ers' Union, urging the prompt enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

6196. Also, memorial of the Legislature of the State of Michigan, to provide a grant of $100,000 to construct a relief drainage canal to relieve the Sebewaing River Basin of its water bottom, which has caused annual floods in the village of Sebewaing and surrounding area and a property damage on March 5 of this year in excess of $175,000; to the Committee on Flood Control.

6197. By the SPEAKER: Petition of the Knights of Columbus, Cumberland Council, No. 586; to the Committee on Foreign Affairs.

6198. Also, petition of the Archdiocesan Union of the Holy Name Society of New Orleans; to the Committee on Foreign Affairs.

6199. Also, petition of the city of Manitowoc, Wis.; to the Committee on Foreign Affairs.

6200. Also, petition of the city of Chicago; to the Committee on Rivers and Harbors.

6201. Also, petition of the Federal Wholesale Druggists Association; to the Committee on Ways and Means.

6202. Also, petition of the Tennessee Coal Institute, Inc.; to the Committee on Ways and Means.

6203. Also, petition of the Washington State Bar Association; to the Committee on the Judiciary.

6204. Also, petition of the Bar Association of Fresno, Calif.; to the Committee on the Judiciary.

6205. Also, petition of the Townsend Old-Age Revolving Pension Club, No. 1; to the Committee on Ways and Means.

6206. Also, petition of the city of Campbell, Ohio; to the Committee on the Judiciary.

6207. Also, petition of the Lehigh Valley Arts Association; to the Committee on Education.

6208. Also, petition of Inwood Local of the Unemployment Council; to the Committee on the Judiciary.

6209. Also, petition of Townsend Club, No. 14; to the Committee on Ways and Means.

6210. Also, petition of the executive council of Townsend clubs, San Diego, Calif.; to the Committee on Ways and Means.

6211. Also, petition of the New York City I. C. O. R. Committee, to the Committee on the Judiciary.

6212. Also, petition of the city of Monterey Park, Calif.; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 3, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 2, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Gibson	McGill
Ashurst	Capper	Glass	McKellar
Austin	Clark	Gore	McNary
Bachman	Connally	Guffey	Maloney
Bailey	Coolidge	Hale	Metcalf
Bankhead	Copeland	Harrison	Minton
Barbour	Costigan	Hatch	Moore
Barkley	Couzens	Hayden	Murphy
Bilbo	Cutting	Keyes	Murray
Black	Dickinson	King	Neely
Bone	Dieterich	La Follette	Norbeck
Borah	Donahey	Lewis	Norris
Brown	Duffy	Logan	Nye
Bulkley	Fletcher	Lonergan	O'Mahoney
Bulow	Frazier	Long	Pittman
Burke	George	McAdoo	Pope
Byrd	Gerry	McCarran	Radcliffe
Reynolds	Steiwer	Truman	Walsh
Robinson	Thomas, Okla.	Tydings	Wheeler
Russell	Thomas, Utah	Vandenberg	White
Schwellenbach	Townsend	Van Nuys	
Sheppard	Trammell	Wagner	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH] is necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the junior Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family; and that the Senator from Wyoming [Mr. CAREY] and the senior Senator from Minnesota [Mr. SHIPSTEAD] and the Senator from Delaware [Mr. HASTINGS] are absent on official business. I will let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 255. An act for the relief of Margaret L. Carleton;

S. 274. An act for the relief of Charles C. Floyd;

S. 906. An act for the relief of Chellis T. Mooers;

S. 1391. An act for the relief of William Lyons;

S. 1520. An act for the relief of Charles E. Dagenett;

S. 1621. An act for the relief of Mrs. Charles L. Reed; and

S. 1694. An act for the relief of C. B. Dickinson.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 615. An act for the relief of Meta De Rene McLoskey;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1487. An act for the relief of H. A. Taylor;

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2132. An act to extend the provisions of the United States Employees' Compensation Act to Frank A. Smith;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2185. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2353. An act for the relief of the Yellow Drivurself Co.;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2449. An act for the relief of Floyd L. Walter;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 2487. An act for the relief of Bernard McShane;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2606. An act for the relief of the estate of Paul Kiehler;

H. R. 2679. An act for the relief of Ladislav Cizek;

H. R. 2680. An act for the relief of Mary F. Crim;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 3090. An act for the relief of Mayme Hughes;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3167. An act for the relief of Louis Alfano;

H. R. 3180. An act for the relief of Ruth Nolan and Anna Panozza;

H. R. 3219. An act for the relief of Joseph Walter Gautier;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3506. An act for the relief of George Raptis;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 3556. An act for the relief of Sophie Carter;

H. R. 3911. An act for the relief of Sarah J. Hitchcock;

H. R. 3959. An act for the relief of the National Training School for Boys and others;

H. R. 5882. An act for the relief of Claude Cyril Langley; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927.

GOVERNMENT OF THE VIRGIN ISLANDS

The VICE PRESIDENT. Pursuant to Senate Resolution 98, the Chair appoints the Senator from Maryland [Mr. TYDINGS], the Senator from Utah [Mr. KING], the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. METCALF], and the Senator from Maine [Mr. WHITE] as the members of the Special Committee to Investigate the Administration of the Government of the Virgin Islands.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the prompt enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry, and promoting the sale and consumption of sea food, which was referred to the Committee on Commerce.

(See concurrent resolution printed in full when presented today by Mr. COPELAND, p. 4898.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

(See concurrent resolution printed in full when presented today by Mr. COPELAND, p. 4898.)

The VICE PRESIDENT also laid before the Senate the petition of Lizzie Skinner, of Williamsburg, Md., praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

Mr. CAPPER presented letters in the nature of petitions from the Central Labor Union, by W. E. Jones, recording secretary, of Kansas City, and Subordinate Lodge, No. 706, International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America, by Harry Shaubell, secretary, of Coffeyville, both in the State of Kansas, praying for the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which were referred to the Committee on Education and Labor.

He also presented a petition of sundry employees of the Missouri Pacific Railroad Co., of Hoisington, Kans., praying for the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from Riley County Council, the American Legion, by Clyde Kingdom, commander, of Randolph, Kans., praying for the prompt passage of legislation providing for the cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Howard Burnett Post, No. 1520, Veterans of Foreign Wars, of Fort Dodge, Kans., favoring the enactment of the so-called "Patman bill", providing for immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented telegrams in the nature of petitions from the Auxiliary of Hanlin Kelly Post, No. 2258, by Mayme Gott, secretary, of Osawatomie, and Over There Auxiliary, by Mrs. Herman W. Mueller, legislative chairman, of Wichita, both of the Veterans of Foreign Wars, in the State of Kansas, praying for the enactment of the so-called "Patman bill" providing for immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Association of Mechanics, Helpers, and Laborers, of Newton, Kans., favoring the enactment of the so-called "Wheeler-Rayburn holding-company bill", which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented a letter in the nature of a memorial from the Mercantile Affairs Committee of the Fitchburg (Mass.) Chamber of Commerce, remonstrating against the enactment of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from Henry S. C. Cummings, of Boston, Mass., enclosing an article by Mr. Cummings entitled "Advocating the Decentralization and Revitalization of Surplus Gold Stocks", which, with the accompanying paper, was referred to the Committee on Banking and Currency.

He also presented a letter in the nature of a petition from Miss Grace D. Faulkner, secretary, Branch 12, A. F. H. W., of Northampton, Mass., praying for the enactment of the so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of so-called "Wagner labor-disputes bill", which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from W. E. Buck, president of the Worcester Manufacturers Mutual Insurance Co., of Worcester, Mass., remonstrating against the enactment of Senate bill 1958, known as the "national labor-relations bill", which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Miami (Ariz.) Lions Club, favoring the imposition of an adequate tariff duty on importations of copper, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Braintree, Mass., remonstrating against the holding of naval maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Great Barrington (Mass.) Stamp Club, favoring the enactment of House bill 1411, relating to the illustrating of United States stamps, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a petition from Division No. 2, Ancient Order of Hibernians, of Rockland, Mass., favoring the enactment of pending legislation providing for the issuance of a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a memorial from the merchants' division of the Springfield (Mass.) Chamber of Commerce, remonstrating against the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Warsaw (N. Y.) Board of Trade, favoring the enactment of the bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other pur-

poses, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted at a meeting of the Parent-Teacher Association of Otisville, N. Y., favoring the establishment of a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and suitable entertainment, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of East Syracuse, N. Y., praying for the enactment of the joint resolution (H. J. Res. 167) proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a memorial from Miss June Wooster, chairman-secretary, on behalf of the faculty and counsellors of the industrial department of the Young Women's Christian Association of Buffalo, N. Y., remonstrating against the enactment of legislation that might in any way interfere with freedom of speech, the press, and political liberty, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at a meeting of the Coat and Suit Code Authority in New York City, N. Y., favoring the extension of the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by Lodge No. 89 of the South Slavonic Union, of Gowanda, N. Y., favoring the enactment of the so-called "Lundeen bill", being the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Commerce:

Senate Concurrent Resolution 100

Whereas approximately 4,000 persons rely upon the commercial fishing industry for their sole means of livelihood; and

Whereas upward of 6,000 persons are dependent upon the incomes of such persons; and

Whereas the sea-food industry has operated at a loss for several years last past and is seriously in need of aid which can come only as the result of increased consumer interest and the concomitant increase in consumption of sea food; and

Whereas it is highly desirable not only to subsidize this industry but also to devise ways and means of making fresh fish and sea food caught off the Atlantic coast by such fishermen available to the hundreds of thousands of persons living in the inland States at moderate prices; and

Whereas it is the sense of the people of the State of New York that some action and cooperation on the part of the Federal Government is absolutely necessary to promote the sale and consumption of sea food and thereby avoid the demoralization and destruction of the fishing industry: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; and it is further

Resolved (if the assembly concur), That copies of this resolution be immediately transmitted to the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Member of Congress elected from the State of New York, and that the latter be urged to use their best efforts to accomplish the purpose of this resolution.

Mr. COPELAND also presented the following concurrent resolution of the Legislature of the State of New York, which was ordered to lie on the table:

Senate Concurrent Resolution 103

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate and Assembly of the State of New York—

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

2. That copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from the State of New York.

Mr. GIBSON presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Foreign Relations:

Whereas the Department of State at Washington has given notice of intent to negotiate trade agreement with Canada; and

Whereas one of the principal, possibly the principal, item of export from Canada into the United States is softwood and hardwood lumber, rough and dressed. The greater part of it comes into our northeastern territory; and

Whereas the present tariff is $3 per thousand feet revenue and $1 per thousand feet excise tax; and should this tariff, through reciprocal agreement with Canada, be reduced or eliminated, the effect on our northeastern lumber manufacturers will be extremely serious. It will especially affect the lumber industry of the State of Vermont, as well as the other New England States, because the species produced in Canada and shipped into our territory are the same as we produce; and

Whereas the lumber manufacturers in the United States are obliged to operate under the Lumber Code, the present costs are higher than the cost of production of those Canadian species which are shipped into our markets; and

Whereas, because of this additional cost, it is absolutely necessary that a suitable duty be kept on the imported material; and

Whereas if the $3 or $4 duty should be removed it would have ill effects upon the lumber industry of the New England States: Therefore be it

Resolved by the senate and house of representatives, That the general assembly deplore any attempt of the State Department at Washington to remove the trade barriers with Canada and to allow Canadian lumber to come into the United States free or at a reduced rate of duty, believing the same to be against the best interests of our State; and be it further

Resolved, That copies of this resolution be sent to each member of the Vermont delegation at Washington and to the chairman of the committee for reciprocity information.

Mr. McCARRAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Military Affairs:

Senate joint resolution memorializing Congress to increase National Guard units within the State of Nevada and appropriate funds for the building of suitable armories for the housing of same

To the Congress of the United States:

Your memorialist, the Legislature of the State of Nevada, hereby respectfully represents that—

Whereas the plan of the Federal administration is to decrease unemployment through a large public-works building program; and

Whereas we feel that the State of Nevada should be authorized a substantial increase in National Guard personnel and that the State of Nevada should be allotted a sum of not less than $300,000 for the building of National Guard armories where needed in the State; and

Whereas we feel that the steps in this direction already taken by the present administration will be in consonance with the suggestion herein made, and that the same will hasten the hope and anticipations of our President for the benefit of a large portion of our population: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That we respectfully request the Congress of the United States to set aside $300,000 for the building of National Guard armories within the State of Nevada and to authorize at least five additional units of the National Guard to the State of Nevada; and be it further

Resolved, That the secretary of state of the State of Nevada forward a properly certified copy of this memorial to the President of the United States Senate, to the Speaker of the House of Representatives, to each of our Senators in the United States Senate, and to our Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Naval Affairs:

Assembly joint resolution

Whereas for the past 4 years the general appropriation act of the State of Nevada has carried a biennial appropriation of $400 for the promotion of civilian rifle practice, to be expended under the direction of the adjutant general; and

Whereas such appropriation was authorized for the purpose of promoting civilian rifle practice within the State of Nevada in accordance with the act of Congress creating the board for the promotion of civilian practice in the United States; and

Whereas under the authority of such board civilian clubs have been organized and are now existing in the State of Nevada, whose purpose is the promotion of rifle practice, and such clubs have organized the "Nevada State Rifle Association", which cooperates with the adjutant general in the promotion of civilian rifle practice throughout the State of Nevada and holds annual rifle matches within this State and will continue to hold same; and

Whereas the sum which has heretofore been appropriated has been insufficient to cover the cost of holding such State rifle matches, and it is desirable to have additional assistance for such purposes: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That the adjutant general be requested to communicate with the Secretary of the Navy, with the view of having a detail of enlisted men from the marine detachment now on duty at the naval ammunition depot at Hawthorne, Nev., assigned to temporary duty, not exceeding 3 days, on the occasion of the holding of such annual State rifle contest; and be it further

Resolved, That the adjutant general likewise address the commandant of such naval ammunition depot at Hawthorne, Nev., and the commander of the marine detachment at such point, requesting their aid and assistance in the promotion of such State rifle contest by arranging for matches between civilian rifle clubs of the State of Nevada and members of the marine detachment on duty at such depot; and be it further

Resolved, That the secretary of state transmit a certified copy of this resolution to the Secretary of the Navy at Washington, D. C., and to our Senators and Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Post Offices and Post Roads:

Assembly joint resolution memorializing Congress for the creation of a separate railway mail district to be located in the Federal building at Reno, Nev.

