days from the date of award of the contract to take the steps necessary to qualify for mail services under the terms of this act: *Provided*, That at the time of the award the successful bidder executes an adequate bond with sufficient surety guaranteeing and assuring that, within such period, said bidder will fully qualify under the act faithfully to execute and to carry out the terms of the contract: *Provided further*, That, if there is a failure so to qualify, the amount designated in the bond will be forfeited and paid to the United States of America.

"SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

"(b) The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom. In determining what may constitute an unreasonable profit, the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

"(c) Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period, subject to any reduction in the rate of payment therefor, and such additional conditions and terms, as the said Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the said Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice. On the termination of any air-mail contract, in accordance with any of the provisions of this act, the Postmaster General may let a new contract for air-mail service over the route affected, as authorized in this act.

"(d) All provisions of section 5 of the act of July 28, 1916 (39 Stat. 412; U.S.C., title 39, secs. 523 to 568, inclusive), relating to the administrative methods and procedure for the adjustment of rates for carriage of mail by railroads shall be applicable to the ascertainment of rates for the transportation of air mail by airplane under this act so far as consistent with the provisions of this act. For the purposes of this section the said Commission shall also have the same powers as the Postmaster General is authorized to exercise under section 10 of this act with respect to the keeping, examination, and auditing of books, records, and accounts of air-mail contractors, and it is authorized to employ special agents or examiners to conduct such examination or audit, who shall have power to administer oaths, examine witnesses, and receive evidence.

"(e) In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail



so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

"Sec. 7. (a) After December 31, 1934, it shall be unlawful for any person holding an air-mail contract to buy, acquire, hold, own, or control, directly or indirectly, any shares of stock or other interest in any other partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, whether so engaged through air transportation of passengers, express, or mail, through the holding of an air-mail contract, or through the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation, and regardless of whether such buying, acquisition, holding, ownership, or control is done directly, or is accomplished indirectly, through an agent, subsidiary, associate, affiliate, or by any other device whatsoever: *Provided*, That the prohibitions herein contained shall not extend to interests in landing fields, hangars, or other ground facilities necessarily incidental to the performance of the transportation service of such air-mail contractor, nor to shares of stock in corporations whose principal business is the maintenance or operation of such landing fields, hangars, or other ground facilities.

"(b) After December 31, 1934, it shall be unlawful (1) for any partnership, association, or corporation, the principal business of which, in purpose or in fact, is the holding of stock in other corporations, or (2) for any partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, as specified in subsection (a) of this section, to buy, acquire, hold, own, or control, directly or indirectly, either as specified in such subsection (a) or otherwise, any shares of stock or other interests in any other partnership, association, or corporation which holds an air-mail contract.

"(c) No person shall be qualified to enter upon the performance of an air-mail contract, or thereafter to hold an air-mail contract, if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has and retains a member, officer, or director that is) a member, officer, director, or stockholder in any other partnership, association, or corporation, whose principal business, in purpose or in fact, is the holding of stock in other corporations, or which is engaged in any phase of the aviation industry, as specified in subsection (a) of this section.

"(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding \$17,500 per year for full time.

"Sec. 8. Any company alleging to hold a claim against the Government on account of any mail contract that may

have heretofore been annulled, may prosecute such claim as it may have against the United States for the cancellation of such contract in the Court of Claims of the United States, provided that such suit be brought within 1 year from the date of the passage of this act; and any person not ineligible under the terms of this act who qualifies under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (act of June 8, 1872).

"Sec. 9. Each person desiring to bid on an air-mail contract shall be required to furnish in its bid a list of all the stockholders holding more than 5 percent of its entire capital stock, and of its directors, and a statement covering the financial set-up, including a list of assets and liabilities; and in the case of a corporation, the original amount paid to such corporation for its stock, and whether paid in cash, and if not paid in cash, a statement for what such stock was issued. Such information and the financial responsibility of such bidder, as well as the bond offered, may be taken into consideration by the Postmaster General in determining the qualifications of the bidder.

"Sec. 10. All persons holding air-mail contracts shall be required to keep their books, records, and accounts under such regulations as may be promulgated 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. 11. Before the establishment and maintenance of an 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 each air-mail route. In making this determination the Secretary of Commerce, in his specifications furnished to the Postmaster General, shall determine only the speed, load capacity, and safety features and safety devices on airplanes to be used on the route, which said specifications shall be included in the advertisement for bids.

"Sec. 12. 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, and is further authorized to approve agreements between air-mail operating companies and their pilots and mechanics for retirement benefits to such pilots and mechanics. The Secretary of Commerce is authorized to prescribe all necessary regulations to carry out the provisions of this section and section 11 of this act.

"Sec. 13. It shall be a condition upon the awarding or extending and the holding of any air-mail contract that the rate of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed by the holder of such contract shall conform to 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. 14. The Federal Radio Commission shall give equal facilities in the allocation of radio frequencies in the aeronautical band to those airplanes carrying mail and/or passengers during the time the contract is in effect.

"Sec. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

"Sec. 16. The Postmaster General may provide service to Canada within 150 miles of the international boundary line, over domestic routes which are now or may hereafter be established and may authorize the carrying of either foreign or domestic mail, or both, to and from any points on such routes and make payment for services over such routes out of the appropriation for the domestic Air Service: *Provided*, That this section shall not be construed as repealing the authority given by the act of March 2, 1929 (U.S.C., supp. VII, title 39, sec. 465a).

"SEC. 17. The Postmaster General may cause any contract to be canceled for willful disregard of or willful failure by the contractor to comply with the terms of its contract or the provisions of law herein contained and for any conspiracy or acts designed to defraud the United States with respect to such contracts. This provision is cumulative to other remedies now provided by law.

"SEC. 18. 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. 19. 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 punished by a fine of not more than \$10,000 or be imprisoned for not more than 5 years.

"SEC. 20. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three 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 in Congress.

"SEC. 21. Such commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed the rate of \$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.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title and agree to the same with an amendment as follows: In lieu of the title proposed to be inserted by the House amendment, insert the following: "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy."

And the House agree to the same.

JAS. M. MEAD,  
D. C. DOBBINS,  
M. A. ROMJUE,

*Managers on the part of the House.*

KENNETH MCKELLAR,  
HUGO L. BLACK,  
CARL HAYDEN,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 3170) to revise air-mail laws, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the Senate bill and the substitute agreed upon by the conferees are noted in the following discussion, except for incidental

changes made necessary to harmonize various provisions affected by the agreements reached.

Section 1 of the Senate bill repealed the act of April 29, 1930, and the sections of the Air Mail Act amended thereby. The House amendment in section 16 repealed laws in conflict with the provisions of the House amendment. The conference agreement retains the Senate provisions.

#### RATE OF AIR-MAIL POSTAGE

Section 22 of the Senate bill amended section 3 of the Air Mail Act to fix the postage rate on air mail at 6 cents per ounce or fraction thereof. The House amendment in section 2 fixed the rate of postage at 5 cents, effective July 1, 1934. The conference agreement retains the provisions of section 2 of the House amendment (which also includes definitions of "air mail" and "pilot", in addition to a definition of "person" similar to that in section 2 of the Senate bill) except that the rate of postage is fixed at 6 cents.

#### CONTRACTS FOR CARRYING AIR MAIL

Section 3 of the Senate bill provided for (1) the awarding of contracts to carry air mail for periods not exceeding 1 year, with payment at the rate of 30 cents per airplane-mile for a mail load not exceeding 300 pounds, plus one-tenth of such rate for each additional 100 pounds of mail carried, subject to a maximum payment of 40 cents per airplane-mile; (2) granting of not to exceed one extension for any route for a distance not exceeding 100 miles; (3) designating of routes as primary and secondary routes, with at least four transcontinental routes to be included as primary routes; (4) authorizing bidders to appeal to the Interstate Commerce Commission from a denial of an award by the Postmaster General; and (5) prohibiting transfer of contracts except with approval of the Interstate Commerce Commission and the Postmaster General. The House amendment, in section 3 thereof, (1) fixed the rate at 35 cents instead of 30 cents; (2) authorized appeal from the Postmaster General in the manner provided by law; (3) authorized the extension of temporary contracts awarded under competitive bidding for additional periods not exceeding 9 months; (4) prohibited transfer of contracts except with the approval of the Postmaster General; and (5) limited air-mail routes to an aggregate of 29,000 miles and air-mail schedules to an annual aggregate of 40,000,000 airplane-miles.

The conference agreement (1) fixes the rate of payment at 33½ cents per airplane-mile subject to the maximum of 40 cents per airplane-mile, (2) provides for appeal by bidders to the Comptroller General, (3) retains the provision of the House amendment on limitation of route mileage and aggregate airplane mileage, (4) retains the provisions of the House amendment authorizing the extension of existing emergency contracts, making such contracts subject to the provisions of the act, (5) provides that all of the transcontinental routes and the eastern and western coastal routes shall be designated as primary routes, and (6) prohibits transfer of contracts except with the approval of the Postmaster General.

Section 4 of the Senate bill provided for posting of advertisement of air-mail routes for 30 days, and publication of a notice in a daily newspaper for 4 weeks before opening the bids. The House amendment required posting for 15 days and publication of the notice once in a daily newspaper. The conference agreement requires posting for 20 days and publication of notice thereof once a week for 2 weeks.

Section 5 of the Senate bill allowed a successful bidder a period of 3 months from the date of the award to qualify for carrying air mail. The House amendment contained no corresponding provision, and the conference agreement retains the Senate provision except that the 3 months' period is reduced to 30 days.

#### FIXING OF RATES BY INTERSTATE COMMERCE COMMISSION

Section 6 of the Senate bill (1) authorized the Interstate Commerce Commission to fix and determine the public convenience and necessity for all air transportation routes



and the fair and reasonable rates of compensation for the transportation of mail matter by airplane common carriers, (2) authorized the extension of emergency air-mail contracts for not to exceed 9 months at the rates fixed in the contracts, (3) made the provisions of the Railway Mail Service Pay Act of July 28, 1916 (relating to the rates for carriage of mail by railroad), applicable to the adjustment of rates for carrying air mail by airplane, and (4) prohibited the inclusion of any subsidy by way of compensation for carrying air mail. The House amendment contained no corresponding provisions, except as to extension of emergency contracts (sec. 3).

The conference agreement provides that the Interstate Commerce Commission shall (1) fix and determine as soon as practicable the fair and reasonable rates of compensation for carrying air mail by airplane, (2) take into consideration in determining rates various elements relating to air-mail operations, (3) fix the rates so as to keep the aggregate cost of air-mail transportation on and after July 1, 1938, within the limits of the anticipated postal revenue from air mail, and (4) review annually the rates to determine that no unreasonable profit is accruing from air-mail operations. The conference agreement further provides for the indefinite extension of air-mail contracts let under the act, if satisfactorily performed, subject to any reduction in the rate of payment pursuant to the rates fixed by the Interstate Commerce Commission.

**RELATIONS OF AIR-MAIL CONTRACTORS WITH HOLDING COMPANIES, AVIATION MANUFACTURING COMPANIES, AND OTHER AIR-MAIL CONTRACTORS**

Section 7 of the Senate bill prescribed requirements relating to holding-company control, relations with aviation manufacturing companies, interlocking directorates and other intercorporate relationships, and salaries of officers of air-mail contracting companies. The House amendment had no similar provisions. The conference agreement in general retains the provisions of the Senate bill with some rearrangement of language for greater clarity, postponing the effective date of the requirements until January 1, 1935.

Section 8 of the Senate bill relating to eligibility of bidders for air-mail contracts and cancellations of air-mail contracts under section 3950 of the Revised Statutes corresponded substantially with section 5 of the House amendment, and the language of the Senate bill is retained.

Section 9 of the Senate bill required the furnishing of lists of stockholders and a financial statement in connection with bids for air-mail contracts. The House amendment contained no similar provision, and the conference agreement retains the Senate section.

Section 10 of the Senate bill relating to the keeping of accounts by air-mail contractors is the same as section 6 of the House amendment and is retained without change.

Section 11 of the Senate bill relating to equipment to be used by air-mail contractors is the same as section 7 of the House amendment and is retained without change.

Section 12 of the Senate bill authorized the Secretary of Commerce to prescribe maximum flying hours of pilots, safe operation methods, and to initiate and approve agreements for retirement benefits for pilots and mechanics. The corresponding section 8 of the House amendment did not have the provision relating to retirement benefits. The conference agreement authorizes the Secretary of Commerce to approve (but not to initiate) agreements relating to retirement benefits for pilots and mechanics.

Section 13 of the Senate bill relating to rate of compensation of pilots, mechanics, and laborers corresponds to section 9 of the House amendment, and is retained except for modifications of language to take care of the extensions of contracts provided for in previous sections and to recognize the fact that the National Labor Board has already rendered decisions on rates of compensation, working conditions, and relations of pilots, mechanics, and laborers, which have modified those in force in 1933.

Sections 14, 15, and 16 of the Senate bill contained provisions relating to transfer and training of personnel of the Army, Navy, and Marine Corps with respect to the commer-

cial air-mail service. The House bill contained no corresponding provisions, and the conference agreement omits any such provisions.

Section 17 of the Senate bill provided for the allocation of equal radio facilities to airplanes. The corresponding section 10 of the House amendment limited the allocation to radio frequencies in the aeronautical band, and the conference agreement (sec. 14) accepts this House amendment.

**MERGER OF CONTRACTORS**

Section 18 of the Senate bill contained provisions relating to the merger of air-mail contractors and the holding of more than one contract by an air-mail contractor. The House amendment contained no corresponding provision. The conference agreement (sec. 15) provides that no air-mail contractor shall hold more than three contracts for carrying air mail and that the contractor of a primary route shall not be allowed to hold a contract for any other primary route. The conference agreement (sec. 15) retains the Senate provision against the merging of air-mail contractors competing in parallel routes.

Section 19 of the Senate bill reenacted section 8 of the Air Mail Act of 1925, and this provision is retained in the conference agreement (sec. 16).

**PENAL PROVISIONS**

Sections 20, 21, and 23 of the Senate bill contained the penal provisions and correspond to sections 12, 13, and 14 of the House amendment. The conference agreement (secs. 17, 18, and 19) modified (1) section 20 to provide for cancellation of contracts for failure to comply with the terms of the contract as provided in section 12 of the House amendment; (2) retains section 13 of the House amendment, which contained a provision making it unlawful to deprive the United States of the benefit of full and free competition; and (3) retains, without change, section 23 of the Senate bill, which is the same as section 14 of the House amendments.

**COMMISSION ON AVIATION POLICY**

Sections 24 and 25 of the Senate bill provided for an aviation policy commission composed of seven members, with a secretary at a salary of \$7,500 per annum and with an authorization for expenses of \$100,000. The House amendment in sections 17 and 18 provided for a commission of five members to report to Congress not later than February 1, 1935, and to have a secretary at a salary of \$5,000 per annum, and with an authorization of expenses of \$75,000. The conference agreement (secs. 20 and 21) retains the provisions of the House amendment.

JAS. M. MEAD,  
M. A. ROMJUE,  
D. C. DOBBINS,

*Managers on the part of the House.*

Mr. MEAD. Mr. Speaker, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, this conference report, which is the result of efforts to straighten out the present confused air-mail situation, in my estimation, will make the chaos complete. The last 90 days have witnessed a number of strange situations, but this measure will put the capsheaf on the chaotic situation which has existed during that time.

The House committee brought in a bill which was frankly a temporary measure. It had two features. One provided for the temporary contracts; the second was a commission to make a study and report to the next Congress. That at least was a logical plan and could have been operated had it not been for the fact that the Post Office Department prior to that time had awarded contracts under the old, superseded wagon route law of 1872, and had announced that they proposed to let all contracts on that basis. Therefore, when the House committee brought in its bill it was a temporary bill which was nullified by the action of the Post Office Department.

That bill went to conference and we met there a bill which had a permanent plan for air mail. This conference report is the alleged permanent policy for the future of air mail.

In my estimation, it is so temporary that everybody concerned will be pleading for its repeal at the earliest moment possible in the next Congress.

This measure provided in the conference report is built upon two exactly opposite principles. It is a conflict of incompatibles. In the first place, it puts its faith in unrestricted competitive bidding. In the first section of the bill it has a plan laid out as follows:

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 initial periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement.

Now, that is at least a plan whereby the lowest responsible bidder can come in and take contracts, but it is not the intention to let contracts under that provision. Contracts have already been let and are being let on a 90-day provision under the act of 1872. It is not the intention to use these 1-year contracts at all. Such action might be logically defended, although I oppose it. That is, on the basis of unrestricted competitive bidding, companies could come in and take the contracts. That is completely nullified in this bill by the restrictions which are laid down upon bidders and upon the awarding of a contract. For instance, primary routes are laid out in this bill as transcontinental and eastern and western coast lines. Those are called primary routes, and by the terms of this bill, as now written, no company shall have more than one of those routes. At the present time, under the bids which have been let and awarded by the Post Office Department, United Airways holds a contract for the transcontinental, from New York to San Francisco. They also hold, as the lowest bidders, a contract between Seattle and San Diego. Under the provisions of this bill one of those routes must be canceled. Now these operators have come in; they have been bidding; they have been declared responsible, and they have legal contracts, yet under the terms of this bill they must be deprived of either the transcontinental or the west coast line. That is one restriction which completely nullifies the open competitive-bidding plan.

There is another. Under this bill, as written, no company shall have more than three contracts. At the present time American Airways has been granted two contracts as the lowest responsible bidders. On Friday the Department opened bids on other contracts, and the American Airways came in as the low bidder on five of them. Under the terms of the conference report bill, it is impossible to grant them to the lowest responsible bidders. They can only have three contracts. Therefore there must be a cancellation and new contracts must be ordered.

Mr. DOBBINS. Will the gentleman yield as to the statement just now made?

Mr. KELLY of Pennsylvania. I yield.

Mr. DOBBINS. The bill recommended by the conference report provides that that shall not be in effect after October 1, 1934, and will permit these 3-month contracts let to be carried out.

Mr. KELLY of Pennsylvania. Yes; but that makes it worse. After 3 months' operation they must give way to a new company. This is a permanent policy bill and the provisions written into it are supposed to be for permanent legislation. There must be cancellation of some of these contracts in order to bring them within three, which is the limit in this bill.

Now, this bill also lays down requirements which are unknown and uncertain, and which apply after an award has been made. For instance, there is a very worthy provision in any air mail law. That is, all contractors must abide by the decision of the Labor Board as to wages and working conditions. The bidders bid under no such consideration, and they are in a position to say the advertising for bids was unfair and the award was made on a different basis.

Then there is the provision that the equipment requirements may be laid down by the Secretary of Commerce.

That is another restriction on the principle of the lowest responsible bidder's getting the award. They are good requirements but they cannot be squared with the fundamental principle of this bill. In my opinion, it will be impossible to operate this measure as it is provided, and there will be a cancellation of contracts and continual confusion. There will be opening of new bids. There will be varying interpretations. It will bring uncertainty and chaos into the situation, and there is no solution in this measure.

Further, this bill provides that these 90-day contracts may be extended from time to time up to an aggregate of 9 months.

At the end of these extensions, however, it is provided that the Interstate Commerce Commission may take over the contracts, give them an indefinite franchise, and fix the rates of payment. One section of the report would indicate that the Commission might make a fair rate for the carriage of air mail by airplane; but that is not the real intent. The Interstate Commerce Commission is given authority only to reduce the rates under the contract bid. They cannot fix a fair rate which will cover the actual carriage of the air mail. They are held down to the contract bid for all time.

Last Friday American Airways put in a bid of 8 cents a mile from Chicago to Fort Worth. At the same time they put in a bid of 43½ cents a mile for another line. There is no justification for such a variance in bids. If the low bid is fair, the high bid is outrageously unfair. If the lowest bid of 8 cents a mile is unfairly low, then the Interstate Commerce Commission is forever precluded from going above 8 cents but can only bring the rate down. The 39½-cent rate can be shaded down little by little, leaving a great margin between rates paid.

I wish the entire membership of the House knew these bids which were made as the result of advertising under the law of 1872. It is the most striking thing which can be imagined. For instance, the United was awarded the contract between New York and San Francisco at a rate of 38 cents an airplane-mile. The other transcontinental line, T.W.A., on a route between New York and Los Angeles, was awarded the contract at 24 cents a mile. Between these two bids is a range of 14 cents a mile for service under exactly similar conditions. A still more striking example is the bid of the American Air Lines, known as the "Cord Co." It was given a contract on bids made under the law of 1872 between Fort Worth and Los Angeles at a rate of 39½ cents a mile.

On Friday this company bid on the route between New York and Fort Worth, the other leg of a transcontinental route, at 13 cents a mile. Now, if they are granted this contract as the lowest bidder, then mail going from New York to Fort Worth will be paid for at the rate of 13 cents a mile and will be picked up at Fort Worth and carried to Los Angeles at 39 cents a mile, an astounding situation that should never exist under any legislation. By dividing this transcontinental route in two, the company can hold three contracts instead of one. If the Department says that this is a transcontinental line and combines the two, making the route New York to Los Angeles by way of Fort Worth, then there must be a cancellation of these two contracts and bids again submitted under entirely new conditions. Those things mean that there is chaos and uncertainty built into this entire bill. It is impossible to believe that the situation can continue where there is a difference in bids from 8 cents to 39½ cents. Sooner or later some attempt must be made to get a fair rate for the actual carriage of the mail. I do not believe a single Member of this House would contend that this measure is a solution of the air-mail situation. It is a desperate attempt to meet a series of emergencies resulting from the cancellation of all contracts on February 9. I know the Post Office Committee of this House could write a measure which would provide a fundamental solution, and was ready to do it at the time of the cancellation of the contracts.



This measure, as now written, will have to be repealed or completely modified as soon as the next Congress meets. Not only that, but during the ensuing 6 months there will be continual rearrangements, cancelation, and complaints. The operation under interstate-commerce control will be confusion worse confounded. I believe we should have undertaken to write permanent air-mail legislation. We had a bill before the House committee which was the result of a year's study. The basis of pay was not the airplane-mile basis as used in this bill. Under the pending bill there is no relationship between the amount of mail carried and the payment up to 300 pounds. In other words, the limitation here of 33 1/3 cents per mile is based on loads up to 300 pounds, but it is possible to have payment for a 10-pound load up to the entire amount of this rate.

The Postmaster General has been declaring that the result of all this medley has been a greatly decreased cost of carrying the air mail. It has been declared that we will save \$10,000,000 a year under the low bids that are now being received. Mr. Speaker, this is a fallacy. We have now a spider web over this country without proper regard to where the mail volume really is. We have a spider web on a one-round-trip-a-day basis. Under this system, figuring on the lowest bids received, counting the 8-cent bid and all the rest, the total cost will run between \$7,000,000 and \$8,000,000. In order to give the country air-mail service such as it was receiving before February 9, it will be necessary to double these schedules, and by doubling them there will be a doubled cost. So before we say there has been any \$10,000,000 saving we shall have to figure the service that must be given. The only way to get air mail on a basis which provides a permanent solution is through the pound-mile basis instead of the airplane-mile basis, so that on every pound of mail carried 1 mile a fixed rate would be established. This can be done to come within the revenues being received.

I have not time to call attention to all the inconsistencies in this bill. One of them provides that no bidder shall bid unless he files with his bid a list of his stockholders, his directors, and his assets and liabilities. Another provision of the bill provides that a bidder may have 30 days to organize a company and qualify after the award of the contract has been made.

In other words, a bidder without any assets can be awarded a contract, and with that contract in his pocket he can go out and sell stock, arrange his board of directors, and establish his assets.

Contradictions in this bill are numerous, and operation will prove their impossibility. However, the fundamental thing that is wrong is the attempt to put a competitive, unrestrictive price-bid plan in effect with all kinds of restrictions which completely nullify that principle. If I had the power I would make these airplane companies common carriers as are the railroads. I would lay down an established rate per pound-mile for the carriage of mail by aircraft and provide that after a fixed date the total pay should not exceed the amount of revenues received. That would be a fundamental policy, and sooner or later we must adopt it.

Mr. BACON. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman from New York.

Mr. BACON. What is the necessity for this legislation at all if the Postmaster General is proceeding under the act of 1872?

Mr. KELLY of Pennsylvania. There is no necessity for it at this time, because they can extend those routes for 9 months.

Mr. BACON. Would it not be better to wait until the next Congress and then have a real investigation so that a permanent policy could be worked out?

Mr. KELLY of Pennsylvania. That is the only sensible thing to do under the conditions as they now exist. We have to face the fact that they are going to continue for 9 months under the old law unless they are declared invalid in the courts. There is a commission to be appointed under this bill, with an appropriation of \$75,000 for them to make a study of the situation. This commission is to report by February 1935. In the same measure we are setting up permanent provisions while we are spending this \$75,000 for a commission to report recommendations as to permanent policy.

This is an absurd situation, and it seems to me it might be well to allow the matter to rest in the hands of the Department with the power to make 9-month contracts by extensions and then have the commission report permanent recommendations. Under such circumstances we might then have a final solution. Under this measure there will be many complications, and it will be impossible for the public to know what air-mail service can be extended to them.

It is an absurdity to attempt to write a permanent bill on a temporary framework. It is an absurdity to set up unrestricted competition and, at the same time, handicap bidders with restrictions that were not taken into consideration at the time of bidding. While I take it for granted the measure will be passed, I simply want to say that the operation of it will be the culmination of the air-mail chaos. It will prove impracticable, and it will only make more certain the necessity of the Congress itself writing a fundamental air-mail bill for the benefit of the public and the Postal Service. The sooner we do that the better it will be for all concerned.

Mr. CARTER of Wyoming. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman from Wyoming.

Mr. CARTER of Wyoming. I notice on page 2 of the conference report these words, "and the eastern and western coastal routes." In the bill which passed the House these words were not included?

Mr. KELLY of Pennsylvania. They were not.

Mr. CARTER of Wyoming. Can the gentleman tell me what brought about the declaration that the eastern and western coastal routes were among the primary routes?

Mr. KELLY of Pennsylvania. It was declared that the east and west coastal lines were transcontinental lines and should be put in that classification.

Mr. CARTER of Wyoming. At the opening of bids recently the United Air Lines was successful in bidding on the route from New York to San Francisco and also one on the west coast. If this bill passes, it will penalize the United Air Lines, and they will have to give up one of those routes?

Mr. KELLY of Pennsylvania. Yes. That is just one of the features in the measure. United has already been awarded the contract, and here is a cancelation enforced by the terms of this bill which we are passing now.

Mr. CARTER of Wyoming. It seems to me this was put in to favor some line that had not been a successful bidder. [Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks by including the bids received in the recent letting by the Department.

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

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Speaker, I am appending herewith the result of the bidding for air-mail contracts under the 1872 law, with the successful companies shown.

	Route	Total mail-miles scheduled	90 percent of mail-miles scheduled	Cost for 90 percent service	Rate
United Air Lines	New York to San Francisco	4,517,240	4,065,516	\$1,544,896.08	\$0.38
Transcontinental & Western Air, Inc.	New York to Los Angeles	3,709,140	3,338,226	801,174.24	.24
Eastern Air Lines	New York to Miami	1,744,700	1,570,230	455,396.70	.29
United Air Lines	Seattle to San Diego	1,143,910	1,029,519	406,660.00	.395

	Route	Total mail-miles scheduled	90 percent of mail-miles scheduled	Cost for 90 percent service	Rate
Eastern Air Lines	New York to New Orleans	1,529,350	1,376,415	\$261,518.85	\$0.19
Central Airlines	Washington to Detroit	667,220	600,498	142,918.52	.238
Eastern Air Lines	Chicago to Jacksonville	677,440	609,696	115,842.24	.19
Long & Harman	Amarillo to Brownsville	821,250	739,125	145,977.18	.1975
United Air Lines	Salt Lake City to Seattle	751,170	676,053	267,040.93	.395
General Air Lines	Salt Lake City to San Diego	567,940	511,146	122,675.04	.24
American Airlines	Boston to New York	293,460	264,114	88,029.19	.333
Pacific Seaboard Airlines	Chicago to New Orleans	659,190	593,271	103,822.42	.175
American Airlines	Fort Worth to Los Angeles	969,440	872,496	344,635.92	.395
Do.	New York to Buffalo to Chicago	687,010	618,309	244,232.05	.395
Wyoming Air Service	Cheyenne to Pueblo	216,940	195,246	68,336.50	.35
Braniff Airways	Chicago to Dallas	697,150	627,435	141,172.87	.225
Alfred Frank	Salt Lake City to Great Falls	377,410	339,669	132,470.91	.39
Hanford Tri State	Chicago to Pembina	873,080	785,772	154,011.31	.196
Northwest Airlines	Fargo to Seattle	938,780	844,902	285,154.42	.3375
American Airlines	New York to Fort Worth	1,065,800	959,220	124,688.60	.13
Delta Air Service	Charleston to Fort Worth	793,510	714,159	177,111.43	.248
American Airlines	Chicago to Fort Worth	667,220	600,498	48,039.84	.08
Do.	Washington to Chicago	495,670	446,103	129,369.87	.29
Do.	Cleveland to Nashville	343,100	308,790	45,932.51	.14375
Do.	Boston to Cleveland	446,760	402,084	98,510.58	.245
National Airways	Boston to Bangor	299,300	269,370	79,464.15	.295
Pennsylvania Airlines & Transport Co.	Detroit to Milwaukee	193,450	174,105	67,726.84	.339
Robertson Airplane Service Co.	New Orleans to Houston	246,010	221,409	36,975.30	.167
Wyoming Air Service	Billings to Cheyenne	295,650	266,085	75,834.22	.285
Hanford Tri State	St. Paul to Kansas City	629,990	566,991	107,161.29	.189
Varney Speed Lines	Pueblo to El Paso	386,900	348,210	83,570.40	.24
Franklin & Baker	Daytona to St. Petersburg	108,040	97,236	16,513.12	.17

Mr. MEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, the gentleman from Pennsylvania who has so emphatically denounced this conference report, has well described our conference and the proceedings leading up to the passage of this legislation as a conflict of incompatibles. The incompatibility in this conflict has resulted from the widely divergent views of those who desire the air mail to be carried over the country at the most reasonable rate which the Government can obtain, and of those who would create a monopolistic rate and would perpetuate the old carriers in their monopoly.

On the first day of the special session of this Congress, in March of last year, there was introduced in this House a bill which represents one school of thought in this conflict of incompatibility. It is H.R. 3, introduced by the gentleman from Pennsylvania [Mr. KELLY]. May I call the attention of the House to the purpose expressed in that bill as to the manner in which air-mail contracts should be let?

In section 4 appears this language:

*Provided, further,* That no mail shall be dispatched on planes operated by any individual, firm, or corporation whose planes were not carrying air mail on January 1, 1933, except as herein-after provided.

Think of that language. It would permit none to carry the air mail of this country unless it is one of the favored contractors who had received one of the contracts awarded by the former Postmaster General, Mr. Brown.

True, there is an exception, but the exception is a very minor one and appears in section 7 of the bill H.R. 3, where provisions for extension of existing service are set forth. Then others might come in and get a contract, but only in the case of new or additional routes, which would not duplicate service already in existence and performed by what the bill calls a "regular operator." And no one could get one of these comparatively rare new contracts, under that bill, unless he had maintained a daily scheduled air transportation service over a route not less than 250 miles in length for a period of 6 months.

Referring to this legislation, which would continue upon improved terms, the very reasonable contracts now being started, the gentleman calls it chaos. If this be chaos, we had better have more of it. Under the contracts that have just been let, and assuming the lowest bidders in these recent lettings will receive the contracts now in process of formation, the cost of the air-mail service for this country, with over 3,000 miles of additional routes and reaching every State of the Union, which we did not do before this, and supplying 20 cities never served before, will amount to less than 40 percent of what it was 2 years ago, when

Mr. Brown was in office. We shall see an annual saving of nearly \$12,000,000.

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

Mr. DOBBINS. I yield.

Mr. HARLAN. I understood the gentleman from Pennsylvania [Mr. KELLY] to make the statement that the quantity of service on these different lines and to these different stations had been materially reduced and that this reduction in cost was due to the reduction in quantity of service. Is the gentleman prepared to give us some information on that point?

Mr. DOBBINS. The aggregate trip mileage of the routes flown in 1932 was about 34,500,000 miles. Under the schedules now provided it runs something over 28,500,000 miles. So an increase of considerably less than 25 percent would provide more schedules than we had before with an increase of about 20 percent in the cost, and this would run us up to about \$9,000,000 annually, whereas the cost was just about \$20,000,000 before.

Mr. HARLAN. If the gentleman will permit another question, the matter I am interested in is this: Under the old schedule a certain number of deliveries were made, say, in Washington in a day. Is the number of deliveries being reduced under the new bill?

Mr. DOBBINS. By an increase of less than 25 percent in the number of airplane miles or schedules now provided for, we can furnish more service than we had before, but it is the feeling of the Post Office Department that we had an unnecessary number of schedules before; that schedules were sometimes provided where they were not needed, and this resulted in unwarranted payments of additional compensation to the carriers.

Competition in this matter has produced, it is true, some rates which are not in harmony. As the gentleman from Pennsylvania [Mr. KELLY] pointed out, over one route there is a bid of 13 cents a mile for one part of the route and a bid of about twice as much for the remainder of the route. This law, however, provides that the Interstate Commerce Commission shall supervise these rates and will harmonize them, and when they have done that, the rates will have to be reduced down to whatever the Interstate Commerce Commission finds to be reasonable or the contract will be terminated.

The bill, as it has been agreed to in conference, ratifies and confirms the contracts now being let by the Post Office Department and provides for their extension, but in permitting such extension it is further provided they cannot be extended for more than they were originally bid for nor for more than this act provides as a top limit.

This answers completely the contention that these contractors are bidding a ridiculously low rate so as to per-



petuate themselves in a contract and, later, will have their rate of pay increased. That simply cannot be done. If they are not satisfied with the rate they have bid or if they are not satisfied with the limitation which this bill puts upon the contract, the only alternative is to call for new competitive bids.

Now, Mr. Speaker, it is not necessary, in order to protect these corporations against their own folly, that we guarantee them a rate more than that for which they say they can carry this mail and carry it at a profit. By their own admissions in these competitive biddings, they have shown they can carry the mail for less than half what it was carried for before and make a profit, and I do not think it is necessary for Congress to constitute itself a conservator for the airlines to see that they are paid twice as much as they think they should have upon the absurd pretext that they may otherwise not ruin themselves in the undertaking.

This act recommended by the conference provides that no holder of a primary route may have a contract on another primary route, and it provides that the eastern and western coastal lines shall be primary routes.

There is a good reason back of this provision. Four transcontinental routes terminating at different points on the Pacific coast are primary routes. If the holder of any one of these routes should be allowed to have a connecting link across the termini of the four great transcontinental airlines on the Pacific coast or on the Atlantic coast, it would be quite possible for that one concern so to arrange its passenger schedules as to divert an undue proportion of the transcontinental-air-passenger traffic to the particular trunk route being operated by the company having the coastal-route contract. Therefore it is provided in this bill that no two of these contracts shall be held by the same person.