Whereas the State of Nevada is situated with high Sierra Nevada Mountains to the west, which effectually cut off transportation from all except one or two points, and even these are cut off completely during a considerable portion of the year when deep snow makes highways impassable. Only two railways cross this chain of mountains toward the west; and

Whereas to the east it is approximately 550 miles to the Utah line. The State extends north and south—or perhaps it would be better to say from the northwest to the southeast—a distance of approximately 650 miles; and

Whereas practically this entire territory is isolated from all parts of the United States, and we must depend for our economic and industrial existence almost entirely upon ourselves. Transportation in this immense district becomes very much of a problem and, we believe, cannot be adequately handled by persons residing from 300 to 600 miles distant; and

Whereas we citizens of Nevada believe we are not receiving our full share of service or monetary benefits due us by reason of supervision of the Railway Mail Service being located at such great distances away. We believe we should have a supervisory force of the Railway Mail Service located in this State; and

Whereas under the existing conditions the transportation of mails in Nevada is under the supervision of the chief clerk, District No. 3, located at San Francisco, and the chief clerk, District No. 1, Ogden, Utah. It has been the custom in the past of domiciling practically 90 percent of Nevada appointees in the Railway Mail Service at terminals, either in California or Utah, adjacent to their headquarters, for convenience and administrative purposes. Such practice results in appointees from Nevada losing their Nevada citizenship and becoming citizens of an alien State, their incomes, estimated at from $35,000 to $45,000 per annum, naturally being spent where they live instead of in their appointive State. Of a total of about 30 clerks and substitutes appointed from Nevada, only 6 clerks and 1 substitute are now domiciled within the geographical borders of this State. All other appointees, although working and earning their living in Nevada, are citizens of neighboring States. It is our opinion that this great territory of Nevada is sufficient for the creation of a separate railway mail district, under the supervision of a chief clerk, with office and personnel to be located in the Federal building at Reno: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, That our Senators and Representative at Washington be urged to use their influence with the proper authorities for the creation of a new district to supervise and administer this region, as shown in the following outlines: Generally that portion of California situated on the eastern divide in drainage of the Sierra Nevada mountain range and extending from the Oregon line on the north to Owenyo, Calif., on the south; the counties of Humboldt, Washoe, Pershing, Lander, Eureka, Churchill, Storey, Lyon, Ormsby, Douglas, Mineral, Nye, and Esmeralda, in Nevada; all post offices, closed-pouch, or stage routes entering or terminating in same; all service on Ogden and San Francisco railway post offices between Reno and Carlin, Nev.; all service on Reno and Mina, Reno and Minden, Alturas and Reno railway post offices; and summer service on Truckee and Lake Tahoe railway post offices; and be it further

Resolved, That properly certified copies of this resolution be transmitted by the secretary of state to each of our Senators in the United States Senate and to our Representative in Congress.

Mr. McCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Public Lands and Surveys:

Assembly joint resolution memorializing Congress to purchase certain lands adjacent to Lake Tahoe, in the State of Nevada, for the establishment thereon of a park for recreational purposes, and for the establishment thereon of an emergency aviation field

Whereas the lands lying in the basin surrounding Lake Tahoe, taken together with the setting of the lake, constitute one of the grandest scenic beauties in the United States; and

Whereas the lands surrounding Lake Tahoe are rapidly coming into the hands of private parties who use the same for commercial purposes; and

Whereas the people of the State of Nevada and of the surrounding territory in the State of California feel that an area for recreational purposes should be set aside for the benefit of the people visiting this scenic playground; and

Whereas said sites would be of great value to the Government of the United States in case of emergency as a landing field for aircraft; and

Whereas there is now available a limited area of suitable land; and

Whereas the said tracts are almost on a direct air line between the city of San Francisco and the Federal munitions plant at Hawthorne, Nev.; and

Whereas there are six improved highway routes leading to the Lake Tahoe region from the States of Nevada and California; and

Whereas the State of Nevada does not have within its boundaries any public parks, recreation grounds, or aviation fields: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That Congress be memorialized to make an appropriation in the sum of $150,000 for the purchase and improvement of an area, and that the Public Works Administration be directed to assist in making such an area applicable for the purpose hereinbefore set out; and be it further

Resolved, That our Senators in the United States Senate and our Representative in Congress be urged to use their best efforts in the furtherance of the objects of this resolution; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to each of our Senators and to our Representative in Congress.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 405) for the suppression of prostitution in the District of Columbia, reported it with amendments and submitted a report (No. 404) thereon.

Mr. DIETERICH, from the Committee on the Judiciary, to which was referred the bill (S. 477) to provide for the appointment of two additional judges for the southern district of New York and two additional judges for the southern district of California, reported it with amendments and submitted a report (No. 405) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, reported it without amendment and submitted a report (No. 407) thereon.

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

S. 880. A bill for the relief of Dominick Edward Maggio (Rept. No. 408); and

S. 882. A bill for the relief of Albert Lawrence Sliney (Rept. No. 409).

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

S. 1531. A bill to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont. (Rept. No. 410); and

S. 1532. A bill to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont. (Rept. No. 411).

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA

Mr. THOMAS of Oklahoma. From the Committee on Appropriations I report back favorably, with amendments, the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, and I submit a report (No. 406) thereon. I desire to give notice that at the earliest possible date I will call the bill up for consideration by the Senate.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 2491) authorizing preliminary examination and survey of Shark River, N. J.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2492) to provide further for membership on the Board of Visitors, United States Military Academy; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2493) for the relief of John Hamilton; to the Committee on Military Affairs.

A bill (S. 2494) for the relief of the heirs of George Spybuck, deceased; to the Committee on Claims.

By Mr. McADOO:

A bill (S. 2495) to provide for signs on the roofs of certain railroad stations; to the Committee on Interstate Commerce.

(Mr. BLACK introduced Senate bill No. 2496, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. KING:

A bill (S. 2497) to control and regulate the discharge or emission of smoke, soot, noxious gases, cinders, or fly ash into open air in the District of Columbia, and to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; and

A joint resolution (S. J. Res. 97) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 8, 1935, to June 17, 1935, both inclusive; to the Committee on the District of Columbia.

AMENDMENT OF RAILWAY LABOR ACT

Mr. BLACK. I ask unanimous consent to introduce a bill to amend the Railway Labor Act. This amendment, if passed, will bring within the purview of that act the employees of aviation throughout the country.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

The bill (S. 2496) to amend the Railway Labor Act, was read twice by its title and referred to the Committee on Interstate Commerce.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 615. An act for the relief of Meta De Rene McLoskey;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1487. An act for the relief of H. A. Taylor;

H. R. 1488. An act for the relief of Rose Burke;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2132. An act to extend the provisions of the United States Employees' Compensation Act to Frank A. Smith;

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 2185. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2353. An act for the relief of the Yellow Drivurself Co.;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2439. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2449. An act for the relief of Floyd L. Walter;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 2487. An act for the relief of Bernard McShane;

H. R. 2501. An act for the relief of Mrs. G. A. Brannan;

H. R. 2606. An act for the relief of the estate of Paul Kiehler;

H. R. 2679. An act for the relief of Ladislav Cizek;

H. R. 2680. An act for the relief of Mary F. Crim;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2708. An act for the relief of James M. Pace;

H. R. 3090. An act for the relief of Mayme Hughes;

H. R. 3098. An act for the relief of Bertha Ingmire;

H. R. 3167. An act for the relief of Louis Alfano;

H. R. 3180. An act for the relief of Ruth Nolan and Anna Panozza;

H. R. 3219. An act for the relief of Joseph Walter Gautier;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.;

H. R. 3506. An act for the relief of George Raptis;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 3556. An act for the relief of Sophie Carter; and

H. R. 3959. An act for the relief of the National Training School for Boys, and others; to the Committee on Claims.

H. R. 5882. An act for the relief of Claude Cyril Langley; to the Committee on Military Affairs.

H. R. 3911. An act for the relief of Sarah J. Hitchcock; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927; to the Committee on Foreign Relations.

PROTECTION AGAINST SOIL EROSION—AMENDMENT

Mr. GORE submitted an amendment intended to be proposed by him to the bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CUSTODY AND PRINTING OF FEDERAL PROCLAMATIONS, ETC.—AMENDMENT

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, which was referred to the Committee on the Judiciary and ordered to be printed.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS—AMENDMENTS

Mr. McKELLAR submitted an amendment, and Mr. CLARK submitted three amendments, intended to be proposed by them, respectively, to the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, which were ordered to lie on the table and to be printed.

PLEBISCITE ON PHILIPPINE CONSTITUTION

Mr. TYDINGS. Mr. President, I ask to have printed in the RECORD a proclamation of Acting Governor General J. R. Hayden of the Philippine Islands calling for a plebiscite to pass upon the new Philippine Constitution recently adopted, and also a cablegram from General Aguinaldo of the Philippine Islands asking that the transition period be shortened from 10 to 3 years.

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

PROCLAMATION

Whereas on the 23d day of March 1935 the President of the United States certified that the constitution of the Philippines, with the ordinance appended thereto, adopted by the constitutional convention called and held under the authority of the act of Congress of March 24, 1934, being Act 127 of the Seventy-third Congress of the United States, conforms substantially with the provisions of said act;

Whereas the said Act of Congress requires that within 4 months after such certification the said constitution, with the ordinance appended thereto, shall be submitted to the people of the Philippine Islands for their ratification or repeal at an election to be held on such date and in such manner as the Philippine Legislature may prescribe;

Whereas it is considered advisable that a special session of the Philippine Legislature be called for the purpose of passing the necessary legislation for the submission of said constitution, with the ordinance appended thereto, to the people of the Philippine Islands: Now, therefore

I, Joseph Ralston Hayden, Acting Governor General of the Philippine Islands, by virtue of the authority vested in me by section 18 of the act of Congress of August 29, 1916, hereby call the Philippine Legislature in special session to be held in the city of Manila for a period of 3 days beginning on Monday, the 8th day of April 1935, to consider the enactment of the legislation necessary for the submission of the constitution of the Philippines, with the ordinance appended thereto, to the people of the Philippine Islands, at an election to be held for said purpose, and for the canvassing and certification of the results thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the government of the Philippine Islands to be affixed.

Done at the city of Baguio this 27th day of March, A. D. 1935.

J. R. HAYDEN,
Acting Governor General.

MANILA, *April 2, 1935.*

Senator TYDINGS,
Washington, D. C.

Respectfully remind you of and ask your support our petition shortening transition period Independence Act to 3 years. Substantially accord with Concurrent Resolution No. 46, Philippine Legislature, adopted October 17, 1933, rejecting H. H. C. Act and sending mission of which I was chosen honorary president, and also with people's sentiment expressed last general elections. If necessary we also request you ask Quezon mission express its views about these facts. Our petition if granted will cause political social economic stability Philippines. Our people are anxious know your views and recommendations regarding our petition and amendments independence law. We further request release report investigation conducted by your mission here while Quezon mission still there, so that they, as representatives Philippines, may comment your recommendations. Will appreciate your furnishing President Roosevelt copy this cablegram.

EMILIO AGUINALDO.

THE PHILIPPINE CONSTITUTION (S. DOC. NO. 43)

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed as a Senate document the authenticated copy of the constitution of the Philippine Islands recently approved by the President of the United States.

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

EXPENDITURE OF RELIEF FUNDS IN PUERTO RICO

Mr. TYDINGS. I should like to read a three-page letter touching on the expenditures of relief funds in Puerto Rico, because the program is so large that I feel Senators ought to know what is contemplated to be done under Puerto Rico's share of the public-works bill. The letter is addressed to me by Mr. Carlos E. Chardon, and reads as follows:

PAN AMERICAN UNION,
Washington, D. C., March 12, 1935.

Hon. MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
Senate Office Building, Washington, D. C.

DEAR SENATOR TYDINGS: Allow me to correct the erroneous impression that the reconstruction program of Puerto Rico is only going to benefit 750 cane planters (which are to be moved to good cane lands) and 7,500 homesteaders (in the marginal cane lands).

The objectives of the sugar program are more far-reaching to the island's economy: (1) It attempts to reduce permanently the sugar production by exchange of good lands for marginal and submarginal sugar lands; (2) as soon as restriction is accomplished through this exchange the rest of the industry can go ahead normally without any restriction and sugar could be produced at a cheaper cost; (3) land monopoly would be partially broken; (4) the production of food crops would be greatly increased in the 75,000 acres of marginal lands; and (5) a temporary legislation like the Sugar Act could be converted into a permanent reconstruction policy. This would be going farther ahead than any legislation of a similar nature in the continent.

The following would be the results of the sugar program at the end of 2 years (the complete program taking 3 years to be fully developed):

Sugar program—Results at end of second year

Permanent reduction (in tons of sugar)	100,000
Number of colonos whose gross income will increase from 25 to 33 percent	500
Additional gross income to these colonos (1½ percent more for cane ground and 30 cents per ton saved in transportation)	$1,020,000

This is the portion in particular which I thought was worthy of the attention of the Senate:

Additional pay rolls to laborers in sugar regions and marginal lands in house and other construction (2 years)	$3,625,000
Additional employment, laborers	13,475
Persons taken away from relief rolls (above x 5.7)	76,800
New 10-acre homesteads	5,000
Concrete houses for laborers and homesteaders	7,500
Additional vocational educational units	30
Increase in school attendance, close to	5,000
White-collar jobs (administration of homesteads, social workers, vocational teachers, etc.)	250
Additional acreage in food crops	30,000
Homesteaders on a subsistence basis (with families)	28,500
Savings in imports of food crops, $30 per acre (theoretical)	$600,000

During the third year the permanent reduction of sugar could be increased to 150,000 tons or more, and the full benefits of the sugar program could then be felt by the industry, the farmers, and the workers. But this covers only sugar.

The coffee program of our plan we calculate will yield the following results at the end of the second year:

Pay rolls to coffee laborers at $156 a year (8,000 the first year; 8,000 the second year)	$2,496,000
Pay rolls to laborers in house constructions, minimum	$2,400,000
Additional employment, laborers	16,500
Coffee farmers will receive in cash (for purchase of land)	$600,000
Coffee farmers will receive fertilizers for demonstration (tons, in 2 years)	3,000
New 3-acre plots for laborers	8,000
Concrete houses for laborers	8,000
Persons taken away from relief rolls	95,000
White-collar jobs	175
Additional vocational educational units	20
Increased school attendance (about)	3,500
Homesteaders on a subsistence basis (with families)	45,600
Insurance fund for coffee plantations (minimum)	$5,000,000

This covers only the sugar and coffee programs up to the end of the second year. The whole program contemplates also extensive development of the hydroelectric system, rural electrification, a tobacco program similar to that of coffee, and extensive public-works program, a 10-year reforestation plan, industrial development, tourist trade, slum clearance, and many other projects of minor character. The plan recommends an expenditure of $103,000,000.

A program of such wide nature which contemplates so fundamental changes in Puerto Rico's economy can be only carried out under an authority directly under the President, with wide and ample administrative powers and completely divorced from political influence. The administration of the authority may be safely placed in the hands of responsible Puerto Ricans.

In my judgment, the funds going to Puerto Rico under the big relief bill should not be spent in "relief and work relief", as section 1 of said bill now provides; they should be diverted through definite channels leading to a permanent and definite reconstruction policy.

The opportunity for Puerto Rico is now unique in our history. The President has made a formal public commitment to this program, and the plan itself has been approved by the Departments of Agriculture and Interior. I therefore wish to present these facts to you as Chairman of the Committee on Territories and Insular Possessions for your consideration.

Sincerely yours,

CARLOS E. CHARDON.

It is a very far-reaching plan which is in contemplation for Puerto Rico, and we ought not to allow the expenditure of a huge sum like this to go through without at least being

put on notice. I hope Senators will read the letter as it will appear in the RECORD.

PUBLIC-UTILITY HOLDING COMPANIES

Mr. NORRIS. Mr. President, last night the Senator from Montana [Mr. WHEELER] delivered an address over the radio on the holding-company bill now pending before the Interstate Commerce Committee of the Senate. I desire to quote one paragraph from that address, and I wish to say before I quote it that I am informed that, although the address was delivered only last night, yet by 12 o'clock noon today the Senator from Montana received more than a thousand telegrams from Philadelphia in regard to that paragraph. It is quite enlightening, and I think Senators ought to hear it. The Senator from Montana said:

I hope the good people of Philadelphia are listening to me tonight. You know I have an ever-growing warm spot in my heart for Philadelphia. More letters have come out of that metropolis with my name on them in the last month than I have received from my home State of Montana during the last 2 years. As a matter of fact I am sure the census taker was wrong about Philadelphia's population because his figure does not compare with the number of letters they have sent me. Nice chummy letters, too. They call me everything from such high-class terms as "rogue" and "rascal" on down the scale. Most of them show the fine hand of the United Gas Improvement Co. The best of them must have come from Gertrude Stein. It consists of this: "It makes me sick to think how sick I get when I think about you." Such popularity must be deserved. I have however been strangely neglected by Mr. Insull's Chicago. It must be that that city has been Insull-ated against my charm.

Mr. President, I ask unanimous consent that the entire address be printed in the CONGRESSIONAL RECORD.

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

RADIO ADDRESS BY SENATOR BURTON K. WHEELER, OF MONTANA, APRIL 2, 1935, ON THE PUBLIC UTILITY HOLDING COMPANY BILL

I am going to talk to you tonight about the public-utility holding-company bill pending before both branches of the United States Congress, the bill to carry out President Roosevelt's ideas and policies on public-utility holding companies.

I hope the good people of Philadelphia are listening to me tonight. You know, I have an ever-growing warm spot in my heart for Philadelphia. More letters have come out of that metropolis with my name on them in the last month than I have received from my home State of Montana during the last 2 years. As a matter of fact, I am sure the census taker was wrong about Philadelphia's population, because his figure does not compare with the number of letters they have sent me. Nice chummy letters, too. They call me everything, from such high-class terms as "rogue" and "rascal" on down the scale. Most of them show the fine hand of the United Gas Improvement Co. The best of them must have come from Gertrude Stein. It consists of this: "It makes me sick to think how sick I get when I think about you." Such popularity must be deserved. I have, however, been strangely neglected by Mr. Insull's Chicago. It must be that that city has been Insull-ated against my charm.

There has been more lying propaganda about this bill, and on a larger scale, than about any other bill I have ever seen. The Power Trust has tried to make investors believe that the holding-company bill imposes what they call a "death sentence" on all the private companies in the electric light and power industry. It keeps talking about the "wreck of a $12,000,000,000 industry." That's bunk. The holding companies' title affects only the public-utility holding companies themselves, companies like Associated Gas & Electric, Cities Service, Electric Bond & Share, North American Co., and United Corporation. It doesn't lay a finger on the kind of a company which actually operates the electric light and power plant in your home town, and in which many of you have invested your savings.

The public utility holding company is a kind of high finance company which makes a business of acquiring control of the companies which actually run the electric light and power plants in your home town. Sometimes a single holding company run by a few insiders controls thousands of such electric light and power plants. Those thousands of local electric light and power plants may be scattered all over the country, but the heads of the holding company run them all for their own advantage from an office in New York, Chicago, or some other big financial center. Perhaps a better name for them would be "public utility holding-the-bag companies."

Usually these insiders get control of numerous local companies with the investment of very little money of their own. There are extreme cases where investments of less than $50,000 control subsidiary utility investments having face values in excess of a billion dollars. There was a case reported the other day by a New York State legislative committee investigating holding companies where insiders sold the public $100,000,000 of holding company securities in 1 year at a profit to themselves of thirty-four million. That illustrates the way a few people through a holding company can use other people's money. And how well they have succeeded the figures show. In 1932 thirteen large holding company groups controlled over 75 percent of the private operating utility industry. Three of these groups alone, Electric Bond & Share, United Corporation, and Insull controlled among themselves over 40 percent of that entire operating industry.

The holding company promoters manage to do this through the help of clever lawyers and the hocus-pocus corporate device called the holding company. The holding company buys control of the voting stock of the local power and light company. Then the insiders get control of the voting stock of the holding company. They sell a lot of other securities which haven't any right to vote to the outside public. "Outside" describes the public exactly. The poor suckers who buy that kind of a security are outside the company and outside their money at the same time.

Will Rogers remarked the other day: "A holding company is something where you hand an accomplice the goods while the policeman searches you." The same kind of pressures that are being brought on you as investors were immediately brought on Will to retract. He did retract in the papers last Sunday in his inimitable way: "Well, I didn't figure that little half-witted remark would upset the whole holding company business. But I forgot that a remark generally hurts in proportion to its truth. If it's so untrue as to be ridiculous why nobody pays any attention to it." I will wager that the holding company crowd will now try to make Will retract his retraction.

Now, it's that kind of company that this bill is after. The bill does not hurt operating companies or the securities of operating companies in the slightest. It benefits operating companies by taking off their backs the load of the tribute they have now to pay to holding companies.

The holding company insiders who are trying to block the President on this title keep telling you that it interferes with operating companies. That's bunk. They tell you that it will confiscate investments in the securities of operating companies. That's also bunk. They try to tell you that it will confiscate investments in the holding companies themselves. And even that's bunk.

The arguments of these holding-company advocates are complicated when they argue at all. I am not able to take up point by point the technical defects in their misleading position during this half-hour talk. But in a speech I made last Thursday in the Senate I did answer those complicated arguments. That speech is in printed form. If you will write me at my office in Washington, D. C., I'll send you that speech.

Remember the public utility business is not a private business subject to the normal restraints of competition. It is a legalized monopoly given special privileges by local government to serve public ends. Regulation is supposed to protect the public consumer and public investor against that monopoly. But no local community and no State can handle these giant corporations with all their tremendous resources of money and lawyers and political power which this holding device has assembled. We are now testing whether even the Nation itself is strong enough to stand against them.

The argument that we should try to distinguish between "good" companies and "bad" companies forgets how human and how variable and how temporary are the causes which make one company "good" and another company "bad." An overnight change of management can transform a company that has hitherto been the best in the business into the worst. A change in the outlook of the same man once changed the best company in the utility business into the worst. The holding company advocates assure us that the Insull abuses will never occur again. But there was not a single man in the utility business who would not have recognized Samuel Insull in 1914 as the best operator in the field and the safest bet for the investor's money. But bad banking influences changed Samuel Insull from a careful and conservative manager into a Napoleon of high finance. The continuation of the supposed "goodness" of what is generally held up as the best of the holding companies today depends on the direction of a single individual. His fortunes in turn are tied up in the operation of a series of investment trusts of none too savory reputation. If the depression had not intervened to stop the pyramided operations of these investment trusts, that company might very well have gone the disastrous way of Insull.

The truth is that there is no scientific reason at the present time why we need holding-company systems sprawled over the whole United States. We do not need or want utility combinations that aren't confined to the service of an area where they are needed to tie together a group of related operating companies. The only death sentence the bill pronounces on holding companies is to say, "You've got to trim down to what's absolutely necessary to serve the public if you want to go on doing business in this country. You've got to do that for the sake of the consuming public. You've got to do that for the sake of the investing public who have always mistakenly thought that through you they were investing in a sound and useful and regulated operating business." I don't know or care whether you call legislation which does that "elimination" or "regulation." But any kind of legislation that will not restrict the use of the holding device to a field where it performs a demonstrably useful and necessary function would not be regulation at all. It will simply give recognition under the screen of a few puny rules to a dangerous business of stock jobbing and insiders' profits that has no place in the modern operating utility business and has no justification to exist. That kind of so-called "regulation" the utilities are proposing is not real regulation—it is simply camouflage for the toleration of an entrenched wrong.

Let's not stick our head in a sand of regulatory words and miss the big realities. If we mean business these utility empires have got to be shorn of their present tremendous powers. If we mean business these utility empires have got to be brought down to proportions where they are manageable by the public and can justify their usefulness for the public good. If they are left as big as they are now, all the piddling rules in the world masquerading under the big name of regulation won't stop their repeating the abuses of 1929 as soon as they get a chance. All those little rules will no more hold them than a single strand of barbed wire can hold the weight and power of an Army tank. Within 1 year they'll again be regulating their regulators.

I'm like the holding companies—I have doubts about this bill. But my doubts are whether it goes far enough to be realistic. I remember how Congress and the reformers glowed with achievement when they passed the Sherman Anti-Trust Act, the Clayton Act, and other similar legislation. But if those acts had done half what they promised they would have nipped this holding-company business in the bud long ago. A democratic community cannot cut too fine with private empires which threaten its very existence. You can no more risk regulating a giant holding company than you can risk domesticating a rattlesnake. Any compromising with this problem will be simply a cowardly betrayal of Congress's duty because of fear of power-trust money in the next election. And I can tell the power gang that even the greenest new deal Member of Congress has no illusions that he can purchase their forbearance in his next campaign by running away from this bill. He knows, and every "new dealer" and Progressive in Washington knows, that between the power gang and us there can be no peace, now, in 1936, or ever.

In his message of March 12, the President gave investors in both holding-company and operating-company securities assurances that their interests would not be harmed by the bill. You may remember that he said, "So much has been said through chain letters and circulars and by word of mouth that misrepresents the intent and purpose of a new law that it is important that the people of the country understand once and for all the actual facts of the case. Such a measure will not destroy legitimate business or wholesome and productive investment. It will not destroy a penny of actual value of those operating properties which holding companies now control and which holding-company securities represent insofar as they have any value. On the contrary, it will surround the necessary reorganization of the holding company with safeguards which will, in fact, protect the investor."

In his broadcast of February 17, Mr. RAYBURN, who introduced the bill in the House, gave you the same assurances. Tonight as the sponsor of the bill in the Senate I give you the same assurances. Who tells you the bill will hurt your investments? Those same people who sold you stock at somewhere around 100, the same stock that is probably now selling somewhere around 2. They're urging you to stick with them, so they can save that 2 for you after they lost the 98.

Now, Mr. Investor, as a matter of common sense, which advisers are you going to trust? Which are you going to believe? I don't promise you that your stock will go back to 100 if this bill goes through. I'm not selling green goods; I'm not a holding company. But I do tell you that you have a much better chance to save what is really left of your investment if this bill passes than if the holding-company managers and bankers are free to waste the last of it by the same high finance.

I would not talk so roughly and bluntly, if the power companies and American big business in general were not putting on a desperate, insidious campaign of misleading misstatements regarding the objects of this bill, in the hope that frightened investors will bring such pressure on Members of Congress that those Members will be afraid to think for themselves.

It is an old strategy of tyrants to persuade their victims to fight their battle for them. They hide behind the skirts of their indispensable widows and orphans, and say to Congress, "No matter how bad we have been, no matter how dangerous we are, you can't touch us. Although we fooled them, a great proportion of the solid people of this country bought our securities. So you've got to leave us alone."

The lobby against this bill is not only working hard in Washington; it is working hard in every community in the country, and working in the most insidious and unsuspected ways. Holding-company managers and bankers, whose jobs and profits and whose control over your jobs and over your business may be at stake under this bill, hold in the palm of their hand nearly the entire operating utility industry of this country. As I've told you before, in 1932, 13 large holding-company groups controlled over 75 percent of the electric operating utility industry, and 3 of these groups alone—Electric Bond & Share, United Corporation, and Insull—controlled among themselves over 40 percent of that entire operating industry. That means that the managers of the giant holding companies hire and fire the manager of the little power plant in your home town. They hire and fire all its employees. They hire and fire the local lawyers who have the much-prized utility-company retainer. In many instances they control banks and dictate the policies of the local newspapers. And directly or indirectly, crudely or subtly, you can be sure they have passed orders all the way down that line to frighten you—to frighten you by direct statements; to frighten you by long, technical booklets of financial and legal arguments, carefully calculated to impress you, but not to be understandable to you; to frighten you at lunch; to frighten you at tea; to frighten you in the course of many of the most innocent contacts, where you would never expect you were being reached, even if only by simply repeating over and over again, "This terrible bill is going to ruin everybody."

An employee of your local power and light company has probably long ago come to your door and told you what a terrible bill this is and asked you to sign a letter. He may have been the employee of an Electric Bond & Share subsidiary who wrote me this letter I am going to read to you:

"DEAR SIR: Please find enclosed printed matter which is given to all employees of the power and light company. Also a card which they are asked to have signed by four voters.

"They are also asking all employees to write a letter to each Congressman in the Senate and House of Representatives who are on the Committee on Interstate Commerce. Then he must bring them all to the power and light company office to be checked. These men resent this very much, but they know they had better do as asked or their jobs will be endangered. I mention this to you so that when you get a flood of letters you will know how and why you received them. I am 100 percent behind your Wheeler-Rayburn bill, and sincerely hope you put it over."

Every time Congress proposes to look into a particularly rotten situation hush-hushers try to tell us that public airing of rottenness hurts business confidence. When my late distinguished colleague, Senator Walsh, investigated the Fall-Doheny oil scandal and when at the same time I began to investigate Harry Daugherty's Department of Justice, the conservative press belabored both of us for upsetting and even attempting to destroy the Government. When the Banking and Currency Committee of the Senate started its investigation of high finance which produced the Securities and Exchange Act there was a hue and cry that the investigation would bring runs on all the banks and that any attempt to regulate the stock markets would bring on a panic such as the country had never known. I have been pressing recently for an investigation of railroad financing. The lobbyists are trying to block it on the ground that exposure of the facts would ruin the railroad credit, forgetting conveniently the fact that the railroads have no credit now except at the Reconstruction Finance Corporation. Congress has learned, I hope, that the truth helps, not hurts, business confidence.

As for the threats of socialism and communism alleged to be hidden in this bill, many of us share a firm conviction that it is only by laws like this that we can avert a destruction of the traditionally American independence and initiative. This bill tried to break down business units grown so big and so dangerous that, if left that way, the Government will inevitably have to take them over and socialize them. The bill tries to save them from socialization—tries to preserve them for private enterprise. When any private socialism—and that is what these giant superholding companies amount to—gets too big, the people will demand its abolition or that the people take it over.