The pound-mile rate of pay is advocated by the opposition as the only ideal way of compensating air-mail carriers for the transportation of the mails. If that idea should be carried into effect, it would mean that any operator in any part of the country must be paid the same rate per pound of air mail carried as any other operator in any other part of the country; and it is well known, as the regulations established by the former Postmaster General recognize, that there are varying conditions throughout the country which make it more expensive to carry mail through the air in some parts of the country than in others. Some ships must fly over mountains, while others have nothing but plains to traverse, with an emergency landing field furnished by every field or pasture beneath them, whereas those going over the Rocky Mountains or similar terrain must frequently fly hundreds of miles before they can find an emergency landing field. Fog and snow conditions in the Northwest make it difficult and expensive to operate an air service there, whereas down in the southern part of the country the service can be operated on an uninterrupted daily schedule without any climatic handicap adding to the expense. Some lines have heavy passenger traffic, which enables them to support their overhead costs without requiring much help from air-mail revenues, while on other lines there is practically nothing to be transported except the mails.

The directions to the Interstate Commerce Commission provided for in this bill are that all of such elements shall be taken into consideration by the Interstate Commerce Commission in establishing what are fair rates in this bill. That, Mr. Speaker, protects the United States Government and the people of the United States in the matter of rates, and this law provides for revision of rates by the Interstate Commerce Commission in only one direction—downward. Moreover, the Interstate Commerce Commission is prevented by the provisions of this act from increasing the cost of air transportation above whatever rate the contractors themselves may bid for their respective contracts, so long as the contracts are held without a new competitive letting of bids.

Therefore, the only direction that we can go under this bill is in the direction of improvement, in the direction of the best interests of the people, and that is what we are going to do.

This new air mail act has been most carefully studied by the conferees. It does not represent solely the views of the House, neither does it represent the individual views of the Senate, but it constitutes a very fair and reasonable compromise between the views of both bodies; and I am satisfied that experience will demonstrate that it is an excellent law. [Applause.]

Mr. MEAD. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Speaker and Members of the House, I agree with the House conferees and the Democratic conferees fixing the rate for carrying air mail. I do not agree with my friend from Pennsylvania [Mr. KELLY] in the 1 mill per pound-mile for carrying air mail.

I do believe that the method fixed by the House bill is the correct method. Now, that is purely a question that is debatable, and I think time will prove whether the Democratic conferees are correct, or whether the other side of the House is correct, because I believe that the gentleman from Pennsylvania speaks more or less the sentiment on his side of the House.

Now, my only objection to this report is that I am wondering what is going to happen to the Pacific coast. I do not see the logic in preventing a contractor of a transcontinental line from taking a contract on a part or all of a north and south primary route.

Now, four great routes across the country are fixed by this bill, and two routes north and south, one on the Atlantic and one on the Pacific coast. I shall speak only of the situation on the Pacific coast. We have been served by airplane service for passenger, express, and also for mail from San Diego to Seattle. The United Air Lines happens to be at this time the successful bidder and operator of the line going up and down the coast on the Pacific. It is thought by letting United Air Lines retain that primary route as a contractor and then permitting that same line to have a transcontinental primary route from the eastern coast of San Francisco that that particular company might discriminate along the coast in order to secure all of the coastal business over its primary route across the continent. I believe that is a bugaboo and that in practice will not be a real objection, because you have a primary route ending at San Diego. Whatever company has that terminus at San Diego, naturally enough will get all business generated in that area, and that business will go over that transcontinental route if that business seeks to reach the Atlantic coast or other points east. Los Angeles is the terminus of a primary transcontinental route. Whatever business is generated in that area will naturally go across the continent on the primary route whose terminus is at Los Angeles, and, so far as the business generated at San Francisco is concerned, whatever company has the terminus at San Francisco will take it east across the continent. That happens to be the United. Naturally enough they will get that business out of that area; and when you get to Seattle, Wash., and Portland, Oreg., whatever business is generated there will go east over the northern transcontinental primary route. It is not logical to believe that a man will go over the United Air Lines and leave Los Angeles and fly to San Francisco in order to get east across the continent.

That is my objection to this report. I believe the report should be voted down in order that that illogical situation may be clarified.

Mr. MEAD. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC. Mr. Speaker, I have asked for this time to announce that today I have placed in the basket a joint resolution which has been prepared by me with the aid of the drafting committee, which would authorize the Secretary of the Treasury to use the unpledged monetary stocks and the unpledged securities of the R.F.C., the Farm Credit Administration, and other Government agencies for the purpose of issuing currency, so that a sufficient amount can be issued to relieve the enormous burden that today is falling upon the Government, which causes us to pay over eight hundred million dollars a year in the way of interest on



securities and bonds, many of which are untaxable. The question uppermost in the minds of many people is, How long can this Government continue at its present rate of spending? Unless something is done to solve this problem, and put an end to the issuing of tax-exempt securities, the burden of the Government will gradually grow larger. I take the position that the best policy that could be put into effect would be to print sound currency against the assets of the Government; take up and cancel as many as possible of the outstanding tax-free bonds and securities with this new issue of money, thus causing those who have invested their funds in Government securities to seek investments through normal channels which will result in a stimulation to business and at the same time reduce the Government's annual interest obligation. In other words, my proposal would cause currency to be printed and have behind it securities based upon land values and other kinds of legitimate business that have a recognized value, as well as the surplus gold and silver owned or controlled by the Government.

I ask unanimous consent to extend my remarks and to include a copy of the joint resolution.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

#### House Joint Resolution 360

Joint resolution to provide for the issue of United States notes on Government owned or pledged securities to be used to retire interest-bearing obligations of the United States and levying a tax on profits made in certain transactions  
*Resolved, etc.,*

Whereas the question uppermost in the minds of all thinking people is how far and how long can this Government continue at the rate of speed it is now going with respect to expenditures without being confronted with a serious catastrophe; and

Whereas the United States has outstanding obligations amounting to over \$25,000,000,000, which is causing the Government to expend over \$800,000,000 per year in the way of interest, which is being principally paid to the holders of outstanding bonds and various kinds of short-time certificates of indebtedness; and

Whereas such bonds and certificates of indebtedness are wholly or in part exempt from taxation, which allows many individuals to invest their capital without being called upon to defray any part of the necessary expense of maintaining the Government; and

Whereas the policy of issuing tax-exempt securities can be compared to an inward malignant cancer, which is gradually consuming the capital stock in the way of values belonging to our Government, and, unless new policies can be put into effect which will change existing conditions, it is apparent to all that a small minority of beneficiaries will be able to retain control over the wealth of the Nation in a way that is certain to bring hardships to all of our citizens: Therefore be it

*Resolved, etc.,* That the Secretary of the Treasury is authorized and directed to issue United States notes in such form and such denominations as he deems advisable, and in amounts as authorized in section 2 (b) of this act. Such notes, to the extent of the aggregate amount thereof so authorized to be outstanding, shall be used to meet all maturing and all called obligations to repay sums borrowed by the United States, and may be used to purchase before maturity any United States' bonds and other interest-bearing obligations of the United States.

All obligations and bonds so acquired or taken up shall be retired and canceled.

Sec. 2. (a) The Governor of the Farm Credit Administration is authorized and directed to assign and transfer to the Secretary of the Treasury all stock or other forms of securities, owned by the United States and held by such administration at any time after the enactment of this act, in all organizations over which such administration exercises supervisory jurisdiction. The Reconstruction Finance Corporation is authorized and directed to assign and transfer to the Secretary all collateral pledged as security for loans made by such corporation, but which has not been redeemed on the date of such enactment, and all collateral so pledged after such date. Such stock and collateral shall, together with all other stock owned by the United States and held by the Secretary in organizations over which the Farm Credit Administration exercises supervisory jurisdiction, constitute stock and collateral reserve for United States notes, but the Secretary shall withdraw from such reserve, and dispose of according to law, any such stock which is retired and collateral which is redeemed.

(b) The Secretary of the Treasury—

(1) Shall issue an amount of United States notes under section 1 equal to — percent of the value, as determined by him, of the stock and collateral constituting stock and collateral reserve for United States notes, as is provided for in section 2 (a).

(2) Shall issue an amount of United States notes under section 1, in addition to the amount authorized by paragraph (1), equal to 2½ percent of the monetary value of all gold and silver owned by the United States not otherwise appropriated or obligated. As used in this section, the term "monetary value" means a value calculated on the basis of \$1 for an amount of silver or gold equal

to the amount at the time contained in the standard silver dollar and the gold dollar, respectively; and

(3) Shall maintain an amount of such notes outstanding as nearly as practicable at such percentages of value by issuing additional notes, or by redeeming and canceling outstanding notes, as the circumstances may require.

(c) Such gold and silver and the stock and collateral reserve for United States notes shall be held in the Treasury as security for all outstanding United States notes issued under this act until redeemed.

Sec. 3. There is hereby imposed a tax of one-fiftieth of 1 percent on all profits, including interest, derived from redeemed securities other than silver and gold which are used as a medium for the issuing of United States notes under regulations which shall be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

Sec. 4. All provisions of law (including penalties) applicable in respect of United States notes and other currency of the United States shall, insofar as not inconsistent with this act, be applicable with respect to United States notes authorized to be issued under this act.

Sec. 5. The Secretary of the Treasury shall prescribe such rules and regulations as he deems for the enforcement of this act.

Mr. MEAD. Mr. Speaker, I yield the remainder of the time to myself. This conference report should receive the approval of the House because in my judgment its adoption will result in improved Air Mail Service. It will prevent monopoly and it will substitute competitive bidding for outright grants and extensions. It will substitute honesty and fair dealing for discrimination and favoritism. It will result in an economical service, it will save, as has been stated, from six to eight million dollars annually. It will give 4 States and 20 cities service which have never had it in the past. It will expand the Air Mail Service and free it from the damaging outgrowths of the past, it will enjoy greater opportunity to be of service in time of peace as well as in time of war.

Something has been said about the eastern and western coastal lines, and about the number of contracts allotted to any one contractor. Let this be understood in the beginning. The Senate bill limited the holder of any primary contract to one contract. The House liberalized that provision by permitting the holder of a primary contract to hold two additional secondary contracts.

Under the provisions of the bill the four transcontinentals and the east and west coastal lines will be primary lines, and each contractor operating a primary line may hold two secondary lines. This limitation will eliminate the possibility of a monopoly of the Service in any section of the country; it will also permit of improved service and more satisfactory arrangements between the several lines serving the same general territory. The west coast line will serve as a North and South connecting link for all four transcontinentals.

If we give any one of the primary lines a monopoly on any section of the country there will be dissatisfaction resulting from claims of discrimination. We had that difficulty in the past, and the only way the matter could be solved was to extend paralleling service to two of the transcontinental lines. A transcontinental line cannot be successful if it is limited in its eastern or western termini. Each should have access to the principal cities of the east and west coasts. To bring such a condition about the coastal lines were listed as primary lines.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. FITZPATRICK. Is there anything in the bill to compel companies to build a certain type of ship, so that in case of war it could be used for national defense?

Mr. MEAD. Yes. The Department of Commerce has to do with the specifications with regard to the ships. There is also in the bill the creation of a commission that will study that question. The ships now in use and the personnel, the pilots and mechanics, would all be useful to the Government in time of war. They would prove to be most helpful to the national defense.

Mr. FITZPATRICK. The reason I ask that question is because I understand the European countries insist that all commercial planes must be built so that they can be used for the national defense in case of emergency.

Mr. MEAD. And that should be done here also.



The Senate bill eliminated the subsidy when the present contracts were extended. The House conferees insisted that there should be a continuation of the subsidy policy until such time as the weaker lines were able to stand upon their own feet. As a result, the subsidy payments where necessary are permissible until July 1, 1939. That will give this commission some opportunity to study the question of the subsidy.

The Senate limited the amount of pay to 30 cents per mile for 300 pounds of mail carried. The House insisted upon an increase, and it was granted, to 33½ cents per mile for 300 pounds of mail. Holding companies were not barred by the House bill, but holding companies, affiliates, associates, and subsidiaries, were eliminated in the Senate bill. The House, believing that it would be a hardship on some of the contractors to do that immediately, succeeded in postponing such action until January 1, 1935. This postponement will give the commission created under the bill an opportunity to study the question, although it will be impossible for them to make their report to Congress in time to secure legislation.

The interchange of pilots has been left to the commission. The military training of pilots now in the Air Mail Service has been left to the commission also, and several other matters of minor importance have likewise been left to the commission to study. It must be understood that this commission is not limited to a study of Air Mail Service. This commission will study manufacturing and experimentation in aircraft production, military and naval aviation, and many other phases of the subject. There is abundant work for the commission created under this bill.

It is true that we validated the temporary 3-month contracts, but there is another reason for that action other than the reasons which were given to the House this afternoon. We validated those contracts, and we permitted their extension for the 9-month period, but we compel the contractor to sign an agreement in writing that he will carry out all the provisions and requirements contained in this act. That means that the pilots and mechanics will have a right to organize and bargain collectively; that their wage scales and working conditions will be protected.

This bill gives the independents a real opportunity to come into the air-mail picture. We make possible the expansion of the Service and we give to some States and many cities a service they never enjoyed before. The Post Office Department very willingly relinquished much of their authority in the conduct of the Air Mail Service, and the House and Senate conferees agreed upon provisions that will permit a review of the contracts by the Comptroller and a review of the rates by the Interstate Commerce Commission. We require the Interstate Commerce Commission to make a survey of the rates paid at least annually, and if any contractor is receiving in excess of a reasonable amount, we require a reduction in that specific case. In no case do we allow the Interstate Commerce Commission, the Postmaster General, or the Comptroller or any other agency of the Government to do what was done in the past—to extend franchises or to increase rates.

We permit only the downward revision of rates paid for air-mail service. Mr. Speaker, we have been liberal in our treatment of the contractors whose contracts have been canceled. We have insured to the Government a saving of over \$6,000,000, an honest service, an expanded service, a service of which I believe you and I and the country at large will be proud.

#### CONFERENCE REPORT, S. 3170—AN EXPLANATION

While the House committee believes that air mail could be carried much cheaper than it has been in the past, it did not deem it advisable to cripple the development of the Air Mail Service by suddenly reducing the rates of compensation of the carriers and destroying the organization, personnel, and equipment developed to carry air mail. For that reason it accepted the 6-cent postage rate fixed in the Senate bill, which by reason of the desired policy of keeping the cost of air-mail transportation within the revenue therefrom, will aid in maintaining the service of the carriers, while at

the same time increase the amount of air mail carried because of the lower rate as compared to the rate now in force. The definition of air mail was expanded to include mail of all classes prepaid at the air-mail rate, instead of being limited to the first class as provided in the Senate bill and in existing law. The Senate bill provided that no payment by way of subsidy should be made for carrying air mail, and the protection of the public in this feature is retained in the conference agreement secured by the House, except that the effective date of the policy is postponed until July 1, 1939, in anticipation of development of the volume of air mail and increase in the revenue therefrom before such date.

The Senate bill fixed the rate of pay at 30 cents per airplane-mile for a load of 300 pounds, and the House conferees secured a rate of 33½ cents per airplane-mile. This is, of course, a maximum which may be bid and paid, and was secured by the House in the belief that the rate should not be so low as to encourage mushroom development of airlines and air-mail companies with inadequate equipment and personnel. At the same time, provisions were retained in the conference agreement as a check upon undue profits by air-mail contractors, among them being examination and audit by the Postmaster General, the Interstate Commerce Commission, and an annual check-up by the Interstate Commerce Commission, of rates, with a view to disclosing any unreasonable profits.

The Senate bill authorized the Interstate Commerce Commission to determine the public convenience and necessity for all transportation routes and the fair and reasonable rates of compensation for transportation of air mail by airplane common carriers. The House committee and conferees believe that in view of the provision for a commission on aviation policy it would be better to leave the question of control of the establishment of routes in the hands of the Postmaster General until the said commission could report a permanent policy. The conference agreement authorizes the Interstate Commerce Commission to fix the rates of compensation only and adds provisions for the protection of the public and of the carriers as to the means of determining reasonable rates and the enforcement thereof.

The conference agreement permits the indefinite extension of any contract awarded under the act subject to the safeguarding provisions contained in section 6 (c) and permits the extension of emergency contracts now in force for periods not exceeding 9 months at rates not exceeding those in the contracts or in the act.

The Senate bill contained in section 7 thereof provisions designed to punish air-mail contractors whose contracts were canceled in February 1934 and to prevent any recurrence of the alleged collusion on which such cancellation was based. Some members of the House committee believe that certain of these provisions were in the nature of a bill of attainder. For that reason it secured the postponement of such provisions until January 1, 1935, in order to enable such air-mail contractors to reorganize their affairs and their relations with other companies, qualify under the new provisions, and still retain for the benefit of the public the benefits of the trained personnel and organization and existing facilities of such companies. The conference agreement permits contractors whose contracts were canceled to bid for contracts under the act if they have divested themselves of interest in other air-mail companies, other aviation-manufacturing companies, and discharged any individuals connected with such companies who were directly concerned with the alleged unlawful combination and collusion in connection with the canceled contracts. The agreement exempts from such discharge any employee of a company who was not an executive or managerial officer of the company, and permits the Postmaster General to accept an affidavit of the bidder or an officer thereof as evidence that such bidder or officer has not participated in any collusive agreement with respect to air-mail contracts.

The Senate bill provided for the initiation of retirement agreements between air-mail contractors and their pilots and mechanics. The House conferees believe that such a provision would be unduly burdensome on the air-mail contractors at the present time and believe that the develop-

ment of a policy on the retirement of pilots and mechanics should be left to the Aviation Commission. The authority to initiate agreements was modified and made wholly permissive by authorizing the Secretary of Commerce to approve such agreements in case air-mail contractors and their pilots found it desirable to enter into any such contract.

The Senate bill forbade any air-mail contractor to hold more than one contract for carrying air mail. The House conferees believe that this was unduly restrictive and secured a modification permitting air-mail contractors to hold not more than three contracts, but provided that the contractor of a primary route—that is, a transcontinental or coastal route—should not hold a contract for any other primary route. The provision against merger companies operating parallel routes was retained.

The Senate bill empowered the Postmaster General to cancel any contract in case of failure by the contractor to comply with its terms or the provisions of the act. Your conferees believe that this provision was unduly arbitrary and it was modified to provide for cancellation only in the case of willful failure to so comply.

The Senate bill in sections 14, 15, and 16 contained elaborate provisions relating to interchange of personnel between the military and naval services and the commercial mail service. Your conferees were of the opinion that these provisions might be unduly complicated and burdensome because of the lack of any experience or investigation on which to base such a policy. The provisions were omitted from the bill with the expectation that the Commission on Aviation Policy would report findings on the question of training of personnel in the military and commercial air services.

Sections 12 and 13 of the Senate bill corresponding closely to sections 8 and 9 of the House amendment, and intended to protect pilots, mechanics, and laborers of the air-mail contractors in respect of their safety, pay, and working conditions, were retained in the conference agreement with only slight modifications designed to make them more effective in behalf of such pilots and other employees.

The House conferees believe that too arbitrary powers should not be vested in the Postmaster General, and for that reason insisted on provisions providing for an appeal from the Postmaster General to the Comptroller General in the awarding of contracts in case the Postmaster General held that a low bidder is not responsible to qualify under the act, and also provided that in case only one bid, or excessive bids were received, they should be submitted to the Interstate Commerce Commission for its direction before awarding any contract. The Postmaster General is also limited in granting extensions of routes to one extension to any one contractor, and not in excess of 100 miles. The aggregate air-mail routes shall not exceed 29,000 miles, and the annual aggregate of air-mail schedules shall not exceed 40,000,000 airplane-miles.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. BACON) there were—ayes 70, noes 35.

Mr. BACON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 261, nays 72, not voting 98, as follows:

[Roll No. 150]

YEAS—261

Adair	Biermann	Brown, Ga.	Busby
Adams	Bland	Brown, Ky.	Byrns
Arens	Blanton	Brown, Mich.	Cady
Arnold	Bloom	Brunner	Caldwell
Ayres, Kans.	Boehne	Buchanan	Cannon, Mo.
Bankhead	Bolleau	Buck	Carden, Ky.
Beam	Boylan	Burch	Carmichael
Beiter	Brooks	Burke, Nebr.	Carpenter, Kans.

Cartwright	Fletcher	McClintie	Sanders, La.
Cary	Ford	McCormack	Sanders, Tex.
Castellow	Frear	McDuffie	Sandlin
Celler	Gambrell	McFarlane	Schaefer
Chapman	Gavagan	McGrath	Schuetz
Chavez	Gilchrist	McKeown	Schulte
Christianson	Gillespie	McMillan	Scrugham
Cochran, Mo.	Glover	McReynolds	Sears
Coffin	Goldsborough	Maloney, Conn.	Secrest
Colden	Granfield	Maloney, La.	Shallenberger
Cole	Greenwood	Mansfield	Shannon
Collins, Miss.	Gregory	Martin, Colo.	Sirovich
Colmer	Griffin	Martin, Oreg.	Smith, Va.
Condon	Griswold	May	Smith, Wash.
Conner	Haines	Mead	Somers, N.Y.
Cooper, Tenn.	Harlan	Meeks	Spence
Cox	Hart	Miller	Steagall
Cravens	Hastings	Milligan	Strong, Tex.
Crosby	Henney	Mitchell	Stubbs
Cross, Tex.	Hildebrandt	Monaghan, Mont.	Studley
Crosser, Ohio	Hill, Ala.	Montague	Summers, Tex.
Crowe	Hill, Knute	Montet	Sutphin
Crump	Hill, Samuel B.	Moran	Sweeney
Cullen	Holdale	Morehead	Tarver
Cummings	Howard	Murdock	Taylor, S.C.
Darden	Huddleston	Nesbit	Terrell, Tex.
Dear	Hughes	O'Brien	Terry, Ark.
Deen	Imhoff	O'Connell	Thom
Delaney	Jacobsen	O'Connor	Thomason
DeRouen	Jenckes, Ind.	Oliver, Ala.	Thompson, Ill.
Dickinson	Johnson, Minn.	Oliver, N.Y.	Thompson, Tex.
Dickstein	Johnson, Okla.	Owen	Truax
Dies	Johnson, Tex.	Palmisano	Turner
Dingell	Johnson, W.Va.	Parker	Umstead
Dirksen	Jones	Parks	Underwood
Disney	Kee	Parsons	Utterback
Dobbins	Keller	Patman	Vinson, Ga.
Doughton	Kelly, Ill.	Peavey	Vinson, Ky.
Dowell	Kennedy, N.Y.	Pettengill	Wallgren
Doxey	Kleberg	Peyser	Walter
Drewry	Kloeb	Pierce	Warren
Driver	Kniffin	Polk	Wearin
Duffey	Kocialkowski	Prall	Weideman
Duncan, Mo.	Kopplemann	Ramsay	Werner
Dunn	Kramer	Ramspeck	West, Ohio
Durgan, Ind.	Lamneck	Rankin	West, Tex.
Eagle	Lanham	Rayburn	White
Edmiston	Larrabee	Reilly	Whittington
Elcher	Lea, Calif.	Richards	Williams
Ellenbogen	Lee, Mo.	Richardson	Wilson
Ellzey, Miss.	Lehr	Robertson	Wood, Ga.
Faddis	Lemke	Robinson	Wood, Mo.
Farley	Lewis, Colo.	Rogers, N.H.	Woodrum
Fernandez	Lindsay	Romjue	Young
Fiesinger	Lozier	Rudd	Zioncheck
Fitzgibbons	Ludlow	Ruffin	
Fitzpatrick	Lundeen	Sabath	
Fiannagan	McCarthy	Sadowski	

NAYS—72

Allen	Ditter	James	Reed, N.Y.
Andrew, Mass.	Dockweiler	Kahn	Rich
Bacharach	Dondero	Kelly, Pa.	Rogers, Mass.
Bacon	Eltse, Calif.	Kinzer	Sinclair
Bakewell	Englebright	Knutson	Snell
Beedy	Evans	McFadden	Swick
Blanchard	Focht	McGugin	Taber
Burnham	Foss	McLean	Taylor, Tenn.
Carter, Calif.	Gifford	McLeod	Thomas
Carter, Wyo.	Goodwin	Mapes	Tinkham
Cavichia	Goss	Marshall	Traeger
Clarke, N.Y.	Guyer	Martin, Mass.	Treadway
Collins, Calif.	Hancock, N.Y.	Merritt	Welch
Connolly	Hess	Millard	Whitley
Crowther	Higgins	Mott	Wigglesworth
Culkin	Hollister	Plumley	Wolcott
Darrow	Holmes	Powers	Wolverton
De Priest	Hope	Ransley	Woodruff

NOT VOTING—98

Abernethy	Cochran, Pa.	Kennedy, Md.	Rogers, Okla.
Allgood	Cooper, Ohio	Kenney	Seger
Andrews, N.Y.	Corning	Kerr	Shoemaker
Auf der Heide	Douglass	Kurtz	Simpson
Ayers, Mont.	Doutrich	Kvale	Sisson
Bailey	Eaton	Lambertson	Smith, W.Va.
Beck	Edmonds	Lambeth	Snyder
Berlin	Fish	Lanzetta	Stalker
Black	Foulkes	Leibach	Stokes
Boland	Frey	Lesinski	Strong, Pa.
Bolton	Fuller	Lewis, Md.	Sullivan
Brennan	Fulmer	Lloyd	Swank
Britten	Gasque	Luce	Taylor, Colo.
Browning	Gillette	McSwain	Thurston
Brumm	Gray	Marland	Tobey
Buckbee	Green	Moynihan, Ill.	Turpin
Bulwinkle	Greenway	Muldowney	Wadsworth
Burke, Calif.	Hamilton	Musselwhite	Waldron
Cannon, Wis.	Hancock, N.C.	Norton	Weaver
Carley, N.Y.	Harter	O'Malley	Willcox
Carpenter, Nebr.	Hartley	Perkins	Willford
Chase	Healey	Peterson	Withrow
Church	Hoeppel	Randolph	Wolfenden
Claborn	Jeffers	Reece	
Clark, N.C.	Jenkins, Ohio	Reid, Ill.	

So the conference report was agreed to.



The Clerk announced the following additional pairs:  
On this vote:

Mr. Corning (for) with Mr. Tobey (against).  
Mr. Randolph (for) with Mr. Jenkins of Ohio (against).  
Mr. Lewis of Maryland (for) with Mr. Wadsworth (against).  
Mr. Kenney (for) with Mr. Simpson (against).  
Mr. Peterson (for) with Mr. Bolton (against).  
Mr. Healey (for) with Mr. Cooper of Ohio (against).  
Mr. Hamilton (for) with Mr. Dautrich (against).  
Mr. Musselwhite (for) with Mr. Chase (against).  
Mr. O'Malley (for) with Mr. Britten (against).  
Mr. Bulwinkle (for) with Mr. Cochran of Pennsylvania (against).  
Mr. Lanzetta (for) with Mr. Brumm (against).  
Mr. Black (for) with Mr. Fish (against).  
Mr. Hancock of North Carolina (for) with Mr. Kurtz (against).  
Mrs. Norton (for) with Mr. Buckbee (against).  
Mr. Boland (for) with Mr. Edmonds (against).  
Mr. Sullivan (for) with Mr. Seger (against).  
Mr. Weaver (for) with Mr. Turpin (against).  
Mr. Smith of West Virginia (for) with Mr. Waldron (against).  
Mr. Abernethy (for) with Mr. Reid of Illinois (against).  
Mr. Carley of New York (for) with Mr. Moynihan of Illinois (against).  
Mr. Hoeppel (for) with Mr. Stokes (against).  
Mr. Fuller (for) with Mr. Beck (against).  
Mr. Kerr (for) with Mr. Muldowney (against).  
Mr. McSwain (for) with Mr. Wolfenden (against).  
Mr. Swank (for) with Mr. Reece (against).  
Mr. Fulmer (for) with Mr. Withrow (against).  
Mr. Taylor of Colorado (for) with Mr. Stalker (against).  
Mr. Gasque (for) with Mr. Lehlbach (against).  
Mr. Clark of North Carolina (for) with Mr. Eaton (against).

Until further notice:

Mr. Allgood with Mr. Andrews of New York.  
Mr. Browning with Mr. Thurston.  
Mr. Church with Mr. Hartley.  
Mr. Ayers of Montana with Mr. Perkins.  
Mr. Kennedy of Maryland with Mr. Kvale.  
Mr. Lambeth with Mr. Strong of Pennsylvania.  
Mr. Sisson with Mr. Shoemaker.  
Mr. Auf der Heide with Mr. Wilcox.  
Mr. Willford with Mr. Carpenter of Nebraska.  
Mr. Douglass with Mr. Snyder.  
Mr. Cannon of Wisconsin with Mr. Burke of California.  
Mr. Brennan with Mr. Bailey.  
Mr. Foulkes with Mr. Lloyd.  
Mr. Gray with Mr. Berlin.  
Mr. Claiborne with Mr. Lesinski.  
Mr. Green with Mr. Harter.  
Mr. Marland with Mrs. Greenway.  
Mr. Jeffers with Mr. Frey.

The result of the vote was announced as above recorded.  
A motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8617) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes.

#### CHIPPEWA INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, will the gentleman explain the bill?

Mr. HOWARD. Mr. Speaker, this bill is companion to the bill of the House, H.R. 7549, introduced by the gentleman from Minnesota [Mr. KNUTSON]. I may say to the gentleman from New York that Mr. KNUTSON's Indians speak a different language from mine and I am not entirely familiar with it; so I should like to have someone who speaks their language explain the bill.

Mr. SNELL. There is no one here who can speak the language so we had better pass the bill.

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

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That on and after the passage of this act lands in Minnesota ceded to the United States by the treaty of September 30, 1854 (10 Stat.L. 1109), between the United States and the Chippewa Indians of Lake Superior and the Mississippi and by the treaty of February 22, 1855 (10 Stat.L. 1165), between the United States and the Mississippi Bands of Chippewa Indians, shall no longer be considered as "Indian country" for the purposes of article 7 of said treaties: *Provided*, That in that portion in the said State of Minnesota affected by this act the Indian liquor laws shall continue to apply to the sale, gift, barter, ex-

change, etc., of liquors to ward Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienable by the Indian without the consent of some governmental officer.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DECENTRALIZATION OF GOVERNMENT

The SPEAKER. Under the special order for today the gentleman from Texas [Mr. TERRELL] is recognized at this time for 30 minutes.

Mr. TERRELL of Texas. Mr. Speaker, as one who subscribes to the Declaration of Independence and the Constitution of the United States, and a believer in the political philosophy of Thomas Jefferson, I desire to discuss the decentralization of government as the only escape from destruction of government. You may not be interested in what I say, but I am quoting from former Presidents and Governors, all great Democrats, and you should be interested in what they say.

Being a new Member I have naturally refrained from taking an active part in the discussions of legislative questions, knowing that long service or seniority counted most in Congress. I have watched the proceedings with profound interest and much apprehension as I witness the daily departure from what I was taught to believe to be the principles of the Democratic Party and the powers of the Federal Government as prescribed in the Constitution.

This Government was formed in 1787 by delegates from the Colonies, who desired to amend the Articles of Confederation in order to bind them together in stronger ties, as they had voluntarily bound themselves together to win their independence from England.

After many months of serious consideration, and at times almost despairing of reaching any beneficial results, they adopted the present Constitution as the best compromise they could make, and not entirely satisfactory to either side of the opposing forces. But I consider it the greatest document ever written by man for the proper government of man.

This Constitution has stood the test of time, with the adoption of certain amendments to meet changed conditions or popular demand, and it can be amended to meet all emergencies. Congress should never resort to the dangerous expedient of enacting legislation unauthorized under the guise of emergency. Violating the Constitution does more harm in the long run than the good accomplished by illegal legislation.

The Constitution divides the Government into three divisions clearly defined—the legislative, executive, and judicial—and the duties and powers of each are clearly defined, and neither division has any authority except that given up by the States and conferred upon the General Government.

There are some implied powers, but they so closely follow expressed powers, and are intended to complete them, that there should be no controversy about them. For instance, the power to declare war carries with it the power to provide the means to prosecute the war. The power to coin money and regulate its value carries with it the power to distribute the money to the people—either through Government agencies or through private banks, as is now being done. I thought that when the Federal Reserve System was being established that it would be a Government agency to distribute the money to the people and the Government would receive the benefits, but in this I was sadly mistaken. The Reserve System, with a capital of \$145,000,000, has issued more than \$3,000,000,000 in Federal Reserve notes on the credit of the United States, and the Government should have received this tremendous profit instead of giving it to the private banks. I believe the Government should own and control the Federal Reserve banks for the benefit of all the people.

Our Government was simple, with simple machinery, when it was organized, and its powers and functions were easily understood by the officers and the laymen at that time, and

it should have been kept that way by the addition of only enough governmental machinery and extra employees to meet the growing population and business of the country; and a government of larger units should operate cheaper proportionately than one with smaller units and fewer activities, but the reverse has been true with our Government.

The great danger to our Government and its institutions is the rapid growth of bureaucracy, with various appointive commissions, boards, and bureaus far removed from the people, administering laws affecting every activity of the citizens in their various business operations. These boards and bureaus have authority to make rules and regulations imposing penalties for their violation, carrying heavy fines and imprisonment which virtually denies a fair trial as contemplated by the Constitution.

In order to present this matter in a comprehensive manner, to show the rapid growth of bureaucratic government, I present here two tables—the first showing the date of the creation of each Cabinet position, independent office, board, or bureau, and the number of employees and appropriations the first year—where the information is available—and the number of employees and appropriations for the year 1934. The second table shows total appropriations for all departments and activities of the Government, taken from the Budget as prepared by the Director of the Bureau of the Budget for 1934. These tables will appear at the end of my address.

The tables show that there are now on the pay roll of the Government 764,573 regular employees and 459,355 temporary employees, many of whom will become permanent, making a total of 1,223,928 employees, with total salaries of \$1,227,992,770. The second table shows that the total appropriations for all departments and activities, including emergency, temporary, and permanent appropriations, taken from the Budget for 1934, amount to \$7,648,703,028.67. The figures are official, though there are necessarily some discrepancies caused by permanent appropriations and the shifting of these appropriations from one department to another and the uncertainty of the tenure of temporary employees.

Many small boards and bureaus are omitted for lack of space and because they are under the control and supervision of some executive department and the appropriations are carried under said departments.

Starting out in 1789 with three Cabinet positions, the Department of Foreign Affairs—now called the Department of State—the Treasury Department, and War Department, with few employees, and insignificant appropriations, the Government has now grown to immense proportions, with 10 Cabinet officers at \$15,000 each per annum, 9 Supreme Court Justices, with the Chief Justice drawing a salary of \$20,500, and 8 Associate Justices with salaries of \$20,000 each, and with 225 Federal judges throughout the United States and many independent offices, commissions, boards, and bureaus, with fancy salaries attached.

If anybody can tell me where we are headed for, I would be glad to have some comforting information, as I believe we are headed for the rocks. Of course, we have a great country—the richest in the world—and we talk about the “land of the free and the home of the brave”; but where does our freedom come in and in what does our bravery consist?

Are we free, when the Government tells every farmer how much land he can plant and how much of a particular crop he can grow and sell; and when it tells every business man how he shall operate his business; how many hours a day he shall operate; what wages he shall pay and what price he shall charge for his products? If this is not planned regimentation and Government dictation, I do not know what to call it.

Are we brave, when we cowardly submit to some bureau officer from Washington coming out to our place of business and telling us that Uncle Sam says you shall do this and you shall not do that? If this is liberty or bravery, Mr. Webster ought to make another dictionary.