The only way we can save capitalism in this country is to encourage a decentralized system of moderate-sized businesses in which enough men have the status of master, not of servant or peasant, and where no one man or little group of men can so blanket any field of endeavor that other men have little or no opportunity.

The people of this country no longer revere the mysterious abilities of great benevolent captains of finance and industry whom they once thought knew how to run billion-dollar businesses for the public benefit. The people have learned for good and all that the accumulation of vast powers by the supercaptains of industry has done the public no good; I hope the people have learned for good and all that abilities capable of running billion-dollar industries do not exist. There is real hope that we can maintain indefinitely a decentralized democratic capitalism in this country. There is no hope that we can indefinitely maintain the kind of centralized plutocratic capitalism which has definitely proved itself morally and intellectually incapable of honest leadership for the benefit of the many.

Every morning and every evening, and even at noon here in Washington, my favorite newspaper publisher amuses me with warnings of the Communist propaganda which is sapping the foundations of our social order. But let us not deceive ourselves. Soap-box orators, parlor pinks, labor agitators, and bespectacled professors do not endanger American institutions. Revolutionary changes are not brought about by oratory but by a long growing sense of oppression. The utility holding company with its present powers has been an instrument and a symbol of imperial oppression in the industry and has utterly failed tc serve the public interest in any way, shape, or form. It has given unwarranted economic power over other people's wealth to unscrupulous stock manipulators. They in turn have used that power unfairly, unwisely, and even corruptly for their own advantage. It has been an instrument by which a few men have been able to set up a system of private socialism, which has crowded our boasted individual enterprise and local initiative out of one of the most important of our industries.

It has been a leader in a general trend of American business which, in the words of the President, "has made most American citizens once traditionally independent owners of their own businesses hopelessly dependent for their daily bread upon the favor of a very few." If any of you think that trend can long continue to humiliate a traditionally independent people, I tell you that I know it can't.

I believe that democracy belongs to the future, with its boundless hopes and possibilities. Some day in America autocracy will be no man's land, a bleak and barren region of darkness upon whose portals should be inscribed, "Abandon hope all ye that

enter here." Democracy is "all men's land", the land of the future, spanned by the everlasting rainbow of hope, "where thrones have crumbled and kings are dust, where labor reaps its full reward, and work and worth go hand in hand."

COMPULSORY R. O. T. C. TRAINING—ARTICLE BY LT. COL. ORVEL JOHNSON

Mr. FLETCHER. Mr. President, in view of conditions of which we are aware, abroad and at home, we should give reasonable encouragement to the R. O. T. C. Lt. Col. Orvel Johnson has discussed this subject in an article which is impressive and sound and should have wide circulation, and I ask to have it inserted in the RECORD.

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

UNITED STATES SUPREME COURT DECIDES FEDERAL CONSTITUTION NOT VIOLATED BY STATE SCHOOLS REQUIRING STUDENTS TO TAKE MILITARY TRAINING, REGARDLESS OF "CONSCIENTIOUS OBJECTIONS." DUTY OF ALL CITIZENS TO BEAR ARMS NOT ALTERED BY BRIAND-KELLOGG PEACE PACT

(By Orvel Johnson, lieutenant colonel Inf-Res., director general, R. O. T. C. Association of the United States, member of the bar of Oklahoma, the District of Columbia, and the Supreme Court of the United States)

A most important and far-reaching decision was handed down by the United States Supreme Court December 3, 1934, in the case of Hamilton et al. against The Regents of the University of California, in which the Justices were unanimous in their opinion. Mr. Justice Butler delivered the opinion of the Court. This case came up on appeal from a judgment of the highest court of California sustaining a State law that requires students at its university to take a course in military science and tactics, the validity of which was by the appellants challenged as repugnant to the Constitution and laws of the United States.

The parties to the suit were Albert W. Hamilton, a minor, by Albert Hamilton, his guardian ad litem; W. Alonzo Reynolds, Jr., a minor, by W. Alonzo Reynolds, his guardian ad litem; Albert Hamilton and W. Alonzo Reynolds, appellants, against The Regents of the University of California, Robert Gordon Sproul, and Ernest Carroll Moore.

The appellants are the above-named minors and the fathers of each as his guardian ad litem and individually. They are taxpayers and citizens of the United States and of California. Appellees are the regents constituting a corporation created by the State to administer the university, its president, and provost. Appellants applied to the State supreme court for a writ of mandate compelling appellees to admit the minors into the university as students. The material allegations of the petition are:

In 1933 each of these minors became students in the university, conforming to all its requirements other than that compelling him to take the course in military science and tactics in the Reserve Officers' Training Corps (R. O. T. C.), which they asserted to be "an integral part of the Military Establishment of the United States"; that "the courses in military training are those prescribed by the War Department"; and that the "arms, equipment, and uniforms for use of students in such courses are furnished by the War Department of the United States Government."

"These minors are members of the Methodist Episcopal Church and connected religious societies and organizations. For many years their fathers have been ordained ministers of that church."

The Methodist Church has for years vigorously opposed all military training and other preparation for national defense, together with all forms of military service. At its general conference in 1928 it declared: "We renounce war as an instrument of national policy because our Nation led the nations of the world in signing the Paris peace pact (Briand-Kellogg) * * *." In 1932 the general conference of that church adopted as a part of its tenets and discipline: "* * * Furthermore, we believe it to be the duty of the churches to give moral support to those individuals who hold conscientious scruples against participation in military training or military service."

Appellants as members of that church and feeling bound by its tenets and discipline petitioned the university for exemption from military training and activities of the training corps, upon the ground of their religious and conscientious objections to war and military training. Their petition was denied by the regents of the university, who refused to make military training optional or to exempt these students. Several other allegations of the petition may be disregarded as not important.

The university is a land-grant college by its acceptance of the terms and conditions of an act of Congress, known as the "Morrill Act", approved July 2, 1862 (12 Stat. 503), under which public lands were donated to the several States in order that upon the conditions specified all moneys derived from the sale of such lands or from the sale of scrip issued under the act should be invested and constitute a perpetual fund the interest of which should be inviolably appropriated by each State accepting the benefits of the act "to the endowment, support, and maintenance of at least one college where the leading objects shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of industrial classes in the several pursuits and professions in life."

March 23, 1868, the Legislature of California passed an act creating the university "in order to devote to the largest purposes of education the benefactions made to the State" by the Morrill Act. Statutes 1867–1868, page 248, paragraph 5, reads: "And in order to fulfill the requirements of said act of Congress, all able-bodied male students in the university, whether pursuing full or partial courses in any college, or as students at large, shall receive instruction and discipline in military tactics in such manner and to such extent as the regents shall prescribe."

The State constitution, as amended November 5, 1918, makes effective the provisions of the Morrill Act. September 15, 1931, pursuant to the above act and constitution, the regents issued their order requiring "every able-bodied student * * * as a condition of his attendance as a student to enroll in and complete not less than one and one-half units of instruction in military science and tactics each semester of his attendance until such time as he shall receive a total of six units of such instruction * * *."

In the court below appellants assailed the laws and order above referred to as repugnant to the California constitution, the regents' order, and the Constitution and laws of the United States.

The State court denied the petition for a writ of mandate. Appellants applied for a rehearing. The court, denying the application, held the regents were within their lawful power in issuing their order, and that the suspension of the students because of their refusal to pursue the required courses in military training involved no violation of their rights under the Constitution of the United States.

Mr. Justice Butler, speaking for the court, said: "Appellees contend that this court has no jurisdiction because, as they say, the regents' order is not a 'statute of any State' within the meaning of paragraph 237 (a), Judicial Code. But by the California constitution the regents are, with exceptions not material here, fully empowered in respect of the organization and government of the university, which, as it has been held, is a constitutional department or function of the State government (*Williams* v. *Wheeler* (1914), 23 Cal. App. 619, 623; *Wallace* v. *Regents* (1925), 75 Cal. App. 274, 277). The assailed order prescribes a rule of conduct and applies to all students belonging to the defined class. And it was because of its violation that the regents by resolution suspended these students.

"The meaning of 'statute of any State' is not limited to acts of State legislatures. It is used to include every act legislative in character to which the State gives sanction, no distinction being made between acts of State legislatures and other exertions of the State law-making power. *King Mfg. Co.* v. *Augusta* (277 U. S. 100); *Sultan Ry. Co.* v. *Dept. of Labor* (277 U. S. 135). It follows that the order making military instruction compulsory is a statute of the State within the meaning of paragraph 237 (a).

"The allegations of the petition do not mean that California has divested itself of any part of its power solely to determine what military training shall be offered or required at the university. While, by acceptance of the benefits of the Morrill Act of 1862 and the creation of the university in order appropriately to comply with the terms of the grant, the State became bound to offer students in that university instruction in military tactics, it remains untrammeled by Federal enactment and is entirely free to determine for itself the branches of military training to be provided, the content of the instruction to be given, and the objectives to be attained. That State—as did each of the other States of the Union—for the proper discharge of its obligations as beneficiary of the grant made the course in military instruction compulsory upon students. Recently Wisconsin and Minnesota have made it elective. The question whether the State has bound itself to require students to take the training is not here involved. The validity of the challenged order does not depend upon the terms of the land grant.

"The petition is not to be understood as showing that students required by the regents' order to take the prescribed course thereby serves in the Army or in any sense becomes a part of the Military Establishment of the United States. * * * The States are interested in the safety of the United States, strength of its military forces, and readiness to defend them in war and against every attack of public enemies. *Gilbert* v. *Minnesota* (254 U. S. 325, 328–329); *State* v. *Holm* (139 Minn. 267, 273).

"Undoubtedly every State has authority to train its able-bodied male citizens of suitable age appropriately to develop fitness, should any such duty be laid upon them * * *. And when made possible by the National Government, the State in order more effectively to teach and train its citizens for these and like purposes may avail itself of the services of officers and equipment belonging to the Military Establishment of the United States. So long as it is within retained powers and not inconsistent with an exertion of the authority of the National Government and transgresses no right safeguarded to the citizen by the Federal Constitution, the State is sole judge of the means to be employed and amount of training to be exacted for the effective accomplishment of these ends. Second amendment, *Houston* v. *Moore* (5 Wheatl, 16–17. *Dunne* v. *The People* (1879) (94 Ill. 120, 129). * * *

"The clauses of the fourteenth amendment invoked by appellants declare: 'No State shall make or enforce any law which shall adbridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law.' Appellants' contentions are that the enforcement of the order prescribing instruction in military science and tactics abridges some privilege or immunity covered by the first clause and deprives of liberty safeguarded by the second. The 'privileges and immunities' protected are only those that belong to citizens of the States—those that arise

from the Constitution of the United States as contrasted with those that spring from other sources. *Slaughter-House cases*, (16 Wall. 36, 72–74, 77–80). *McPherson* v. *Blacker* (146 U. S. 1, 48)." Numerous other cases cited.

"The fact that they are able to pay their way in this university but not in any other institution in California is without significance upon any constitutional or other question involved. California has not drafted or called them to attend the university. They are seeking education offered by the State and at the same time insisting that they be excluded from the prescribed course solely upon grounds of their religious beliefs and conscientious objections to war, preparations for war, and military education. Taken on this basis of the facts alleged in the petition, appellants' contentions amount to no more than an assertion that the due-process clause of the fourteenth amendment as a safeguard of 'liberty' confers the right to be students in the State university free from obligation to take military training as one of the conditions of attendance.

"Viewed in the light of our decisions, that proposition must at once be put aside as untenable.

"Government, Federal and State, each in its own sphere, owes a duty to the people within its jurisdiction to preserve itself in adequate strength to maintain peace and order and to assure the just enforcement of law. And every citizen owes the reciprocal duty, according to his capacity, to support and defend government against all enemies. (*Selective Draft Law Cases*, supra, p. 378; *Minor* v. *Happersett*, 21 Wall. 162, 166.)

"*United States* v. *Schwimmer* (279 U. S. 644) involved a petition for naturalization by one opposed to bearing arms in defense of country. Holding the applicant not entitled to citizenship, we said (p. 650): 'That it is the duty of citizens by force of arms to defend our Government against all enemies whenever necessity arises is a fundamental principle of the Constitution. * * * Whatever tends to lessen the willingness of citizens to discharge their duty to bear arms in the country's defense detracts from the strength and safety of the Government."

Mr. Justice Butler cites and quotes at length *United States* v. *MacIntosh* (283 U. S. 605), a later naturalization case, in which the applicant was unwilling, because of conscientious objections, to take unqualifiedly the statutory oath of allegiance, and as in the case above, the application was denied. The Court disposed of that case in these words: "No other conclusion is compatable with the well-nigh limitless extent of the war powers as above illustrated, which include to compel the armed service of any citizen in the land, without regard to his objections or his views in respect of the justice or morality of the particular war or war in general.

"In *Jacobson* v. *Massachusetts* (197 U. S. 11, 19) this Court (upholding a State compulsory vaccination law), speaking of the liberties guaranteed to the individual by the fourteenth amendment, said: '* * * and yet he may be compelled, by force if need be, against his will and without regard to his personal wishes or his pecuniary interests, or even his religious or political convictions, to take his place in the ranks of the Army of his country and risk the chance of being shot down in its defense.'

"And see *Pearson* v. *Coale* (— Md. —, 167 Atl. 54), a case similar to that now before us, decided against the contention of a student in the University of Maryland who on conscientious grounds objected to military training there required. His appeal to this Court was dismissed for want of a substantial Federal question (290 U. S. 597).

"Plainly, there is no ground for the contention that the regents' order requiring able-bodied male students under the age of 24, as a condition of their enrollment, to take the prescribed instruction in military science and tactics, transgresses any constitutional right asserted by these appellants."

"The contention that the regents' order is repugnant to the Briand-Kellogg peace pact requires little consideration. * * * Clearly, there is no conflict between the regents' order and the provisions of this treaty." Affirmed.

Mr. Justice Cardoza, after noting his concurrence in the Court's opinion as delivered by Mr. Justice Butler, said: "* * * the petitioners have not been required to bear arms for any hostile purposes, offensive or defensive, either now or in the future * * *. If they resort to an institution for higher education maintained with the State's moneys, then, and only then, they are commanded to follow courses on instruction believed by the State to be vital to its welfare * * *.

"Manifestly a different doctrine would carry us to lengths that have never yet been dreamed of. The conscientious objector, if his liberties were to be thus extended, might refuse to contribute taxes in furtherance of war, whether for attack or defense, or in furtherance of any other end condemned by his conscience as irreligious or immoral. The right of private judgment has never been exalted above the powers and the compulsions of the agencies of government. One who is a martyr to a principle—which may turn out in the end to be a delusion or error—does not prove by his martyrdom that he has kept the law.

"I am authorized to state that Mr. Justice Brandeis and Mr. Justice Stone join in this opinion."

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes.

Mr. COPELAND. Mr. President, through an inadvertence yesterday the amendment offered by the Senator from Missouri [Mr. CLARK] was not quite correctly included in the reprint of the bill. It is correctly set forth in the RECORD. I have talked with the Senator from Missouri, so what I am saying is in full accord with his views.

On page 2 of the new print of the bill, line 19, before the first word "medicinal", the word "no" should be inserted.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 19, before the word "medicinal", it is proposed to insert the word "no", so as to make the paragraph read:

(c) The term "cosmetic" includes all substances and preparations, except soaps or household cleansers for which no medicinal or curative qualities are claimed by the manufacturers or retailers in labels or advertisements, intended for cleansing, or altering the appearance of, or promoting the attractiveness of, the person.

The VICE PRESIDENT. Without objection, the amendment is agreed to. The question is on the engrossment and third reading of the bill.

Mr. COPELAND. Mr. President, on page 10 of the old print——

Mr. VANDENBERG. Mr. President, will the Senator from New York yield?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. I should like to have the Vice President know that there are a large number of amendments pending, and there will be no anxiety about final passage of the bill.

The VICE PRESIDENT. The Chair saw in the RECORD that all committee amendments had been agreed to, and the bill has therefore reached the stage of engrossment and third reading. Naturally the only question that can be before the Senate is the engrossment and third reading of the bill until some Senator offers an amendment. The Chair will deprive no Senator of an opportunity to offer amendments. The Senator from Michigan may be assured of that.

Mr. BORAH. Mr. President, I understand the Senator from New York is going to recur to section 303 on page 10 of the bill?

Mr. COPELAND. That is correct. I am going to offer an amendment to that section.

Mr. BORAH. Very well.

Mr. COPELAND. On page 10, line 15, in the new print, line 11 of the old print——

The VICE PRESIDENT. The Senator from New York will permit the Chair to make a statement. The parliamentary clerk suggests that Senators use the old print. There are parliamentary reasons for so doing.

Mr. COPELAND. Very well. On page 10 of the old print, line 11, after the word "vegetables", I move to strike out the period and insert the words "and no standard of identity for fresh apples and fresh pears."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 10, line 11, after the word "vegetables", it is proposed to insert the words "and no standard of identity for fresh apples and fresh pears", so as to make the proviso read:

Provided, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. TRAMMELL. Mr. President, I should like to submit an inquiry to the Senator from New York. Why should the Senator select one class of fruit and omit others? We are very much interested in the question in my State. Why select apples and omit other classes of fresh fruit?

Mr. COPELAND. Does the Senator want me to say frankly why? In all friendliness to the Senator and to the State which in part he represents, and of which I am a part-time citizen——

Mr. TRAMMELL. We are very proud of that fact.

Mr. COPELAND. I suggest the Senator do not press the matter.

Mr. TRAMMELL. Very well.

Mr. McNARY. Mr. President, I have a letter from the Rogue River Traffic Association of Medford, Oreg., relating to the matter just now suggested by the Senator from New York. I should like to have the clerk at the desk read the letter, and then I shall be glad to have a comment by the Senator from New York.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

ROGUE RIVER VALLEY TRAFFIC ASSOCIATION,
Medford, Oreg., March 29, 1935.

Hon. CHAS. L. MCNARY,
Senate Office Building, Washington, D. C.

Proposed food and drugs bill, S. 5, committee print no. 3 (now committee print no. 4)

DEAR SIR: In behalf of the pear and apple producers of this district, we wish to protest the passage of the above-mentioned act in its present form. It is our position that the bill should be amended in at least three particulars, which are vital to said producers.

First. Apples and pears at least should be exempted from "Standards of identity" in section 303. The Secretary of Agriculture should not be granted the power to fix the sugar, acid, and solid content of these fruits, raised under all the varying differences of varieties, soil, weather conditions, age, and care of trees, etc., in a country as vast as the United States. In our judgment all fresh natural foods should be exempted, but certainly apples and pears. Otherwise, varieties and sections could be eliminated from marketing, either in whole or in part, depending on how high the standard was fixed. In fact, there would always be grave danger in any such standard of identity.

Second. The court review section (702) should be so rewritten as to insure an interested party, a defendant, or a claimant of goods in the event of seizure, his full day in court on all of the facts underlying or surrounding the Secretary's regulations and any new scientific or other facts that may have developed since the regulation was promulgated. That right is not now given by section 702. The right of review by the courts is now very much limited and circumscribed, and the citizen does not have his full day in court as he does under the present law. Primarily, what is now proposed is government by promulgated regulations without a full right of review of those regulations on all of the facts.

Third. The bill should be further amended so that an interested party (fruit growers or others) can initiate proposed amendments to regulations. As it is, the Secretary alone is required to initiate regulations and amendments. Neither a citizen nor the advisory committees can initiate anything. It is all in the hands of the Secretary.

The foregoing amendments are vital to the citizen and in no way affect the purity of food.

We respectfully request that you use your influence to have the bill so changed as to meet the above objections.

Yours very truly,
ROGUE RIVER VALLEY TRAFFIC ASSOCIATION,
By W. J. LOOKER, *Secretary.*

Mr. McNARY. Mr. President, after we have order on the floor of the Senate I should like to make a request.

The PRESIDENT pro tempore. The Senator from Oregon asks for order.

Mr. BORAH. For order on the floor.

Mr. McNARY. I particularly specified order on the floor, and I think if the Presiding Officer should indicate a desire to have order we would have it.

The PRESIDENT pro tempore. The Senator from Oregon desires order in the Chamber. The Chair may state that the Senate makes its own rules; it knows its own rules, and the Chair is satisfied that the Members of the Senate do not desire to disobey the rules.

Mr. McNARY. The letter which has been read is very clear, and covers the situation which I should like to have the Senator from New York discuss and describe if he will.

Mr. BORAH. Mr. President, I desire to ask the Senator a question. Practically the same letter came to me from the Traffic Association of Idaho. I do not understand what change is desired in section 702. The letter which has been read is not clear to me, although it is in the same terms as the letter I have received. I do not know what the letter is asking for with reference to court procedure. I wonder if those writing the letters had the latest print.

Mr. COPELAND. I think I know what is desired by the writer of the letter.

Mr. BORAH. Very well.

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from New York?

Mr. McNARY. I yield the floor.

Mr. COPELAND. Mr. President, the writer of this letter complains of a provision in the bill which he thinks should be corrected. He speaks about differences in climate and soil and their effects upon apples. He fears the Department may attempt to establish a standard of identity for this product and that it might distress the apple-growers.

I have just presented, and there was adopted, an amendment, that no standard of identity for fresh apples and fresh pears shall be established.

Mr. BORAH. May I ask just what is the amendment which has been adopted? How does it read?

Mr. COPELAND. On page 10, beginning at line 13 with the word "*Provided*", the amendment reads:

Provided, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears.

That takes care of the first criticism of the writer.

The next criticism is due to the failure of the writer of the letter to realize that another amendment has been inserted in the bill. The writer said in his letter, as I understood it, that there is provided no opportunity for an industry or a group of citizens to make any move to secure a new regulation, or to change an existing one.

If Senators who are interested will look in the old print of the bill, on page 32 it will be seen that we have inserted an amendment to which I shall refer in a moment.

Let me say, as introductory to what I am about to remark, that in the original bill as presented, the Secretary of Agriculture was granted arbitrary power. If he should think overnight of something he might want to put in the form of a regulation, he could formulate and enforce that regulation. We were not willing, and I say for myself I was not willing, to have such power reposed in any individual. Therefore the bill was changed so that a regulation cannot be made until the Secretary has first decided that it is needed. Then he transmits the proposed regulation, in the case of foods, to an advisory committee of 7, appointed by the President, 2 of whom shall be from food industries, so there will be a certainty that in the committee hearing affected industries will be represented. Then, if the advisory committee decides that the proposed regulation is a reasonable one and ought to be given consideration, a public hearing is held.

In short, the advisory committee has first passed upon the proposed regulation. Industry is represented on the committee; but, even after that, the regulation goes back to the Department in order that there may be a public hearing, that all parties in interest may be heard. Then, after it has been determined that a regulation is necessary, it goes back to the committee, and a majority of the committee must say "yes; that is a good regulation." All this must be done before it may be promulgated.

The writer of this very intelligent letter, however, makes the very just complaint, if it were well founded, that there is no opportunity for an industry to make an appeal for a regulation or for a change in a regulation. Senators will find on page 32 of the bill, beginning at line 15, the language I am about to read. This part of the bill relates to a function of the committee of which I have spoken:

Having received from an interested industry or from representatives of the public a request for a new regulation or a change in an existing regulation, either committee—

That is, either the public health committee or the food committee—

on its own motion, may advise the Secretary of its recommendations for action in accordance with the procedure set up by this section.

So I may say to the able Senator from Oregon that the criticism which was transmitted to us by the writer of the letter has been met and answered by the language I have read.

LOUISIANA'S CONTRIBUTION THAT HAS SPREAD INTO A PLAN FOR AMERICAN RESTORATION

Mr. LONG addressed the Senate. His remarks appear on p. 5014.

REGULATION OF TRAFFIC IN FOODS, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. COPELAND. Mr. President, the Senator from California [Mr. JOHNSON] is not present, but a number of days ago he showed me the suggestion of a change which, so far as I am concerned, I am glad to have made, and the Department feels the same way about it. It is on page 27, line 18.

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

Mr. COPELAND. I yield.

Mr. NORRIS. I should like to say to the Senator from New York that the Senator from California has been ill for several days, which is the reason why he has been absent from the Senate.

Mr. COPELAND. Yes; I understood the Senator was ill, and it was because of that fact that I wanted to make sure the amendment which he showed to me is given attention by the Senate.

It is the desire of the Senator offering the amendment that in the court's review of a regulation it shall be very clear that the court shall go to the heart of the matter as regards the facts upon which the regulation was based. To make sure of this it is suggested by Senator JOHNSON that in line 18, on page 27, we strike out the language in italics in the original bill, "in the light of the facts", and that in line 19 we strike out the first word "with", and that at the end of line 18 there be added "with the facts or", so the language would read:

If it is shown that the regulation is unreasonable, arbitrary, or capricious, or not in accordance with the facts or law.

I move the adoption of that amendment.

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

Mr. COPELAND. I yield.

Mr. KING. What suggestion does the Senator make with respect to the words "and that the petitioner may suffer substantial damage by reason of its enforcement"?

I may say that I do not regard that condition as essential in order to obtain relief in the courts.

Mr. COPELAND. I do not think I do, either.

Mr. KING. I shall move to strike out that language at the appropriate time, unless the Senator consents to striking it out now.

Mr. COPELAND. I think it would not be in order until the committee amendments are completed. I ask, however, that the change suggested by the Senator from California be made.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. COPELAND. On page 28, line 7, to accomplish the same object I offer an amendment to strike out the words "in the light of the facts" and to insert at the end of the line the words "the facts or."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. COPELAND. I offer one other amendment: On page 46, at the bottom of the page, after the word "seized", in line 25, to strike out the period and insert a comma and the words "and as regards fresh apples and fresh pears a true copy of the analysis on which the proceeding is based", so the paragraph will read:

The court at any time after seizure up to a reasonable time before trial shall, by order, allow any party to a condemnation proceeding, his attorney or agent, to obtain a representative sample of the article seized, and as regards fresh apples and fresh pears a true copy of the analysis on which the proceeding is based.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

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

Mr. COPELAND. I yield.

Mr. McNARY. In the absence of the senior Senator from California [Mr. JOHNSON], who has been detained at home during the week by illness, I propose an amendment at his request, which I ask the clerk to state, and on which I should like to have the observations of the Senator from New York.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 10, line 9, after the word "container", to strike out down to and including line 11 and insert the following:

: *Provided*, That no standard of quality or standard of identity shall be established for any fresh natural food: *And provided further*, That in any regulations pertaining to fill of container the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material.

Mr. COPELAND. Mr. President, so far as I am concerned, I have no objection to the portion of the amendment beginning with "*And provided further.*" The first part we have already discussed. If the Senator from Oregon, speaking for the Senator from California, presents an amendment so that at the end of section 303 as amended there shall be added the language:

And provided further, That any regulations pertaining to fill of container—

And so forth. I have no objection to that.

Mr. McNARY. Mr. President, I formally offer, in behalf of the Senator from California [Mr. JOHNSON], the language suggested by the Senator from New York.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] for the Senator from California [Mr. JOHNSON], as modified.

The amendment as modified was agreed to.

Mr. COPELAND. So far as the committee is concerned, I think we have no further amendments. I now yield the floor.

Mr. BORAH. Mr. President, has the Senator from New York finished with section 303, so far as the Senator in charge of the bill is interested?

Mr. COPELAND. Yes.

Mr. BORAH. Then I should like to have the clerk read section 303 as it now stands.

The PRESIDENT pro tempore. The clerk will read, as requested.

The legislative clerk read as follows:

DEFINITIONS AND STANDARDS FOR FOOD

SEC. 303. For the effectuation of the purposes of this act, the Secretary is hereby authorized to promulgate regulations, as provided by sections 701 and 703, fixing and establishing for any food a definition and standard of identity and a reasonable standard of quality and/or fill of container: *Provided*, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears: *And provided further*, That in any regulations pertaining to fill of container the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material.

Mr. VANDENBERG. Mr. President, I desire to call the attention of the Senator from New York to the fact that I wish to offer the amendment, which I send to the desk in relation to the variation clause.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 14, line 23, beginning with the words "no drugs", it is proposed to strike out down to the end of the sentence on page 15, line 6, and in lieu thereof to insert the following:

No drug shall be deemed to be adulterated under this paragraph if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium.

Mr. VANDENBERG. Mr. President, the Senator from New York is familiar with the fact that there has been a great deal of argument and discussion respecting the variant section of the law, and for a long time there was insistence upon the part of perfectly legitimate manufacturers that the word "identity" should be maintained. After consultations yesterday, which I think may be said to include some of the neutral experts of the city, on the subject, it has been concluded to drop the request for the maintenance of the

word "identity", and it is requested instead that the language which I have now offered shall be substituted for the sentence in question. As I understand, just two things will happen as a result, yet both those things are vital to the legitimate manufacturer.

In the first place, the physical difficulty of long definitions upon the label, which are required in the sentence proposed to be stricken out, will be eliminated. I understand the Senator from New York has no objection at that point.

The other important thing is the maintenance of the property rights which a legitimate manufacturer has in a commodity which he has perfected under a trade name.

Under the sentence, as written in the bill, the manufacturer, with his own identified commodity, must indicate upon the label that it is unofficial, and perhaps that means inferior in the event that the Board of Standards decides for itself that the manufacturer's own product should be formulated upon a different formula. The only thing in the world which is sought to be protected is the property right of the manufacturer in his own production, his own creation, his own property. Under the amendment as offered I think the Senator from New York will concede there is no possibility for any deception upon anybody in any essential situation and no possibility of an affront to the purposes of this proposed act. I wish to ask the Senator from New York if he cannot agree with me to let this substitution of this one sentence proceed as indicated?