The Democratic platform says: “We advocate the strengthening and impartial enforcement of the antitrust

laws to prevent monopoly and unfair trade practices.” Now these laws are repealed or suspended in the air while trade agreements and price-fixing are protected by law. How much longer will the country stand for the benign principle of fining and jailing a man because he presses a suit of clothes or sells a bottle of milk cheaper than a Government regulation specifies? Again, the platform says: “We advocate the removal of the Government from all fields of private enterprise.” Instead of being removed, the Government is being extended further into all fields of private enterprise. It is immaterial whether it is called revolution or evolution, it is a fundamental change in our Government just the same. Changing the name of a rose does not change its scent. The “cracking-down” process has cracked the patience of the people and popular sentiment for the N.R.A. is fast waning, and its control of business should be dropped before the collapse comes; and combinations in restraint of trade should be prohibited by the rigid enforcement of the antitrust laws.

If the National Recovery Act, with its codes regulating industry within the States, and the Cotton Production Control Act, limiting production in the States, are held constitutional by the Supreme Court, there is nothing Congress cannot do to extend Federal authority over the States and control every activity of the citizens within the States, and local self-government would be a hollow mockery.

It was well understood at the time of the adoption of the Constitution and for many years thereafter, that the States had given up certain specific powers to the Federal Government and retained all powers not granted to the General Government, and to place the matter beyond future controversy, the tenth amendment was adopted immediately after the ratification of the Constitution, which reads as follows:

The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively or to the people.

I should like to ask if this language does not confine the activities of the Congress to the powers specifically conferred by the Constitution. This was the view held by the Congress and the courts for more than a century, and if, perchance, the Congress overstepped its authority the President called the hand of Congress by a veto message that could not be misunderstood, and if the illegal measure escaped a veto of the President, the Supreme Court stood ready to strike it down and protect the rights of the people. Now the Government is considered from a national standpoint, like the monarchies of Europe and not as a republic of limited powers conferred by independent States, as provided in the Constitution.

In 1859, Congress passed a law appropriating public lands and land scrip to the States to establish agricultural and mechanical colleges, and President Buchanan vetoed the bill as “inexpedient and unconstitutional.” Since that time the Morrill Act, the Hatch Act, the Smith-Lever Act, and others have been enacted establishing and perpetuating these colleges in the States, with annual Federal appropriations, when the Constitutional Convention had voted down every resolution offered in the convention to establish and finance colleges or schools of any kind in the States.

I quote from the veto message of President Buchanan:

I return with my objections to the House of Representatives, in which it originated, the bill entitled “An act donating public lands to the several States and Territories, which may provide colleges for the benefit of agriculture and the mechanic arts.”

I shall proceed to state my objections to this bill. I deem it to be both inexpedient and unconstitutional.

Waiving for the present the question of constitutional power, what effect will this bill have on the relations established between the Federal and State Governments? The Constitution is a grant to Congress of a few enumerated, but most important powers relating chiefly to war, peace, foreign and domestic commerce, negotiations, and other subjects which can be best, or alone, exercised beneficially by the common Government. All other powers are reserved to the States and to the people. For the efficient and harmonious working of both, it is necessary that their several spheres of action should be kept distinct from each other. This can alone prevent conflict and mutual injury.

Should the time ever arrive when the State governments shall look to the Federal Treasury for the means of supporting themselves and maintaining their systems of education and internal policy, the character of both governments will be greatly deteriorated.



That time is here now.

It is extremely doubtful, to say the least, whether this bill would contribute to the advancement of agriculture and the mechanic arts—objects the dignity and value of which cannot be too highly appreciated. The Federal Government which makes the donation has confessedly no constitutional power to follow it into the States and enforce the application of the fund to the intended objects. As donors we shall possess no control over our own gift after it shall have passed from our hand. The Federal Government has no power to compel the execution of the trust.

Does Congress possess the power under the Constitution to make a donation of public lands to the different States to provide colleges for the purposes of educating their own people? I presume the general proposition is undeniable that Congress does not possess the power to appropriate money in the Treasury, raised by taxes on the people of the United States, for the purpose of educating the people of the respective States.

It is doing this now.

It will not be pretended that any such power is to be found among the specific powers granted to Congress nor that "it is necessary and proper for carrying into execution" any one of these powers.

Should Congress exercise such a power, this would be to break down the barriers which have been so carefully constructed in the Constitution to separate Federal from State authority. We should then not only "lay and collect taxes, duties, imposts, and excises" for Federal purposes, but for every State purpose which Congress might deem expedient or useful. This would be an actual consolidation of the Federal and State Governments, so far as the great taxing power is concerned, and constitute a sort of partnership between the two in the Treasury of the United States, equally ruinous to both.

This language of President Buchanan is prophetic of everything now being done and that has been done since the Congress met in March of last year, and should be a warning to future Congresses to return to constitutional government before all State lines have been blotted out and the wellsprings of freedom have completely dried up.

In 1837 Congress appropriated \$10,000 to purchase planting seed for farmers in west Texas because of a severe drought and failure of crops. President Cleveland vetoed this bill, and I quote from his veto message as follows:

I return without my approval House bill no. 10203, an act to enable the Commissioner of Agriculture to make a special distribution of seed in the drought-stricken counties of Texas, and making an appropriation therefor.

It is represented that a long, continued, and extensive drought has existed in certain portions of the State of Texas, resulting in a failure of crops and consequent distress and destitution. Yet I feel obliged to withhold my approval of the plan as proposed by this bill to indulge a benevolent and charitable sentiment through the appropriation of public funds for that purpose.

I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering, which is in no manner properly related to the public service or benefit.

How does this message compare with the practice of today in which the Government is lending and giving away billions of the taxpayers' money? There is but one reason for these loans and donations to the States, some of which were made before the depression began, and that is to make a political record by getting Federal appropriations for State purposes with the idea of getting something for nothing, which is a false idea, as these loans and donations must be paid with interest by the taxpayers.

We have passed through the panics of 1837, 1873, 1893, 1907, and 1920 without violating the Constitution and without loading the country down with billions of dollars of bonded debt, and we could have passed through this banker's panic without violating the Constitution or loading the country down with debt if we had provided the country with ample currency to transact the business. Panics and emergencies do not change the meaning of constitutions; they make excuses for violating them.

This panic in the midst of plenty is a crime, and the Government is responsible for it, but it cannot be relieved by issuing billions of dollars in interest-bearing bonds and taxing the people to pay the principal and interest on the bonds and giving the money away to States and individuals. It must be relieved by removing the causes that produced it—the lack of a proper monetary system—and establish and maintain a system adequate to meet the needs of agriculture, industry, and commerce.

When the panic of 1837 struck in full force, President Van Buren sent a message to Congress outlining his recovery plans, in which he said:

The preceding suggestions and recommendations are submitted in the belief that their adoption by Congress will enable the executive department to conduct our fiscal concerns with success, so far as their management has been committed to it. Whilst the objects and the means proposed to attain them are within its constitutional powers and appropriate duties, they will at the same time, it is hoped, by their necessary operation afford essential aid in the transaction of individual concerns, and thus yield relief to the people at large in a form adapted to the nature of our Government.

Those who look to the action of this Government for specific aid to the citizen to relieve embarrassments arising from losses by revulsions in commerce and credit lose sight of the ends for which it was created and the powers with which it is clothed. It was established to give security to us all in our lawful and honorable pursuits under the lasting safeguard of republican institutions. It was not intended to confer special favors on individuals or on any classes of them; to create systems of agriculture, manufactures, or trade; or to engage in them, either separately or in connection with individual citizens or organized associations.

If its operations were to be directed for the benefit of any one class, equivalent favors must in justice be extended to the rest; and the attempt to bestow such favors with an equal hand or even to select those who should most deserve them would never be successful. All communities are apt to look to government for too much. Even in our own country, where its powers and duties are so strictly limited, we are prone to do so, especially at periods of sudden embarrassment and distress. But this ought not to be.

The framers of our excellent Constitution and the people who approved it with calm and sagacious deliberation acted at the time on a sounder principle. They wisely judged that the less government interferes with private pursuits the better for the general prosperity. It is not its legitimate object to make men rich or to repair by direct grants of money or legislation in favor of particular pursuits losses not incurred in the public service. This would be substantially to use the property of some for the benefit of others. But its real duty—that duty the performance of which makes a good government the most precious of human blessings—is to enact and enforce a system of general laws commensurate with, but not exceeding, the objects of its establishment; and to leave every citizen and every interest to reap, under its benign protection, the rewards of virtue, industry, and prudence.

We hear much about decentralization of government and abolishment of Federal boards and bureaus, but nothing is being done about it. The distinguished Chairman of the Judiciary Committee, Mr. SUMNERS, made a very interesting speech on the subject of decentralizing the Government and said that it must be done but the time has not come for it—that we must first get out of the depression.

I think one of the first steps to enable us to get out of the depression is to abolish about half the boards and bureaus and lessen the tax burdens of government by taking the tax eaters off our backs and reducing the exorbitant taxes, and stop issuing interest-bearing, tax-exempt bonds, which constitute an interest debt of practically a billion dollars annually. This Government cannot borrow itself out of debt on into prosperity. It cannot survive on bond issues and taxes. No individual or government can live beyond its income without bankruptcy. Take the iron hand of big business from the throat of little business by the rigid enforcement of the antitrust laws, and business will survive and liberty will be safe.

Strike the shackles from agriculture and industry and restore initiative, faith, and hope for the future. Let Congress coin money and regulate its value until the products of farm and factory reach the price level of 1926, and hold that price level at a fair exchange price between the value of products and the value of the dollar, in order that purchasing power may be created and maintained and business recovery may be made permanent.

The Democratic platform declares for a reduction of 25 percent in governmental expenses, and this cannot be done unless we materially reduce salaries or stop many of the activities of the Government, and I favor doing both by reducing the higher salaries much more than the lower ones, and stopping 25 percent of the activities of the Government.

We have a great many boards and bureaus performing functions which the Government is not authorized to perform by any express provision of the Constitution, and were

never intended to be performed by the framers of the Constitution.

The Office of Education in the Department of the Interior started out with 4 employees and an appropriation of \$18,000 and now has an appropriation of \$310,000 for administration and 83 employees. In addition to this it has an appropriation of \$10,902,700 to be expended in various educational activities in the States. The entire field of public education was left to the States and every dollar of Federal taxes spent for educational purposes in the States is not legally expended, and should be stopped. I am in favor of the best public-school system that can be had, and in favor of higher education, but these are purely State matters with which the Federal Government has no legal authority. Texas has a great university, a great agricultural and mechanical college, a college of industrial arts for girls, a technological college, and a number of splendid teacher's colleges, and a splendid public-school system with consolidated high schools throughout the State, and I will not ask Congress to violate the Constitution in order that we may receive Federal aid for agriculture or education. I have written those who requested me to support appropriations for education in the States that such expenditures were illegal and I would not support them.

Besides the appropriations for the regular and legitimate activities of the Government, the Federal Government has spent many millions more, and is still spending money for education in the States. I do not believe that anyone who has ever read the Constitution will seriously contend that such expenditures are authorized by the Constitution. I cannot understand why Congress will continue to make these illegal appropriations.

Federal appropriations for education in the States have been challenged by some of the ablest exponents of the Constitution in Congress, but they have been unable to stop these illegal appropriations.

The Federal Civil Service Commission is one of the most overrated agencies ever established by any government to tax the people to perpetuate jobs. It has an annual appropriation of \$1,050,000 in order to make it possible for persons who once succeed in getting on the Government pay roll to hold the job for the remainder of their lives, or until they become too old to work and then retire on a pension for life.

I am opposed to life tenure in office. The passing of a civil-service examination does not qualify any person for a position. He must have inherent qualities and energy and a will to work and practice to make him efficient. The examination is only one factor in determining the qualifications. [Applause.]

The making of any kind of grade in any examination does not qualify anyone for a Government position. I can pick out a number of men or women in my town who would make splendid postmasters, who might not make a passing grade in a civil-service examination. But I am required to recommend one of the three applicants making the highest grade for postmaster, and the grading to be done in Washington. Yet this is no test of a person's qualification for postmaster. I should like to see this farce of civil-service examination abolished, yet many people think it very important. Its primary purpose was and is to put people on the pay roll through these examinations and keep them there through Executive order and prevent other worthy people from getting these positions.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Speaker, this is perhaps one of the best speeches we have heard during the Seventy-third Congress. I hope the gentleman may be given such time as he needs to complete his speech.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, the gentleman from Texas is, of course, making a very illuminating and very interesting address, but we are under a great pressure for the consideration of some rules that are to be called up today. How much more time does the gentleman need?

Mr. TERRELL of Texas. I shall need about 7 minutes more.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may be allowed to proceed for 7 additional minutes.

Mr. TARVER. Mr. Speaker, I am forced to object to any extension of the gentleman's time.

Mr. HOLMES. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. SUMNERS of Texas. Mr. Speaker, may I suggest that this is probably the only time our colleague has attempted to make an extended address and I think he certainly should be permitted to conclude his speech. I therefore ask that the gentleman be given 10 additional minutes.

Mr. BANKHEAD. Mr. Speaker, the purpose of my inquiry was simply to ascertain how much longer the gentleman would need. I have no objection to his being given another 10 minutes.

Mr. TARVER. Mr. Speaker, I withdraw my objection.

Mr. HOLMES. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER pro tempore (Mr. PEYSER). Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. TERRELL of Texas. Mr. Speaker, I held an executive office for 10 years and employed many people, and it was to my interest, both from a business and political standpoint, to employ the very best people I could get to do the work, and I discharged only two or three for incompetency or other causes during the 10 years, and I could not have gotten more capable people under civil-service examination. No sensible public official is going to discharge all his experienced workers and employ inefficient help. It would be bad business and bad politics. Employees should, of course, be qualified in education and ability to do the work; but integrity and loyalty—the most important qualifications—are not shown in civil-service examinations. [Applause.]

The Department of Agriculture was established in 1862 under a commissioner with a salary of \$3,000 a year, with a few employees, and nothing to do. It was made a Cabinet position in 1889, with the title changed to Secretary of Agriculture.

Now the salary is \$15,000, with 32,601 employees, and a regular appropriation of \$210,512,207, and a special appropriation, including all funds collected under the Agricultural Adjustment Act, of \$955,379,811, making a total of \$1,065,892,018. It has hundreds of experts giving advice on every conceivable subject from building silos to pickling pigs feet, and from baby-beef clubs to making baby dresses, and with "brain trusters" directing the social evolution.

There is but one reasonable excuse for a Federal Department of Agriculture, and that is for quarantine purposes to protect the States against insect pests and dangerous diseases of plants and livestock, which insects and diseases do not respect State lines; and this should be called a "quarantine commission", and not a Department of Agriculture.

The Constitution does not authorize Congress to appropriate any money for agriculture in the States, and the Government has no business controlling agricultural operations in the States.

The Government should have a capable quarantine commission to give protection to the States against the spread of these diseases and insect pests wherever it is possible to do this by quarantine measures. I would not give 30 cents for all the educational work and expert advice given through the Agricultural Department, which is now costing a billion dollars a year.

With one set of agricultural advisers teaching the farmers to produce more and another bunch paying them to make less and destroy a part of what they had already made, the Government wires must be crossed somewhere. This agricultural work should be done by the States and every State should have a strong department of agriculture and a good school of agriculture.

The Department of Labor was established in 1913 with 1,906 employees. It now has 4,345, with an appropriation of \$16,522,477.11.



There is no real reason for this Department, except to furnish soft jobs for those who prefer to advise workers rather than work themselves. [Applause.]

An arbitration board to adjust labor disputes affecting laborers engaged in interstate commerce might be valid and might be of some benefit in an advisory capacity, but it would have no authority to make people work or to punish them for not working. All these matters, including child-labor laws, can best be administered by State laws in the States where the laborers reside and the controversies arise.

I am firmly of the conviction that our Government is vastly overorganized and overmanned, and that the best service Congress can render would be to immediately begin decentralization and take everything away from the Federal Government not authorized by the Constitution and every agency that can be better managed by the States. It is not possible for any person to know what boards and bureaus can best be abolished without destroying any useful and necessary service unless he has made a thorough study of the work being done by these boards and bureaus, and I have mentioned only a few that I believe can be abolished without injury to the public, but there are many others that ought to be abolished and would do no harm, except to hurt the feelings of those who lose their jobs.

The Democratic platform says:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of the Federal Government.

This Congress ought to appoint a committee of its own Members to make a thorough study of the boards and commissions during vacation and report to the next Congress and recommend the abolishment of all boards and bureaus whose work is not absolutely necessary, or where the work can best be done by the States, and I have introduced a resolution providing for the appointment of such a committee. It is very likely that at least 25 percent of all work performed by these boards and bureaus can be abolished without detriment to the people or be left to the States, and this would be a great saving to the taxpayers.

I believe in very little governmental machinery; in keeping out of debt; in obeying the laws; and following the Constitution.

Texas once had a great Governor, whose name was O. M. Roberts. He was criticized by his opponents for his economy in holding down expenses to the receipts of the government and for vetoing extravagant appropriations and illegal laws. They said: "Governor, you will send the State to hell by your niggardly policy." He replied: "If the State goes to hell, she will go according to law and pay her way as she goes." [Applause.]

When I witness the extravagant and illegal appropriations made and the vast bonded debt created by this Congress, I can only wish we had more men like Governor Roberts in legislative and executive positions.

The Government is now becoming unwieldy and top-heavy and may fall by its own weight like the Insull power empire. You may say that the Insull power empire fell because of graft and corruption. This doubtless hastened its fall, but can anybody say that there is no graft in the billions of dollars now being expended by the Government?

These billions of dollars expended for relief and other purposes have doubtless aided in recovery by increasing purchasing power and stimulating business, but instead of donating 30 percent of it and loaning 70 percent for illegal and sometimes useless purposes, it could have been expended legally on post roads through the commissioners' courts of the various counties wherever the mail is carried, at little cost to the Government, and with the highest percent of labor employment and the greatest benefit to the people. I hope the Senate will pass the House bill authorizing \$400,000,000 for highway construction and allocating 25 percent for rural highways. While I do not expect this much, I trust the Senate will be liberal.

A network of rural highways of a permanent character could have been built through every county and the people

would have received lasting benefits for these vast expenditures, but the most of the money has been spent on State, municipal, and private projects (non-Federal projects) for which Congress has no legal right to expend taxpayers' money.

The Democratic Party has almost abandoned its time-honored principles of strict construction of the Constitution and States' rights, and is now advocating Federal control of agriculture and industry, and even Federal enforcement of criminal laws within the States.

The late Governor James Stephen Hogg, of Texas, was one of the greatest Governors any State ever had, and he vetoed an act of the Legislature of the State of Texas accepting the sugar bounty offered by the Federal Government on sugar grown on State convict farms. In his veto message he said in part:

This act requires the State to apply for and procure a license from and give bond to the Commissioner of Internal Revenue for the privilege of producing sugar on her own land in order to secure the bounty. While, to my mind, the act is clearly unconstitutional, and, without reference to the organic law, is void and would be so held by a circumspet court, but as Congress has seen fit to pass it, I shall base my action herein on other grounds.

The State is sovereign of her own affairs and cannot be disturbed in the legitimate exercise of her prerogatives. If she desires to raise sugar by convict labor, under no circumstances could she with propriety ask or accept from any government a license to do so; nor could she yield to a supervision of her affairs by any officer not subordinate to her own laws. To do so in one instance would lead to another, and finally to supervision by the Federal Government over the cotton patches, wheat fields, stock ranches, lumber yards, and factories within her limits. Precedents by Government usurptions become stronger than law. The worse they are, the more difficult to overthrow. When they are erected on the destruction of the Constitution, like this bounty act, the wrong which produced them strengthens as the fruits of the crime spread, until they become fastened forever on the people.

There can be no more reason to support a bounty on sugar than on cotton, grain, tobacco, or stock. Two cents a pound offered by the Government is but the beginning. Let it stand and there must be a premium also on every article produced within the United States. With the premium goes the license; and coupled onto the license follows Federal supervision. So will end the last vestige of State sovereignty.

It will not be surprising in the next national campaign to see the two parties completely reverse their former positions on policies and principles, and to see the Democratic Party advocating a strong central government of the Hamiltonian type and the Republican Party advocating Jeffersonian principles of State's rights and individual liberty. [Applause.] This is a logical conclusion based upon the present course of the Democratic Party. Politics make strange bedfellows.

If the Democratic Party does not begin immediately to repeal these federalistic laws, decentralize the Government, and return to the principles of Jefferson and Jackson—which principles will never die—its days are numbered and some other party will arise upon its ruins and take the reins of government, and the Republican Party may be wise enough to avail itself of this opportunity. This would be an anomaly in government, but stranger things have happened.

My State has been under six flags. She has been a Province of Spain, France, and Mexico, a State of the Confederacy, a republic, and finally a State of the Union under the Stars and Stripes. She voluntarily entered the Union, retaining her public domain and her self-respect, but she has lost her self-respect by bartering away her sovereignty for a mess of Federal pottage. [Applause.]

I would rather return to Texas and live under our lone-star flag as an independent republic than to become a step-child of a soviet union which we are fast approaching.

I am for this Republic and democratic principles 100 percent, but if we shall have the Republic in name and form only, without the substance, I am for a smaller union of States, where we can have a republic in both form and substance.

If we must have a government controlled by the international bankers of Wall Street and Lombard Street, who hold their stocks and bonds and clip coupons and control the Governments of two nations, then give me the South and West for my country, where the wheat and corn, the cotton,

cattle, and cane, and the fruits of the field flourish to feed and clothe the hungry hordes of the earth. [Applause.]

Let the Shylocks of high finance hoard their money and eat their stocks and bonds, but give me a country that produces the real wealth that sustains human life and a Government that will protect the wealth they create, and guarantee freedom in the enjoyment of the fruits of their labor and I will ask nothing more and be satisfied with nothing less.

We must choose between decentralization or destruction. [Applause.]

(The tables previously referred to follow:)

TABLE 1

EXECUTIVE DEPARTMENT	
President's salary.....	\$75,000.00
Vice President's salary.....	15,000.00
Salaries of various secretaries, clerks, stenographers, etc., and all other expenses for maintenance and upkeep of Executive Office.....	279,483.00
Total, Executive Office.....	369,483.00
LEGISLATIVE DEPARTMENT (CONGRESS)	
96 Senators, \$10,000 each.....	960,000.00
Secretaries, clerks, stenographers, and all other expenses of the Senate.....	2,198,023.50
Total cost of Senate.....	3,062,023.50
435 Representatives, at \$10,000 each.....	3,963,750.00
Secretaries, clerks, stenographers, and all other expenses of the House.....	3,553,741.50
Total cost of the House.....	7,517,491.50
Grand total of the legislative department.....	16,840,000.00
(All salaries subject to economy pay cut.)	
JUDICIAL DEPARTMENT	
Supreme Court proper: 1 Chief Justice at \$20,500 and 8 Associate Justices at \$20,000.....	
Employees for 1934, 51.....	
Appropriation for 1934.....	279,173.00
Costs of Federal judiciary, including 225 district courts, correctional and penal institutions, appropriation for 1934.....	41,231,835.00
CABINET OFFICES	
Department of State:	
Department of Foreign Affairs was established by act in 1789, denominated "Department of State" same year.	
Salary of Secretary fixed at \$4,000 per annum.	
Salary of Secretary (1934), \$15,000 per annum.	
Total employees in 1934, 4, 321.	
Total amount of appropriation for 1934.....	18,015,447.00
Department of Treasury:	
Established by act 1789.	
Salary of Secretary fixed at \$3,500 per annum.	
Salary of Secretary (1934), \$15,000 per annum.	
Total employees in 1934, 58,736.	
Total amount of appropriation for 1934.....	1,787,214,357.00
War Department:	
Established by act 1789.	
Salary of Secretary fixed at \$3,000 per annum.	
Salary of Secretary (1934), \$15,000 per annum.	
Total number of employees 1934 (civilian employees), 58,898.	
Total amount of appropriation for 1934.....	361,983,738.00
Department of Justice:	
Established 1870.	
Salary of Secretary fixed at ———.	
Salary of Secretary (1934), \$15,000.	
Total employees (1934), 10,930.	
Total amount of appropriation for 1934.....	42,177,847.00
Post Office Department:	
Established by act 1794.	
Salary of Postmaster General fixed at \$2,400.	
Salary of Postmaster General (1934), \$15,000.	
Total number of employees (1934), 270,000.	
Total amount of appropriation for 1934.....	726,987,126.18
Navy Department:	
Established by act 1798.	
Salary of Secretary fixed at \$3,000.	
Salary of Secretary (1934), \$15,000.	
Total number of employees (1934) (civilian employees), 50,619.	
Total amount of appropriation for 1934.....	309,667,160.00
Department of the Interior:	
Established by act 1849.	
Salary of Secretary fixed at \$6,000.	
Salary of Secretary (1934), \$15,000.	
Number of employees (1849), 531.	
Total number of employees (1934), 26,165.	
Total amount of appropriation for 1934.....	68,718,911.67
Federal Emergency Administration of Public Works.....	200,777,815.00
Emergency Conservation Work.....	20,745,772.50
Grand total.....	290,242,499.17
Department of Agriculture:	
Established by act 1862.	
Salary of Commissioner fixed at \$3,000.	
Salary of Secretary (1889), \$10,000.	
Salary of Secretary (1934), \$15,000.	
Number of employees (1863), 29; (1889), 448.	
Total number of employees (1934), 32,601.	
Regular appropriation, 1934.....	110,512,207.00
Special appropriation (A. A. A.).....	955,378,811.00
Total appropriation for 1934.....	1,065,892,018.00
Deduct processing tax.....	855,379,811.00
Total.....	210,512,207.00

## CABINET OFFICES—continued

Department of Commerce:	
Established by act 1903 as Department of Commerce and Labor.	
Commerce established alone in 1913.	
Salary of Secretary:	
1903, \$8,000.	
1913, \$12,000.	
1934, \$15,000.	
Employees:	
1903, 6,627.	
1913, 7,603.	
Total 1934 (2,236 P.W.A. and 675 C.W.A.), 16,227.	
Department of Commerce proper; grand total, 19,138.	
Total appropriations for 1934:	
P. W. A.....	\$15,020,800.00
C. W. A.....	2,097,450.00
Department of Commerce.....	36,911,575.00
Total.....	54,029,825.00
Department of Labor:	
Established by act 1913.	
Salary of Secretary fixed at \$12,000.	
Salary of Secretary, 1934, \$15,000.	
Number of employees, 1913, 1,906.	
Total employees, 1934, 4,345.	
Total appropriation for 1934.....	16,552,447.11
INDEPENDENT OFFICES	
United States Board of Tax Appeals:	
Created and organized 1924.	
The Board consists of 16 members receiving \$10,000 each annually.	
Number of employees end of fiscal year 1925, 66.	
Appropriation for first fiscal year (1925).....	350,000.00
Number of employees 1934 (not including Board), 115.	
Appropriation for 1934.....	490,000.00
Increase in employees, 49.	
Increase in appropriation.....	140,000.00
United States Employees' Compensation Commission:	
Created and organized 1916 and 1917.	
The Commission consists of 5 Commissioners, receiving \$10,000 each annually.	
Number of employees and of fiscal year 1918, 48.	
Appropriation for first fiscal year (1918).....	550,000.00
Number of employees 1934, 166.	
Appropriation for 1934.....	4,215,000.00
Increase in employees, 118.	
Increase in appropriation.....	3,665,000.00
Federal Power Commission:	
Created and organized 1920.	
Commission consists of 5 commissioners receiving \$10,000 each annually.	
Number of employees at end of first fiscal year, 31.	
First appropriation made when commission was created.....	\$100,000.00
Number of employees 1934 (including members), 51.	
Appropriation for 1934.....	210,000.00
Increase in employees, 20.	
Increase in appropriation.....	110,000.00
Federal Radio Commission:	
Established and approved 1927.	
Commission consists of 5 commissioners receiving \$10,000 each annually.	
Number of employees end of first fiscal year, 17.	
Appropriation for first fiscal year (1928).....	122,926.26
Number of employees 1934, 238.	
Appropriation for 1934.....	640,000.00
Increase in employees, 221.	
Increase in appropriation.....	517,073.74
Federal Trade Commission:	
Created and approved 1914 and 1915.	
Commission consists of 5 Commissioners receiving \$10,000 each annually.	
Number of employees end of first fiscal year, 133.	
Appropriation for first fiscal year (1915).....	184,016.23
Number of employees 1934, 400.	
Appropriation for 1934.....	1,185,000.00
Increase in employees, 262.	
Increase in appropriation.....	1,000,983.77
National Advisory Committee for Aeronautics:	
Created in 1915.	
Director gets \$9,000 per annum.	
Number of employees end of first fiscal year, 1.	
Appropriation for first fiscal year (1915).....	5,000.00
Number of employees 1934, 296.	
Appropriation for 1934.....	695,000.00
Increase in employees, 295.	
Increase in appropriation.....	690,000.00
Federal Tariff Commission:	
Created in 1916, Commission consisting of 6 members (Commission now has 5 members receiving \$11,000 each annually).	
Number of employees end of first fiscal year, 50.	
Appropriation for first fiscal year (1917).....	300,000.00
Number of employees 1934, 274.	
Appropriation for 1934.....	800,000.00
Increase in employees, 224.	
Increase in appropriation.....	500,000.00



## INDEPENDENT OFFICES—continued

## Interstate Commerce Commission:

Established 1887, act providing for 5 members of Commission (Commission now has 11 members at \$12,000 each annually).	
Number of employees first fiscal year (1887), 11.	
Appropriation for first fiscal year (1888).....	\$100,000.00
Number of employees 1934, 1,623.	
Appropriation for 1934.....	5,190,000.00
Increase in employees, 1,612.	
Increase in appropriation.....	5,090,000.00

## Civil Service Commission:

Created 1883, act providing for 3 Commissioners, at \$3,500 each.	
Number of employees, first fiscal year, 4.	
Appropriation for first fiscal year.....	17,300.00
Number of employees 1934, 609.	
Appropriation for 1934.....	1,050,000.00
Increase in employees, 605.	
Increase in appropriation.....	1,032,700.00

## Veterans' Administration:

Created in 1930, by combining the Veterans' Bureau, World War Veterans' Act, and other agencies.	
Salary of Administrator of Veterans' Affairs is \$12,000 per annum.	
Number of employees 1934, 33,711.	
Appropriation for 1934.....	54,918,526.00

## Court of Claims:

Created in 1855, act providing for 3 judges at \$4,000 each and 2 clerks.	
Number of employees 1934, 27.	
Court now has 5 judges receiving \$12,500 each annually.	
Appropriation for 1934.....	102,000.00

Reconstruction Finance Corporation: Organized Feb. 2, 1932, with a capital of \$500,000,000 which amount has been increased from time to time. Corporation consists of 6 directors, receiving \$10,000 each annually. The Corporation has authorized 18,161 loans to various corporations, amounting to \$5,139,430,378.43. \$1,392,828,921.45 has been repaid. Some of the larger loans are as follows:

To bank and trust companies.....	1,808,069,171.53
To building and loan associations.....	121,511,512.29
To insurance companies.....	100,528,867.51
To mortgage loan companies.....	328,575,048.05
To regional agricultural credit corporations.....	160,777,463.92
To 67 railroads.....	411,845,678.00
Employees for 1934 of the Reconstruction Finance Corporation are as follows:	
32 agencies employ 1,600 people.	
Washington office, 1,500 people.	
Total employees for 1934, 3,100.	

Many small boards and commissions are omitted for lack of space, and because they are under some executive department, and appropriations for such boards and commissions are carried under respective departments.

TABLE 2.—Appropriations made by Congress for the fiscal year 1934, as taken from Budget

Judicial Department.....	\$41,231,835.00
Legislative Establishment.....	16,910,720.00
Executive Office and Independent Establishments.....	4,064,881,379.00
Department of Agriculture.....	210,512,207.00
Department of Commerce.....	35,618,575.00
Department of Interior.....	55,876,535.67
Department of Justice.....	41,954,050.00
Department of Labor.....	14,181,265.00
Navy Department.....	309,667,190.00
Post Office Department.....	713,198,378.00
Department of State.....	12,311,719.00
Treasury Department.....	528,144,036.00
War Department, including Panama Canal.....	362,303,249.00
District of Columbia.....	35,073,334.00
Public debt, principal and interest.....	1,259,070,321.00

Total, including postal service payable from postal revenues. 7,648,703,028.67  
Total employees of the Federal Government:  
Permanent, 764,573.  
Temporary, 459,355.  
Grand total now on pay roll, 1,223,928.

(Mr. TERRELL of Texas asked and was given permission to revise and extend his remarks.)

The SPEAKER pro tempore. Under a special order the gentleman from Massachusetts [Mr. CONNERY] is recognized for 30 minutes.

Mr. BANKHEAD. Will the gentleman from Massachusetts yield for a moment so that I may submit a rule?

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

## PHILIPPINE CURRENCY RESERVES

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule.

The Clerk read as follows:

## House Resolution 400

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. 9459, a bill relating to Philippine currency reserves on deposit in the United States, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, 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.

## SILVER

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule.

The Clerk read as follows:

## House Resolution 401

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. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, 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.

## 6-HOUR DAY AND 5-DAY WEEK

Mr. CONNERY. Mr. Speaker, first of all may I make clear just what the Committee on Labor is trying to do with petition no. 30 for the 30-hour week bill which I have on the desk and which now has, I believe, 76 names.

This petition seeks to discharge the Committee on Rules from further consideration of S. 158, a bill introduced by Senator HUGO BLACK, of Alabama, which bill passed the United States Senate during the last session of Congress by a large majority. This bill was referred to the Committee on Labor of the House and was amended by our committee. Then I asked for a rule to bring up the bill in the House. We were unable to get a rule, so now we are moving to discharge the Rules Committee from the further consideration of the bill (S. 158) and hope to bring this bill up for action on June 11.

The Committee on Labor amended the bill, but when we bring the bill up on June 11 we do not intend to ask the House to pass the bill as amended by the Committee on Labor during the last session. I intend, if the Labor Committee agrees, to ask the House to pass the bill, S. 158, just as it passed the Senate, and then the bill will go immediately to the President for his signature.

I am going to read this bill into the RECORD so that the Members will have an opportunity to know what is in the bill, which is a very short one. There are several whereases at the start, then the bill provides as follows:

That no article or commodity except milk and/or its products shall be shipped, transported, or delivered in interstate or foreign commerce, which was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed or permitted to work more than 5 days in any week or more than 6 hours in any day: *Provided*, That this section shall not apply to commodities which a cannery or manufacturing plant produces by canning or preparing for marketing or commerce fish, sea food, fruits, or vegetables of a perishable character: *Provided further*, That upon the submission of satisfactory proof of the existence of special conditions in any other industry included herein, making it necessary for certain persons to work more time than herein provided, the Secretary of Labor may issue an exemption permit in respect to such persons, relieving the commodity from the provisions of this act. Newspapers and periodicals are not included in the description of the business activities herein designated.

SEC. 2. Any person who ships, transports, or delivers, or causes to be shipped, transported, or delivered in interstate commerce, any commodities or articles contrary to the provisions of section 1 of this act, shall be punished by a fine of not less than \$200 or by imprisonment for not more than 3 months, or by both such fine and imprisonment, in the discretion of the court.

SEC. 3. This act shall not become effective until 30 days after the date of its enactment, and it shall not apply to commodities or articles produced or manufactured prior to the date it becomes effective; and this act shall remain in force for 2 years after the date it becomes effective. Nothing in this act shall apply to agricultural or farm products processed for first sale by the original producer.

This bill passed the Senate March 13 (calendar day, April 6), 1933.