Mr. COPELAND. Mr. President, if there is one Senator on the other side of the Chamber with whom I should like to agree, it is the distinguished Senator from Michigan. I always want to agree with a man who may sometime be President of the United States.

Mr. VANDENBERG. Mr. President, if the Senator will yield, I desire to say that that is one of those misbrandings which we are trying to prevent by this proposed legislation. [Laughter.]

Mr. COPELAND. I am sure it would not be an adulteration of civic righteousness if it should happen.

Mr. VANDENBERG. I am confident that that is so.

Mr. COPELAND. Mr. President, I cannot agree to this amendment in its entirety, for myself I am willing to agree to a part of it, then the Senator from Michigan, if he does not get all he wishes, will at least obtain part of what he is asking. However, let me now show the Senate, or try to do so, why this is not a proper amendment. I feel sorry for Senators who have not the same technical interest in this bill that I have or that some of the others of us have, but, nevertheless, this is a matter of public concern.

Mr. VANDENBERG. I feel sorry for those who do have.

Mr. COPELAND. Well, there is something in that, but on page 14 of the original bill, the Senator proposes to strike out this language:

> No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium.

Let me say to those who perhaps are not fully aware of it that there has been in existence in this country for many years a board which is nonofficial, but which is generally recognized, the Board of the United States Pharmacopœia. This board has exercised great good sense and, in the public interest, has provided standards which are useful not only to the pharmaceutical and medical profession but to the allied professions. It is a board which has done much to protect the public health.

It is very important when one has a prescription which his physician in New York has written that if he goes to San Francisco or Portland, Maine, and desires to have that prescription refilled, it shall contain exactly the same ingredients and the same strength ingredients in the new place as in the place where the prescription was originally written and filled. That is why the official compendium is so reliable; that great standard work, the Pharmacopoeia, a tremendous volume, which is revised every 10 years and may be, by supplements, amended between the periods of full revision, guarantees uniformity in drug products.

The Senator from Michigan proposes to strike out this language:

> No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium if its label bears in juxtaposition with the name of the drug a statement indicating wherein its strength, quality, and purity, as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium.

For that provision the Senator proposes to substitute the following:

> No drug shall be deemed to be adulterated under this paragraph if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium.

That would be false on its face.

Mr. VANDENBERG. Is not that the existing situation?

Mr. COPELAND. Does the Senator mean in the bill?

Mr. VANDENBERG. No; but the existing practice today is the set-up indicated in the proposed amendment.

Mr. COPELAND. I do not think any druggist would now dare to sell as U. S. P., which means United States Pharmacopoeia, a product labeled "U. S. P.", which is presumed to be official, unless it actually conformed to the requirements.

We had some experience with "ginger jake", which proved to be an adulterated extract of Jamaica ginger. It was sold by reputable druggists because the label was so falsely written as to indicate it was "U. S. P." Of course, I realize we cannot by law make people good, but we can protect them to a great extent, at least, and we must do it so far as we can.

The Senator from Michigan proposes that any drug may be sold as official "if the standard of strength, quality, or purity be plainly stated on its label, although the standard may differ from that as determined by the tests or methods of assay set forth in an official compendium."

In other words, let us take, for example, iodine. I think the official standard requires for iodine that for every hundred cubic centimeters of alcohol there must be 10 grams of iodine. If the amendment proposed by the Senator from Michigan—and I know he presents it in all good faith, believing it is a proper amendment—should prevail, the manufacturer could put out a product labeled "iodine" which contained only 3 or 4 grams per hundred cubic centimeters of alcohol if the label stated that there were 4 grams of iodine to each hundred cubic centimeters. How would the purchaser know that the thing he purchased was standard iodine?

I say it is utterly wrong to permit the sale in the United States of drugs which are purchased by the consuming public and which they presume to be of the same standard as drugs which they have always purchased but which may be below that standard and be sold legally if the label says, "This contains 4 grams of iodine", when properly it should contain 10 grams.

I would be perfectly willing to meet the Senator half-way.

Mr. VANDENBERG. Before the Senator meets me halfway may I ask him a question to see if he cannot meet me a little further along toward my end of the road?

Do I misunderstand the situation to be as follows, using an example: Here is a manufacturer who develops cascara sagrada. It becomes an integrated trade remedy, well known, unquestionably legitimate, and produced by a thoroughly reliable, legitimate, honest, honorable producer. The U. S. P., producing this compendium somewhere, not orginating any formulas itself, not creating any compositions itself, but merely recording the achievements of others and in some degree assuming to pass upon betterments in connection therewith, recognizes the existence of cascara sagrada, but changes in some degree the formula before it is published in the compendium. Thereupon, under the language of the bill as presented, as I understand it, the original manufacturer, the discoverer, the creator of cascara sagrada, because the U. S. P. has undertaken in its discretion to change the formula in some slight manner, no longer can produce cascara sagrada——

Mr. COPELAND. According to his formula.

Mr. VANDENBERG. According to the formula upon which it had originally gained its popularity and its justified standing in the country, except as he puts upon the label an acknowledgment that it is unofficial or different in some aspects from the U. S. P., thus carrying the psychology of inferiority into the market places.

Does the Senator think that is fair to the manufacturer who has developed this thing? I am not speaking for any fakers or impostors. I am speaking from the viewpoint of some of the most reliable manufacturers in the United States, as the Senator from New York knows. Do they not possess a property right which is entitled to be respected in this aspect, and what final harm has been done to any interest if they be permitted to proceed as indicated?

Will the Senator use my example and tell me what the answer is?

Mr. COPELAND. I want to answer the Senator, but can the Senator give me any other similar example?

Mr. VANDENBERG. Yes. Ephedrin. I ask the Senator from New York not to pursue me too far into the chemical laboratory.

Mr. COPELAND. This is the point I desire to bring out. I think, as regards the two articles the Senator mentioned, he is entirely right. I think the Pharmacopoeia Board has been stiffnecked. I do think these great manufacturers, who not only make money through their operations, but do great good by their experimental work and by their laboratory work, should be encouraged. I think as regards these two particular products—and there are not many others—there has been a great injustice done.

But we are not legislating for that particular manufacturer, although the establishment in question is one of the greatest in the world. It is located in my own native State. I have known about it from my early recollection, and certainly have known a lot about it since I became interested in medicine. There is no finer laboratory or more reliable firm anywhere than that one.

As regards these two preparations, I think that concern has been imposed upon by the Pharmacopoeia Board, and I say that with all consideration to a board for which I have great respect, and for a great publication which is of vital importance to every citizen. But that does not make any difference. Even though that one firm has been discriminated against by the board in the past—and I shall refer to that again if I do not forget it—even so, when the druggist in Suffern, N. Y., buys one of these products he has a right to believe that the product is U. S. P. official. The doctor who prescribes it, who is familiar with the Pharmacopoeia, has a right to know it. It is a fraud upon the public to permit the sale of an article which is not official, and, therefore, I could not be a party to accepting the proposed amendment.

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

Mr. COPELAND. Certainly.

Mr. VANDENBERG. How is it a fraud if the doctor or druggist is informed, on the one hand, respecting what the U. S. P. formulas are, and, on the other hand, if they can read what the label says and truthfully says in disclosing the contents of the box? In other words, are we not merely trying to transfer some of the responsibility of the physician and the druggist to the back of the manufacturer? Is not that what it comes down to?

Mr. COPELAND. Perhaps. These products are rarely dispensed in the original boxes. It is a common practice of the profession which I used to follow to write a prescription in some unknown language and send it to the druggist. Even though the druggist fills the prescription by giving out the original bottle, he takes off the label. The label does not go to the patient. The druggist tears off the original label, which contains the information mentioned, and put on the bottle, "Prescription of Dr. COPELAND, No. 1250"—I presume I put the number too high, because that would be a good many patients, so we will say "No. 33." When my patient takes that medicine he takes something which is different from what my training has taught me to believe should be used. The substitute is not official. It is not the article which I prescribed, and therefore it is a fraudulent transaction.

Mr. VANDENBERG. Under the practice ever since the original Food and Drug Act was passed, is it not a fact that the manufacturer of cascara segrada, even though his formula differs from the U. S. P., has not been forced so to state upon the label? Is not that a fact?

Mr. COPELAND. The advice I get from the expert from the Department is that it was the practice, at least in two or three instances, and the Department has not yet heard the last of it.

Let me present an example of what I have in mind. It will appeal to the distinguished Senator from Michigan, who I know is entirely sincere—and once more I apologize for presuming to have any technical knowledge that some of the other Senators do not possess: There is sickness in the Senator's own family. He decides to call another physician, or his family physician decides he wants a consultation, and sends to Chicago for some eminent diagnostician and practitioner.

This consultant examines the member of the family dear to the Senator, and decides that a certain drug is the needed remedy. He has learned from long experience in his practice in Chicago that that drug is a valuable drug and helpful in such a case as this critical one; so he advises the family physician to give that drug; the family physician accepts the suggestion and writes the prescription. Instead of being the drug which the Chicago doctor prescribed, however, it is another drug, or another preparation, differing in standard of strength from the drug he desired to give the patient.

I am not thoroughly convinced how valuable drugs are in the practice of medicine. I sometimes have had reason to question their real value. I do not like to make any confessions to that end; but if a doctor prescribes a drug which is universally recognized as having a certain standard of strength, that is the drug which the patient ought to get; and I should not be honest with the Senator or with the American people if I did not resist this amendment.

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

Mr. COPELAND. I yield.

Mr. VANDENBERG. If the Senator were the physician who was called in to preside over the poignant situation which he defines, and he concluded to recommend cascara sagrada, would he care at all whether it was cascara sagrada as made by the originator of it and as accepted as standard for years in this country, or would he feel he had been defrauded because it was not cascara sagrada made according to the formula of the U. S. P.? Would he feel himself defrauded, or would his patient be exposed?

Mr. COPELAND. I think both.

Once more, let me say as regards that particular product that I think Parke, Davis & Co. have been imposed upon by the Pharmacopoeia Board. I say that notwithstanding the fact that there are members of the Pharmacopoeia Board in this audience this morning. But, even so, I said long ago, and repeat now as my opinion, that the Pharmacopoeia Board ought to have recognized the fine product which was originated in that great laboratory and developed there; but the Pharmacopoeia Board has not done it. But when that product is purchased in St. Louis or Tucson or somewhere else, after the doctor has prescribed it, he has a right to expect that the official standard is met by the product dispensed. That is as it should be. Let me say now what I said I desired to say if I did not forget it. I do not know whether or not I reveal anything I ought not to reveal; but I was told this morning by a distinguished gentleman who has my full confidence that the particular articles mentioned by the Senator, and some others, are to be given immediate consideration by the Pharmacopoeia Board, and that they ought to have consideration. I am not going to trust to that, however, because I am not willing to have drugs sold, allegedly official drugs, when, as a matter of fact,

they may be only half the standard prescribed by the official work, the Pharmacopoeia.

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

Mr. COPELAND. I yield.

Mr. VANDENBERG. Does it occur to the Senator that he may be invading a very important property right which might seriously jeopardize the authority of his entire proposition?

Mr. COPELAND. I cannot help it. This is not a property-right bill. We are not striving to invade the vested rights of people, of course. I reluctantly yielded yesterday and presented an amendment to protect certain food manufacturers who have proprietary rights in certain foods. I did not want to do that, but in the case of foods the conditions are entirely different from drugs, and there were reasons why it seemed wise to do it. I felt about those concerned that they had vested rights, but that was not the determining factor. I feel about the particular article mentioned by the Senator from Michigan that that concern has a vested right; but, Mr. President, I cannot help that. When we come to give drugs for disease we must take no chances. If drugs have a place in the relief of human suffering and in the prolongation of life, when the physician prescribes a given drug, that is the drug which must be given, and it is not right or proper that we should vary from that course.

I am sorry to have to take that position. I love the Senator from Michigan. If I had a hundred dollars, I would lend it to him or give it to him. I would do anything I could that would be helpful to him; but I cannot yield on this matter. I will go a little further, however. As I told him, I will meet him—it is not half-way——

Mr. VANDENBERG. Does the Senator mean, by going further, that he is going to $150? [Laughter.]

Mr. COPELAND. I have not that much. [Laughter.] I went further than the limit when I said $100.

I am willing to strike out, on page 15, line 2, the language "in juxtaposition with the name of the drug", so that it will read:

No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefore set forth in an official compendium, if its label bears a statement indicating wherein its strength, quality, and purity, as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium.

I will do that. I will go that far, and I wish I could go the whole distance, but I cannot do it.

Mr. VANDENBERG. That meets half of the objection.

Mr. COPELAND. All right. That is a good deal, if the Senator gets that.

Mr. VANDENBERG. All right; but let us see if we cannot adopt my amendment and meet all the objection.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was rejected.

Mr. COPELAND. Now I desire to complete the matter; and, as I said, I will concede the other part. On page 15, line 2, I move to strike out the words "in juxtaposition with the name of the drug."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SCHWELLENBACH. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 34, line 20, after the word "carrier", it is proposed to insert a colon and the following:

Provided further, That whenever in the opinion of the Secretary it is practical, he shall attempt to make the objective inspection of food packed in a Territory or possession of the United States at the first point of entry within the territorial limits of the United States.

Mr. COPELAND. Mr. President, there is no objection to that amendment. I think it is a very excellent one.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

Mr. BARBOUR. Mr. President, I submit an amendment, which I ask to have read, together with a statement I have prepared regarding the amendment and explaining very clearly the necessity for it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 18, line 6, after the word "Provided", it is proposed to amend section 402 (f) by inserting the following:

That no drug shall be deemed to be misbranded, under subdivision 1 of this paragraph, by reason of failure of its labeling to bear adequate directions for use, when sold for the purpose of further processing or manufacturing, for the compounding of physicians', dentists', or veterinarians' prescriptions, or for use in the arts and sciences: *Provided further*.

The PRESIDING OFFICER. The Senator from New Jersey has also sent to the desk a statement which he has asked to have read. Without objection, the clerk will read.

The Chief Clerk read the statement, as follows:

Under section 402 (f) a drug is misbranded "if its labeling fails to bear plainly and conspicuously complete and adequate directions for use." Large quantities of fine chemicals, chemical medicinals and drugs of the highest purity are shipped from one manufacturer to another for further processing and for use in the arts and sciences and to wholesalers and retailers which do not go direct as such to the ultimate consumer. As the bill now stands, all of these shipments would be misbranded and subject to seizure and penalties of the act unless they bear complete and adequate directions for use. The purpose of this amendment is to clearly exempt these fine chemicals from the requirement of complete and adequate directions for use which is a needless, cumbersome requirement for medicinal chemicals not going to the ultimate consumer. This amendment in no way reduces the requirement of complete directions for fine chemicals sold to the ultimate consumer.