Mr. Speaker, I have taken the floor today to give my own opinion in reference to this bill. It is merely my opinion, and I do not claim to have a cure-all for the depression, and I do not say that my word is the final open sesame to open the door to prosperity; but I do believe that as Chairman of the Committee on Labor for the past 4 years, after the hearings which have been held in our committee during this session and last session when we had before that committee every industrial leader of the United States, including the leaders of all the big industries of the United States, every big labor leader of the United States, every representative of the farmers of the United States, every representative of other labor—organized and unorganized—and industrial organizations in the United States, in hearings held during the last session and this session of Congress, sometimes beginning at 10 o'clock in the morning and running through until 7, 8, or 9 o'clock at night, that I know something about the situation. I believe as the result of these hearings, as a result of the thousands and thousands of letters which I have in files in my office, coming from every single State in this Union, after conferences with the American Federation of Labor and with representatives of organized labor and of unorganized labor not affiliated with the American Federation of Labor, and with leaders from every part of the country, that I do know something about what is going on in the United States today in reference to labor conditions.

I felt it was my duty as a Member of this House, with the knowledge which I possessed from these labor men and from these industrialists and the consumers all over the country, to make a statement to you today, and I say this advisedly. You have seen strikes in Toledo, you have seen Minneapolis, you have seen San Francisco, and you have seen some of the southern textile strikes—Birmingham, for instance—but, Mr. Speaker, a labor man in whom I have the greatest confidence said to me 2 days ago, "You have seen Toledo, Minneapolis, and San Francisco. That is mild. You have not yet seen the gates of hell opened, and that is what is going to happen from now on unless the Congress of the United States passes labor legislation to cure the evils which are existing in industry and which are driving these workers to desperation."

That is strong language. I do not say this to stir you up, but I say it because the man who stated those words to me probably has a better first-hand knowledge of the labor conditions in the country than anyone I know. I believe what he told me, and I dread the days that are to come, because I know that strikes mean misery, suffering, and many times bloodshed and death to the workers and their dependents. It is because I hope that Congress can prevent these things by passing labor legislation that I take your time to address you today.

The day after the agreement on the Detroit automotive situation I said that I had hoped in that agreement it would be recognized that if you ever expect industrial peace in the United States you have got to outlaw company unions. This agreement with the Detroit manufacturers was the Waterloo of labor from labor's point of view. They were up then right on the line. That agreement to recognize company unions partially and to recognize organized labor partially is the cause of your strike today in Toledo, your strike in San Francisco, and your strike in Minneapolis.

You know it is very difficult for a stepchild and the real child of the family to get along together, just as it is very difficult for a child to get along with its stepmother. Company unions are the children of big business. Trade unions are the representatives of the workers of the United States and are stepchildren to the big industrialists.

Let us start off with the premise that either trade unions are bad or they are good. If they are bad—if they are bad for the American people, if they are bad for the American Government, they should be abolished and wiped out of existence. If they are good, if they are responsible for whatever wages labor has got in the past, if they are responsible for doing away with sweatshops and the terrible living conditions of the workers in the United States, then they ought to be supported, and there is no half-way between

trade unions and organized labor in the United States and the children of big industry known as "company unions."

I appeal to your common sense as men who have studied these problems; how can a group of men in any large corporation in the United States get together in a company union and have their representatives stand up and fight for the interests of the workers? Of course it cannot be done. You may say, "Why, some manufacturers are so kind-hearted that their workers do not want unions; they want to form their own organizations and deal with the kind-hearted owner of the plant who is going to take care of them and give them everything they want."

Well, I have worked. I know the feelings of men and women who work in industry. I was a foreman in the General Electric Co., the Edison Lamp Works, at East Boston, where they make lamp bulbs. I had labor experience when I was on the stage in the theatrical profession. I was in a strike in New York and was arrested for picketing on the East Side when we of the actors' union were picketing the Avenue B Theater. We were trying to get decent living conditions for the people on the stage who at that time were in vaudeville. Conditions were such, for instance, that actors would be booked to play, for instance, Keith's Theater in Washington for a week, and Monday afternoon, if they did not like your act, they fired you and you did not get paid for anything you had done or even your expenses to Washington. They had various tricks in New York whereby they would employ 10 acts for Monday afternoon; of course, all the people would come in to see the 10 acts and then they would fire five of the acts before the evening performance and pay them nothing, not even for the afternoon performance. This is just a sample of conditions at that time. We went on strike. I was arrested as a picket and taken up to the night court of New York. They put men on the stand who stated we pushed people off the sidewalk, which was all a lot of lies, because not a soul went into that theater all the time we were picketing that day, and I shall always remember the Jewish people of New York City.

The patronage of this theater was almost entirely Jewish, and they would come up to the door and when they would see us walking up and down they would just utter the one word, "Strike", and turn around and go home and not two people went into the theater that day or night, and ordinarily the theater was packed, as it was a Saturday. We were tried and we were each fined \$1 after the judge told us what terrible people we were and told if we came into court the next day on the same charge we would be sent to Welfare Island for 30 days. We went on with the strike next day, picketed the same theaters again, and they found out we were not subject to arrest but were within our rights of lawful picketing, and we were not arrested.

I know something about these company unions. The man who belongs to a company union and goes to the foreman or the boss to discuss wages or hours is not a representative of labor. He is a man trying to court favor; he is a man trying to hold his job; he is a man getting special privileges; he is a man who is allowed to go around the plant and be paid for work he is not doing, when he is around spreading the propaganda, "We have a fine boss." Then the unions step in and say, "Listen, let us be Americans. Let us not be bootlickers. Let us not bow down before the boss and say, 'Please, can I have a decent living wage?'" Let us be Americans under the Constitution of the United States and stand up and say, "We demand our right to organize. We demand the right of collective bargaining."

Do not forget, while we are on this point, that the bulwark against communism in the United States has been your labor unions—the American Federation of Labor. [Applause.] Your unions have been the defense of the United States against communism and bolshevism and nazi-ism. They are American citizens fighting for a decent living.

Let us think this thing over. Do you think in Toledo today and in Minneapolis today and in any place else in the country where they are having strikes—do you think a man with a family of five children goes out there and is chased down the street with bayonets by the National Guard, as I saw in a picture yesterday of the strike in Toledo, does this



because he likes excitement? Do you think he goes out there risking his life or to get a clubbing on the head from the police or the hired guards of these companies because he likes it? Do you think he does it with these five children at home, perhaps hungry, for such a reason as that? No; he is out there fighting for bread for these hungry little mouths. He is fighting for clothing to put on these wasted little forms. He is fighting for milk for the baby. That is what he is fighting for, and I am asking you here today if you will not pass legislation through this Congress shortening the hours by enacting the 30-hour week bill, and give them decent, living wages after you shorten the hours. Pass legislation now to take these 10,000,000 people unemployed in the United States and put them back to work.

Now, here is the legislation I think this Congress should pass. I say this is only my opinion—I do not claim to have any cure-all, but I do claim that I know a little something about it. I think this Congress should not adjourn until it passes the Black 30-hour week bill. I want to congratulate Senator BLACK on his courage and foresight for having introduced the bill and for having it passed through the Senate.

I think we ought to pass the Black bill, and I think we should pass the Wagner disputes bill, which does away with the evils of company unions, although it does not go as far as I should like to have it go. But it does bring out the principle that 7A in the N.R.A. gives to labor the right to bargain collectively, through representatives of their own choosing. I think we ought to pass that bill, and I think we ought to pass the Wagner-Lewis bill, the unemployment insurance bill, because that is a bill to prevent hard times, to provide funds for paying wages to workers thrown out of employment by machines until they can be reabsorbed in industry.

We ought to pass the railroad pension bill, making the railroads do their share to take care of railroad employees and retire them, thus making available thousands of jobs for the younger workers and apprentices now unable to secure employment. I believe we should pass old-age pension legislation and do away with workhouses which are relics of the age of barbarism. That is the labor legislation that we ought to pass now. What has Congress done for labor in this session of Congress; I ask you, what?

Mr. COX. What about the N.R.A.?

Mr. CONNERY. I am talking about this session of Congress; not the last session. I want to say this to my friend from Georgia [Mr. Cox]—and he is a good and sincere friend—that I think the N.R.A. is the greatest piece of legislation put on the statute books in a hundred years for labor. The N.R.A. came as the result of the Black-Connelly 30-hour week bill. It abolished child labor, abolished the "yellow dog" contract, and authorized labor to bargain collectively as an organization, and upheld the right of labor to organize, and it shortened the hours by writing into the bill some other provisions of the Black-Connelly bill which had been reported favorably by our Labor Committee. All the foregoing provisions I have mentioned were written into the Black-Connelly 30 hour bill weeks before the N.R.A. was presented to Congress, and the Black-Connelly bill was reported favorably to the House weeks before the N.R.A. was presented to either House or Senate. I say this in justice to my colleague on the Committee on Labor.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. O'CONNOR. Is not the gentleman mistaken? Did we not pass the bill abolishing the "yellow dog" contract long before the N.R.A. was passed?

Mr. CONNERY. Yes; but that only applied to the Federal courts. You could not go into the States on an intra-State question.

Mr. O'CONNOR. But it practically abolished the "yellow dog" contract.

Mr. CONNERY. No; I wish it had. But in order to get into the Federal court they had to prove diversity of citizenship. But, further, I will say to my good friend from New York [Mr. O'CONNOR] that it took labor 40 years of hard fighting to get through that Norris-LaGuardia anti-injunc-

tion bill; and I was happy to be designated by Speaker Garner to preside in the chair during the consideration of that bill, and I was very happy to see it pass.

If the N.R.A. had done nothing else but abolish child labor and abolish the "yellow dog" contract, it would have been well worth its passage. [Applause.]

The passage of the N.R.A. has been a great forward step. It has set up principles that labor has fought for for a hundred years.

That the law has been badly administered in spots does not detract from the wonderful things that are possible under it when properly administered.

Properly administered, the N.R.A. can be made a new charter of liberty for the American workers and for industry.

I am not here to criticize the N.R.A. Above all, I am not here to criticize the President of the United States. I have repeatedly said at home and here that I think he is the greatest President we have had since Abraham Lincoln. [Applause.] I am not going to compare the Democratic administration with the Hoover administration, because there is no comparison. The American people know the answer to that without being told. I am asking, What have we done for labor now, in this session of Congress, with the terrible need for something to be done, with 10,000,000 people unemployed in the United States? Take the codes! We tried to fix it in the bill reported by the Committee on Labor this year. We tried to have labor representatives on the codes. That was in the Connery bill which we reported to the House this year—the 30-hour week bill. Where you have 15 men on code authorities under that bill there would be 5 employers, 5 labor employees, and 5 for the public, but you do not have that.

On your code authorities, with the exception of Sol Rosenblatt, on the amusement code, you have not a friend of labor. Look up and see who are on your code authorities. I am not blaming the President of the United States. On March 5 of this year the President, addressing a large assemblage of industrial leaders in Constitution Hall in Washington, asked industry to shorten hours and increase wages. It is now May 29, and less than one twenty-fifth of 1 percent of these industrialists have complied with the request of the President. Congress should act and do by legislation what industry refused to do for the President. The President has hundreds of problems to take care of, foreign and domestic, but I am blaming the administration of the N.R.A. Take the shoe industry. They put that on a 40-hour week. They have never worked 40 hours weekly in the history of the industry. All labor in that industry united to ask for a 30-hour week. They were refused. Then they asked for a reopening of the code to present their case. That was refused. I sent a telegram to Maj. George Berry, the administrator of that code, asking would he or would he not reopen that code. I have yet to receive an answer to my telegram sent weeks ago.

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

Mr. CONNERY. Yes.

Mr. MOTT. The gentleman says that he is not blaming the President, but he does say that he blames the administration of the N.R.A.

Mr. CONNERY. Yes.

Mr. MOTT. Is not the President responsible for the Administrator and the immediate personnel of the Administrator?

Mr. CONNERY. I suppose he is. I suppose the President appointed him; but when a law goes on the statute books, and this bill has been on the books for only a year, the President cannot be expected to know every detail of everything; he has to take the word many times of his subordinates that things are O.K., when they are not O.K., and he may have it in his mind for all we know to fire them all 2 weeks from now.

Mr. MOTT. But the President has not done it.

Mr. CONNERY. No. But I do know that that law has brought about wonderful things, which the President intended it should bring, as, for instance, the matter of the abolition of child labor, and the other things I have men-



tioned previously. There are weaknesses in the codes, and they can be fixed. These weaknesses would be eliminated if this Congress would pass the legislation which the Committee on Labor reported to the House, because you would have real labor men on every code, and they would soon tell the other code authorities what decent wages were, how many hours should be worked, and why.

Mr. MOTT. I voted last year to substitute this Black 30-hour bill for the hours provision of the N.R.A.

Mr. CONNERY. I thank my friend, and I still believe that ours was the better bill.

Mr. MOTT. I think we would have been a great deal further along if that had been substituted.

Mr. CONNERY. So do I; and in addition we would have saved the Government millions of dollars.

Mr. MOTT. Can the gentleman tell us what are the average hours of labor per day or per week under the code?

Mr. CONNERY. Forty hours a week.

Mr. MOTT. And if this bill—the Black 30-hour bill—is passed, what proportion of the unemployment will the 30-hour bill take up?

Mr. CONNERY. We figure that it would put 6,000,000 people to work.

Mr. MOTT. And how many are out of employment now?

Mr. CONNERY. Ten million; and that is why I favor unemployment insurance to provide for that other 4,000,000 who would still be unemployed even after we passed the 30-hour bill.

Mr. MOTT. I favor that. The only objection I have is the persistent assertion of Democrats that the President of the United States is not responsible for anything in this administration.

Mr. CONNERY. The President of the United States would have to be superhuman in order to read every code and say how many hours should be worked in each industry. He could not do it, together with silver problems, foreign problems, and stock exchange, banking, and farm problems, and what not. Why, no human being can do that.

Mr. JOHNSON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. JOHNSON of Minnesota. The gentleman has referred to the city of Minneapolis two or three times. I understand the strike there is settled, and I understand the settlement is satisfactory to organized labor.

Mr. CONNERY. That is fine. And may I say here to my friend, Mr. JOHNSON, that my distinguished colleague, Mr. LUNDEEN, a member of our Labor Committee, has just informed me that no troops were called out in Minneapolis in the strike, as was done in Toledo. I congratulate the Governor of your State.

Mr. JOHNSON of Minnesota. On top of that, I think we ought to give credit to the Farmer-Labor Governor, Governor Olson, for settling that strike. He worked night and day for nearly 10 days; and let me say one more thing, I think the Farmer-Laborites ought to be heard on this and other measures benefiting labor and the workman.

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

Mr. CONNERY. Yes. I gladly yield to my friend from Texas.

Mr. BLANTON. Because the gentleman from Massachusetts [Mr. CONNERY] is such a decent, splendid citizen, he has presented the decent side of strikes. What are you going to do with plants like Henry Ford's, where he has paid more than any other plant in the world as a minimum wage, and where the hours have been shorter than at other plants, and where the employees have been satisfied?

Mr. CONNERY. Oh, no.

Mr. BLANTON. Are you going to force him to unionize?

Mr. CONNERY. I can only answer my friend by stating that all of his premises are wrong. Mr. Ford did not pay a decent wage, and his hours were not right, and his workers were never satisfied; and only last week he shifted all men who had dared to unionize to one plant and then fired that whole plant.

Mr. BLANTON. Our friend from Massachusetts has the respect and affection of all of his colleagues. The gentleman

presents the decent side of strikes, with which everyone is agreed. But there is another side, where unions flagrantly violate the law and should not be upheld in it. The law should be respected both by capital and unions. What about the indecent side, where in Toledo the other day, by force of arms and brutality, unions, after beating him, stripped a young boy naked and marched him naked, beaten half to death, in front of their mob down the streets of the city as an example of what would happen to anyone who would oppose union mob strength and brutality? That is wrong. We must not uphold such lawlessness.

Mr. CONNERY. No one would favor that, of course.

Mr. BLANTON. The gentleman does not favor that?

Mr. CONNERY. No; and neither do I favor it when they shot down women in Pennsylvania in your Homestead strike, and shot down strikers in Pennsylvania with machine guns, and neither do I approve of what they did in Minneapolis, when they hit them on the heads with clubs, or when they stabbed the strikers with bayonets in Toledo.

Mr. BLANTON. We must stop this lawlessness and brutality on both sides.

Mr. TRUAX. Will the gentleman yield?

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

Mr. TRUAX. I will say to the gentleman from Texas [Mr. BLANTON] that that was no worse than the shooting down in cold blood of 2 of the strikers by the National Guard and the bayoneting of 50 others. While the Governor of Minnesota may have been working day and night to correct the situation in Minneapolis, our Governor was up in Michigan fishing.

Mr. BLANTON. Two wrongs do not make a right. Labor wrong and capital wrong do not make a right.

Mr. TRUAX. No. But two men killed are worse than one man undressed. [Applause.]

Mr. GOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GOSS. I want to ask the gentleman what he proposes to do on the Black bill with reference to goods coming into this country from foreign countries which have no limitation on labor, as against the 30-hour week?

Mr. CONNERY. The gentleman knows that during the last session there was a provision in the Connery bill—

Mr. GOSS. But it is not in the Black bill now.

Mr. CONNERY. No. In the Connery bill there was a provision which provided that any article arriving in the United States at total landed cost less than the cost of production of a similar article in the United States would be barred. In section 3E of the N.R.A. we have a provision which gives the President full power to declare an embargo, to tax them, or to do anything he sees fit to prevent interference with the administration of the N.R.A. due to foreign competition. He has already begun to use this power within the last few days in the case of Japanese goods.

Mr. GOSS. But that is on the 40-hour basis, according to the gentleman's own statement. What will it be when it becomes 30 hours?

Mr. CONNERY. The President has the same power.

Mr. GOSS. Will the gentleman offer an amendment to the Black bill to include that, to make it mandatory?

Mr. CONNERY. No; because I want to see the Black bill passed, and fear that the issue would be clouded by such an amendment, since the President already has the power to take care of the situation under the N.R.A. I want to see the Black bill passed without any amendment, because I want to get on the 30-hour-week basis.

Now, Mr. Speaker, let me say in conclusion, I have told you as well as I could in my own way what I think we ought to do. I ask you if you believe in some of these things, to sign that petition, no. 30, up there. The farmers are for it. All labor, organized and unorganized, in every State in this Union is for that 30-hour week bill. You only have to check back in your own districts and you will find what I say is true.

Mr. KNUTSON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KNUTSON. The gentleman said there are 10,000,000 out of work. Does that include the 6,000,000 in the C.W.A.?



Mr. CONNERY. No. The C.W.A. has been demobilized. Mr. KNUTSON. Then that makes 16,000,000?

Mr. CONNERY. There are 10,000,000 not working on anything—C.W.A. or anything else. Now, I ask the Membership to sign that petition, because the leading economists told us when they come before our committee that that would put 6,000,000 people to work. Further, it will give that much increased buying power to the people. The people with extra buying power can buy farm products; they can buy the products of industry and help us to get back to prosperity.

I shall not now go into this matter any further. There are hundreds of things I could tell you. In answer to the gentleman from Texas [Mr. BLANTON], I could tell you things I have seen with my own eyes, terrible things done to labor in strikes, but I am not trying to say that today. I am trying to cover in the limited time the legislative situation and to tell what I believe will happen if we do not pass this legislation. I hate strikes. I do not like to see men bayoneted. I do not like to see men die and see their little families left starving, with no pensions, and go to the poor rolls for relief. I do not like that. I do not want to see strikes; and because I hate strikes, because I want to see labor get its place in the sun and a real, decent United States of America to live in, I ask you, in the name of all these little children, in the name of the helpless aged, in the name of labor throughout the Nation, and for your own country, to sign that petition on the desk to pass that 30-hour-week bill and pass this other labor legislation before Congress adjourns. [Applause.]

The SPEAKER pro tempore. Under the special order the gentleman from Tennessee [Mr. COOPER] is recognized for 10 minutes.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a statement presented by me to the Mississippi River Commission, which embraces a memorandum prepared by me for the President.

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

There was no objection.

Mr. COOPER of Tennessee. Mr. Speaker, I am asking the indulgence of the House again on this occasion to discuss a matter of importance and very great interest to the people whom I have the honor to represent. It is the subject of flood control, drainage, and river matters.

I have worked hard and been very active in these matters since my period of service in Congress began. I introduced a bill providing relief for the Tennessee side of the Mississippi River, and public hearings were held on this bill. I then succeeded in having the Flood Control Committee of the House include the west Tennessee area in its inspection trip through the Mississippi Valley. The administration then in control took a very strong position against this bill, which prevented favorable action on it. I have continued my activities on the matter during the present administration and am still exerting my best efforts to secure desired results. I assisted in securing some \$3,000,000 for bank-protection work on the Tennessee side of the Mississippi River. I have conferred repeatedly with the Chairman of the Flood Control Committee during this session of Congress, from the very beginning of the session in January, with the view of having this area included in legislation considered and reported.

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

Mr. COOPER of Tennessee. I yield to the Chairman of the Flood Control Committee.

Mr. WILSON. Mr. Speaker, I wish to say that the gentleman from Tennessee as a member of the Flood Control Committee was one of the most valuable members we ever had on this committee and his services then and ever since his election on the great Ways and Means Committee has been of very great assistance to us in connection with this matter. The gentleman has at all times been most active and diligent in protecting the interest of his people in Tennessee and they could not have a more able champion of their cause than he is. I would recall to him now that on account of

these controversies, such as he has in mind in Tennessee and other places on the river, we secured an entire engineering review and reexamination of the entire flood-control project from Cade Girardeau to the Gulf. This review is now under way and the area in Tennessee in which he is so much interested will be given every consideration. [Applause.]

Mr. COOPER of Tennessee. I thank the gentleman. I was just about to call attention to the resolution adopted during this session of Congress.

Mr. WILSON. I also suggest to the gentleman from Tennessee that this review is now under way but is not yet complete and at the present time the Chief of Engineers states that he cannot make a report until he has completed the investigation of the entire problem with a determination to bring about an adjustment to solve the problem on a just and equitable basis to all concerned.

Mr. COOPER of Tennessee. I thank the gentleman.

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

Mr. COOPER of Tennessee. I yield.

Mr. BYRNS. I am sure we all concur in what the gentleman from Louisiana [Mr. WILSON], Chairman of the Flood Control Committee, has had to say with reference to the value of the services rendered by the gentleman from Tennessee, a former member of the Flood Control Committee, in starting the work to which the gentleman has alluded.

The gentleman from Tennessee is now, of course, a member of the Committee on Ways and Means, one of the most powerful of all the committees of the House, having been elected to this committee by his Democratic colleagues. While the gentleman is no longer a member of the Flood Control Committee, his membership upon the Ways and Means Committee and the fact that he is also a member of the Committee on Committees has given him a power and influence in the House which makes him not only influential in matters relating to flood control but in all legislation that comes before the House. I think all the Members of the House will agree with me in the statement that the gentleman from Tennessee, by virtue of his position in the House and his ability and industry, has rendered a great service. [Applause.]

Mr. COOPER of Tennessee. I thank my colleague.

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

Mr. COOPER of Tennessee. I yield.

Mr. KNUTSON. Mr. Speaker, I concur in everything the distinguished majority leader has said with reference to the value of the services rendered by the gentleman from Tennessee [Mr. COOPER]. As a Republican member of the Ways and Means Committee, I may say that he is one of the most valuable Members on this committee as well as of the House. The gentleman's district is to be congratulated upon having a man of his attainments to represent it. [Applause.]

Mr. COOPER of Tennessee. I thank my colleague.

During the early part of this session the following resolutions were passed by the Senate and the House of Representatives:

*Resolved*, That the President be, and he is hereby, requested to send to the House of Representatives (and the Senate) a comprehensive plan for the improvement and development of the rivers of the United States, with a view of giving to Congress information for its guidance in legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power.

During this session of Congress General Markham, Chief of Engineers, appeared before the Flood Control Committee of the House and stated that the whole matter of flood-control legislation should be held up until the review and investigation being made under these resolutions could be completed.

As stated by the Chairman of the Flood Control Committee, who was the author of the resolution passed by the House, the purpose of this action by the Congress was to extend the comprehensive plan and national policy to all streams in every State in the Union. The President appointed a committee of Cabinet officers, as well as other committees, to assist in working out the plans, and the entire country has been divided into sections as follows: Atlantic coast, Gulf coast, West coast, east Mississippi, and west Mississippi.



I also call attention to the following statement made by the Chairman of the Flood Control Committee during a recent speech in the House on this subject. In speaking of the Flood Control Act of May 15, 1928, he stated that—

Amendments to this act are necessary to carry out the intent of Congress in respect to compensation for lands taken and used by the Government for the passage of flood waters in the main channel of the Mississippi River by new locations, set-backs, and changes in levee lines under the flood-control plan, lands or flowage rights over same embraced within spillways and floodways, and also areas adjacent to the main channel of the Mississippi River, the protection of which by levee construction is not deemed practical, when and wherever such lands are used or designed for use in the passage or storage of flood waters in the execution of the adopted project.

The alluvial valley of the Mississippi River, comprising 30,000 square miles, is now used for the passage and storage of the drainage and excess flood waters from 31 States, more than four-fifths of the entire area of the United States. The work now in progress will coordinate with whatever may be essential in the comprehensive plan. The work undertaken in the alluvial valley is an emergency project and should proceed as such.

Anyone familiar with the procedure here in subjects of this kind realizes the importance of favorably impressing the officials of the Government who have such an important part in such matters. I desire here to invite attention to a statement which I presented to the Mississippi River Commission at the hearing held at Memphis, Tenn., on May 2, 1934, during an inspection trip through the Mississippi Valley:

I appreciate the notice of this hearing and the opportunity to present this statement. I regret that on account of pressing matters of such great importance now pending in Congress which require me to remain at my post of duty in Washington that I am unable to be present at the hearing as I would like very much to be. I think I have attended all hearings on flood control and river matters, and have taken a very active interest in them since my period of service began. I have exerted every possible effort to present the problem and secure desired results for the people whom I have the honor to represent in connection with these important matters.

In a further effort to secure relief for the people along the east side of the river I arranged a conference with President Roosevelt in February of this year and Senator McKellar, Senator BACHMAN, and I went to the White House and conferred at considerable length with the President about flood control, flowage rights, drainage, and river matters. The President assured us that he would include our territory in the comprehensive study of this whole problem which he is making. He requested me to prepare and submit to him a memorandum on the subject of flowage rights for the area in Tennessee and Kentucky along the Mississippi River which I very gladly and promptly did. As this memorandum embraces my views on this subject and I think presents a fair statement of the situation, I am including it here, as I have secured permission from the White House to use it as a part of my statement at this hearing.

#### FLOWAGE RIGHTS FOR THE AREA IN TENNESSEE AND KENTUCKY ALONG THE MISSISSIPPI RIVER

Memorandum for the President.

MY DEAR MR. PRESIDENT: Complying with your request during our recent conference, I am pleased to submit the following memorandum on the above subject:

There is situated along the east bank of the Mississippi River in the western part of the States of Tennessee and Kentucky an area of some 500,000 acres of land which is subject to floods and overflows from the Mississippi River. This is not wild or waste land. From one-third to one-half of it is in cultivation and improved, and much of it is among the finest land to be found anywhere in the Mississippi Valley. This area includes homes, farms, and improvements, many of which have existed for more than 100 years. These people have put their life's work and savings in the development and improvement of this property. They are exceedingly anxious to retain their homes and farms and to be able to enjoy them in the manner which existed prior to the time of the destructive floods which have been diverted upon them.

In the state of nature the land on the Tennessee and Kentucky side, or the east bank of the Mississippi River, is from 3 to 4 feet higher than the land on the west bank of the river. There is no levee system along the east bank of the river in this territory to protect this area. The construction and maintenance of the levee system across the river from this area has thrown this tremendous volume of water from the Mississippi River over on the Tennessee and Kentucky side, and has increased the flood heights from 6 to 7 feet in depth on these lands. While there was formerly a distance of some 30 or 40 miles from the river for this water to extend over the west side along this stretch of the river, the effect of the present levee system above, below, and across the river is to so

restrict the river as to force these waters over all the area along the east bank. This levee system was connected up and made effective about 1896. The policy has been to raise and strengthen these levees since that time.

The Jadwin plan adopted under the Flood Control Act approved May 15, 1928, failed entirely to afford any relief or benefit to this area, but, on the contrary, it greatly aggravated the situation and increased the flood heights on these lands. The adopted project provides for the raising and strengthening of the levee system on the west side and gives no consideration whatever to the east side of the river. The New Madrid floodway is above this area and the entire volume of water is brought back into the main channel of the Mississippi River before it reaches this area. Naturally, this increased volume of water spreads over this area in Tennessee and Kentucky to the very great loss and damage to these people.

Prior to the adoption of this levee system the overflows were much more shallow and of very much shorter duration of time. It was practically unknown then for the people of this area to fail to make a crop on these lands. Since that time, and especially during recent years, they have either lost their crops entirely or they have been cut short to a very great extent. The loss of houses, barns, and other improvements has been very heavy. The water now remains on the land too late in the year for them to make a crop. The best they can hope for under existing conditions is not more than one-fourth of the crop formerly made by them. The situation is getting worse year after year and these people have sustained tremendous losses, and certainly it is through no fault of their own. A careful survey and estimate made by the Mississippi River Flood Control Association showed that during one flood this area sustained a property loss of some \$6,000,000 and seven lives were lost.

The Federal Government has assumed responsibility for the existing levee system which is causing the injury and damage to this area in Tennessee and Kentucky along the Mississippi River. The Government engineers reported that it is not feasible to protect this area by levee. The practical effect of the existing situation is that this area is dedicated and used as a storage basin along the main stem of the Mississippi River. It is, therefore, most respectfully urged that the people of this area who are suffering such great losses and damage in the manner herein indicated should receive fair and adequate consideration from the Government. These people who are of the very highest and finest type of citizenship feel most keenly that they should be paid for annual flowage rights on their land by the Government. The amount of which to be fixed by proper agency with their being given full and ample opportunity to be heard and present proof. While these people most strongly favor and prefer this method of treatment, they also feel that in the event this method is not approved that the Government should acquire permanent flowage rights.

It is earnestly requested that due consideration be given to this area in Tennessee and Kentucky in the comprehensive plan to be submitted to the Congress under the provisions of resolutions recently adopted by the Senate and the House, and that the method of treatment embraced herein be recommended therein. In case it is found that it will take some time to work out and put into effect a comprehensive plan it is felt that this relief through flowage rights for this area should be provided now.

It is the purpose in this memorandum to submit as brief and concise a statement of the situation as possible, and any further data or information on the subject will be gladly furnished.

Respectfully submitted.

JERE COOPER,

Member of Congress from Tennessee.

As indicated by this statement, I desire to very strongly urge that this area be included in your inspection and consideration of this problem and that the relief herein requested be included in your report and recommendation.

Respectfully submitted.

JERE COOPER,

Member of Congress from Tennessee.

In the early part of this year I secured the passage of resolutions by the Rivers and Harbors Committee of the House for the review of reports and investigation of the Obion, Forked Deer, and Hatchie Rivers in Tennessee, with the view of improving these streams.

#### DRAINAGE DISTRICTS

I want to also call attention to the matter of drainage districts, which is of great importance to our people. I was gratified when we finally succeeded in getting the provision in the Agricultural Adjustment Act to refinance drainage districts through the R.F.C., and had \$50,000,000 set aside for that purpose. Since none of the districts have taken advantage of the plan, I am convinced that its provisions are not generally known by those affected. It is also true that certain additional legislation has been enacted at this session of Congress which will further enable the people to take advantage of the benefits provided for these districts. We have also just passed a measure providing for loans from the R.F.C. to small industries, and there is included in this measure a provision which increases the amount of the



funds to refinance drainage districts and similar purposes from \$50,000,000 to \$125,000,000.

Circular no. 7 has been issued describing the course to be followed in reorganization to reduce and refinance these drainage districts, and I hope the landowners will acquaint themselves with its terms. Briefly, it provides for reorganization of a district, the purchase by the R.F.C. of the outstanding bonds at market value, the issuance of refunding bonds based on the purchase price of the originals, allowance of 40 years to pay the new assessment at the small interest charge provided under section 5 of the R.F.C. act. This gives the landowner the direct benefit of a reduction of his basic assessment in the amount of the depreciation of the district bonds. This in most cases will be a large percentage of what remains, as the bonds are being offered for exceedingly low figures. Based on this small assessment, and amortized over the 40-year period, owners of drainage land can develop it without the destructive demands in taxes they have now hanging over them.

I have considered this as a fair method of relief. I advocated it from the beginning of my congressional services, and appeared before the committee considering the plan to especially urge that the farmer be given the advantage of any depreciation of the bonds, to make it his bill instead of the bondholders' bill. I have been very active in securing the passage of this legislation in the interest of our farmers and landowners.

I understand other methods of relief are being suggested that call for full governmental assumption of all drainage charges. It is a serious thing to call on the man owning the hillside farm to pay for drainage developments in the bottom area. These were undertaken as private projects; and while I realize and deeply regret the disastrous results to landowners in many instances, yet I doubt if these people would want to fasten the cost of any mistake that was made in this respect directly on their neighbors and call on them to pay the bill. I am inclined to believe that the method of treatment by the Federal Government, through legislation enacted by Congress, for which I voted and worked, is fair and reasonable and gives a proper degree of equal treatment of all of our people.

The present administration has provided substantial relief for our people on the drainage question and still further benefits will be afforded. Our great President is working on the comprehensive plan for further relief on flood-control and river matters. He is applying his splendid talents along with his able assistants to these questions. I feel confident that he will meet and solve this great problem in the interest of the people of this country in the same splendid manner in which he has solved all other problems to which he has applied his great ability and efforts. [Applause.]

The SPEAKER pro tempore. Under the special order of the House the gentleman from Pennsylvania is recognized for 10 minutes at this time.

Mr. McFADDEN. Mr. Speaker, I call the attention of the House to Senate Resolution 83, which was passed in 1928. It was under this resolution that the investigation now being conducted by the Federal Trade Commission has been pursued.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at this point a copy of this resolution as it passed the Senate. It is a short resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution is as follows:

[S.Res. 83, 70th Cong., 1st sess.]

Report No. 225

IN THE SENATE OF THE UNITED STATES,

December 17, 1927.

Mr. Walsh, of Montana, submitted the following resolution, which was ordered to lie over under the rule.

December 19, 1927, referred to the Committee on Interstate Commerce February 1 (calendar day, Feb. 2), 1928, reported by Mr. Watson with amendments.

February 6, 1928, referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

February 9, 1928, reported by Mr. Deneen with an additional amendment.

February 13 (calendar day, Feb. 15), 1928, considered, modified, and agreed to.

#### Resolution

*Resolved*, That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof, within each 30 days after the passage of this resolution and finally on the completion of the investigation (any such inquiry before the Commission to be open to the public and due notice of the time and place of all hearings to be given by the Commission, and the stenographic report of the evidence taken by the Commission to accompany the partial and final reports) upon (1) the growth of the capital assets and capital liabilities of public-utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light, or both, however produced, or gas, natural or artificial, of corporations holding the stock of two or more public-utility corporations operating in different States, and of non-public-utility corporations owned or controlled by such holding companies; (2) the method of issuing, the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named the holding companies, and the public-utility corporations; (4) the services furnished to such public-utility corporations by such holding companies and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public-utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

The Commission is further empowered to inquire and report whether, and to what extent, such corporations, or any of the officers thereof, or anyone in their behalf or in behalf of any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity, have made any, and what, effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or since 1923 to influence or control elections: *Provided*, That the elections herein referred to shall be limited to the elections of President, Vice President, and Members of the United States Senate.

The Commission is hereby further directed to report particularly whether any of the practices heretofore in this resolution stated tend to create a monopoly or constitute violation of the Federal antitrust laws.

Mr. SIROVICH. By whom was this resolution introduced?

Mr. McFADDEN. It was introduced by the late Senator Walsh, of Montana.

I may say in this connection that Senator Walsh had great difficulty in getting this resolution passed. He was sidetracked from his original intention that the Senate should appoint a special committee to carry on this investigation. This investigation was fought by the Power Trust and by the public-utility interests, and Senator Walsh had to accept the final edict transferring this investigation to the Federal Trade Commission. From time to time the Federal Trade Commission has made its report as its investigators reported the completion of their examinations in accordance with the resolution.

I direct particular attention at this time to that part of their investigation to which I have heretofore referred, namely, the investigation of Henry L. Doherty and his corporations, known as the Cities Service Co., and other subsidiaries, because of the disclosures which the Federal Trade Commission have uncovered in regard to the exploitation of the American investing public through which hundreds of millions of dollars have been taken fraudulently from the people by this gentleman and his companies. Proof of the statements which I have made previously on the floor of this House is now available to a great extent by the disclosures which are being made before the Federal Trade Commission at the present time. I want to call attention, however, to the fact that this report has been greatly delayed.

The tables in this report are of particular importance not only to the Members of the House, but to the Congress and to the people of the United States. A most unusual procedure has taken place in regard to the final analysis and



report of the Federal Trade Commission in connection with the Cities Service group. In this connection I direct attention to that which took place when the Darrow report on the N.R.A. was made to the President of the United States a few weeks ago. Apparently, because that report did not meet the approval of the President and the administration, it was held up for a period of 2 weeks until those in authority in the administration of the N.R.A. could examine it, so that simultaneously with the publication of the Darrow report the analysis of the administration could also be put out and to that extent smother the effect of the report of the Darrow committee.

The same thing is apparently taking place as regards the reports of the Federal Trade Commission, and again we find the administration interfering in the manner in which this report of the Federal Trade Commission on H. L. Doherty's companies is to be made. How do we notice this? For a number of years the Federal Trade Commission has had a department of publicity and propaganda. This department was headed by a very capable man, Mr. Mayer. Mr. Mayer has now been superseded by a Mr. Baker, apparently a trusted man of the administration. So, now, under the direction of Mr. Baker, when the publicity, incident to the publishing of the reports by the Federal Trade Commission of Mr. Doherty and his companies, particularly Cities Service, is released and made public under the authority of the Federal Trade Commission, Mr. Baker puts out a mimeographed report—this has not been the practice heretofore—which is available to the press and the public, and to Mr. Doherty's attorneys and publicity agent, who simultaneously put out their version of whatever disclosures are made, so that the public has Doherty's answer simultaneously with the Federal Trade Commission's disclosures—the same trick that was played in the release of the Darrow report on N.R.A.

I can understand why the President and the administration have been concerned and interested in these criticisms of H. L. Doherty and his companies by the Federal Trade Commission, owing to the fact that Mr. Doherty was chairman of the President's birthday parties which raised a million dollars, and he presented this to the President at the White House for one of the President's pet projects, the Warm Springs Foundation. The public have been interested in Mr. Doherty's maneuvers to gain the good graces of the President and the administration through this birthday party activity, and the other entertainment features which Mr. Doherty has so lavishly given to the President and the administration, as likewise the public were interested to note another of Mr. Doherty's attempts to popularize himself with the administration through the assistance, both physical and financial, which he contributed to the embassy abroad over which Mrs. Ruth Bryan Owen presides. The public are watching, particularly that part of the public who have lost millions of dollars through the fraudulent financial manipulations of Henry L. Doherty and his companies, as to just what Mr. Doherty has accomplished in the way of securing the protection of the President and the administration so that Mr. Doherty and his companies may be kept free from any possible prosecution by this Government.

Because of the closeness of Henry L. Doherty to this administration and the things he has been doing for the President of the United States, I charge that the President of the United States and this administration are attempting through their edicts to cover up and protect Henry L. Doherty and his companies, who are now under investigation by the Federal Trade Commission.

Mr. COX. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman from Georgia.

Mr. COX. Do I understand the gentleman to say that the President is deliberately undertaking to cover up Henry L. Doherty?

Mr. McFADDEN. I may say to the gentleman that that is the net result of the action he has taken in reference to the Federal Trade Commission. Does the gentleman desire proof of this?

Mr. COX. The gentleman will make his own speech. I think if he makes such charges he ought to sustain them.

Mr. McFADDEN. I will be very glad to sustain them.

I have here an order dated May 14, 1934: "Memorandum for chief counsel, chief economist and mails and files section, Federal Trade Commission; Senate Resolution 83, public utilities investigation, Seventieth Congress, first session, February 15, 1928." I call the attention of the Members of the House particularly to this order issued by the secretary, Mr. Otis B. Johnson, of the Federal Trade Commission:

The Commission today directed that the chief counsel and the chief economist instruct their staff that in connection with the completion of the report on utilities as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry.

It would be interesting, I may say to the gentleman from Georgia, if he would read this letter of the President of April 26, 1934, which resulted in the order of the Commission to stop its investigation, or its further inquiry, if you please, into the manipulations of Henry L. Doherty and his public-utility operations or of the Associated Gas & Electric Co. in regard to their negotiations, and all other investigation of public utilities under the Walsh resolution.

Mr. BLANTON. Will the gentleman yield?

Mr. McFADDEN. I am sorry; I cannot yield.

Mr. O'CONNOR. Will the gentleman yield?

Mr. McFADDEN. No; I am sorry, but I cannot yield.

I call attention to the fact that this investigation of the public utilities is one of the most important things that is before the public at the present time. It was instigated by the late Senator Walsh of Montana, a leading Democrat, and I say that this report indicates that the authority vested in this Commission is being interfered with and that the investigation under such interference cannot proceed in accordance with the Walsh resolution.

By what authority, I ask, has any President the right to direct any investigation that has been authorized by the Congress?

The carrying out of the investigation provided for under Senate Resolution 83 was the crowning achievement of the late Senator Walsh, and I know, as every Member of this Congress knows, of the deep interest of this great Senator in this investigation. I also happen to know that it was one of his purposes, had he been permitted to serve as Attorney General of the United States, to watch closely the uncovering of the operations of dishonest exploiters and financiers who operated in public utilities and to properly prosecute and stop these fraudulent practices.

This administration came into power with definite promises of correction of this and other monetary and fiscal manipulations. This interference by the President with orderly procedure in this investigation indicates what might have taken place had the supervision of the operations of the New York Stock Exchange, which is now under consideration in the Congress, been left to the Federal Trade Commission.

I have been trying all this session and last session to get the Rules Committee of this House to pass out my resolution proposing to investigate one phase of this public-utility scandal of Henry L. Doherty and his companies. It is apparent now that inasmuch as the Rules Committee of this House is so completely dominated by the administration in their efforts to protect Henry L. Doherty and his companies that I could not get even a hearing on the bill. This investigation would have disclosed to the administration of the Bureau of Internal Revenue, the Federal Trade Commission, and the public the men in the Bureau of Internal Revenue who were protecting outfits like the Doherty group.

In the several speeches that I have made on the floor of the House I have from time to time pointed out the fraudulent practices of Henry L. Doherty and his companies. He organized a Delaware corporation known as "Henry L. Doherty & Co., Inc." This company was created for the distinct purpose of defrauding the Government.



In the course of the presentation for the record by the Federal Trade Commission of the report on Cities Service Co. under Senate Resolution 83, at the opening of the hearing there were handed out mimeographed copies of a summary of volume 1 of the Report on Cities Service Co., put out by the Federal Trade Commission, and typewritten copies of answers thereto put out by representatives of the company.

The mimeograph copy of the summary of volume 1 of Cities Service Co.'s report show that—

First. As of December 31, 1930, the closing date of the report, Henry L. Doherty owned 29.6 percent of the voting control of Cities Service Co.

Second. Only two other stockholders owned as much as 1 percent of the voting control.

Third. By such 29.6-percent stock ownership Mr. Doherty controlled as a one-man institution Cities Service Co. and all of its subsidiaries, affiliates, and associates, and dictated every policy of the management, control, and financing of the whole group.

Fourth. As at this date, December 31, 1930, there appeared on the books of Cities Service Co. and its subsidiaries over \$246,000,000 in write-ups—\$246,000,000 of that represented not one cent of real value, but was all water that had been poured into the company upon which the security investors, without knowing the true facts, had invested in the stocks of these securities as offered on the market, and on the basis of which inflated values it will be shown that Mr. Henry L. Doherty unloaded over \$19,000,000 of the securities that had been held by him at a price ranging above \$50 a share on stock that is now quoted on the curb—which quotations are shown to have been maintained by a rigged market that was kept up by manipulations of this man Doherty—at a price of \$2.50 to \$2.62½ cents, and which stock at the time he sold it he well knew had no such value as that at which he sold it, and that this price was one that had been maintained by him by manipulating the market, all of which was done directly in fraud of the rights of the stockholders whom he represented in a fiduciary capacity and the public on whom he was unloading; and \$246,000,000 of water and air upon which the ratepayers using the commodities—electricity, gas, oil, and so forth—must pay a premium. This is the type of transaction, a fraud upon the public, that the President is protecting.

Fifth. Concurrently with the write-ups of the plant and investment accounts of subsidiaries and largely as a result of them, Cities Service Co. recovered in excess of \$100,000,000 in cash of its initial investment in companies and properties which were consolidated and merged or transferred from one company to another within the system. This \$100,000,000 represents the contribution of the companies that were so treated toward the acquisition of other companies by this reckless, greedy manipulator and defrauder of the public and the ratepayers using these commodities, an amount out of which the prior holders of securities in these companies were mulcted in order that this financial buccaneer might personally fatten at the public's expense and parade the country as a great benefactor. (Instead of the President protecting, as he is doing, this fraud as perpetrated upon the investing public, it should be in the hands of the Attorney General for prosecution. The evidence is in the Lundvall report, now in the possession of the Federal Trade Commission.)

Sixth. For the most part, these consolidations and mergers resulted in an increase in securities issued, with consequent write-ups in plant and investments; a refinancing of companies, resulting in a greater proportion of outstanding senior securities—securities that were palmed off on the public by this man Doherty—and a smaller proportion of common stock after the merger than before, all of which permitted him to exercise the same degree of control over these properties with a smaller investment and in some instances without any investment at all.

Seventh. These inflations appear both on the books of the subsidiary companies and on the books of Cities Service Co. In other words, the value of plant and investment accounts

of the subsidiary companies and of the parent company, Cities Service Co., were both inflated by this amount, and the value of the securities offered to the public in these companies were deflated or reduced by this amount.

Eighth. Over \$35,000,000 of this amount represented inter-company profits to Cities Service Co. in transferring securities or properties to subsidiaries, capitalized preferred and common-stock discounts incurred in the issuance of stocks, the capitalization of the par value with common stocks issued as a bonus with the sale of its preferred stocks, the capitalization of depreciated reserves of its subsidiaries which had been capitalized in reorganization by the merged company, the capitalization of earnings of subsidiaries in reorganizations in excess of the actual earnings accrued, the erroneous capitalization of surpluses of acquired companies, the erroneous capitalization of losses incurred by subsidiaries, and write-ups in value investment, which were reflected principally in an overstatement of its surplus accounts by \$11,000,000, an overstatement in its premium and discount on capital-stock account, or paid-in surplus of over \$10,000,000, and the creation of surplus from revaluation of assets amounting to over \$3,000,000, a total of \$30,000,000. This means, according to the perverted theory of this man Doherty, the manipulator, a surplus of over \$35,000,000 of thin air available for dividends.

How much of this sum out of these reserves and fictitious surplus were used for the payment of dividends? I am informed this will be shown in volume 2 of the report on Cities Service, which will not be presented for the record until after Congress adjourns. You gentlemen can interpret the significance of that for yourselves. There is not a man on this floor whose constituents have not been sold the stocks of these companies on the theory that the asset values behind them were far in excess of the real values shown by the books of the companies. These are matters that you must answer to your constituents for. They are matters which I have been trying to bring to light and which I have used every means to have the Bureau of Internal Revenue make available to this Congress so that you might be able to intelligently present the whole crooked situation to the people of the country.

Ninth. There is a more presently pressing serious situation involved in this affair than is disclosed by the mimeographed statement put out by the Federal Trade Commission, and one that concerns every taxpayer in this country, whether he be of my constituency or of your constituency—a matter that is susceptible of correction and cure, a matter that is within the jurisdiction of this body, a matter to which I have heretofore pointed a way for the development, correction, and cure. I refer to the evasion of the income tax by the fraudulent deceptions practiced not only by this taxpayer but by innumerable other taxpayers whose income-tax returns are or can be made available to this body at any time they see fit to exercise their jurisdiction.

I have heretofore presented to this body for its consideration and have asked you to adopt a resolution for an investigation of the Bureau of Internal Revenue. If such a resolution is approved by this body and a committee is appointed, I pledge you that the whole matter can be adjusted without cost, or with very little cost, to the Government within 60 days and the whole matter can be laid before the Secretary of the Treasury and the President for their action without any public exposures or reflection upon any innocent person in the service or person or corporation taxpayer. This can be done under jurisdiction of a committee of three or five persons who can command assistance of persons already employed by the Government who can be transferred from the Bureau of Internal Revenue or the Joint Committee of Congress for this purpose. Among other cases than that of Henry L. Doherty it will be shown that every sort of device has been conceived and put forward and every sort of practice has been indulged in both by representatives of the Government in the Internal Revenue Bureau and by taxpayers to defraud the Government out of the taxes justly due it.

[Here the gavel fell.]



## PERMISSION TO ADDRESS THE HOUSE

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and the disposition of such business as may be upon the Speaker's desk, I may be permitted to address the House for 3 minutes.

Mr. BANKHEAD. Mr. Speaker, as I stated earlier in the afternoon, we have a very comprehensive and a very pressing program for tomorrow and several days thereafter. For the present I will have to object to any request that interferes with our program tomorrow.

The SPEAKER. Under the special order, the gentleman from Kansas [Mr. McGugin] is recognized for 5 minutes.

Mr. McGUGIN. Mr. Speaker, in the summer of 1933, when to question an act of the administration was like questioning the Deity, an Executive order was ordered pertaining to postmasters. Through clever propaganda, that order was held out to the people as one which took postmasters out of politics. Naturally, the great majority of the people could only read the publicity propaganda pertaining to the order and had no opportunity to read the order itself. Even Will Rogers took the propaganda "hook, line, and sinker." He said:

This man Roosevelt seems to think that a postmaster should know how to read and write.

It would still be the signal to start the smearing brigade if a Republican spoke the mere truth pertaining to this order. Here is what the annual report of the nonpartisan National Civil Service Reform League says of this order:

It is a sham and a mere cloak for the spoils system.

This same report brands the postal civil-service examinations as—

a disgrace to the Roosevelt administration and a serious liability to the United States Civil Service Commission.

The league in its report states that President Roosevelt should either modify his order so that examinations for postmasters are free and open or else—

frankly return to selecting postmasters on an undisguised spoils basis, thus relieving the Civil Service Commission of the odious and useless task that has been put upon it.

This annual report of the Civil Service Reform League, speaking of the general return of the spoils system, said:

Ordinary Government services have been cut and employees in the departments furloughed, laid off, or dismissed. Spoils raids have been made under the guise of economy, yet, at the same time a score of new agencies have been created and have employed without regard to the civil service law nearly 60,000 persons at an annual cost of \$75,000,000.

Speaking further, the league in its report said:

The tremendous responsibilities which the new deal has placed upon the Government are too heavy for the handling by amateurs, whose greatest qualification is that they were for Roosevelt before Chicago.

These words would be unpardonable political words if they came from a Republican, but coming from the Civil Service Reform League, they must be accepted as the truth, which they are.

This report of the league criticizes the shameful conduct of this Congress in writing into all new legislation that the provisions of the civil service law shall not apply.

This report of the league further points out the spoils raid in the Home Owners' Loan Corporation. The report refers to this Corporation not as a haven for distressed home owners but as "the politicians' happy hunting ground." The report makes clear that turning the Home Owners' Loan Corporation over to spoilsmen has not only been an injustice to nonpartisan merit men and women but also most costly to the distressed home owners. The report sets forth the record of these spoilsmen in the meeting of their responsibility to save homes from foreclosures. The report gives the following startling disclosures:

In Illinois, up to March 15 of this year, out of 63,877 applications, 1,048 loans were closed by 422 employees; in New York out of 68,172 applications, 3,128 loans were closed by 760 employees; and in California employees were forced to contribute 5 percent of their salaries for the Democratic campaign fund.

Mr. BYRNS. Will the gentleman yield?

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

Mr. BYRNS. May I inquire of the gentleman if he voted for the Reconstruction Finance Corporation law which passed under the previous administration?

Mr. McGUGIN. I did not.

Mr. BYRNS. And may I inquire if that law did not put the employees under the civil service. It was due to the gentlemen's party that it was passed in that manner.

Mr. McGUGIN. The R.F.C. became a law under the leadership of the gentleman's party as well as mine.

Mr. BYRNS. It was signed by your President.

Mr. McGUGIN. Yes; but my party was not in control. The gentleman from Alabama [Mr. STEAGALL] put the bill through the House.

Thus we find from the report of the Civil Service Reform League that the post offices have not only drifted back further into the mire of spoilsmanship, but to hide the inequity from the people, by Executive order, the Civil Service Commission has been made a fraud and a sham, that 60,000 new spoilsmen have been added to the public pay roll to bleed the taxpayers of America.

[Here the gavel fell.]

Mr. MILLARD. Mr. Speaker, I ask that the gentleman be allowed to proceed for 2 additional minutes.

Mr. COX. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, we have spent most of the day in speeches here.

Mr. SNELL. The majority of the time has been taken up by the Members on that side of the House. Why not give the gentleman from Kansas 2 minutes more?

Mr. BYRNS. It makes no difference whether it is on this side or on that side.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

Mr. BYRNS. I object.

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

Mr. TABER. Mr. Speaker, I make the point of order there is no quorum present.

Mr. BYRNS. Mr. Speaker, I shall not object if the gentleman wants 2 additional minutes, but I am going to object to further requests to make speeches this afternoon or tomorrow.

Mr. MILLARD. I have asked unanimous consent that the gentleman may proceed for 2 minutes.

Mr. TABER. Mr. Speaker, I make the point of order there is no quorum present.

Mr. BYRNS. Mr. Speaker, let me say to my friend from New York that we have an agreement to take up the Private Calendar this evening, and we will have to have a quorum here to take a recess. The gentleman is simply compelling the Members to come from their offices at this hour in the afternoon in order that we may take a recess until tonight.

Mr. SNELL. Why not let the gentleman from Kansas have 2 minutes?

Mr. BYRNS. I am not objecting to that, but the gentleman from New York is making a point of no quorum.

Mr. TABER. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MILLARD]?

There was no objection.

Mr. McGUGIN. They are not Democrats replacing Republicans. They come from but one faction of the Democratic Party. They are Farley men replacing merit men and women. That is not only an injustice practiced against Republicans, Socialists, and Independents, but also against the great majority of Democrats. The average Democrat, his son or his daughter, would have a better chance of obtaining employment under a civil-service merit system than under the spoils system. The merit system would not have placed some 8 or 10 members of Secretary of Commerce Roper's family on the public pay roll. The spoils system has so cared for the Roper family. Throughout the



executive department, the families of executive heads have been given preferential appointments. This could not be under a system of merit. It is as iniquitous for nepotism to be practiced in the executive department as it is for nepotism to be practiced in the legislative branch.

This annual report of the Civil Service Reform League presents the undisputable evidence that this administration has returned this country to the spoils system of 50 years ago. Further, that this return to the spoils system robs the taxpayers, denies public employment to the meritorious, and does irreparable wrong to those who have business with the Government, such as the applicants for farm and home loans. The intolerable delay in the payment of benefits under allotment contracts to the farmer is doubtless due largely to incompetent spoilsmen and visionary bureaucrats in the Department of Agriculture. [Applause.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DIVISION OF TERRITORIES AND ISLAND POSSESSIONS IN THE DEPARTMENT OF THE INTERIOR (H.DOC. NO. 390)

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 Expenditures in the Executive Departments and ordered printed:

*To the Congress of the United States:*

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 16), I am transmitting herewith an Executive order establishing the Division of Territories and Island Possessions in the Department of the Interior and transferring thereto the functions of the Bureau of Insular Affairs, War Department, pertaining to the administration of the government of Puerto Rico.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 29, 1934.

#### UNIFORM SYSTEM OF BANKRUPTCY

Mr. McKEOWN submitted the following conference report on the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 32, and 34, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 1 and insert in lieu thereof the following: "whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 3 and insert in lieu thereof the following: "or in any territorial jurisdiction in the State in which it was incorporated. The court shall upon petition transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 14 and insert in lieu thereof the following:

"In case an executory contract or unexpired lease of real estate shall be rejected pursuant to direction of the judge given in a proceeding instituted under this section, or shall have been rejected by a trustee or receiver in bankruptcy or receiver in equity, in a proceeding pending prior to the institution of a proceeding under this section any person injured by such rejection shall, for all purposes of this section and of the reorganization plan, its acceptance and confirmation, be deemed to be a creditor. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be treated as a claim ranking on a parity with debts which would be provable under section 63 (a) of this act, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by said lease for the 3 years next succeeding the date of surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid rent accrued up to such date of surrender or reentry: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: On page 10, line 23, of the House engrossed copy of the bill, after the word "committee", insert a colon and the following: "*Provided*, That the judge shall scrutinize and may disregard any limitations or provisions of any depositary agreements, trust indentures, committee or other authorizations affecting any creditor acting under this section and may enforce an accounting thereunder or restrain the exercise of any power which he finds to be unfair or not consistent with public policy and may limit any claims filed by such committee member or agent, to the actual consideration paid therefor"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: At the end of the Senate amendment strike out the period and insert a colon and the following: "*Provided, however*, That such personal representative shall first obtain the consent and authority of the court which has assumed jurisdiction of said estate, to invoke the relief provided by said act of March 3, 1933. The first sentence of subdivision (m) of said section 74 is amended to read as follows: 'The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer, or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 28 and insert in lieu thereof the following:

"SEC. 3. In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall, in its

or his discretion, so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district, eligible thereto, as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district. No person shall be appointed as a receiver or trustee who is a near relative of the judge of the court making such appointment. The compensation allowed a receiver or trustee or an attorney for a receiver or trustee shall in no case be excessive or exorbitant, and the court in fixing such compensation shall have in mind the conservation and preservation of the estate of the bankrupt and the interest of the creditors therein."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 30 and insert in lieu thereof the following: "but the claim of a landlord for injury resulting from the rejection by the trustee of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall in no event be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises plus an amount equal to the unpaid rent accrued up to said date: *Provided*, That the court shall scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages allowed assignee hereunder: *Provided further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 31 and insert in lieu thereof the following:

"Sec. 7. Proceedings under section 77 of chapter 8, amendment to the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, approved March 3, 1933, shall not be grounds for the removal of any cause of action to the United States district court which was not removable before the passage and approval of this section, and any cause of action heretofore removed from a State court on account of this section shall be remanded to the court from which it was removed, and such order of removal vacated."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Strike out the Senate amendment numbered 33 and insert in lieu thereof the following:

"Sec. 9. That the second sentence of subdivision (b) of section 75 of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as amended, is amended to read as follows: 'The conciliation commissioner shall receive as compensation for his services, including all expenses, a fee of \$25 for each case docketed and submitted to him, to be paid out of the Treasury.'"

And the Senate agree to the same.

HATTON W. SUMNERS,  
A. J. MONTAGUE,  
TOM D. McKEOWN,  
FRANK OLIVER,  
RANDOLPH PERKINS,  
FREDERICK VAN NUYS,  
PAT MCCARRAN,  
DANIEL O. HASTINGS,

*Managers on the part of the House.*

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 5884) to amend an act entitled "An act to establish a uni-

form system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments, to which the House agreed, are formal and merely improve the language of the bill: Amendments 2, 4, 6, 7, 8, 9, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, and 24.

On amendment no. 1: Amendment no. 1, as agreed upon by the conferees, makes it possible for a corporation in bankruptcy, either before or after this section becomes effective, to proceed to reorganize under this section.

On amendment no. 3: The House bill provided that proceedings under this section should be initiated before the court in whose territorial jurisdiction the corporation during the preceding 6 months had had its principal place of business or its principal assets. The Senate amendment provided that in case of controversy as to the principal place of business or the place where the principal assets are located, then the petition could be filed in the territorial jurisdiction in which the corporation was incorporated, provided that the court could transfer the proceedings to any jurisdiction where the corporation had a substantial portion of its assets if satisfied that the interests of all parties would be better subserved thereby.

The amendment, as agreed upon by the conferees, retains jurisdiction as provided in the House bill and also provides that the petition may be filed in any territorial jurisdiction in the State in which the corporation was incorporated. The court, however, is directed upon petition to transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved.

On amendment no. 5: The Senate amendment, to which the House agreed, makes it unnecessary to show that the corporation has committed an act of bankruptcy within 4 months in case a prior proceeding in bankruptcy or an equity receivership is pending at the time proceedings under the reorganization section are initiated.

On amendment no. 13: Amendment no. 14, as agreed upon by the conferees, makes unnecessary the language which amendment 13 strikes out. The House therefore receded.

On amendment no. 14: Under the House bill, executory contracts, including claims for future rent, are made provable claims for the purposes of this section. The Senate amendment limited claims for future rent to an amount equal to the rent reserved by the lease for 1 year.

The amendment agreed to by conference makes any person injured by the rejection of an executory contract or unexpired lease of real estate a creditor for the purposes of this section. The claim of the landlord for injury resulting from loss of future rents is limited to an amount not to exceed the rent reserved by the lease for 3 years next succeeding the date of surrender of the premises or the date of reentry of the landlord, whichever first occurs, plus unpaid rent accrued up to such date of surrender or reentry of the landlord. The court is directed to scrutinize the circumstances of an assignment of future rent claims and the amount of the consideration paid for such assignment in determining the amount of damages to be allowed such assignee.

On amendment no. 15: The Senate amendment provides for the purposes of this section a creditor may act by an attorney at law as well as in person, or by duly authorized agent or committee. The House, by the conference amendment, agreed to the Senate amendment providing that a creditor may act by an attorney at law, and also provided that the judge shall scrutinize and may disregard any limitations or provisions of depository agreements which may limit any claims filed by a committee member or agent to the actual consideration which such committee member paid therefor.

On amendment no. 16: This Senate amendment, to which the House agreed, tolls the running of the statutes of limitations during the pendency of proceedings under this section.



On amendment no. 25: The House bill provides that the judge may require the trustee or trustees, or if there be no trustee, the debtor, to make any transfer or conveyance necessary to effectuate the plan of reorganization after confirmation.

The Senate amendment, to which the House agreed, includes as parties whom the court may require to make such transfers or conveyances, any mortgagee, the trustee of any obligation of the debtor, and all other proper and necessary parties.

On amendment no. 27: The Senate amendment amends the section of the Bankruptcy Act dealing with individual debtors which was added to the act by the amendment of March 3, 1933. It provides that such section shall include the personal representative of a deceased individual for the purpose of effecting a settlement or composition with the creditors of the estate.

The conferees agreed to the Senate amendment with the addition of the proviso that such personal representative shall first obtain the consent and authority of the court which has assumed the jurisdiction of said estate. Also the provision is added that the filing of a debtor's petition or answer seeking relief under section 74 shall subject the debtor and his property wherever located to the jurisdiction of the court and that this shall include property in possession of a trustee or receiver irrespective of the date of appointment of such receiver or other officer, provided that this amendment shall not affect any proceeding in any court in which a final decree has been entered.

On amendment no. 28: This amendment has to do with the prevention of monopolies of receiverships, trusteeships, and appointments as attorney for receiver in any district.

The amendment agreed to by the conferees provides that "the district court or any judge thereof shall in its or his discretion so apportion appointments of receivers and trustees among persons, firms, or corporations, or attorneys therefor, within the district eligible thereto as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district." The appointment of a person as a receiver or trustee who is a near relative of the judge making the appointment is prohibited.

The further provision is made that the compensation allowed the receiver or trustee or his attorney shall in no case be excessive or exorbitant and the court is directed in fixing such compensation to have in mind the conservation and the preservation of the estate of the bankrupt and the interests of the creditors therein.

On amendment no. 29: Senate amendment 29 makes judgments for negligence provable claims in bankruptcy. The House agreed to the amendment.

On amendment no. 30: This amendment has to do with claims for future rent under the general bankruptcy act. As agreed upon by the conferees, such claims are permitted to be provable claims, provided that in no event shall a claim for damages be allowed in an amount exceeding the rent reserved by the lease for 1 year after surrender of the premises, plus the unpaid rent accrued to said date. The courts are directed to scrutinize the circumstances of an assignment of future rent claims and the consideration paid therefor in determining the amount of damages to be allowed an assignee. The provisions of this clause are made to apply to estates pending at the time of the enactment of this amendatory act.

On amendment no. 31: This amendment clarifies the intent of Congress that no cause of action not removable to the Federal court before the enactment of the railroad section of the Bankruptcy Act shall be removable by reason of the enactment of such section.

The House conferees agreed to the Senate amendment with the addition of a further provision requiring the remanding to the courts from which removed, all such suits heretofore removed to Federal court.

On amendment no. 32: Amendment 32 makes mandatory the appointment by the courts of bankruptcy within 30 days after the enactment of this act of a conciliation commissioner in every county having an agricultural population of

500 or more farmers for the administration of the agricultural composition section of the Bankruptcy Act enacted in March 1933. The House agreed to this amendment.

On amendment no. 33: By the terms of this Senate amendment the filing fee for farmers under the agricultural composition section is increased from \$10 to \$25 and the compensation of the conciliation commissioner is raised to \$25 for each case filed.

Under the amendment agreed to by the conferees, the compensation for the commissioners is increased to \$25 for each case, but the filing fee for farmers is left at \$10.

On amendment no. 34: Amendment no. 34 amends the subdivision of the agricultural composition section extending the secondary liability in case of an extension granted the principal debtor so as to include within its provision those who may have insured, or guaranteed such debts, or bonds issued on the security thereof. The House agreed to the amendment.

TOM D. McKEOWN,  
A. J. MONTAGUE,  
FRANK OLIVER,  
HATTON W. SUMNERS,  
RANDOLPH PERKINS,

*Managers on the part of the House.*

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

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

There was no objection.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

Mr. McKEOWN. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. McKEOWN. Mr. Speaker, I present a House concurrent resolution and ask unanimous consent for its present consideration.

The Clerk read the concurrent resolution as follows:

#### House Concurrent Resolution 40

*Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House is authorized and directed, in the enrollment of the bill, H.R. 5884, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", to strike out in the first section of said bill "Sec. 78" and insert in lieu thereof "Sec. 77A", and in said section to strike out "section 79" wherever it appears and insert in lieu thereof "section 77B", and in said section to strike out "Sec. 79" and insert in lieu thereof "Sec. 77B."*

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

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

#### PRISON INDUSTRIES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 369.

Mr. HOLMES. Mr. Speaker, I raise the point of no quorum.

Mr. BLANTON. Mr. Speaker, may I ask the majority leader if we are to have a night session?

Mr. BYRNS. We are, and we shall have to have a call of the House if a point of no quorum is sustained. If the gentleman wants to bring Members over here at 5 o'clock in order that we may take a recess to consider the Private Calendar this evening, that is his privilege, but I do hope the gentleman will withdraw his point of no quorum.

Mr. BLANTON. Mr. Speaker, will not the majority leader give us two hours and a half to sign up our mail and get up our notes on the numerous bills on the Private Calendar so we can be back here ready for the evening session?

Mr. BYRNS. I may say that I had understood from the gentleman from Georgia this would only take a few minutes.

Mr. SNELL. There is a controversy over this bill.

Mr. BLANTON. This bill creates another board with members drawing \$20 a day, and I am fundamentally against such a proposition. I think we have too many boards now.

Mr. BYRNS. Of course, if it is going to take time we cannot consider it now and we will take a recess, but I had the idea this would only require a few minutes.

Mr. HOLMES. I want to say that I have been fighting this for 15 years, and there are many objectionable features to the bill.

Mr. TARVER. This bill is to minimize the competition between prison labor and industry, and it is endorsed by the head of the American Federation of Labor.

Mr. HOLMES. I want to say to the introducer of the resolution that that is not going to change the situation; but, Mr. Speaker, I withdraw the point of order.

#### LEAVE OF ABSENCE

By unanimous consent, the following leaves of absence were granted:

To Mr. FERNANDEZ, for 3 days, on account of official business.

To Mr. LANZETTA, indefinitely, on account of illness in family.

To Mr. THURSTON (at the request of Mr. DOWELL), indefinitely, on account of sickness in his family.

To Mr. RANDOLPH, for 3 days, on account of important business.

To Mr. LAMBETH, indefinitely, on account of sickness.

To Mr. VINSON of Georgia, for 2 days, on account of official business.

To Mr. McGRATH, for 4 days, on account of official business.

To Mr. KNIFFIN, for 2 days, on account of official business.

To Mr. DELANEY, for 2 days, on account of official business.

#### HOOR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet at 11 o'clock tomorrow. I want to say that that request is made in pursuance of a request by the Chairman of the Ways and Means Committee in order to give an additional hour for general debate tomorrow, and I hope no one will object.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2745) to provide for the changing of time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral vote shall be counted, and for other purposes, an uncontested measure. It simply amends the law as to the election machinery so as to comply with the Norris amendment to the Constitution.

Mr. SNELL. Does this change anything except the count of the electoral vote?

Mr. LOZIER. It changes dates in the statute so as to harmonize with the constitutional amendment.

Mr. SNELL. Unless we do that we would not elect the President until after he was inaugurated.

Mr. LOZIER. Yes.

The Clerk read the bill as follows:

*Be it enacted, etc.,* That section 152 of the Revised Statutes (U.S.C., title 3, sec. 41) is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "20th day of January."

Sec. 2. Section 25 of the Revised Statutes (U.S.C., title 2, sec. 7) is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "3d day of January."

Sec. 3. Section 1 of the act entitled "An act providing a temporary method of conducting the nomination and election of United States Senators", approved June 4, 1914 (U.S.C., title 2, sec. 1), is hereby amended by striking out "fourth day of March" and inserting in lieu thereof "3d day of January."

Sec. 4. The first sentence of section 20 of the act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those

islands", approved August 29, 1916 (U.S.C., title 43, sec. 1091), is hereby amended by striking out the words "fourth day of March" and inserting in lieu thereof "3d day of January."

Sec. 5. The second sentence of section 36 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", approved March 2, 1917 (U.S.C., title 48, sec. 891), is hereby amended by striking out the words "fourth of March" and inserting in lieu thereof "3d day of January."

Sec. 6. The act entitled "An act providing for the meeting of electors of President and Vice President and for the issuance and transmission of the certificates of their selection and of the result of their determination, and for other purposes", approved May 29, 1928, is hereby amended as follows:

(a) By striking out the words "first Wednesday in January" in section 1 of such act (U.S.C., supp. VII, title 3, sec. 5a) and inserting in lieu thereof "first Monday after the second Wednesday in December."

(b) By striking out the words "by the third Wednesday in the month of January" in section 5 of such act (U.S.C., supp. VII, title 3, sec. 11b) and inserting in lieu thereof "by the fourth Wednesday in December."