To further illustrate, many fine chemicals have extensive use for industrial as well as medicinal purposes. Silver nitrate is used for mirrors and in photography and as a medicinal. Potassium iodide is used in photography and as a medicinal. Magnesium sulphate is shipped in carload lots for nonmedicinal use. The dosage or directions for use vary widely. Potassium iodide is employed as a diuretic, antirheumatic, antisclerotic, and in prescriptions for such uses the dosage would vary with the condition of the ailment, the patient, the type of treatment. Another example: Quinine sulphate is indicated for tonic use in dosage of 1½ grains, while for antimalarial medication the dosage varies up to 15 grains; quinine has over 30 uses in addition to its use in malaria.

It is obviously impracticable and needless to label such packages with complete directions for use in respect of all conditions in which the drug or chemical is indicated, in those cases where the sale is not to the ultimate consumer.

While it is possible that the secretary might through regulations provide for chemicals not going to the ultimate consumer, it is bleieved that this very important field should be clearly corrected by a definite provision in the bill in accordance with the proposed amendment. This amendment does not reduce the protection for the ultimate consumer as in all cases the chemical medicinal or fine chemical must be of standard required purity and the directions for use would apply for sales to the ultimate consumer.

Mr. BARBOUR. Mr. President, I realize that on page 22, beginning with line 7, there is a provision to which I think my good friend the able Senator from New York will probably call attention in respect to the matter of regulation on the part of the Department of Agriculture providing exemption from the labeling provision. I feel very strongly, however, that, from the standpoint of the industry and the public, it is not nearly so safe to leave this matter simply to regulations, to be developed in the future by officials now unknown, who may change from time to time and whose duties may likewise change, as it is to have a specific stipulation in the law itself to cover the situation and provide proper regulation. I am sure the Senator from New York himself is in complete agreement with me so far as the purposes I have in mind are concerned.

Mr. COPELAND. Mr. President, if I did not feel that we have fully covered the suggestion made by the senior Senator from New Jersey, so far as I could do so, I would at once accept the amendment. The Senator has already mentioned

subdivision (1), on page 22, and perhaps the Senator did not know that on line 3 we have stricken out the word "authorized" and have provided that the Secretary shall be directed. The Secretary is directed to promulgate regulations exempting from labeling such articles as those to which the Senator has referred.

I am satisfied that with this change, which was suggested by the Senator from Michigan [Mr. VANDENBERG], directing the Secretary to take such action, we are not leaving the matter to anybody. The Secretary must do what the Senator seeks to have done when the substances covered by the provision are shipped in large quantities and are not sold to the consumer. They need not be labeled, and so forth, until after they are ready actually to be sent on to the ultimate consumer. So I feel that under subsection (1) the industry in which the Senator is interested is fully protected, in view of the fact that we have not given the Secretary any option in the matter, but he must perform this prescribed duty.

Mr. BARBOUR. Mr. President, it is very reassuring to have the able Senator from New York make the statement he has just made in respect to this provision on page 22, and I feel that his statement is very helpful. Nevertheless, I should still like to have a vote on the amendment, and I hope it may be agreed to and that there will be no objection raised on the part of the able Senator from New York.

Mr. COPELAND. Mr. President, if the Senator is insisting on a vote on the amendment, I want to say that it would make the bill more or less of an absurdity if there were several provisions covering the same item. If, after the explanation I have made and the assurances I have given, and after a rereading of the language in the light of the change in this paragraph, the Senator still wishes to press for a vote, very well; but I ask the Senator not to press for a vote now.

Mr. BARBOUR. Very well, Mr. President; I will accede to the request of the Senator from New York and not now press for a vote.

Mr. BAILEY obtained the floor.

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

Mr. BAILEY. I yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Pope
Ashurst	Costigan	Lewis	Radcliffe
Austin	Couzens	Logan	Reynolds
Bachman	Cutting	Lonergan	Robinson
Bailey	Dickinson	Long	Russell
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Steiwer
Bilbo	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Maloney	Townsend
Borah	Gerry	Metcalf	Trammell
Brown	Gibson	Minton	Truman
Bulkley	Glass	Moore	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Harrison	Norbeck	Walsh
Capper	Hatch	Norris	Wheeler
Clark	Hayden	Nye	White
Connally	Keyes	O'Mahoney	
Coolidge	King	Pittman	

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

Mr. BAILEY. Mr. President, I propose to discuss the proposed legislation, having in mind the bill as amended up to the present time, and also with a view to pending amendments and certain other amendments which I shall offer and which I have been informed will be offered by others.

It seems to me the proposed legislation is of almost indescribable importance and of no less difficulty. The bill is technical. It relates to the treatment of diseases, a highly developed and yet a speculative science in which there is almost infinite difference of opinion.

The bill relates to the preparation of medicine, one of the oldest of all the arts, developing these 10,000 years, perhaps, and still developing.

The bill relates to the food which the people of the United States eat and which is sold by the merchants throughout the Nation.

The bill relates to advertisements in the press of the country, and it relates to the cosmetics with which some appear to believe that they may perhaps improve their personal appearance.

I listened this morning with interest and, I might courteously say, with illumination to the controversy between "Ginger Jake" and "Cascara Sagrada." I did not know on which side to find myself, and I do not know whether or not the lady "Cascara" defeated "Ginger Jake" in the contest which we had in this arena. But the discussion suggested to my mind just one remark to the effect that if I had to comprehend my criticisms of this legislation in one sentence I should say that it seems to me to have been conceived from the point of view of the enemies of "Ginger Jake." I do not know "Ginger Jake", but I assume from what the distinguished father of the legislation had to say——

Mr. COPELAND. Stepfather.

Mr. BAILEY. Stepfather; I thank the Senator for saying what I should not have dared to say. From what the stepfather of the legislation had to say, it appeared to me that "Ginger Jake" was a very foul and unmannerly sort of a person; and the stepfather of this legislation proposed a 49-page bill, in the nature of the law of a great republic, affecting the entire population, creating inspectors to go out into all the factories of food and of drugs and of chemicals and of cosmetics to put "Ginger Jake" out of business!

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

Mr. BAILEY. I yield.

Mr. WALSH. Would not the Senator like to have a quorum call?

Mr. BAILEY. A quorum call was just had. I thank the Senator for his suggestion; but the interest in this subject, and perhaps in what I have to say upon it, is not sufficient to maintain a quorum in the Senate at this stage.

Mr. WALSH. I do not agree with the Senator from North Carolina.

Mr. ROBINSON. Mr. President, may I interrupt the Senator?

Mr. BAILEY. I yield to the Senator from Arkansas.

Mr. ROBINSON. I do not agree with the Senator, either; but I do wish to point out the fact that a large number of committees are in session, engaged in very important work, and Senators find it very difficult to be here. I feel sure they would like to hear what the Senator has to say.

Mr. McKELLAR. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. BAILEY. If the Senator from Tennessee wishes to suggest the absence of a quorum I am content.

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

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

Mr. BAILEY. I yield.

Mr. WALSH. Is the Senator from North Carolina going to discuss the bill in detail?

Mr. BAILEY. I will say to the Senator from Massachusetts that I intend to compare the new law with the old by showing what is proposed in the way of expansion, and then say something of the implications involved.

Mr. WALSH. Mr. President, what the Senator says is always enlightening. I make the point of order that there is no quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Copeland	Gerry
Ashurst	Brown	Costigan	Gibson
Austin	Bulkley	Couzens	Glass
Bachman	Bulow	Cutting	Gore
Bailey	Burke	Dickinson	Guffey
Bankhead	Byrd	Dieterich	Hale
Barbour	Byrnes	Donahey	Harrison
Barkley	Capper	Duffy	Hatch
Bilbo	Clark	Fletcher	Hayden
Black	Connally	Frazier	Keyes
Bone	Coolidge	George	King

La Follette	Metcalf	Pope	Trammell
Lewis	Minton	Radcliffe	Truman
Logan	Moore	Reynolds	Tydings
Lonergan	Murphy	Robinson	Vandenberg
Long	Murray	Russell	Van Nuys
McAdoo	Neely	Schwellenbach	Wagner
McCarran	Norbeck	Sheppard	Walsh
McGill	Norris	Steiwer	Wheeler
McKellar	Nye	Thomas, Okla.	White
McNary	O'Mahoney	Thomas, Utah	
Maloney	Pittman	Townsend	

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON], caused by illness.

I also announce the absence of the Senator from South Carolina [Mr. SMITH], who is unavoidably detained from the Senate.

Mr. AUSTIN. I wish to announce the absence of the Senator from Pennsylvania [Mr. DAVIS] on account of illness.

I also wish to announce that the Senator from Minnesota [Mr. SCHALL] is absent on account of death in his family; and that the Senator from Wyoming [Mr. CAREY], the Senator from Delaware [Mr. HASTINGS], and the Senator from Minnesota [Mr. SHIPSTEAD] are absent on official business.

Mr. McNARY. I wish to announce that the Senator from California [Mr. JOHNSON] is absent on account of illness.

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

Mr. BAILEY. Mr. President, I hope the Senators who have come into the Chamber in response to the quorum call, which was had by way of courtesy to me—and I think it a real compliment that they should come in, for which I am grateful—will forgive me if, as I look about the Senate and see the vacant seats, I invoke the Scriptures and remark that—

We have toiled all the night and have taken nothing.

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

Mr. BAILEY. I yield.

Mr. WALSH. May I make an inquiry of the Senator? I make the inquiry only for the purpose of indicating the importance of what the Senator from North Carolina is about to say. Is it contemplated that a motion will be made to recommit the bill under consideration?

Mr. BAILEY. I think it should be recommitted. I do not intend to try to defeat sound legislation; but if I succeed in exposing the difficulties of the bill, I think a great deal might be accomplished. I am going to speak generally with a view to the difficulties of the bill, specifically with a view to the character of certain features of the bill, and then with a view to not only my own amendments but others which may be proposed.

Mr. WALSH. I thank the Senator.

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

Mr. BAILEY. I yield.

Mr. CONNALLY. I desire to say to the Senator from North Carolina, with respect to his remarks about the absent Senators, that none of them knew that the Senator was going to speak. I am sure there would be a larger attendance in the Senate had Senators known that the Senator from North Carolina was going to address the Senate at this time.

Mr. BAILEY. I fear the Senator from Texas misapprehended my remarks, which was said by way of humor and addressed to the vacant seats and not to those which were filled. I certainly appreciate the fact that certain Senators have come in; but, at the same time, I should like to say to them that I should not think of being offended if any one of them should feel that he could more profitably spend his time elsewhere. I understand those things perfectly, and I hope my friend understands my remark. I made it in the spirit of humor and mainly for the point of putting in a good Scripture text in the course of a few remarks on the subject of legislation.

Mr. CONNALLY. The Senator from Texas was not offended. He merely wanted the Senator from North Carolina to know that the Senator from Texas was not oblivious of the merits of his anticipated speech, and he was sure that if brother Senators had known it was to be made, they would have been here.

Mr. BAILEY. I am satisfied that the Senator from Texas was not offended, Mr. President, and I think everyone here knows it. I hope to be always void of offense. When the quorum call was made I was remarking that, if I had to comprehend my criticism of this proposed legislation in one sentence, I would say that we were undertaking to legislate about medicine, food, cosmetics, and advertising and trade and to determine the entire national policy with an utterly new law concerning food, drugs, cosmetics, and advertising wholly on the basis of our antipathies to "Ginger Jake."

My conception of legislation is not that we shall construct our statutes on the basis of an offender here or there, but on the basis of the national life and the national welfare, and that in order to restrain "Ginger Jake"—conceding that he is just as bad as the distinguished senior Senator from New York has said—I think that in restraining him we ought to have very careful regard—something more than a due regard—a very considerate regard for the great masses of our people who are without offense, who are touched in no way by the evil which we intend to correct. When we go into matters that deal with trade and commerce and advertising, notwithstanding we have in our minds the greater good of the public health, to which purpose I fully subscribe, we ought, nevertheless, so to construct the legislation as to respect the rights of the law-abiding; and I think we can do that and at the same time take every proper step to restrain the impostor, the evil-doer, and the lawless. This bill, however, is drawn in its present form in the light of evils which we all abhor, but, I suspect, without a proper regard to the rights of the great body of our people who are as inoffensive in matters of conduct as those of us who seek to make these laws which so seriously affect them. To put it in another way, I do not see the necessity of restraining all the American people by putting them under the supervision of bureaucrats. I say it respectfully, but they do exist; they are realities who, unlike ourselves, are not responsible to the people.

We consider this bill at the moment; in a few days assume that it shall have become a law, and it will then pass into the hands of men upon whom I do not intend to reflect but men who are not responsible to the people. They do not have to come up in elections and answer to the electors for the deeds done in their bureaus, but you and I, Mr. President, do have to answer. We have the say today, but tomorrow the people we represent are turned over to the tender mercies of men who stay in office 10, 20, 30, and 40 years, regardless of the will of the people.

I may make a remark here which I do not much like to make. We pass a law here affecting the rights of men under the Constitution, which ought to govern us. It is the law of the Senate, and more the law of Congress than even of the citizen; it is the one thing that binds us. But we cannot be unaware of the fact that there does seem to be in the departments at Washington a disposition to delay the determination of the constitutional rights of the citizen whom we represent under the laws which we pass.

So, Mr. President, I feel that on the very threshold of this discussion, realizing the vastness of the powers here proposed to be given and the sweeping range of the application of the sections of this proposed act that, at any rate, it becomes me—and I am sure other Senators here feel that it becomes them—to have a care that, while we undertake to restrain the wrongdoer and to protect the public, we also have a care that the rights of the great masses of the innocent-minded and innocent-living people whom we represent shall not be adversely affected in any respect.

In my absence, which I very greatly regretted, it was stated on the floor by friends of mine, and in the best of faith, that I was opposed to this proposed legislation. I read the RECORD and noticed that one Senator stated that I was its leading opponent in the committee. I am not an opponent of the proposed legislation; I am not an opponent of the objectives in view.

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

Mr. BAILEY. Certainly.

Mr. COPELAND. The Senator will absolve me, will he not, from that intimation?

Mr. BAILEY. I absolve all Senators, because I understand how that idea arose, and I will take the responsibility for it. I did not say that by way of criticism, either. I did offer amendments in the committee, and I am going to speak about those amendments in the course of my remarks; and perhaps I did create the impression that I was opposed to this proposed legislation.

Let me say, Mr. President, nobody could be opposed to a proper law to insure the providing of our people with pure foods, pure medicines, and I go so far as to say pure cosmetics, although that does not very greatly concern me. My opposition is not to the bill but to certain of its trends; not at all to the objective but to the means; and I hope I may find my way to vote for the measure. No one will strive more earnestly than I will, for the passage of a properly conceived act. On that point I think I can stand precisely upon the ground laid down by the President of the United States in his message to us. He stated the principles which he had in view and which I think we have in view in these words:

> The setting up and careful enforcement of standards of identity and quality for the foods we eat and the drugs we use, together with the strict exclusion from our markets of harmful or adulterated products.