(c) By striking out the words "on the fourth Wednesday of the month of January" in section 6 of such act (U.S.C., supp. VII, title 3, sec. 11c) and inserting in lieu thereof "on the fourth Wednesday in December."

Sec. 7. The first sentence of section 4 of the act entitled "An act to fix the day for the meeting of the electors of President and Vice President, and to provide for and regulate the counting of the votes for President and Vice President, and the decision of questions arising thereon", approved February 3, 1887 (U.S.C., title 3, sec. 17), is amended by striking out the words "second Wednesday in February" and inserting in lieu thereof "sixth day of January."

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

Mr. SUMNERS of Texas. Reserving the right to object, and I shall not object, I want to make a statement in this connection. I drafted the bill of which this is amendatory. I want to suggest to the House that we are going to have to move up the time for electors about a month. We may get by this next election, but there is not enough time since the recent amendment to the Constitution intervening between the election of the electors and the time when they are to meet. There is not time enough to settle any contest as to the election to electors. The "lame-duck" amendment moves the whole program up from March to January. The time for the general election should be moved up to the first Tuesday in October or to about that time in order to allow a reasonable time for settling contests over the election of Presidential electors.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The House bill was laid on the table.

#### EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a resolution adopted by the General Conference of the Methodist Episcopal Church South during its recent quadrennial session.

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

Mr. GAVAGAN. I object. That is a dried-up subject.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2242. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; to the Committee on Claims.

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law; to the Committee on the Judiciary.

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1158. An act for the relief of Annie I. Hissey;  
H.R. 1933. An act for the relief of Philip F. Hambsch;  
H.R. 1943. An act for the relief of A. H. Powell;  
H.R. 1977. An act for the relief of R. A. Hunsinger;  
H.R. 2054. An act for the relief of John S. Cathcart;



H.R. 2322. An act for the relief of C. K. Morris;  
 H.R. 2433. An act for the relief of Anna H. Jones;  
 H.R. 2438. An act for the relief of Ruby F. Voiles;  
 H.R. 3056. An act for the relief of James B. Conner;  
 H.R. 3300. An act for the relief of George B. Beaver;  
 H.R. 3302. An act for the relief of John Merrill;  
 H.R. 4690. An act for the relief of Eula K. Lee;  
 H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;  
 H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";  
 H.R. 7168. An act for making compensation to the estate of Nellie Lamson;  
 H.R. 7289. An act for the relief of H. A. Soderberg;  
 H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;  
 H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;  
 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 Indians so to do;  
 H.R. 8617. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1935, and for other purposes;  
 H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;  
 H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Delphi, Ind.;  
 H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;  
 H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown, and a point opposite thereto in the county of Union and State of Kentucky;  
 H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;  
 H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;  
 H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;  
 H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and  
 H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:  
 S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;  
 S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia;"

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia;

S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia;

S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street; and

S. 3442. An act to dissolve the Ellen Wilson Memorial Homes.

## RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 7 o'clock and 30 minutes tonight.

The motion was agreed to. Accordingly, at 5 p.m., the House stood in recess until 7:30 p.m.

## EVENING SESSION

The recess having expired, the House was called to order by the Speaker at 7:30 o'clock p.m.

## PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

Mr. BLOOM. Mr. Speaker, according to the agreement at the last call of the Private Calendar, I had permission to call up the bill, H.R. 6241, which was put over from the last call of the calendar.

Mr. BLANTON. And that is calendar number what?

Mr. BLOOM. Calendar no. 506.

Mr. BLANTON. We have not reached that yet.

The SPEAKER. The Clerk will report the bill.

## INTERNATIONAL ARMS &amp; FUZE CO., INC.

The Clerk called the bill (H.R. 6241) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc.

Mr. BLANTON. Reserving the right to object, this is a bill which seeks to permit this company to go before the Court of Claims and have heard and determined its claim against the Government. How much is its claim?

Mr. BLOOM. There is no telling. If it is found that this company owes the Government any money, they can collect that.

Mr. BLANTON. But surely it has in mind proving up some amount as claimed. Now, how much is it claiming against the Government?

Mr. BLOOM. They are not claiming any special amount.

Mr. BLANTON. Are they claiming 5 cents or \$500,000,000?

Mr. BLOOM. They are only asking for the right to go before the Court of Claims and find out if there is anything owing to them. This company has done a business of \$60,000,000 with the Government and without any complaint of any kind.

Mr. BLANTON. Now, the facts that I have in this case are these: There was a settlement by the Government with this company on November 10, 1919.

Mr. BLOOM. Yes.

Mr. BLANTON. And the Government has paid them \$1,427,449.81.

Mr. BLOOM. That is right.

Mr. BLANTON. Now they are coming in here and claiming some more.

Mr. BLOOM. No; they are not. When they made that settlement with the Government they gave a receipt for the amount of goods that was delivered to the Government at that time.

Mr. BLANTON. Now, this is what they signed: They signed a receipt and a settlement agreement with the Government wherein they acknowledged, "We have received \$1,427,449.81 in full adjustment, payment, and discharge of said contract."

Mr. BLOOM. On the goods that they had delivered.

Mr. BLANTON. On "their contract." Now, if that was a full adjustment, settlement, and payment of their contract, why should we let them come and sue again?

Mr. BLOOM. They are not suing.

Mr. BLANTON. Oh, whenever you bring a matter before the Court of Claims it is suing. It is not anything else but suing. You appear there with your lawyers and you present your evidence, and by this bill you are seeking to waive the limitation. The limitation has run against them, and we would be waiving the limitation and letting them come into the Court of Claims and present evidence of an additional claim, after they have acknowledged full settlement with the Government, if we pass this bill.

Mr. BLOOM. If I might be permitted to answer the gentleman, I should like to say that the amount they settled for at that time was—

Mr. BLANTON. Was a very good sum. Of course, to my good friend from New York who owns many of the picture shows and theaters in his great metropolis, the sum of \$1,427,000 is a mere bagatelle, but down with us poor folks it is a pretty good sum of money.

Mr. BLOOM. Will the gentleman allow me to explain to him?

Mr. BLANTON. Certainly.

Mr. BLOOM. The committee which gave this receipt to sign in the testimony says that that settlement was made only for the goods that they had delivered up to that time. Now, let me say to the gentleman that during the war this company did \$60,000,000 worth of business with the United States Government without any complaint.

Mr. BLANTON. And they got about \$60,000,000 in money from the Government. That gave them a tremendous profit.

Mr. BLOOM. But the Government was getting \$60,000,000 in value. They only ask now to go to the Court of Claims to prove whether the Government owes them any money. The testimony of the entire Government committee at that time in the evidence shows that they claimed this was not a final settlement in that sense of the word.

Mr. BLANTON. Mr. Speaker, there is no Member of this House who would go further to grant a personal favor to our good colleague from New York, Mr. BLOOM, than I. I think as much of him as any other Member of this House, but this way of waiving limitation is all wrong, after they come in and sign a settlement agreement with the Government—they ought to take their medicine and live up to it.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BLANCHARD. The record discloses that this was not accepted in full accord and satisfaction.

Mr. BLANTON. Well, they put their "John Hancock" on this language, "In full adjustment, payment, and discharge of said contract."

Mr. BLANCHARD. I have gone into it carefully, and the understanding was that that was up to that point in the settlement.

Mr. BLANTON. I want to say to the gentleman, who has been doing some good service on this calendar since he has been here, what is the use of our putting this additional clause on each of these bill that we pass, that "this shall be in full settlement of all claims against the United States Government" if we do not mean it?

Mr. BLANCHARD. I put the same question to the gentleman from New York and he was able to show me from the RECORD a reason for it.

Mr. BLOOM. I may say that the gentleman from Wisconsin [Mr. BLANCHARD] objected to this bill and I went all over it with him. He objected as strenuously as has the gentleman from Texas. It is an absolute fact that this receipt was given just the same as every receipt is given to the Government; they were asked to sign this statement; but it was understood that the final settlement was only up to the moment of signing. The members of the Government board testifying under oath said that that was not a final settlement.

Mr. BLANTON. Does not the gentleman from New York think that the Government, having given this concern \$60,000,000 worth of business, has done pretty well by it?

Mr. BLOOM. There is no question about that, but at the same time the Secretary of War at that time gave this concern a diploma, saying that it was one of the best firms they had traded with. Now, if there is any reason to believe that there is anything coming to this firm and they made a settlement at that time, with the understanding that there would be another adjudication, they should have their day in court; and I believe the gentleman from Texas wants to give this firm its rights.

Mr. BLANTON. Mr. Speaker, I notice that this concern has another claim; the bill No. 720 on the calendar is for this same concern and is another bill waiving the statute of limitations in their favor.

Mr. BLOOM. No; I may explain to the gentleman from Texas, Mr. Speaker, that that is a bill which has passed the Senate and was amended by the Senate. If unanimous consent is given for the consideration of the bill at this time, I shall ask permission to substitute the Senate bill as amended.

Mr. BLANTON. This is Senate bill 2809.

Mr. BLOOM. That is what it is; that is what I want to have considered; and I shall ask unanimous consent to substitute the Senate bill for the House bill that we are now talking about (H.R. 6241).

Mr. BLANTON. Mr. Speaker, will the gentleman accept an amendment to the effect that in connection with the adjudication of this claim the Court of Claims is directed to consider the settlement that has already been made by the Government and is to not grant anything to this company above what was legally undetermined in the former settlement? With such language in the bill I would not object; but the company received a million and nearly four hundred thousand dollars in settlement of their contract. It has been my observation that when in cases of this kind we waive the statute of limitations and permit the company to sue in the Court of Claims the Court of Claims assumes that Congress has directed them to open the case up and pay them whatever they might have claimed originally.

Mr. BLOOM. I do not believe that is the case.

Mr. BLANTON. I have watched these cases, and the Court of Claims takes such bills as directions from Congress.

Mr. BLOOM. If the Court of Claims says the company has nothing coming to it, that will be the end of it. On the other hand I think the Court of Claims can be trusted to do justice should anything more be found to be due the company.

Mr. BLANTON. I want such a provision in this bill that the Court of Claims will be reminded that Congress had the former settlement in mind, and that such settlement must be considered.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that this bill may go over for a few minutes, until the gentleman from Texas can write out his suggestion so I may see just what it is.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I ask the gentleman from New York if this is a claim arising out of war profits from the manufacture of munitions?

Mr. BLOOM. This company manufactured munitions and sold the Government \$60,000,000 worth of munitions; and the Government gives them a clean bill of health, stating that it was one of the best concerns with which they did business.

Mr. TRUAX. And the company probably made a handsome profit; that is the way it went.

Mr. BLOOM. If they made a profit, doubtless they were entitled to it.

Mr. TRUAX. As I recall, during the war, there grew up 20,000 new millionaires in this country.

Mr. McFARLANE. I think the number was 33,000.

Mr. TRUAX. One for every two and a fraction American doughboys who were killed.

Mr. EAGLE. And all of them are broke now.

Mr. TRUAX. Who does the gentleman mean are broke now?



Mr. McFARLANE. The boys who fought the war.

Mr. TRUAX. The boys; yes, that is correct; that is a statement of fact.

Mr. Speaker, I think it is time this Government and this Congress ceased giving even consideration to bills that go back to profits made during the war by men who are now getting refunds of income taxes, men who made millions of dollars during the war.

Mr. BLOOM. I do not believe the gentleman wants to say that these people were profiteers. They were doing work for this Government; somebody had to do the work.

Mr. TRUAX. Yes; and they made plenty of money.

Mr. BLOOM. They have lost money.

Mr. TRUAX. I never heard of any munitions manufacturer losing money.

Mr. BLOOM. If this is a just claim, these people certainly are entitled to be heard by the Court of Claims whether there is any money coming to them or not.

Mr. TRUAX. Mr. Speaker, I have a letter from a gentleman connected with the Court of Claims complimenting me on the position I have taken with reference to the refund of income taxes.

Mr. COLLINS of California. Mr. Speaker, I demand the regular order.

Mr. TRUAX. If the regular order is demanded, Mr. Speaker, then, I shall have to object to the bill.

Mr. BLOOM. Mr. Speaker, the gentleman states that just because the regular order is demanded he objects. I do not think I should be put in this position.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be put aside without prejudice until 9 o'clock this evening, so that we may agree upon an amendment that will fully protect the Government.

Mr. LEE of Missouri. Mr. Speaker, I object.

#### ROLAND ZOLESKY

Mr. CANNON of Wisconsin. Mr. Speaker, I ask unanimous consent to return to no. 399 on the Private Calendar (H.R. 3912), a bill for the relief of Roland Zolesky.

Mr. BLANTON. Mr. Speaker, we have our calendar arranged, and this is a bill that we have left in our office. We understood we were going to begin at the star, Private Calendar 406.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I objected to this bill on a previous occasion because the gentleman from Wisconsin [Mr. CANNON] threatened to object to every bill if this bill was not passed. That is the only reason I did not insist at that time. I understand this bill has been threshed out upon its merits, and that it is a meritorious bill and should be passed. Personally, I am going to object to any other bill that is called out of order.

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

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to Roland Zolesky as compensation for injuries sustained, without fault or negligence on his part, when on the 26th day of February 1919, at Milwaukee, Wis., by reason of the negligent supervision and control by agents and officers of the United States Government of certain tests of rifle grenades, the said Roland Zolesky came into possession of a certain rifle grenade which exploded with great force, causing permanent injuries to his right arm and face: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SETTLEMENT OF MILITARY CLAIMS

The Clerk called the next bill, H.R. 6856, to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army.

Mr. ZIONCHECK. Mr. Speaker, I object to the bill for the reason that we do not want to establish a precedent of the Government becoming the insurer for property of officers or privates in foreign countries lost by fire or water.

#### CHURCH OF THE GOOD SHEPHERD, MEMPHIS, TENN.

The Clerk called the next bill, H.R. 7161, to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he hereby is, authorized and directed to refund or abate the customs duty (consumption entry no. 023, June 26, 1933) assessed on altar candlesticks and cross imported by Canon Hiram K. Douglass for the Church of the Good Shepherd, Memphis, Tenn.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WILLIAM CHINSKY

The Clerk called the next bill, H.R. 7697, for the relief of William Chinsky.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois if he is willing to accept some amendments to this bill? First of all, may I ask him why there is any necessity for a guardian? This accident happened in 1919. At that time the boy was 12 or 13 years old. He must be 27 years old now.

Mr. SABATH. I do not think there is a guardian required at this time.

Mr. BLANCHARD. I think the amount should be cut to \$2,000.

Mr. SABATH. It should have been \$5,000. By mistake it was introduced in this way. It was cut the last time. Have you seen a picture of the boy?

Mr. BLANCHARD. May I ask about his present physical condition?

Mr. SABATH. He is maimed and crippled for life. The amount should have been \$5,000, and it was cut down to \$2,500.

Mr. BLANCHARD. I have no objection with that understanding.

Mr. HENNEY. How did this accident happen?

Mr. SABATH. He picked up a grenade and it exploded and maimed him for life.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of William Chinsky the sum of \$2,500, in compensation for injuries sustained as the result of an explosion of a hand grenade which he had picked up in Grant Park, Chicago, Ill., October 12, 1919.

#### With the following committee amendment:

On page 1, line 9, after the figures "1919" insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, certainly the words "to the legal guardian" should be stricken from this bill.

Mr. SABATH. I will accept an amendment to that effect.

Mr. BLANCHARD. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: Line 5, page 1, after the word "appropriated", strike out the words "to the legal guardian."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### LOUIS ZAGATA

The Clerk called the next bill, H.R. 7698, for the relief of Louis Zagata.

Mr. YOUNG. Mr. Speaker, I object.

Mr. SABATH. Will the gentleman withhold his objection?

Mr. YOUNG. I withhold the objection, but I will probably object later.

Mr. SABATH. This is a case where a friend gave a bond for an individual who was here illegally. He gave the bond in good faith, and when he was informed that the man had not surrendered he looked for him and the man had disappeared. He worked on the matter for nearly a year or a year and a half and helped apprehend the man. He did apprehend him, and finally the individual was deported. I think he has acted as a good, loyal citizen in the performance of his duty, and that he should not be punished for his effort and service that he rendered in apprehending the man.

Mr. YOUNG. Mr. Speaker, Louis Zagata signed the bond for \$1,000. It was his duty as bondsman to have the culprit in court and in the presence of the magistrate at all times. I insist on the objection.

#### WOODHOUSE CHAIN WORKS

The Clerk called the next bill, S. 177, for the relief of Woodhouse Chain Works.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Woodhouse Chain Works the sum of \$352.93 in full settlement for extra work for which the Government agreed to pay under the supplemental contract to contract no. 448 with the Navy Department.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ELIZABETH BOLGER

The Clerk called the next bill, S. 785, for the relief of Elizabeth Bolger.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I think the amount of \$1,000 should be reduced to \$700, and I understand that such an amendment will be acceptable to the committee.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is hereby authorized and directed to pay Elizabeth Bolger the sum of \$1,000 in full settlement of all claims against the Government on account of personal injuries sustained as the result of the carelessness of the driver of Navy automobile no. 637, on April 5, 1919, in Brooklyn, N.Y.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Line 4, strike out "\$1,000" and insert in lieu thereof "\$700."

The amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, I offer the usual attorneys' fee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of line 8, strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act

in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### E. WALTER EDWARDS

The Clerk called the next bill, S. 1073, for the relief of E. Walter Edwards.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay to E. Walter Edwards, successor to C. B. Edwards & Bro., of Raleigh, N.C., out of money in the Treasury not otherwise appropriated, the sum of \$106.30, in full satisfaction of all claims for payment of premium on a policy of fire insurance written in 1918 by C. B. Edwards & Bro., covering certain goods of the value of \$127,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry of Raleigh, N.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### M'KIMMON & M'KEE, INC.

The Clerk called the next bill, S. 1081, for the relief of McKimmon & McKee, Inc.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay to McKimmon & McKee, Inc., successor to the Raleigh Insurance & Realty Co., of Raleigh, N.C., out of any money in the Treasury not otherwise appropriated, the sum of \$71.59 in full satisfaction of all claims for payment of premiums on policies of fire insurance written in 1918 by such Raleigh Insurance & Realty Co., covering certain goods of the value of \$95,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry, of Raleigh, N.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### KORBER REALTY, INC.

The Clerk called the next bill, S. 1321, authorizing adjustment of the claim of Korber Realty, Inc.

Mr. ZIONCHECK. Mr. Speaker, I object.

#### WALTER J. BRYSON PAVING CO.

The Clerk called the next bill, S. 1504, for the relief of Walter J. Bryson Paving Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

#### ESTATE OF GEORGE B. SPEARIN, DECEASED

The Clerk called the next bill, S. 1680, for the relief of the estate of George B. Spearin, deceased.

Mr. BLANTON. Mr. Speaker, I object to this bill. It involves \$141,180. If we do not stop bills like this, our Treasury will be depleted.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. If the Membership is willing, but eventually I shall have to object.

Mr. TRUAX. Mr. Speaker, I also object to this bill.

Mr. WIGGLESWORTH. Mr. Speaker, the amount is \$5,616.29 and not \$140,000.

Mr. BLANTON. The principal paid was \$141,180.

Mr. TRUAX. Well, it should have been filed April 13, 1916.

Mr. WIGGLESWORTH. Will the gentleman permit me to make a brief statement in reference to the bill?

Mr. BLANTON. There has been \$141,180 paid, has there not?

Mr. WIGGLESWORTH. The principal amount of the claim; yes.

Mr. BLANTON. The principal is paid and this is interest?

Mr. WIGGLESWORTH. That is correct.

Mr. TRUAX. I object, Mr. Speaker.



WILLIAM T. ROCHE

The clerk called the next bill, H.R. 6696, for the relief of William T. Roche.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, it is my understanding that there has been an amendment prepared striking out everything after the enacting clause and providing a lump-sum settlement of \$1,000.

Mr. GILLETTE. \$2,500.

Mr. ZIONCHECK. Suppose we make it \$2,000.

Mr. GILLETTE. We will make the change.

Mr. ZIONCHECK. With that understanding, I withdraw my reservation of objection.

There being no objection, the clerk read the bill, as follows:

*Be it enacted, etc.,* That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of William T. Roche, who lost both his hands as a result of his duties as a rural mail carrier.

Mr. GILLETTE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILLETTE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William T. Roche, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000 as full compensation to said William T. Roche for the loss of both hands as a result of freezing, without negligence on his part, while he was engaged in the regular performance of his duties as a rural mail carrier in Sac County, State of Iowa."

The amendment was agreed to.

Mr. BLANCHARD. Mr. Speaker, I offer the usual attorneys' fee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of the bill, after the word "Iowa", strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIE LOUISE JOHNSTON

The Clerk called the next bill on the Private Calendar, H.R. 6861, for the relief of Willie Louise Johnston.

Mr. TRUAX and Mr. BLANTON objected.

MARY FORD CONRAD

The Clerk called the next bill on the Private Calendar, H.R. 6943, to extend the benefits of the Employers' Liability Act September 7, 1916, to Mary Ford Conrad.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. I reserve an objection. The policy is not to go behind 1916.

Mr. SMITH of Virginia. This does not go behind that date. All the bill does is to enable this lady, who was ignorant of the law, to come in and file her claim and have her day in court as other people have. Whether she gets anything depends on what the Compensation Board does about it.

Mr. ZIONCHECK. As I understand the case, the claimant worked for the Treasury Department and was in good health at the time she left. Later on, after she quit work, she became sick and decided that it was caused by her labor in the Treasury Department.

Mr. SMITH of Virginia. My friend has so many things on his mind with reference to these cases that he is not always able to keep the facts in mind. This lady did not

quit while she was in good health. She collapsed while at work with heart trouble.

Mr. ZIONCHECK. How long after she left was she taken sick?

Mr. SMITH of Virginia. She was taken sick while at work, and she was attended by a physician. His affidavit is in the case. She did not get anything by the way of compensation, because she did not know anything about the compensation law.

Mr. BLANTON. Reserving the right to object, the Secretary of the Treasury says there is no merit in this bill. I want to read a part of his statement:

Although it is possible that Mrs. Conrad's health may have been somewhat affected by the overtime work, there is nothing of record in this Department to show that her ill health was caused by any injury or unfavorable working conditions while in the performance of her duties during the period cited in the bill. While this Department would not interpose any objection to the passage of the bill, in view of the circumstances connected with the case, I would refrain from submitting an opinion as to its merit.

If the Department says there is nothing to show that the Government is liable, why mulct the Government?

Mr. SMITH of Virginia. The gentleman was good enough to read what the Secretary of the Treasury says, who knows nothing about the matter, will he be good enough to read what her immediate superior, who did know, said about it?

Mr. BLANTON. When you go into court you do not try the case on affidavits; you try it on evidence that has probative force and effect. You cannot come into court and say that a man was injured in the service—that is a conclusion. You have to produce evidence that has probative force establishing facts to warrant such a conclusion. If we are going to extend this act to take in such cases, we might as well take down the door of the Treasury and leave it wide open and let everybody come in and help themselves by the armful.

Mr. SMITH of Virginia. If the gentleman has firmly made up his mind to object, regardless of the facts, I do not want to take up any more time.

Mr. BLANTON. To establish such a bad precedent, sooner or later, would cost the Government of the United States millions of dollars. Thousands of similar claims would result.

I have been watching these bills to keep us from setting a bad precedent, and we have had some very good help from our friends, especially the gentleman from Washington [Mr. ZIONCHECK], and others. I object.

J. W. ANDERSON

The Clerk called the next bill, H.R. 6944, for the relief of J. W. Anderson.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. I think this claim goes back to 1921, when this party, pursuing some prisoners, fell under the train.

Mr. SMITH of Virginia. That is correct.

Mr. ZIONCHECK. The \$4,700 provided in the bill is the amount which he would have received had the present compensation law been in effect in 1921.

Mr. SMITH of Virginia. That is correct.

Mr. ZIONCHECK. As a matter of fact, we have been objecting to all of these bills.

Mr. SMITH of Virginia. I do not think that we have had a bill like this.

Mr. ZIONCHECK. What is the distinguishing feature between this bill and the other bills?

Mr. SMITH of Virginia. The particular distinguishing feature is the fact that this does not cost the Government of the United States anything. This is a claim against the government of the District of Columbia and is to be paid out of the revenues of the District of Columbia by the taxpayers of the District of Columbia, and is recommended by the governing board of the District, the Commissioners of the District of Columbia.

Mr. BLANTON. Mr. Speaker, is the gentleman from Virginia wholly unconcerned about the interests of the people of the District of Columbia and their treasury?

Mr. SMITH of Virginia. If the gentleman is going to allow me to answer that question, I shall be delighted to do it.

Mr. BLANTON. The gentleman has intimated that. He says that this will not come out of the Treasury of the Government, but it will come out of the treasury of the District of Columbia and, therefore, intimating that we should be unconcerned. That is the result of his argument.

Mr. SMITH of Virginia. The gentleman has misquoted me. When the gentleman finishes I should like to have something to say about this bill, but I do not want to do so until he has finished.

Mr. BLANTON. As we are the guardians of the people of the District, and their treasury, I am just as much concerned about improperly taking money out of their treasury as I am out of the Treasury of the United States.

Mr. SMITH of Virginia. I know the gentleman is. He demonstrates that every day.

Mr. SABATH. There is no question but that the gentleman is interested not only in the people of his district, but he has demonstrated fully to the House and to various committees that he is also interested in the people of the District of Columbia.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I object.

Mr. SMITH of Virginia. Will the gentleman withhold his objection?

Mr. McFARLANE. I will withhold my objection.

Mr. SMITH of Virginia. Mr. Speaker, the gentleman agrees to withhold his objection on the Anderson bill.

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

The SPEAKER. The regular order is demanded.

Mr. BLANTON. Mr. Speaker, I object.

ERNEST LINWOOD STEWART

The Clerk called the next bill, H.R. 7073, for the relief of Ernest Linwood Stewart.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

FRANK BAGLIONE

The Clerk called the next bill, H.R. 7107, for the relief of Frank Baglione.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. The only question I have in this case is the amount. I think \$3,500 would be amply sufficient for the injuries received.

Mr. DOUGLASS. Mr. Speaker, this boy has a fractured skull and the danger of such a case is what the future will bring.

Mr. ZIONCHECK. How long was he in the hospital?

Mr. DOUGLASS. I do not know the exact date.

Mr. ZIONCHECK. He was in the hospital a short time.

Mr. DOUGLASS. Should the gentleman insist on his amendment I would have to submit.

Mr. ZIONCHECK. With the understanding that the amendment will be agreed to, I withdraw my reservation of objection.

Mr. McFARLANE. Mr. Speaker, I reserve the right to object in order to ask some questions about this case.

Mr. DOUGLASS. This boy was 5 years old when hit by a mail wagon negligently driven by a United States Government employee. He was severely injured. His family suffered and he suffered. If the gentleman had a child with a fractured skull I am sure that he would want the boy compensated.

Mr. BLANTON. I think it is a just claim for \$3,500.

Mr. ZIONCHECK. Yes.

Mr. DOUGLASS. The Post Office Department admits its liability.

Mr. McFARLANE. It was the negligence of the Department?

Mr. DOUGLASS. Yes. Mr. Speaker, I am very glad to accept the amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Baglione, of Suffolk County, Boston, Mass., the sum of \$5,000 for damages to his son, Vincent Baglione, caused by negligence on the part of the employees of the United States in the operation of a mail truck owned and operated by the United States Government on March 19, 1924.

With the following committee amendment:

Page 1, line 6, after "\$5,000" insert: "in full settlement of all claims against the Government of the United States."

At the end of the bill after the figures "1924" insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 6, strike out "\$5,000" and insert "\$3,500."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed and a motion to reconsider laid on the table.

HOWARD LEWTER

The Clerk called the next bill, H.R. 7167, for the relief of Howard Lewter.

Mr. BLANCHARD. Mr. Speaker, I object.

ADDIE I. TRYON AND LORIN H. TRYON

The Clerk called the next bill, H.R. 7181, for the relief of Addie I. Tryon and Lorin H. Tryon.

Mr. TRUAX and Mr. ZIONCHECK objected.

Mr. BLANTON. Mr. Speaker, I object.

M. N. LIPINSKI

The Clerk called the next bill, H.R. 7264, for the relief of M. N. Lipinski.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, will the gentleman from Minnesota please state the circumstances of this bill? As I recall, there was some kind of poison put into a lake by the Department of Agriculture, which was supposed to have killed some cattle.

Mr. ARENS. The Department of Agriculture got permission to experiment by putting poison in a couple of small lakes to eliminate vegetation and weeds, with the assurance that the poison was not sufficient to kill cattle. This was done in May and June. Arsenic was used, and it was determined that it was poison, and by fall the cattle had died. He lost 11 head of Hereford cattle, and the rest of them were badly affected. It was discovered that the continuous drinking of water killed the cattle.

Mr. ZIONCHECK. How many cattle were killed?

Mr. ARENS. I think there were 11 cattle killed, but the entire herd was damaged.

Mr. ZIONCHECK. Eleven of them at \$100 each would be \$1,100.

Mr. ARENS. The whole herd of some 200 herd were affected. Many of them would have died if it had not been for the fact that the cattle were withdrawn on account of winter setting in. The cattle were affected by it. Eleven actually died.

Mr. ZIONCHECK. The Bureau of Fisheries contends that the solution which they used for experimental purposes was so weak that it could not affect cattle. I think if the gentleman would accept an amendment to accept compensation for just the cattle which actually died at \$100 each, that is, \$1,100, it would be sufficient compensation and I would be inclined to withdraw my reservation of objection.



Mr. ARENS. Of course, I have no right to compromise. I have asked the gentleman himself whether \$1,900 was not a lot of money for 11 head, but he said he would have lost more than that. Of course, I would rather take \$1,100 than not take anything.

Mr. TRUAX. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. TRUAX. In what year did this occur?

Mr. ARENS. In 1929.

Mr. TRUAX. What kind of cattle were these?

Mr. ARENS. They were Hereford cattle.

Mr. TRUAX. Beef cattle?

Mr. ARENS. Beef cattle.

Mr. TRUAX. How big were they?

Mr. ARENS. Oh, they were feeder cattle; probably ten or eleven or twelve hundred pounds.

Mr. TRUAX. They were not fat?

Mr. ARENS. They should have been. They were not, but they should have been and they would have been if it had not been on account of the poison in their systems.

Mr. ZIONCHECK. Is the gentleman contending that the Government should pay for the potential beef?

Mr. ARENS. I think the Government should have known that the poison was ruinous to the cattle. His cattle would have been in good condition if it were not for the poison in the water.

Mr. ZIONCHECK. Is not \$100 a pretty good price for one beef today, or at the time this damage took place?

Mr. ARENS. It was not in 1929. The gentleman will remember that cattle brought \$14 and \$15 a hundred pounds at that time.

Mr. TRUAX. What business did the Bureau of Fisheries have in there killing weeds?

Mr. ARENS. They were experimenting to eliminate vegetation in water in these little lakes. They got permission from the man provided the poison was not sufficient to damage the cattle, but it did.

Mr. TRUAX. What were they trying to poison?

Mr. ARENS. They were trying to kill vegetation, weeds and grass which grow in water.

Mr. McFARLANE. What year was this experimenting going on?

Mr. ARENS. Nineteen hundred and twenty-nine.

Mr. TRUAX. I would say that from what little knowledge I have of the Bureau of Fisheries there never was any attempt to kill weeds and vegetation, because grasshoppers and insects which infest these weeds are feed for the fish.

I think the claimant has a good claim, and I am not going to object.

Mr. ARENS. These lakes are not natural lakes, and there are no fish in them. As a matter of fact, they are nothing but puddles of water created by the spring overflows of the Mississippi River. These puddles stay in the pasture all summer. They are not natural lakes.

Mr. TRUAX. I would say that this case is comparable with experiments of the Department of Agriculture now being carried on.

Mr. ARENS. I think it was a worthy experiment; I am not criticizing the Department because they made the experiment.

Mr. ZIONCHECK. Mr. Speaker, unless the gentleman will accept \$100 a head for the cattle actually killed, I shall have to object.

Mr. ARENS. Mr. Speaker, I will accept \$1,100 if I cannot get \$1,900, although I think the claimant is entitled to \$1,900.

Mr. ZIONCHECK. With that understanding I shall not object.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full and complete settlement, to M. N. Lipinski the sum of \$1,980 as reimbursement for damages sustained in the losses of livestock by poisoning as the result of weed-killing experiments conducted by the Bureau of Fisheries of the Department of Commerce on premises used for pasture purposes by M. N. Lipinski: *Provided, That no*

part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 6, strike out "\$1,980" and insert in lieu thereof "\$1,100."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. ADAIR

The Clerk called the next bill, H.R. 7272, for the relief of John W. Adair.

Mr. HOPE. Mr. Speaker, reserving the right to object, I desire to offer two amendments at the proper time.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I intend to offer an amendment to increase the compensation from \$15 to \$30 a month. I think it is a very small amount if there is any merit whatever to the claim.

Mr. HOPE. I shall have no objection to the gentleman's amendment if he thinks \$15 is too small.

Mr. BLANTON. Mr. Speaker, I doubt whether it is advisable to double the amount when the author of the bill does not ask for it.

Mr. ZIONCHECK. I think the Representative introducing the bill was very modest in fixing the amount.

Mr. BLANTON. Certainly the author of the bill knew the amount to which the claimant was entitled.

Mr. ZIONCHECK. I understand the claimant was killed fighting fires. The payment of \$15 a month for 8 years is certainly a niggardly sum to pay for a life.

Mr. BLANTON. Is our colleague from Arizona willing for this amount to be doubled?

Mrs. GREENWAY. The gentleman can imagine how grateful I would be.

Mr. BLANTON. I shall not stand in our colleague's way.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the provisions of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", are hereby extended to John W. Adair, of Pinetop, Ariz., for the death of his son, John Robin Adair, who lost his life on June 21, 1916, while fighting a forest fire on the Fort Apache Indian Reservation; and the United States Employees' Compensation Commission is authorized and directed to pay compensation to John W. Adair as a partial dependent parent at the rate of \$15 per month for a period of 8 years from and after the passage of this act.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: page 2, line 2, strike out "\$15" and insert "\$30."

The amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 2, line 3, after the word "act", strike out the period, insert a colon, and add the following: "Provided, That no compensation shall be held to have accrued prior to the passage of this act, and the payments above provided for shall be in full settlement of all claims against the United States."

The amendment was agreed to.

Mr. HOPE. Mr. Speaker, I offer the usual attorney-fee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: At the end of the bill add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attor-

neys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONALD K. WARNER

The Clerk called the next bill, H.R. 7372, for the relief of Donald K. Warner.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Donald K. Warner, former postmaster at Oakdale, Nebr., the sum of \$869.17, being the amount of stamps and postal funds lost in the burglary of the post office on the night of December 13, 1928.

With the following committee amendment:

At the end of the bill on page 1, line 10, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LETTIE LEVERETT

The Clerk called the next bill, H.R. 7448, for the relief of Lettie Leverett.

Mr. HOPE. Mr. Speaker, I object.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. Yes; I will withhold my objection if the gentleman desires to explain the bill.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am very much surprised to hear the gentleman object. There is no objection on the Democratic side. I feel sure if the distinguished gentleman from Kansas knew the facts of this case and knew the parties involved he certainly would not object to such a meritorious measure.

The original claim in this case was for \$15,000 for the relief of the widow of one Silas Leverett, who was killed on the Fort Sill military reservation while under orders of an Army officer. The evidence shows that one E. C. McCormick, of Elgin, Okla., was given permission to cut hay on the military reservation, and that the deceased was employed by McCormick. I will admit it was understood that in case of fire McCormick and those working for him would fight it; but it is not reasonable to believe that anyone could anticipate the very unusual circumstances involved in this case. May I state that deceased lost his life while under orders of an Army officer.

This man was about one-fourth of a mile from the fire and was in absolute safety beyond the reach of the fire when the Army officer in question rode up to where he was at work and ordered deceased and his crew of 13 men to get on a truck and fight the prairie fire. In obedience to the command of the Army officer deceased climbed on the truck, which was operated by a soldier under command and supervision of the Army officer and driven into a dangerous position. The deceased lost his life while under direct orders of an officer of the Army. He left a penniless widow and three minor children. It is a clear-cut case, and this Government has heretofore accepted responsibility in similar cases and surely will not refuse to do so in this instance.

Mr. HOPE. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman is aware of the fact that the War Department has made an adverse report on this bill and that it is the contention of the Department that this man's death was not in any way due to any act on the part of any employee or official of the United States Government; and further, that when this man went on the reservation as a civilian employee of a contractor who had permission to cut hay on the reservation it was explained to him that he was there on his own liability and that the Government of the United States undertook to assume no liability and that he was subject to whatever might occur in the way of gunfire or any other action that might befall him while he was on the reservation? The gentleman understands that that is the War Department's contention?

Mr. JOHNSON of Oklahoma. I have read the report, but the War Department is not altogether correct in giving this information. I have also discussed the facts with some of the parties involved. I have talked to some of the officers involved, and I know that this report does not altogether comply with the facts, because this man lost his life through no negligence of his own, but while under command of an Army officer. Remember, my good friend, before pressing your objection, that a soldier was driving a truck and that neither the deceased, his widow, nor either of his dependent children are responsible for the death of this man; but if the gentleman still insists on his objection, I will do my utmost to satisfy him before the bill comes up for consideration again.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

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

Mr. CARTER of California. Mr. Speaker, may I say that the gentleman has had an opportunity to explain the bill and to make a statement. If any other gentlemen desire to object, they have ample opportunity to object, and I must insist on the regular order.

Mr. HOPE. Mr. Speaker, I object.

K. S. SZYMANSKI

The Clerk called the next bill, H.R. 7618, for the relief of K. S. Szymanski.

Mr. MOTT. Mr. Speaker, I object.

ARTHUR A. BURN, SR., AND J. K. RYLAND

The Clerk called the next bill, H.R. 7631, for the relief of Arthur A. Burn, Sr., and J. K. Ryland.

Mr. HOPE. Mr. Speaker, I object.

Mr. McMILLAN. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. I will be glad to withhold my objection.

Mr. McMILLAN. Will the gentleman state the ground for objection to the bill?

Mr. HOPE. The report in this case shows that both of these men who were killed were not men who left dependent families. The parents of one of them filed a claim with the United States Employees' Compensation Commission, an award was made, and the claim has been settled in that way.

In the case of the other man, the parents apparently were not dependents; at least, they made no claim of dependency, but the United States Compensation Commission paid the burial expenses and also made an award in favor of a dependent sister. This award was paid for some time, and then ceased because the sister married and was no longer dependent.

I cannot conceive under these circumstances why the Federal Government has any further liability to the parents of these young men. A finding was made by the Employees' Compensation Commission that the parents of one of the young men were dependent, and they were given the usual award of compensation. It seems to me that is sufficient in that particular case.

There is no showing in the case of the other man that the parents were dependent, and I cannot see why the Gov-



ernment of the United States should pay \$5,000 to the parents of either of these young men. I acknowledge that their death was caused through no act of their own and through the fault and negligence of an officer of the United States, but I do not believe that puts upon the United States an obligation to pay this large sum of money to the parents who were not dependent upon them, except in the degree stated.

Mr. McMILLAN. The gentleman admits that these deaths were caused as a result of the negligence of a superior officer.

Mr. HOPE. There is not any question about that fact.

Mr. McMILLAN. I may say that the father of one of these boys has not filed his claim simply out of a matter of pride. He did not want to file a claim against the Government, but, like a great many people, adversity has hit him.

In the case of the other man, there was a sister 18 years of age left and I assume the gentleman is not going to deny payment of the claim simply because she goes out, like many other girls, and gets married in a year or two. As I see this case, it is an absolute liability on the part of the Government where these two men, under orders of a superior officer, were taken out on board a ship which was not seaworthy and were drowned. There is undoubtedly a liability on the part of the Government.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. HOPE. I object.

K. S. SZYMANSKI

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to return to Calendar 486, the bill (H.R. 7618) for the relief of K. S. Szymanski.

Mr. TRUAX. Mr. Speaker, I object to returning to any bills that have been passed.

Mr. ELLENBOGEN. Mr. Speaker, may I ask the gentleman to withhold his objection for a moment?

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

The SPEAKER. The Clerk will call the next bill.

CARRIE PRICE ROBERTS

The Clerk called the next bill, H.R. 7716, for the relief of Carrie Price Roberts.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and be the first bill called up at the next call of the Private Calendar.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the request of the gentleman from Washington? There was no objection.

K. S. SZYMANSKI

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 486.

Mr. TRUAX. Mr. Speaker, I object.

ROSEMUND PAULINE LOWRY

The Clerk called the next bill, H.R. 7781, for the relief of Rosemund Pauline Lowry.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Rosemund Pauline Lowry, widow of Edward Prindle Lowry, late second secretary to the American Embassy at Mexico City, the sum of \$4,500, being 1 year's salary of her deceased husband who died while in foreign service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

With the following committee amendment:

Page 1, line 11, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person

violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

I. T. McREE

The Clerk called the next bill, H.R. 7789, for the relief of I. T. McRee.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, may I state to the proponents of the bill that the amount is \$2,500, and I think \$1,250 would be ample.

Mr. TURNER. This is a very meritorious case and I do not think this is really as much as the claimant is entitled to receive. The doctor states he is permanently injured.

Mr. ZIONCHECK. What is the nature of his permanent injury?

Mr. TURNER. This man was shot from ambush, and I do not know that I can tell the gentleman just what his permanent injury is, but the doctors state that, due to his limited education, his livelihood was provided for by manual labor; and since this wound prohibits him from doing such labor you can readily see that he is entitled to some assistance from the Government.

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

Mr. ZIONCHECK. Yes.

Mr. BLANCHARD. I had in mind the same objection—not to the bill but to the amount. I think the amount should be cut down to at least \$2,000.

Mr. ZIONCHECK. I had in mind \$1,250 or \$1,500.

Mr. Speaker, with the understanding that the amount will be reduced to \$2,000, we will let the bill go through.

The SPEAKER pro tempore. Without objection, a similar Senate bill will be considered in lieu of the House bill.

Mr. ZIONCHECK. How much does the Senate bill provide?

The SPEAKER pro tempore. The same amount.

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to I. T. McRee, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 in full settlement of damages sustained April 11, 1922, in a prohibition raid in Lewis County, Tenn., when he was shot from ambush: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK to the Senate bill: Line 6, strike out "\$2,500" and insert in lieu thereof "\$2,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill were laid on the table.

OSWALD H. HALFORD ET AL.

The Clerk called the next bill, H.R. 7816, for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress.

Mr. MOTT. Mr. Speaker, I object.

Mr. ELLZEY of Mississippi. Mr. Speaker, will the gentleman withhold his objection?

Mr. MOTT. Yes.

Mr. ELLZEY of Mississippi. I should like to make this statement to the gentleman from Oregon. This bill provides for two-thirds of the pay during the World War of some enlisted men. What they did was that just before leaving for France, having been in the service about 1 year, they took French leave to say good-bye to their folks. They then returned and rendered good service. There were 13 of them in all, and the Secretary of War states that they rendered good service and that their records were good, both prior to this event as well as afterward.

Mr. BLANTON. But the Secretary of War recommends against the bill.

Mr. ELLZEY of Mississippi. That is true, but here is what he did. There were 13 men and they refunded 1 man's pay—Private Hardy—but withheld two-thirds of the pay from the other men, and I believe that this is simply doing simple justice to all these men. I do not believe any man on this floor would want to see this kind of injustice done. They refunded all of one man's pay but withheld two-thirds of the pay in the other cases.

Mr. MOTT. Mr. Speaker, in view of the gentleman's statement I withdraw my objection.

Mr. BLANTON. Patrick J. Hurley, former Secretary of War, says that these men were courtmartialled and tried and given from 1 to 3 years' confinement.

Mr. ELLZEY of Mississippi. And he also stated this:

Each soldier is shown to have conscientiously and faithfully performed his duty prior to his absence and even after his return to military control.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, in full settlement of all claims against the Government of the United States, to Oswald H. Halford, bugler (1599067), \$76.63; Hunter M. Henry, private, first-class (1599070), \$192.13; William C. Horne, wagoner (1599034), \$226.77; Rupert R. Johnson, corporal (1599036), \$220.94; David L. Lacey, private, first-class (1599038), \$214.73; William Z. Lee, private (1599080), \$203.60; Fenton F. Rodgers, private (1599092), \$151.47; Henry Freeman Seale, wagoner (1599094), \$193.17; Felix M. Smith, private (1599021), \$193.38; Edwin C. Smith, private, first-class (1599047), \$79.80; Robert S. Sutherland, bugler (1599102), \$78.55; Charles G. Ventress, sergeant (1599107), \$253.06; being amount of salary deducted on account of general court-martial sentences June 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RALPH LAVERN WALKER

The Clerk called the next bill on the Private Calendar, H.R. 7893, for the relief of Ralph LaVern Walker.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of \$500 to the legal guardian of Ralph LaVern Walker for the loss of his arm and other injuries as the result of an explosion of a cap on the site of Camp Gordon on February 23, 1929.

SEC. 2. That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to pay to the legal guardian of Ralph LaVern Walker the sum of \$50 per month, beginning with the passage of this act and continuing for the period of 8 years: *Provided*, That no part of the amount appropriated in this act in excess of \$100 shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of \$100 on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of

this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000: *Provided further*, That the above amounts shall be in full settlement against the Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MYRTLE ANDERSON

The Clerk called the next bill on the Private Calendar, H.R. 7990, for the relief of Myrtle Anderson.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

PAUL J. SISK

The Clerk called the next bill on the Private Calendar, S. 85, for the relief of Paul J. Sisk.

There was no objection.

The bill is as follows:

*Be it enacted, etc.,* That the Comptroller General is authorized and directed to settle and certify for payment to Paul J. Sisk, a clerk in the post office at Spokane, Wash., out of any money in the Treasury not otherwise appropriated, the amount of \$60, on account of an erroneous payment by him on money order no. 234886, for that amount, issued at Payette, Idaho, on September 5, 1931.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILBURN KNAPP

The Clerk called the next bill on the Private Calendar, S. 256, for the relief of Milburn Knapp.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill carries \$16,000 and the gentleman from Oregon should explain its merits.

Mr. TRUAX. I object.

Mr. PIERCE. Will the gentleman reserve the objection?

Mr. BLANTON. I reserve it.

Mr. PIERCE. I want to say that this is a very just claim.

[Cries of "Regular order!"]

Mr. BLANTON. Well, if you demand the regular order and are not going to allow the gentleman from Oregon to make a statement, I will withdraw my objection, and let him pass his bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is hereby authorized and directed to pay to Milburn Knapp, out of any money in the Treasury not otherwise appropriated, the sum of \$16,000 in full settlement of all claims against the United States for losses sustained by him as the result of the revocation by the Department of the Interior, on November 12, 1913, of a permit granted for the use of the Williamson River in connection with a contract for the cutting and removal of certain timberlands in the Klamath Indian Reservation, in the State of Oregon, entered into on January 24, 1913, by Milburn Knapp and the Commissioner of Indian Affairs on behalf of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAIRMONT CREAMERY CO.

The Clerk called the next bill on the Private Calendar, S. 749, for the relief of the Fairmont Creamery Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

MRS. ASA CASWELL HAWKINS

The Clerk called the next bill on the Private Calendar, S. 1078, for the relief of Mrs. Asa Caswell Hawkins.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. I object.

EDGAR STIVERS

The Clerk called the next business on the Private Calendar, S. 1460, for the relief of Edgar Stivers.

There was no objection.

The bill is as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Edgar Stivers, postmaster at Dodge Center, Minn., in the sum of \$240.45, due the United States on account of loss of



postal funds resulting from the failure of the Farmers National Bank of Dodge Center, Minn.: *Provided*, That the said postmaster shall assign to the United States any and all claims he may have to dividends arising from the liquidation of said bank.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### STANDARD DREDGING CO.

The Clerk called the next bill on the Private Calendar, S. 1633, for the relief of the Standard Dredging Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

#### EDGAR STIVERS

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent that Calendar No. 835, H.R. 4895, for the relief of Edgar Stivers, be stricken from the Private Calendar and laid on the table, as an identical bill has just been passed.

Mr. ZIONCHECK. Reserving the right to object, is the gentleman sure of that?

Mr. CHRISTIANSON. I am sure of it, because it is my own bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### R. B. MILLER

The Clerk called the next bill, S. 2278, for the relief of R. B. Miller.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. COCHRAN of Missouri. Mr. Speaker, the last 8 or 10 bills on the calendar have been Senate bills. We must remember that House bills will have to be considered in the Senate. It seems to me gentlemen objecting to Senate bills should briefly explain their objection so that the Senator interested will be informed why objection is advanced. I think we owe this to the author of a Senate bill.

Mr. TRUAX. I shall be very glad to state. I object to the bill because it goes back and dips into the Treasury on war profits, away back in 1921.

Mr. COCHRAN of Missouri. I have no criticism to make of the gentleman's objection, but my thought is the objector should state why he objects. We passed a bill a moment ago to which the gentleman from Texas [Mr. BLANTON] at first objected.

Then, because someone demanded the regular order, he withdrew his objection, and, no other objection being recorded, the bill was passed.

I have read the report upon the bill since the measure was passed. I see no reason why the Government of the United States should pay any money to the claimant. That is the bill of the gentleman from Oregon [Mr. PIERCE].

Mr. BLANTON. But the Department said that it was a just bill.

Mr. COCHRAN of Missouri. But the Department in the middle of its statement said the Department never gave the claimant the right to use that river at the time the contract was made.

Mr. BLANTON. But it finally approved the bill.

Mr. COCHRAN of Missouri. That is true, but at the same time it appears to me the contractor had no just claim against the Government. The contractor never could have recovered in the Court of Claims.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

#### ERNEST ELMORE HALL

The Clerk called the next bill, H.R. 3176, for the relief of Ernest Elmore Hall.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill, being no. 503 on the Private Calendar, and the next bill, H.R. 3179, for the relief of William J. Cocke, no. 504 on the Private Calendar, be passed over without prejudice, to be called at the next call of the Private Cal-

endar, for the reason that the gentleman from North Carolina [Mr. WEAVER], who introduced these bills, is not here.

Mr. YOUNG. Mr. Speaker, will the gentleman withhold that request, insofar as no. 503, H.R. 3176, the bill just called by the Clerk, is concerned?

Mr. ZIONCHECK. Is the gentleman interested in no. 503?

Mr. YOUNG. It happens that I have the honor to be the chairman of the subcommittee that handled that bill, and I think 503 is without question the most meritorious bill that has been passed out of the War Claims Committee during this session. In this case a little boy, 12 years old, a mere child, at Camp Wadsworth, at Spartanburg, S.C., got hold of a hand grenade, carelessly left there by some soldiers.

Mr. ZIONCHECK. There is no question about the liability.

Mr. YOUNG. It is a meritorious case.

Mr. ZIONCHECK. It is a question of the amount. The actual loss here was two fingers and a thumb. There was a temporary injury to the eye. No State compensation board would pay \$5,000 for such an injury, and no jury would return a verdict for that amount unless there happened to be a great deal of sympathy involved.

Mr. BLANTON. Five thousand dollars is the amount of a death claim that we have agreed upon.

Mr. YOUNG. Had this little fellow been killed by the explosion the pecuniary loss would probably amount to only \$1,500, but, as a matter of fact, he lost his thumb and two fingers. They were obliterated from one hand. His eyes were slightly injured.

Mr. ZIONCHECK. If the gentleman from Ohio will allow me to make a statement?

Mr. YOUNG. Yes.

Mr. ZIONCHECK. The gentleman from Illinois had a claim in here wherein a hand grenade exploded and crippled a boy for life, damaging one hand, and he asked only \$2,500.

Mr. YOUNG. This claim came to the committee for \$10,000. It was cut down to \$7,500, and we cut it down to \$5,000.

Mr. BLANTON. The gentleman did not cut it low enough. If the gentleman will cut it down to \$2,500, we will help him pass the bill. That is the maximum amount allowed for a claim of this kind.

Mr. YOUNG. If the gentleman insists upon that, I shall accept the compromise.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest Elmore Hall, of Asheville, N.C., the sum of \$7,500. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from injuries to Ernest Elmore Hall, who lost a thumb and two fingers from the explosion in his hand of a hand grenade which was left at or near Camp Wadsworth, Spartanburg, S.C., on November 22, 1919.

With the following committee amendment:

Line 6, strike out "\$7,500" and insert in lieu thereof "\$5,000."

Mr. BLANTON. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read, as follows:

Amendment offered by Mr. BLANTON: Amend the committee amendment by striking out "\$5,000" and insert in lieu thereof "\$2,500."

The SPEAKER pro tempore. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. HOPE. Mr. Speaker, I offer the following amendment which I send to the desk:

The Clerk read as follows:

Amendment by Mr. HOPE: At the end of the bill strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or

agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM J. COCKE

The Clerk called the next bill, H.R. 3179, for the relief of William J. Cocke.

Mr. ZIONCHECK. Mr. Speaker, I ask that this bill be passed over without prejudice.

Mr. TRUAX. I object to that request. Will the gentleman withhold his request for a moment?

Mr. ZIONCHECK. Yes.

Mr. TRUAX. I want to say to the Members of this House that, in my judgment, this is one of the "lousiest" bills that has ever been put on this calendar.

Mr. CARTER of California. Mr. Speaker, regular order.

Mr. LAMBERTSON. Mr. Speaker, I ask that the gentleman withhold his request. I know this man Shipley and I know that it is not a "lousy" bill. I ask unanimous consent that the bill be passed over without prejudice until Mr. GUYER can be here.

Mr. TRUAX. I am asking the gentleman to withhold that request. Otherwise I shall have to object to the bill. There was some justification for my remark because this bill concerns hogs, and hogs are sometimes lousy.

Mr. SWICK. Mr. Speaker, regular order.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice, to be called up at the next call of the Private Calendar. At that time the gentleman from Ohio will have an opportunity to quiz the gentleman from Kansas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]? There was no objection.

CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

The Clerk called the next bill, H.R. 4573, for the relief of Charles P. Shipley Saddlery & Mercantile Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. LAMBERTSON. Will the gentleman withhold that? Mr. GUYER may be here a little later. I ask unanimous consent that this be passed over without prejudice.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the consideration of this bill be deferred until later during the evening session.

Mr. TRUAX. I object to that.

Mr. BLANTON. When the claimant first presented this matter, he claimed \$17,000. Now he claims \$11,000. He had no proof whatever for the \$17,000.

Mr. HOPE. The gentleman has no objections to the bill's going over?

Mr. BLANTON. Let it go over generally.

Mr. HOPE. I have no objection to that procedure.

Mr. BLANTON. I ask unanimous consent that the bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, I object to that.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object.

R. S. HOWARD CO.

The Clerk called the next bill, H.R. 7561, for the relief of R. S. Howard Co.

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

There was no objection.

Mr. EVANS. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2002) be substituted for the House bill.

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

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$20,827.51 to R. S. Howard Co., Inc., of New York City, as just compensation and in full settlement and satisfaction of the damages and/or losses incurred and suffered by it in complying with United States Navy order no. N-3255, dated June 18, 1918.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That jurisdiction is hereby conferred upon the Court of Claims to hear and adjudicate, without regard to existing statutes of limitations, the claim of R. S. Howard Co., for just compensation arising out of the service upon said company of United States Navy commandeering order no. N-3255, dated June 18, 1918, with the same right as in other cases to either party to apply to the Supreme Court of the United States for writ of certiorari to review any judgment that may be rendered."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

A. C. MESSLER CO.

The Clerk called the next bill, S. 503, to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DELAWARE BAY SHIPBUILDING CO.

The Clerk called the next bill, H.R. 189, for the relief of the Delaware Bay Shipbuilding Co.

Mr. ZIONCHECK. Mr. Speaker, I object.

C. V. MASON

The Clerk called the next bill, H.R. 1354, for the relief of C. V. Mason.

There being no objection the Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to C. V. Mason, out of any money in the Treasury not otherwise appropriated, the sum of \$1,206.76, representing expenses incurred by him as a result of the death and burial of his son, Dwight D. Mason, who died as a result of injuries received while employed as a teacher of manual training at Kakanak Industrial School in Alaska on December 30, 1931.

With the following committee amendments:

Page 1, line 5, after the word "appropriated" insert "and in full settlement of all claims against the Government of the United States", and page 2, line 2, after the figures "1931" strike out the period, insert a colon, and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill as amended was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANFORD & BROOKS CO.

The Clerk called the next bill, H.R. 2042, for the relief of Sanford & Brooks Co.

Mr. TRUAX. Mr. Speaker, reserving the right to object, as I understand this bill is for the refund of income taxes.

Mr. BLANTON. Yes; in the amount of \$53,208.49.

Mr. McFARLANE. Is Andrew Mellon connected with it?

Mr. TRUAX. If Mellon did not recommend that it be refunded then there is not the ghost of a show for anybody else to get it through; so I object, Mr. Speaker.



W. H. LE DUC

The Clerk called the next bill, H.R. 4999, for the relief of W. H. Le Duc.

The SPEAKER pro tempore [Mr. BYRNS]. The Chair is informed that there is a similar Senate bill on the Clerk's desk. Without objection, the Senate bill will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Le Duc the sum of \$1,000, with interest thereon at the rate of 6 percent per annum from the date of payment of fine or penalty, representing the amount deposited by him on account of a fine or penalty of \$1,000 assessed against him and by him paid to the United States under protest at the Port of Galveston on or about March 26, 1928, for alleged violation of the navigation laws: *Provided*, That such sum shall be in full settlement of all claims against the Government of the United States: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

## NAVY AND MARINE CORPS

The Clerk called the next bill, H.R. 5408, to provide for the reimbursement of personnel of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

Mr. ZIONCHECK. Mr. Speaker, I object.

ANNIE M. AYER

The Clerk called the next bill, H.R. 7828, for the relief of Annie M. Ayer.

Mr. ZIONCHECK. Mr. Speaker, I object.

JAMES M. PACE

The Clerk called the next bill, H.R. 8035, for the relief of James M. Pace.

Mr. TRUAX. Mr. Speaker, reserving the right to object, will the gentleman from Illinois state why this claim has not been paid before? This loss occurred back in 1929.

Mr. THOMPSON of Illinois. I may say to the gentleman from Ohio that under the rules of the Post Office Department there is no way for the account of a postmaster to be credited except by an act of Congress.

Mr. TRUAX. Yes; I understand that.

Mr. THOMPSON of Illinois. This bill passed the House on at least two occasions, if not three, but failed of passage in the Senate not because of any opposition to it but just because of the fact it was not reached on the Senate Calendar.

Mr. TRUAX. And the Postmaster General recommends the passage of the bill?

Mr. THOMPSON of Illinois. He does. The bill really is for the relief of the claimant's estate, for Mr. Pace has died and his entire estate is being held up pending the adjudication of this loss.

Mr. ZIONCHECK. Did he actually have to pay this money before his death?

Mr. THOMPSON of Illinois. I do not understand so. As I understand, it is just a claim that has been filed, but it is holding up the final disposition of this man's estate in the probate court.

Mr. TRUAX. Is the gentleman willing to accept the usual attorney-fee proviso?

Mr. THOMPSON of Illinois. Absolutely; there is no attorney involved in the case.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this bill appropriates \$21,476.99 to reimburse a postmaster for postage stamps burglarized from a post office. It is just one of many such bills. I do not intend to object to it, because there is here proof of loss; but our Post Office Department ought to take steps right now to stop carelessness that is causing many such losses.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Then, if that course is pursued, I object.

Mr. THOMPSON of Illinois. Mr. Speaker, will not the gentleman withhold his objection to permit a further explanation?

Mr. BLANTON. If the gentleman over there from California [Mr. CARTER], who perhaps has a little bill to pass, cannot sit here without getting impatient when one of us who really work hard on the Private Calendar wants to say something, then I am going to see that our rights are protected.

Mr. SABATH. But why should the gentleman take it out on the gentleman from Illinois?

Mr. CARTER of California. Out of deference to the gentleman from Illinois I withdraw my demand for the regular order.

Mr. BLANTON. Then I shall finish my statement, after which I will withdraw my reservation of objection.

I say that the Post Office Department ought to take steps now to see that the postmasters all over the United States are duly warned and admonished to handle their stamps and money more carefully. There are literally hundreds of similar claims introduced every Congress for losses growing out of burglaries, some real and some not so real. There is too much carelessness and too much indifference.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Postmaster General be, and he is hereby, authorized and directed to credit James M. Pace, former postmaster at Macomb, McDonough County, Ill., in his accounts with the sum of \$21,476.99, the amount of money and postage stamps lost in the burglary of the post office at Macomb, Ill., on April 5, 1929.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER PIERRE

The Clerk called the next bill, S. 512, for the relief of Peter Pierre.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$45 to Peter Pierre, in payment for a horse which was lost while being used to transport supplies to a forest fire on the Flathead Indian Reservation, State of Montana.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. GRAVES

The Clerk called the next bill, S. 690, for the relief of Charles L. Graves.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill involves an appropriation of \$51,277, and I think that is too large a sum to be considered on the Private Calendar; therefore I object.

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

Mr. TRUAX. Yes.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, as I understand this claim, the agent on this reservation actually bought the sheep, but did not comply with certain technicalities. The sheep were actually delivered. It does not make any difference whether there is \$5 or \$50,000 involved. The Department of the Interior has investigated and Secretary Ickes recommends that this bill be passed.

Mr. TRUAX. The gentleman would pass anything that Secretary Ickes recommends?

Mr. ZIONCHECK. No; but he states that the Indians got the sheep, that they were good sheep, and, I think, fat sheep, and maybe a pig or two.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. BLANCHARD. The gentleman ought not to make that request in a case of this kind. I am not interested in the bill. It is a question of whether you deliver the sheep or money. This fellow cut the red tape and spent the money, but the sheep were delivered.

Mr. BLANTON. And the Comptroller General held it up on a technicality. He spent the money, spent it honestly, and I think he ought to be paid.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. Is there objection to the bill?

Mr. TRUAX. I object.

Mr. ZIONCHECK. Mr. Speaker, I withdraw my objection to the unanimous-consent request.

The SPEAKER pro tempore. Without objection, the bill will be passed over.

JAMES R. YOUNG

The Clerk called the next bill, S. 1039, for the relief of James O. Young.

Mr. ZIONCHECK. Mr. Speaker, I object.

M. M. TWICHEL

The Clerk called the next bill, S. 1126, for the relief of M. M. Twichel.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay to M. M. Twichel, of St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of \$3,433.34 in full satisfaction of his claim against the United States for compensation for services rendered and expenses incurred in connection with the burial of Indians on the Flathead Indian Reservation, Mont., prior to May 1, 1933.

Mr. HOPE. Mr. Speaker, I offer the usual attorney's fee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 1, line 9, after the figures "1933", insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY J. LYNN

The Clerk called the next bill, S. 1429, for the relief of Anthony J. Lynn.

Mr. TRUAX. Mr. Speaker, I object.

Mr. ZIONCHECK. May I ask the gentleman to reserve his objection?

Mr. TRUAX. I reserve the objection.

Mr. ZIONCHECK. I think the objection is offered because the man was a criminal, but I think the testimony in the case shows that he was put in jail on false evidence, which was later proven to be false, and the Government admits it was false.

Mr. TRUAX. In this case the claimant was convicted in Siberia of burglary and sentenced to 10 years at hard labor. The conviction was on May 27, 1919. Subsequently it developed that the testimony on which he was convicted was untrue and he was restored to duty by Presidential order

on October 24, 1919. Under the circumstances, Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay to Anthony J. Lynn, formerly a private, Company G, Thirty-first Regiment United States Infantry, out of any money in the Treasury not otherwise appropriated, the sum of \$254.40, said sum representing the whole amount of pay and allowances of which he was deprived by reason of proceedings against him in 1919 on false charges of burglary and the sentence of courtmartial rendered in such proceedings.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN MONTANA CLINIC

The Clerk called the next bill, S. 1772, for the relief of the Western Montana Clinic, Missoula, Mont.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay to the Western Montana Clinic, of Missoula, Mont., out of any money in the Treasury not otherwise appropriated, the sum of \$5,022.30 in full satisfaction of its claim against the United States for surgical and medical services rendered prior to May 30, 1932, to Indians on the Flathead Indian Reservation, Mont.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STELIO VASSILIADIS

The Clerk called the next bill, H.R. 7916, to authorize an appropriation for the reimbursement of Stelio Vassiliadis.

Mr. HENNEY. Mr. Speaker, I ask unanimous consent that the Senate bill S. 2748 be substituted for the House bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may I ask the gentleman to explain the bill?

Mr. HENNEY. This is a very small bill, as will be noted. The amount involved is \$406, and is for the reimbursement of Stelio Vassiliadis, who was at that time vice consul at Kiev. In 1918, during the war, the American consul, Mr. Jenkins, was removed from there because of war conditions, and he turned over the American consul duties to the Spanish vice consul at that location, who incurred a bill amounting to 440 gold rubles. At that time the American consul turned over to him 50 gold rubles, equivalent to 300 paper rubles, leaving a balance of 790 gold rubles, or \$406, due the Spanish vice consul for expenses incurred in caring for the American post for 2 years, March 1, 1918, to March 1, 1920.

This bill was first introduced in 1926 and has gone back and forth all this time. The bill has the O.K. of the State Department and a letter from President Roosevelt requesting that it be paid.

Mr. McFARLANE. This is a war bill, and I was wondering why it was so late in getting here.

Mr. HENNEY. This was because of delay in getting the papers validated by the State Department.

Mr. SABATH. The State Department's O.K. was required.

Mr. McFARLANE. It does not take 15 years to get the O.K. of the State Department?

Mr. SABATH. Surely; under a Republican administration.

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

There was no objection.

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be paid to Stelio Vassiliadis the sum of \$406.53, being the equivalent of 790 gold rubles at \$0.5146 to the ruble, for the reimbursement of certain expenditures made by him as vice consul of Spain at Kiev, Russia, in representing the interests of the United States at that post from March 1, 1918, to the end of February 1920.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.



## J. M. DOOLEY FIREPROOF WAREHOUSE CORPORATION

The clerk called the next bill, S. 489, for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N.Y.

Mr. TRUAX. Mr. Speaker, I object.

## ROBERT RAYFORD WILCOXSON

The Clerk called the next bill, H.R. 5809, to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I inquire of the gentleman whether he is familiar with the physical condition of this claimant at the present time?

Mr. THOMPSON of Illinois. Only from the evidence submitted to our subcommittee of the Committee on Military Affairs.

Mr. BLANCHARD. Does the gentleman recall how he arrived at the sum of \$150 as representing this man's earnings?

Mr. THOMPSON of Illinois. Upon the recommendation of the War Department. This was the smallest amount that the War Department could use, we were informed by the Secretary, in fixing the amount which the United States Employees' Compensation Commission should consider in the matter. The bill has been amended in accordance with the suggestion of the War Department.

Mr. BLANCHARD. Did the Military Affairs Committee unanimously recommend this bill?

Mr. THOMPSON of Illinois. If I remember correctly, yes, it did.

Mr. ZIONCHECK. Mr. Speaker, I am going to object to this bill for the reason that I do not believe the United States Employees' Compensation Commission should pay any damages for injuries received in military camps.

Mr. THOMPSON of Illinois. I may say to the gentleman from Washington that these young men come out, as I see it, and offer their services in order to prepare themselves for war service, and there is no arm of the Federal Government that can take care of these young men in the event they are injured.

Mr. ZIONCHECK. Why do not the appropriations of the Army take care of these cases?

Mr. THOMPSON of Illinois. Existing law does not permit that.

Mr. ZIONCHECK. We can pass a law to take care of that.

Mr. THOMPSON of Illinois. We have to meet a condition here. This man gave his life in order to prepare himself to serve his country in the event of an emergency.

Mr. ZIONCHECK. I am willing to work with the gentleman in the preparation of a bill to take care of these cases as a general matter, but I can see no justification for the United States Employees' Compensation Commission paying for injuries occurring on military reservations.

Mr. THOMPSON of Illinois. Let me remind the gentleman that this boy is a civilian, and in such cases these young men are only there for a couple of weeks carrying out the program of these citizens' military training camps.

Mr. ZIONCHECK. He came in voluntarily; but it is still war activity.

Mr. THOMPSON of Illinois. It is in preparation for war.

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

Mr. ZIONCHECK. I yield.

Mr. GOSS. I may say to the gentleman that all the bills with respect to the few injuries that have happened in the citizens' military training camps have been handled in this way in previous Congresses. There is one case exactly similar to this where a bill was passed in the Seventieth Congress. The reason there is no general law from the Military Affairs Committee is because there are so few accidents, and the War Department has suggested putting this up to the Compensation Commission as the only way relief can be had.

Mr. THOMPSON of Illinois. So far as I know, there are only two such cases before the Military Affairs Committee of all the fellows who went into the citizens' military training camps and the officers' training camps.

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the United States, to Robert Rayford Wilcoxson, of Lawrenceburg, Tenn., the sum of \$20 per month because of physical injury and damages sustained by him while at the citizens' military training camp at Fort Oglethorpe, Ga., on June 20, 1931.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission be, and it is hereby, directed to apply and extend the provisions, benefits, and privileges of the act entitled 'An act to provide compensation for employees of the United States suffering injuries in the performance of their duties, and for other purposes' approved September 7, 1916, as amended, to the case of Robert Rayford Wilcoxson on account of injury suffered by him on June 20, 1931, while a student at the citizens' military training camp at Fort Oglethorpe, Ga., effective from said June 20, 1931: *Provided*, That, for the purposes of this act, the pay and allowances of said Robert Rayford Wilcoxson at the time of his said injury shall be considered as having been \$150 per month."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## HARRY H. HORTON

The Clerk called the next bill, S. 308, to authorize the award of a decoration for distinguished service to Harry H. Horton.

Mr. GOSS. Mr. Speaker, reserving the right to object, I should like to call the attention of the House to the fact that the Military Affairs Committee is shortly going to bring out a bill that will touch upon general legislation of this kind, and I think it would be unfair to pass a bill here tonight when other bills have been held up in the committee waiting for this general bill to be considered. I reserved my rights in committee when this bill was reported, and I was going to ask that it go over without prejudice to see if the committee does report such a general bill.

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

Mr. GOSS. I want to call the attention of the gentleman to the fact that under the law today we must extend the time for the consideration of awards of decorations, and the subcommittee has a bill coming up before the main committee next Tuesday on this very subject. We will be making fish out of one and fowl out of another if we take these bills up haphazardly.

Mr. MALONEY of Connecticut. May I ask the gentleman if this bill is not favorably reported by his committee?

Mr. GOSS. Yes.

Mr. MALONEY of Connecticut. Would the gentleman do a soldier an injustice by not passing this bill?

Mr. GOSS. I may say to the gentleman that we have held up bills of other Members awaiting general legislation extending the time in the War Department so as to allow all to come in under a general law and the War Department has recommended against this bill for that reason.

Mr. MALONEY of Connecticut. There appears to be a disposition to pass this bill now and the gentleman has no assurance that the other legislation which has been proposed will be enacted into law.

Mr. GOSS. I may say to the gentleman that there are members of the committee on the floor here who can vouch for the statement that we have held up every other bill in the Military Affairs Committee awaiting the establishment of this policy.

Mr. MALONEY of Connecticut. There must have been an unusual situation which prompted the committee to report out this bill.

Mr. GOSS. I reserved my rights in committee pending the consideration of this general bill.

Mr. TRUAX. Mr. Speaker, I want to say to the gentleman from Connecticut that in my judgment this is one of the most meritorious bills that has ever been presented on

this floor. This is to award a decoration to a buck private for service in the World War. This private was hit by a shell in a dugout and the lower part of his face blown away, and the surgeons, by a remarkable operation in the grafting of bone, have restored this man's jaw.

It is an outstanding example of bone surgery in the United States today. Here is a chance to do something for the men in the trenches, and not be always awarding medals to officers.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. I object.

CARL L. BERNAU

The Clerk called the next bill on the calendar, H.R. 3980, for the relief of Carl L. Bernau.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. I object.

UNION SHIPPING & TRADING CO., LTD.

The Clerk read the next bill on the Private Calendar, S. 1192, for the relief of the Union Shipping & Trading Co., Ltd.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I reserve the right to object.

Mr. BLAND. This is a bill to submit this claim to the Court of Claims. I can see that there might appear to be a reason for an objection, if the statements of the people who were on the American ship were not permitted to be submitted in evidence, but the bill permits that. I have no constituents interested in the matter, but I have made inquiry as to when the *Berwind* was destroyed.

Mr. TRUAX. Is it not a fact that this claim for damage goes back to April 1918?

Mr. BLAND. Yes. It was in April 1918 that the collision occurred, and it was in August 1918 that the American ship *Berwind* and all on board were destroyed. The statement of the United States officials at the time led these people to believe that there would be no defense to the claim.

Mr. TRUAX. This is for the relief of a British corporation, is it not?

Mr. BLAND. Yes; it is for a British corporation, but I want to give them justice.

Mr. TRUAX. We should give the American people their just dues first.

Mr. SABATH. That is just what the gentleman from Virginia is asking for.

Mr. TRUAX. I am looking after the American interests.

Mr. BLAND. I am trying to give every man his rights.

Mr. TRUAX. I am for this country first, last, and all the time and, Mr. Speaker, I object.

ST. LUDGERS CATHOLIC CHURCH OF GERMANTOWN, MO.

The Clerk called the next bill on the Private Calendar, H.R. 3595, for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Reserving the right to object, I should like to find out what the actual damage was here.

Mr. DICKINSON. The actual damage was more than is asked for in this bill—more than the amount fixed by the committee. This bill has been reported time and again. I introduced this bill 20 years ago, and it has been reported out of the committee time and again.

Mr. BLANTON. Mr. Speaker, most of the older Members here know this case has been thoroughly investigated, and everyone who investigated it decided that it was a meritorious bill. I do not see why there should be any objection to it. It is a good bill; the damage was nearly twice as much as they ask for in this bill.

The SPEAKER pro tempore. Is there objection?

There being no objection, the bill was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to St. Ludgers Catholic Church at Germantown, county of Henry, and State of Missouri, the sum of \$3,000, in full compensation for the use and occupation of, and incidental damage to, St. Ludgers Catholic Church at Germantown by the United States Army during the Civil War.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

OSCAR C. OLSON

The Clerk called the bill, H.R. 4175, for the relief of Oscar C. Olson.

The SPEAKER pro tempore. Is there objection?

Mr. MOTT. Mr. Speaker, I object.

GUY GOODWIN

The Clerk called the next bill, H.R. 4180, for the relief of Guy Goodwin.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

OSCAR C. OLSON

Mr. PEAVEY. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. BLANTON. Why does not the gentleman wait until half past 9. We will all be ready to adjourn by 10 o'clock.

Mr. PEAVEY. But I want to return to a bill that was objected to, H.R. 4175.

Mr. BLANTON. The gentleman should not do that.

Mr. BLANCHARD. Will the gentleman withhold his point of order for a moment?

Mr. PEAVEY. Yes.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 532, a bill for the relief of Oscar C. Olson, just objected to.

Mr. TRUAX. Mr. Speaker, reserving the right to object, what is the bill?

Mr. ZIONCHECK. It is immaterial, if there is no objection after we get through.

Mr. BLANCHARD. It is a bill called up by the gentleman from Wisconsin [Mr. PEAVEY], and I think we better return to it if we do not want a point of order raised.

Mr. TRUAX. Let him raise the point of order.

Mr. BLANTON. If that policy is pursued, then every time a member has his bill objected to he will make a point of order of no quorum.

Mr. BLANCHARD. But the gentleman from Wisconsin was on his feet asking for recognition, but he was not recognized by the Chair.

Mr. BLANTON. I think he should be permitted to offer an explanation. I ask unanimous consent that we return to the bill.

The SPEAKER. Is there objection to returning to the bill (H.R. 4175)?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the Treasury of the United States, from any money not otherwise appropriated, to Oscar C. Olson, the sum of \$52.50, being compensation for loss on May 23, 1918, of his personal effects, baggage, and clothing while en route to France on the British ship *Moldarra*, under military orders, when said ship was torpedoed and sunk in the English Channel.

The SPEAKER. Is there objection?

Mr. PEAVEY. Mr. Speaker, the only objection that I have ever heard to this bill is because of the smallness of the amount asked. The reason the bill comes before the House is this. On several occasions the House has passed bills similar to this. This man lost his property, and his money, and the things he took with him necessary to his service in France when his vessel was sunk in the English Channel. He saw notices in the newspapers after that about receiving compensation, and it is the first time he ever knew he was entitled to recover anything. He sent the matter to me and I introduced the bill.

Mr. BLANTON. And it involves only \$52?

Mr. PEAVEY. That is all.

Mr. TRUAX. There is no recommendation for it from the War Department.

Mr. PEAVEY. The War Department makes no recommendation one way or the other.



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

Mr. PEAVEY. Yes.

Mr. MOTT. The only objection here was the fact that this man waited for 18 years before filing any claim. I think the explanation that the gentleman has given is a reasonable one. He did not know that he was entitled to anything. In view of that fact I withdraw my objection.

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

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### MACK COPPER CO.

The Clerk called the next bill, H.R. 6245, conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill involves \$229,500 and I object. Such a bill should not be passed without reading, as \$229,500 is quite a large sum of money. I object.

#### VELIE MOTORS CORPORATION

The Clerk called the next bill, H.R. 6349, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

#### DAVID A. WRIGHT

The Clerk called the next bill, H.R. 7389, granting jurisdiction to the Court of Claims to hear the case of David A. Wright.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. MOTT. Mr. Speaker, I object.

Mr. WILLIAMS. Will the gentleman withhold his objection?

Mr. TRUAX. Mr. Speaker, this is another bill that seeks to cancel the statute of limitations for the purpose of hearing a claim in the Court of Claims, for an implied contract made in 1918 with officers of the Ordnance Department.

Mr. WILLIAMS. That is correct. It is a bill asking to give jurisdiction to the Court of Claims. This is not a bill, however, that seeks to mulct the Treasury of the United States out of a dollar. The fact is that this is an individual that never received a dollar out of the contract which he made with the Government at that time.

Mr. TRUAX. Is that what this claim is for, some profit that he should have received?

Mr. WILLIAMS. It is to repay him for actual expenses that he had on account of preparation in fitting up a factory, renovating a factory and placing machinery in it in preparation for the manufacture of tool machines. The fact is he never got a dollar out of it, and as a result of the contract which he entered into he is today down on a little patch of land in the Ozarks of Missouri, entirely bankrupt. That is the fact of the matter.

Mr. TRUAX. I call attention to the fact that during the war the farmers also had implied contracts to raise more wheat, and they did raise more wheat, and they are all bankrupt today. What are we going to do for them?

Mr. WILLIAMS. He entered into this contract with the authorized agents of the Government.

Mr. TRUAX. The farmers entered into contracts with Mr. Hoover to raise more wheat.

Mr. WILLIAMS. He entered into a contract with the representatives of the Ordnance Department of the War Department.

Mr. TRUAX. The War Department recommends against it.

Mr. WILLIAMS. The War Department recommends against it for this reason: They say that the War Claims Board which was set up found against it. The fact is they did find against him, but it was because of the fact that they would not permit this claimant to submit evidence at all.

Mr. TRUAX. That was 16 years ago.

Mr. WILLIAMS. That was 16 years ago; yes.

Mr. TRUAX. Why has not this bill been passed before?

Mr. WILLIAMS. It was presented to the Court of Claims. The Court of Claims heard it and passed upon the merits and found that he had a meritorious claim, but denied the claim for the reason that he did not have a technical right under the law—

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

#### COHOES HISTORICAL SOCIETY, NEW YORK

The Clerk called the next bill, H.R. 387, donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y. There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of War, in his discretion, is hereby authorized to deliver to the order of the Cohoes Historical Society two bronze trophy guns stored in the Watervliet Arsenal at Watervliet, N.Y., and marked "W. A. 240" and "W. A. 241", caliber, 4.125: *Provided,* That the United States shall be put to no expense in connection with the delivery of said guns.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### JAMES HENRY GREEN

The Clerk called the next bill, H.R. 6497, for the relief of James Henry Green.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Henry Green, deceased, who was a member of the Forty-third Ohio Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 9th day of April 1865: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GROSSE POINT LIGHTHOUSE RESERVATION, ILL.

The Clerk called the next bill, H.R. 7863, authorizing the Secretary of Commerce to dispose of part of the Grosse Point Lighthouse Reservation, Ill.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### CHARLES E. DAGENETT

The Clerk called the next bill, H.R. 7560, for the relief of Charles E. Dagenett.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.,* That the General Accounting Office is hereby authorized to credit the accounts of Charles E. Dagenett, supervisor of Indian employment and special disbursing officer (retired), in the sum of \$125.56, representing funds expended by him, in that sum, for telephone tolls, lodging, traveling expenses, etc., for himself and others in connection with work under his supervision.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; a motion to reconsider was laid on the table.

#### INDIANS OF THE FORT PECK RESERVATION, MONT.

The Clerk called the next bill, H.R. 8074, for the relief of certain Indians of the Fort Peck Reservation, Mont.

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

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 2889) will be substituted for the House bill.

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named Indians of the Fort Peck Reservation the amounts herein set forth: James Black Dog, \$185; Archie Red Elk, \$25; Catherine Medicine Walk and Belle Medicine Walk, \$25; James Garfield, \$70; Nancy Titus, \$35; and Carl W. Eagle, administrator of the estate of Charles Peterson, \$25; the above sums representing funds collected for the Indians named, but misapplied by a former employee of the Indian Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### PHYSICIANS AND SURGEONS HOSPITAL, LTD.

The Clerk called the next bill, H.R. 471, for the relief of Physicians and Surgeons Hospital, Ltd.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, as I understand the matter, the Navy Department has no objection to the payment of the hospitalization, but does object to the amount of \$204.14.

Mr. EVANS. Mr. Speaker, that is not the issue, I may say to the gentleman from Washington. There is really no objection on the part of the Navy Department. It is a bill that should be paid.

Mr. ZIONCHECK. I understand they object to the amount. They did not assume liability for these men.

Mr. EVANS. No; the amount is not questioned. The circumstances were something like this: These two enlisted men of the Navy were injured in an automobile accident near this hospital out in San Fernando Valley. They were taken to the hospital. The surgeon called up the ship to which these boys were attached.

Mr. ZIONCHECK. May I call the gentleman's attention to page 2 of the report, a letter from the Acting Secretary of the Navy, dated February 25, 1933, in which the following statement is made:

In view of the foregoing the Navy Department does not recommend that the bill H.R. 14285 be enacted until the amount stated therein is reduced to a proper sum.

Mr. EVANS. I do not remember that; but it seems to me a bill for \$204 is very reasonable. This boy's legs were cut off and he was in this hospital for several weeks.

I wonder if we are talking about the same bill?

Mr. ZIONCHECK. I am sure we are.

Mr. EVANS. The number of this bill is H.R. 471.

Mr. ZIONCHECK. I am looking at the report on that bill; I read a statement from it setting forth the views of the Acting Secretary of the Navy.

Mr. EVANS. This boy was enlisted in the Navy and was treated by the Physicians and Surgeons Hospital.

Mr. BLANTON. This is Calendar No. 546, H.R. 471. The report states that the boy's right leg was amputated. The Navy Department states that in view of the foregoing the Navy Department does not recommend that the bill be enacted until the amount thereof is reduced to a proper sum.

Mr. ZIONCHECK. I suggest that the gentleman accept an amendment reducing the amount to \$150.

Mr. EVANS. I feel it is very unjust, but under the circumstances I shall have to accept the amendment.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Physicians and Surgeons Hospital, Ltd., Glendale, Calif., out of any money in the Treasury not otherwise appropriated, the sum of \$204.14 in full settlement for professional services rendered Wilfred Henry Engel for injuries sustained in a motorcycle accident on or about January 15, 1931, said services having been authorized by a naval officer: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys,

to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 7, after the word "settlement", insert the words "of all claims against the Government of the United States."

The committee amendment was agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 7, strike out "\$204.14" and insert in lieu thereof "\$150."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CLARENCE A. WIMLEY

The Clerk called the next bill, H.R. 1306, for the relief of Clarence A. Wimley.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Clarence A. Wimley, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 for personal injuries resulting from a collision between a taxicab in which he was a passenger and a Navy bus on October 26, 1930.

With the following committee amendments:

Page 1, line 6, strike out "\$5,000" and insert in lieu thereof "\$100 in full settlement of all claims against the Government of the United States."

Page 1, line 9, strike out "26" and insert "29."

Page 1, line 10, add the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### JOHN PARKER CLARK, SR.

The Clerk called the next bill, H.R. 1308, for the relief of John Parker Clark, Sr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to John Parker Clark, Sr., out of any money in the Treasury not otherwise appropriated, the sum of \$11,325 for personal and property loss resulting from collision with Army vehicle near Freehold, N.J., on the night of October 26, 1929.

With the following committee amendments:

On page 1, line 6, strike out "\$11,325" and insert in lieu thereof "\$5,000 in full settlement of all claims against the Government of the United States"; and on page 1, line 10, after the figures "1929", insert a colon and the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.



ARTHUR A. BURN, SR., AND J. K. RYLAND

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 487, the bill (H.R. 7631) for the relief of Arthur A. Burn, Sr., and J. K. Ryland. I make this request because on this bill I demanded the regular order, and I understand the gentleman from South Carolina [Mr. McMillan] did not have an opportunity to make some explanation which he desired to make in reference to his bill.

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

Mr. ZIONCHECK. Mr. Speaker, I object to that request at this time. As soon as we get through a few more bills, I will not object to the request being made.

Mr. CARTER of California. Mr. Speaker, I withdraw my unanimous-consent request and will renew it later.

JOHN PARKER CLARK, JR.

The Clerk called the next bill, H.R. 1345, for the relief of John Parker Clark, Jr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay John Parker Clark, Jr., out of any money in the Treasury not otherwise appropriated, the sum of \$5,325.72 for personal injuries resulting from a collision with Army vehicle near Freehold, N.J., on the night of October 26, 1929.

With the following committee amendments:

On page 1, line 6, strike out "\$5,325.72" and insert in lieu thereof "\$2,500 in full settlement of all claims against the Government of the United States"; and on page 1, line 10, after the figures "1929", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTHA A. BISHOP

The Clerk called the next bill, H.R. 1794, for the relief of Bertha A. Bishop.

Mr. TRUAX. Mr. Speaker, I object.

Mr. BAKEWELL. Will the gentleman withhold his objection?

Mr. TRUAX. I withhold my objection.

Mr. BAKEWELL. I wish the gentleman would explain his objection to this bill.

Mr. ZIONCHECK. This man's death occurred 21 years after the fall, and there is hardly any casual connection between the man's death and a fall 21 years previously.

Mr. TRUAX. The Secretary of Commerce and the Commissioner of Lighthouses both recommend against the bill on the ground that there is no casual connection.

Mr. BAKEWELL. I think the gentleman is mistaken, and I wish he would withdraw his objection. The evidence is very clear that this man was crippled from the moment of his fall and that he performed his duties with pain and very much difficulty for some 5 years after his fall.

Mr. McFARLANE. What was the nature of his injury?

Mr. BAKEWELL. It was a spinal injury and is fully described on the first page of the report. He was thrown from the lighthouse by the swinging of the lamp and fell some 10 feet and was never able to move about freely afterward. For 5 years he continued to drag himself up to the lighthouse.

There was no compensation insurance in force at the time. There seems to be every reason why in the interest of justice this claim should be recognized. Secretary Roper does not advise against it, and he does not advise for it.

Mr. TRUAX. Does not the gentleman believe that the Department has gone into this case thoroughly, as they do in all such cases, and that when they recommend against the enactment of a bill this Congress ought to be guided by their investigation, judgment, and decision?

Mr. BAKEWELL. No; because it will be noticed in the statement upon which Mr. Roper bases his comment that the records do not show that Mr. Bishop reported the injury. Of course, he did not report the injury. There was no compensation law in effect at that time. He carried on his duties faithfully and diligently. There is even the statement that there is no evidence of his death, although you will find an affidavit in the statement following.

Mr. TRUAX. The gentleman from Texas [Mr. BLANTON] has made some statements here about affidavits and that they prove nothing.

Mr. BAKEWELL. What kind of proof would the gentleman require in a case of this kind?

Mr. TRUAX. I am willing to accept the decision of the Department which has conducted an investigation, and a fair one.

Mr. BROWN of Kentucky. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

C. J. MAST

The Clerk called the next bill, S. 1949, for the relief of C. J. Mast.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

MARY A. ROCKWELL

The Clerk called the next bill, H.R. 4387, for the relief of Mary A. Rockwell.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Mary A. Rockwell on account of the death of her husband, Fred P. Rockwell, November 6, 1926, while employed by the Post Office Department as a railway mail clerk, in the same manner and to the same extent as if said Mary A. Rockwell had made application for the benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, within the 1-year period required by sections 17 and 20 thereof: *Provided,* That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAUDE G. NICHOLSON

The Clerk called the next bill, H.R. 5064, to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill (S. 3128) to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner, be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner in the western district of New York, at Canandaigua, N.Y., the sum of \$183.45 in full settlement of all claims against the Government of the United States for fees earned by said George A. Nicholson, notwithstanding his failure to file a statutory oath in accordance with the provisions of volume 44, United States Statutes, page 918, approved December 11, 1926, and volume 44, United States Statutes, page 1346, approved March 2, 1927: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the con-

trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

THOMAS F. OLSEN

The Clerk called the next bill, H.R. 5400, for the relief of Thomas F. Olsen.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Postmaster General is hereby authorized and directed to credit in the accounts of Thomas F. Olsen, postmaster at De Kalb, Ill., in the sum of \$18,687.19. Such sum represents postal funds in the amount of \$136.30 and postage-stamp stock in the amount of \$18,550.89, which were lost in the burglary of the post office at De Kalb, Ill., on February 10, 1931, from no fault or negligence on the part of the postmaster.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD MACKEY

The Clerk called the next bill, H.R. 5566, for the relief of Gerald Mackey.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that Private Calendar No. 555 be passed over without prejudice for the reason that the proponent of the bill is not present.

Mr. BROWN of Kentucky. I object, Mr. Speaker.

MARY BLACK CLINIC

The Clerk called the next bill, H.R. 5817, for the relief of the Mary Black Clinic.

The SPEAKER. Without objection, a similar Senate bill will be substituted for the House bill.

Mr. BLANTON. Mr. Speaker, is the amount in the Senate bill the same as the amount in the House bill? The House bill has been reduced to \$2,500.

The SPEAKER. The amount is the same.

There being no objection, the Clerk read the Senate bill (S. 2969), as follows:

S. 2969

An act for the relief of the Mary Black Memorial Hospital

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Mary Black Memorial Hospital, Inc., of Spartanburg, S.C., the sum of \$2,500.85, in full satisfaction of all claims of such hospital against the United States for expenses incurred in furnishing hospitalization and medical and surgical treatment to Paul Henry Manning, a fireman, second class, United States Navy, from October 16, 1931, to February 1, 1932, pursuant to a telegraphic authorization dated October 16, 1931, from the Naval Hospital, Norfolk, Va., such claim having been subsequently disallowed by the Comptroller General: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

JOHN R. NOVAK

The Clerk called the next bill, H.R. 6284, for the relief of John R. Novak.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, I have talked with the author of the bill about the amount involved. The bill carries the sum of \$5,000, and I think in view of the age of the claimant this is entirely too much.

Mr. KOCIALKOWSKI. This family is in very desperate circumstances at this time and is being helped today by charity.

Mr. BLANCHARD. I appreciate that, but of course that does not change the rule which we have been following here in the House with reference to awards in cases of this character. If the gentleman is willing to cut the amount to \$2,500, I shall have no objection.

Mr. ZIONCHECK. I think about \$3,500 or \$4,000 would be fair.

Mr. KOCIALKOWSKI. Suppose we make it \$4,500.

Mr. BLANCHARD. If the gentleman will make it \$3,500 I shall not object.

Mr. KOCIALKOWSKI. Make it \$4,000.

Mr. BLANCHARD. I shall not bargain with the gentleman, and I am willing to agree to \$4,000.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John R. Novak the sum of \$10,000 as compensation for fatal injuries sustained by his daughter, La Verne Novak, by an automobile truck owned and operated by the Post Office Department, on February 20, 1932, at the northeast corner of Fulton and Green Streets, Chicago, Ill.

With the following committee amendments:

Page 1, line 6, strike out "\$10,000 as compensation" and insert in lieu thereof "\$5,000 in full settlement of all claims against the Government of the United States."

At the end of the bill insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. BLANCHARD. Mr. Speaker, I offer an amendment to the committee amendment striking out \$5,000 and inserting \$4,000.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: In line 6, page 1, of the committee amendment, strike out "\$5,000" and insert in lieu thereof "\$4,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES FARR

The Clerk called the next bill, H.R. 6625, for the relief of Charles Farr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Charles Farr, of Greeley, Colo., temporary coupon bond no. 156241, of the third Liberty loan of 1918, in the denomination of \$1,000, with interest from March 15, 1920, to September 15, 1923, at the rate of 4½ percent per annum, without presentation of the bond, said bond having been alleged to have been inadvertently destroyed by fire: *Provided*, That the said bond shall not have been previously presented to the Department: *And provided further*, That the said Charles Farr shall first file in the United States Treasury Department a bond in the penal sum of double the amount of the principal of such missing bond and of the interest thereon from March 15, 1920, to September 15, 1923, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the bond hereinbefore described.

With the following committee amendment:

Page 1, line 6, strike out "1918" and insert in lieu thereof "1923."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.



## NEPHEW K. CLARK

The Clerk called the next bill on the Private Calendar, H.R. 6654, for the relief of Nephew K. Clark.

There being no objection, the bill S. 2798 was substituted, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow to Nephew K. Clark, United States commissioner for the southern district of Georgia, Savannah division, the fees earned by him from March 29, 1933, to July 3, 1933, both dates inclusive, in performing the duties incident to the office of commissioner. The commission of the said Nephew K. Clark as United States commissioner expired on March 28, 1933, and, through inadvertence, he was not reappointed until July 4, 1933.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## HARRY H. HORTON

Mr. MALONEY of Connecticut. Mr. Speaker, I ask unanimous consent to return to S. 308, to authorize the award of a decoration for distinguished service to Harry H. Horton.

The SPEAKER. Is there objection?

Mr. GOSS. Mr. Speaker, I objected to this bill on the ground that the Military Affairs Committee was considering a bill that would cover this case in general legislation. It was reported this morning. I am withdrawing my objection, although I think the other bill will cover it. But my colleague [Mr. MALONEY] and the author of the bill and other gentlemen think it is wiser to let this bill take care of it.

The SPEAKER. Is there objection?

There being no objection, the bill was read, as follows:

*Be it enacted, etc.,* That the President is hereby authorized to cause the recommendation for the award of a decoration to Harry H. Horton, formerly private, first class, Medical Detachment, One Hundred and Forty-eighth Regiment Field Artillery, American Expeditionary Forces, for distinguished conduct in the vicinity of Malancourt, near Montfaucon, France, on or about October 12, 1918, to be considered by the proper boards or authorities, and such award made to said Horton as his said conduct merits.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SANFORD &amp; BROOKS CO.

Mr. BYRNS. Mr. Speaker, in the course of the evening objection was made to Calendar No. 511, H.R. 2042, for the relief of the Sanford & Brooks Co. I have received a request that the bill be passed over without prejudice. The author of the bill and the gentleman who reported it were not present at the time.

Mr. BLANCHARD. I objected to the bill, but I know of no reason why I should object to the request of the majority leader.

Mr. TRUAX. Reserving the right to object, is this a refund of income taxes?

Mr. BYRNS. I have no knowledge of what is in the bill.

Mr. BLANCHARD. I will say that I do not think it is for the refund of income taxes.

The SPEAKER. Is there objection?

There was no objection.

## MASSACHUSETTS BONDING &amp; INSURANCE CO.

Mr. DOUGLASS. Mr. Speaker, I ask unanimous consent that H.R. 4838, for the relief of the Massachusetts Bonding & Insurance Co., be placed among the first bills to be considered on the next calendar.

The SPEAKER. Is there objection?

There was no objection.

## MARY AGNES RODEN

Mr. SWEENEY. Mr. Speaker, I make the same request as to Calendar No. 132, S. 375, to reimburse the estate of Mary Agnes Roden.

The SPEAKER. Is there objection?

There was no objection.

## BOSTON STORE CO.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the bill, H.R. 7292, No. 240 on the Private Calendar, be placed on the next Private Calendar.

The SPEAKER. Is there objection?

There was no objection.

## BADGE OF AMERICAN LEGION AUXILIARY

Mr. KRAMER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, H.R. 7624, granting a renewal of patent numbered 55398 relating to the badge of the American Legion Auxiliary.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That a certain design patent issued by the United States Patent Office of date June 1, 1920, being patent numbered 55398, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as "the badge of The American Legion Auxiliary."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

Mr. KRAMER. Mr. Speaker, I make the same request with respect to the bill, H.R. 7623, granting a renewal of patent numbered 54296 relating to the badge of the American Legion.

The SPEAKER. Is there objection?

Mr. CARTER of California. Mr. Speaker, I reserve the right to object. Are these bills on the Private Calendar?

Mr. KRAMER. The minority leader today and the minority leader of the committee consented to have these bills considered.

Mr. CARTER of California. They knew that they were coming up?

Mr. KRAMER. Yes.

Mr. CARTER of California. I withdraw my reservation of objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That a certain design patent issued by the United States Patent Office of date of December 9, 1919, being Patent No. 54296, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as "the badge of the American Legion."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ARTHUR A. BURN, SR., AND J. K. RYLAND

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 478, H.R. 7631, for the relief of Arthur A. Burn, Sr., and J. K. Ryland.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Arthur A. Burn, Sr., of Daufuskie Island, S.C., the sum of \$5,000; and to J. K. Ryland, of Bermuda, Ala., the sum of \$4,246.06, the same being in full satisfaction of any claim they may have against the United States Government on account of the death of Arthur A. Burn, Jr., and J. B. Ryland as a result of having been sent to sea in an admittedly unseaworthy boat or skiff while employed in the United States Coast and Geodetic Survey near St. Petersburg, Fla., February 3, 1926:

With the following committee amendment:

At the end of the bill, strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ADJOURNMENT

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

The motion was agreed to; accordingly (at 9 o'clock and 48 minutes p.m.), in accordance with the order heretofore made, the House adjourned until tomorrow, Wednesday, May 30, 1934, at 11 o'clock a.m.

## COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, May 30, 10 a.m.)

Hearings on H.R. 9676—oil bill.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LOZIER: Committee on Election of President, Vice President, and Representatives in Congress. S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes; without amendment (Rept. No. 1813). Referred to the House Calendar.

Mr. UTTERBACK: Committee on Agriculture. S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933; without amendment (Rept. No. 1815). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 400. A resolution for the consideration of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States; without amendment (Rept. No. 1816). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 401. A resolution for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; without amendment (Rept. No. 1817). Referred to the House Calendar.

Mr. LANHAM: Committee on the Public Lands. H.R. 1731. A bill to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; with amendment (Rept. No. 1818). Referred to the Committee of the Whole House on the state of the Union.

Mr. FITZPATRICK: Committee on Military Affairs. S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended; with amendment (Rept. No. 1820). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of West Virginia: Committee on the Post Office and Post Roads. H.R. 9120. A bill to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended; without amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CARTWRIGHT: Committee on War Claims. H.R. 2408. A bill for the relief of Stanton and Jones; without

amendment (Rept. No. 1810). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 1004. A bill to amend Private Act No. 548, Seventieth Congress, approved March 2, 1929; without amendment (Rept. No. 1811). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. S. 879. An act for the relief of Howell K. Stephens; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House.

Mr. COFFIN: Committee on Military Affairs. S. 1992. An act for the relief of Arthur R. Lewis; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 1505. An act for the relief of Thomas E. Read; without amendment (Rept. No. 1819). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CHASE: A bill (H.R. 9786) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in education; to the Committee on Education.

By Mr. CELLER: A bill (H.R. 9787) to place the Federal Alcohol Control Administration under the Civil Service laws; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H.R. 9788) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the Committee on the Public Lands.

By Mrs. JENCKES of Indiana: A bill (H.R. 9789) to prescribe the qualifications for chief engineer and others in the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McDUFFIE: A bill (H.R. 9790) to amend section 602½ (a) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. COLMER: A bill (H.R. 9796) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SWEENEY: A bill (H.R. 9797) enlarging section 270, title 40, United States Code, and providing and relating to a remedy for the enforcement of the payment of all wages due and to become due to all laborers and mechanics under the terms and provisions of an act approved March 3, 1931, entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes"; to the Committee on the Judiciary.

By Mr. BANKHEAD: Resolution (H.Res. 400) for the consideration of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States; to the Committee on Rules.

Also, resolution (H.Res. 401) for the consideration of H.R. 9745, a bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; to the Committee on Rules.

By Mr. McCLINTIC: Joint resolution (H.J.Res. 360) to provide for the issue of United States notes on Government-owned or pledged securities to be used to retire interest-bearing obligations of the United States and levying a tax on profits made in certain transactions; to the Committee on Ways and Means.



## PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CALDWELL: A bill (H.R. 9791) for the relief of Emma S. Fletcher; to the Committee on Claims.

By Mr. COLLINS of California: A bill (H.R. 9792) granting a pension to Frances C. Liebman; to the Committee on Pensions.

By Mr. GLOVER: A bill (H.R. 9793) for the relief of J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Clyde Cornet, Ray Cash, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, H. M. Coleman, John J. Smith, Dave Cash, and Mrs. A. W. Dykes; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H.R. 9794) for the relief of Charles Wallace McGuire; to the Committee on Naval Affairs.

By Mr. REECE: A bill (H.R. 9795) for the relief of Frank E. Hankal; to the Committee on Military Affairs.

By Mr. LAMBERTSON: Joint resolution (H.J.Res. 359) for the relief of W. K. Richardson; 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:

4828. By Mr. CULLEN: Petition of the National-American Wholesale Lumber Association, Inc., favoring the immediate passage of H.R. 9620, known as the "National Housing Act"; to the Committee on Banking and Currency.

4829. Also, petition of the Supreme Council, Catholic Benevolent Legion, urging the Congress of the United States to pass the proposed amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4830. By Mr. GOODWIN: Petition of the Supreme Council, Catholic Benevolent Legion, Brooklyn, N.Y., urging support of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4831. Also, petition of Court Nilan, No. 985, Catholic Daughters of America, Highland, N.Y., urging support of the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4832. By Mr. LEHR: Petition of Jackson League of Women Voters, Jackson, Mich., urging passage of the Pure Food and Drugs Act amendment, S. 2800; to the Committee on Interstate and Foreign Commerce.

4833. By Mr. LINDSAY: Petition of the Supreme Council, Catholic Benevolent Legion, Brooklyn, N.Y., urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4834. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., urging the passage of legislation authorizing the Home Owners' Loan Corporation to increase its capitalization by issuing an additional \$2,000,000,000 in bonds; to the Committee on Banking and Currency.

4835. Also, petition of the Progress Lodge, No. 2325, of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, New York City, urging support of Senate bill 3266 and House bills 9596 and 7430; to the Committee on Interstate and Foreign Commerce.

4836. Also, petition of the American Short Line Railroad Association, Washington, D.C., opposing the Crosser bill; to the Committee on Interstate and Foreign Commerce.

4837. Also, petition of the Independent Petroleum Jobbers' Association of Pennsylvania, opposing the Federal petroleum act (S. 3495 and H.R. 9676); to the Committee on Interstate and Foreign Commerce.

4838. Also, petition of the National American Wholesale Lumber Association, New York City, favoring the immediate passage of Senate bill 3603 and House bill 9620, the National Housing Act; to the Committee on Banking and Currency.

4839. By Mr. LUNDEEN: Petition of the Minneapolis Central Labor Union, urging the enactment of the Wagner-Connelly Disputes Act; to the Committee on Labor.

4840. Also, petition of the Sixtieth District Farmer-Labor Organization, opposing the purchase by the Federal Government of lands in northern Minnesota which have become delinquent; to the Committee on the Public Lands.

4841. Also, petition of the Graceville Council, Knights of Columbus, urging amendment to section 301 of Senate bill 2910, providing for the insurance of equity of operation for educational, religious, agricultural, and similarly non-profit-making associations, seeking licenses for radio broadcasting, by incorporating into the statutes a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4842. Also, petition of the Minneapolis Central Labor Union, urging the adoption of the Pettengill bill to amend the Interstate Commerce Act (H.R. 8100); to the Committee on Labor.

4843. By Mr. RUDD: Petition of the National American Wholesale Lumber Association, New York City, favoring support of Senate bill 3603 and House bill 9620; to the Committee on Banking and Currency.

4844. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., favoring the passage of increased appropriation of \$2,000,000,000 in bonds to Home Owners' Loan Corporation; to the Committee on Banking and Currency.

4845. Also, petition of the Independent Petroleum Jobbers Association of Pennsylvania, opposing the enactment of the Federal Petroleum Act (S. 3495) and the Disney bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

4846. Also, petition of the Progress Lodge, No. 2325, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, New York City, urging support of House bills 9596, 7430, and Senate bill 3266; to the Committee on Interstate and Foreign Commerce.

4847. By Mr. SMITH of Washington: Petition containing approximately 300 names of residents of Washington and Oregon, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

## SENATE

WEDNESDAY, MAY 30, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 12 o'clock meridian, 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 Tuesday, May 29, was dispensed with, and the Journal was approved.

## SALARIES OF OFFICERS OF THE CLEVELAND TRACTOR CO.

The VICE PRESIDENT laid before the Senate a letter from the Acting Chairman of the Federal Trade Commission, reporting, in further response to Senate Resolution 75 (agreed to May 29, 1933), relative to salaries paid by the Cleveland Tractor Co. to its executive officers and directors,