I subscribe to that principle.

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

Mr. BAILEY. Certainly.

Mr. CLARK. I join most heartily with the Senator from North Carolina in subscribing fully and completely to the purposes set out in the message of the President of the United States; and I should like to ask my friend from North Carolina whether, in his opinion, as a member of the committee before which this bill has been for at least 2 years, it is necessary in order to conform to the purposes set out in the President's message to wipe out all the existing fabric of law and to deprive the public of the benefit of 20, almost 30, years of decisions of courts construing the present law, in order to accomplish those purposes, or whether it would not have been better to extend and increase the jurisdiction of the Food and Drug Administration by a proper amendment to the existing law?

Mr. BAILEY. I answer the first branch of the Senator's question in the negative. I will add that I do not think the President of the United States would tolerate for a moment a piece of legislation that described crutches as "drugs" and advertising as "adulteration", carrying the English language and the law very far.

I intend to go into the bill by way of analysis after having made it perfectly clear that no man here will be found more disposed than I am to vote for a progressive and intelligent bill restraining all the wrongs that may be done by way of imposition in advertising or in drugs or cosmetics or food. But in doing that I wish to be guided by the principle which I just stated, of correcting the wrongs without impairing the rights and the liberties of the great masses of our constituents who have done no wrong and who contemplate no wrong.

So much for that. I wish to raise a question about the old law and the new bill. We have had what we may call the "Wiley pure food law" in the statutes of our country since 1906, some 29 years. As I am informed, 46 States in the American Union have founded their State laws upon that act. In addition to that there have been 28 years of judicial determination of the meaning of the statute, the words and phrases in the old Wiley law. We pay tribute to him and we pay tribute to Theodore Roosevelt for bringing forth that law. It has served the American people well.

But at this hour we are uprooting that law and undertaking to erect another. I assert that is not a proper legislative or historical procedure. The process of lawmaking, as I understand it, is a process of evolution by experience. We do not enact new statutes affecting the entire population wherever we have old statutes to which we may recur. I believe it was Blackstone who said, in his elementary but very great source of law, that in the interpretation and the construction of law it is the duty of the lawyer and the judge and the legislator to consider the old law, to consider the mischief, and then to consider the remedy with a view to making a law which is based upon the experience which has been evolved under the law that is and the law that was.

But here we tear up the foundation, we destroy the precedents, we throw ourselves out of gear with the laws in 46 States and predicate legislation upon a new basis, needlessly setting out into a new territory, creating a new body of law. What is wrong with the Wiley Act, the present Pure Food and Drugs Act? It has been amended from 6 to 10 times. As the necessities of our people demanded, it has been improved. Why should we not here take the old Wiley law and find wherein it is inadequate, find wherein it may be improved, find wherein it may meet the needs of the present time, find wherein it may accord with the principles and objectives laid down in the message of the President to us, and by way of amendment, and with the least possible friction and the most accord with the experience of our people in 29 years, why should we not take that old law for the base and build upon it in the historical process of evolution, of experience, and of legislation?

Mr. BORAH. Mr. President——

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

Mr. BAILEY. I yield.

Mr. BORAH. This is to the layman a highly technical bill, and those who are not on the committee have less knowledge perhaps than they ought to have in order to legislate. May I ask just how far and to what extent the bill repeals and abrogates the old Wiley law?

Mr. BAILEY. I shall undertake to show the differences between the two in indicating how far the bill goes beyond the old law. I think that will meet the Senator's question.

Before I go into that matter I want to take up another phase, and that is the matter of the relation of the new bill to the Department of Agriculture. I can reconcile myself in some sort of way to a law that defines a crutch as a drug, and advertising as adulteration, but I have the very greatest difficulty in comprehending how the Department of Agriculture of the United States would ever get jurisdiction over drugs, medicine, advertising, and cosmetics. I understand the Department of Agriculture was created for the purpose of fostering agriculture in the United States and not for the purpose of governing advertising in the United States. It is inconceivable to me that it should take charge of medicine and of cosmetics and of advertising. Yet the bill proposes to have it do precisely that thing. There might be an argument that the Department of Agriculture has made such great triumphs in agriculture that it is seeking new worlds to conquer; but I believe that should someone make that boast in my presence, I should agree that it had exceeded Samson in the slaughter of pigs, but had fallen far, far short of doing as good work in the matter of cotton as has the bollweevil. [Laughter.]

That is said without animosity. That is said by way of illustration. The corn borer and the bollweevil and the little orphan pigs by the millions, the great interests of cotton and of wheat, the great interests involving the livelihood and the welfare of 30,000,000 farm population in great distress, in almost insuperable difficulty—those interests must be divided under the terms of the bill with the supervision of national advertising, and the sale and use of drugs, and the commerce in and application of cosmetics. I confess I do not understand it.

There is something of logic on earth. There is something of reasonableness. We have a great Department of Commerce. The bill comes out of the Committee on Commerce of the United States Senate. I wonder why it was not referred to the Committee on Agriculture and Forestry. The Committee on Commerce is supposed not to restrain and handi-

cap commerce, but to foster it. We restrain commerce only where it does an evil to the general welfare. For one evil that it does there are a million benefits which it contributes. Sitting as guardians of the commerce of the country and looking, as I think we should have looked, to the Department of Commerce and the Federal Trade Commission, for some reason—I suppose at the insistence of the Department of Agriculture—we abdicate commerce in favor of agriculture.

When the Wiley law was first enacted, there was no Trade Commission, but now there is a Trade Commission. While I have heard complaints since I have been in Washington of many departments and bureaus of the Government, I have yet to hear the first by way of criticism of the conduct of business in the Trade Commission. Certainly insofar as this bill relates to commerce—and the traffic in food is commerce, the traffic in drugs is commerce, and the traffic in cosmetics is commerce, and advertising is commerce—so far as the subject matter of this legislation is commercial in its character rather than agricultural, we should do the logical thing, we should do the sensible thing, and we should do the sound thing if we should seize this opportunity, now that there is a Trade Commission with well-established precedents and with direct relations to the trade of the country, to give things commercial over to Commerce; and while I should not care to go too far into comparisons, I think I am safe in saying the Trade Commission is far more qualified to deal with matters of trade than is the Department of Agriculture. I think we should do well, I think we should be constructive, I think we should be logical, if we related the bill in the first instance by proper amendments to the old law, and related it in the second instance by proper amendments to the Federal Trade Commission.

In saying that, I do not intend any reflections upon the Department of Agriculture. My difficulty lies wholly in this: I do not know how the Department of Agriculture gets any conception that it should deal with drugs, how it gets any understanding that it should control or direct advertising. They are not within the remotest conception of its functions. Nothing could be better for the Department of Agriculture of the United States than that it should be relieved of everything except the supreme need of 30,000,000 of the farm population within the borders of our Republic. It would be an aid to them, Heaven knows. If we could bring them to that, and they could master that problem, we would crown them with honor beyond the power of words to describe.

In response to the distinguished senior Senator from Idaho [Mr. BORAH], I desire to say that the old law, the Wiley law, related wholly to foods and drugs. The new proposed law relates to foods, drugs, cosmetics, and advertising. I have made some figures here. I do not know what the food bill of America is. It might be eight or ten billions of dollars conceived of as a whole, per annum; but the commercial and packaged food and the meats, I take it, I might safely say, would involve a commerce of at least $3,000,000,000. The drug commerce of America, I am informed, amounts to $650,000,000 a year, and the cosmetic trade, I am told, comes to $200,000,000 a year; and I cannot withhold the remark that I wonder that we spend so much money and get so little done in that respect.

The old law was confined to the label and the circular included in the package. The measure before us includes legislation of a very strict and comprehensive character relating not only to the label and to the circular, but to advertising; and the advertising includes not only the newspaper advertising but also the radio and the billboard and all other forms of advertising. We propose to cast all of that into the hands of a bureau which will never again be responsible to us, and which, if it follows the example of some bureaus here, will seek not to be responsible to the Supreme Court of the United States in the matter of the rights of our constituents.

I will say to the Senator from Idaho that the old law confined its description in the matters of drugs to the words "false and fraudulent"—historical words of unquestioned legal import. The new proposed law makes the description "false or misleading"; and, of course, the Senator from Idaho, being the great lawyer that he is, realizes at once that when we expand "fraudulent" into "misleading" we get out of the age-long channels of human rights into the infinitely broad channels of administrative discretion, for what is misleading is always a matter in the first instance, at any rate, of opinion. What is fraudulent always has been and always will be a matter of law. "Fraudulent" always implies intent to deceive. "Misleading" implies nothing except that one may be mistaken.

I will agree that there is no penalty and no punishment sufficient for the man who perpetrates a fraud upon innocent people. I hate and I despise a human being who will concoct a nostrum and undertake to make money out of the misery of ignorant and helpless people. I will go as far as anyone will go to put the stripes of the felon upon that sort of man; but in this bill I am asked to leave the ancient form of sound words, on which a civilization itself rests—and that is what it rests upon—to leave that ancient form, and to throw American people on their knees before a bureau in order that they may beg for mercy against the foul accusation that they have uttered some misleading word!

Mr. President, I pause there. That is the root of the matter. There is not one of us here but misleads; not intentionally, of course. We say, sometimes, more than we mean. We are often mistaken. I just now misled my very good and highly esteemed friend from Texas [Mr. CONNALLY] with a light remark. Misleading? Why, it is the history of frail humanity; and here is an alteration in a law established for 29 years in which we abandon the strict construction of the word "fraudulent", which is shot through with the intent to deceive, and substitute for it the word "misleading", which is as innocent as an angel's heart. I protest against it.

Now to go on: In each case the determination whether false and fraudulent—or, now, false and misleading—is made in the first instance by the Bureau; and the Bureau is presided over in this matter of medicine and cosmetics by a lawyer. If he were not a lawyer, he might be a doctor; and he is the judge. He sends forth his inspectors. He calls on your constituent and mine. He calls in question the American citizen with the Stars and Stripes above his head. He determines that this man has uttered misleading words. We put within the power of a man not responsible to the people of America the right of absolute destruction.

Now I go back to the beginning. I agree that we must do whatever we may do to get "Ginger Jake", but in order to get "Ginger Jake" I do not propose to have a net dragged through the entire American population, and that by people who do not have to answer at the ballot box as we have to.

Further, in the old law, when a label was false or fraudulent, it was brought before the Department and was subject to the law. Under the proposed law the label must not be misleading in any particular—in any particular whatever.

Mr. President, the pending bill is misleading in several particulars. It tells me that advertising is adulteration, and I know that that cannot be so. It tells me that crutches are drugs, and I know that that is misleading. But under the bill the label must not be misleading in any particular, and it must have medical opinion to sustain all claims, also warnings against use in pathological conditions, full and adequate directions for using; and that strict stipulation is imposed upon every human being in the United States, in the first instance, not by a judge, not by a court in which his rights can be ascertained under the law, but by the head of a bureau.

There may be need for bureaus in our Government; I would not deny that. There must be an executive department. The laws we make must be administered. But if in making the laws the Members of the Congress do not guard the rights of the people against administrators of the law who are not responsible to the people, then we not only neglect our duty, but we will reach in logical order the position in which we are responsible for what they do. I do not have to answer so much for the acts of Congress as I do

for the conduct of men who administer the laws for which I vote, under which there were brought here people who could not understand what had been done to them or why.

Mr. President, I lay down a simple principle. Assuming that we ought to have bureaus and must have administrators, and knowing that the executive department must be independent under the Constitution and ought to be under all the sanctions of experience, once we make the law, knowing that it passes into the hands of the administrator, loyalty to ourselves, to our country, and to the constituents who must live under the law makes it our duty to see to it that the law under which they must live shall be administered within bounds to accomplish the intent and purpose of the law; that and no more.

There is a practice now—and it is not modern, either; it has not originated under the present administration, but has been the practice for many years—under which criminal laws are enacted in bureaus and men are indicted and brought into court not because they have violated the law of the land enacted by their responsible representatives, but because they have violated regulations which were conceived in some office down the street and published not in statute books, but in rules and regulations, or filed in filing cabinets.

Mr. President, I make my point. Here is this proposed legislation, which affects the entire population and has a relation to commerce involving billions of dollars, touching hundreds and thousands of stores, going into every dining room and every pantry, permeating the national life as few laws we could pass here would—incomparably more personal in its application than any legislation we have had before us since I have been in the Congress. I beg you, when we propose to enact a law as far-reaching as that, that we shall at the same time lay the restraining hand upon those who have the power to frame and issue the regulations in order that you and I may not be called upon to answer for deeds of which we never conceived; in order that there may be a law in the United States and that the American people may know it; in order that the rights of a great population may be protected by the ancient standards under which laws have been made from the day of Moses to the present hour, not in little cubbyholes down in some department, but from the high mount where laws should be given, and on the tablets of stone.

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

Mr. BAILEY. I yield.

Mr. BORAH. Although I do not find the basis for the construction in the pending measure, it has been stated to me by persons deeply interested in the proposed legislation that in a trial for the violation of a regulation the defendant must prove his innocence.

Mr. BAILEY. Yes; the regulation as administered is prima facie law until held to the contrary.

Mr. BORAH. That the Government does not need to prove the guilt of the defendant, but that he must prove his innocence.

Mr. BAILEY. He must plead just as any other defendant will plead in a criminal case. The presumption is that the regulation is the law.

Mr. BORAH. I am not sure that I understand the Senator, or that the Senator understands my question. Of course, when a charge is lodged against an individual for the violation of a regulation, the Government must proceed in the first instance, must it not, to prove the case against the defendant?

Mr. BAILEY. Does the Senator refer to the trial, or to the arrest?

Mr. BORAH. I refer to the trial.

Mr. BAILEY. On the trial the Government, as I understand it, proves the regulation, and then the violation of the regulation. If the Senator has some light on that, I will greatly appreciate it.

Mr. BORAH. I am seeking enlightenment.

Mr. BAILEY. I am speaking out of some experience in the matter, and I speak wholly out of that experience, as a lawyer might without having the books before him now, out of a past which lies behind him, some distance behind him, and I say that the violation of a regulation is an offense justifying seizure and ruin without trial. If there is an accusation of crime, the Government must prove its case; all defendants in criminal actions come into court, under criminal laws, clothed with the presumption of innocence. Perhaps the confusion is due to confounding seizure of goods in libel with prosecution for crime.

I know the Senator from Idaho is a great lawyer. I am speaking out of my experience, and very definitely; but if he has a different impression, I should like to have the correction.

Mr. BORAH. I have no different impression, generally speaking. I was seeking to discover just what the proposed bill undertook to do in the way of shifting the burden of proof.

Mr. BAILEY. As I read the bill, there is no difference between the regulations contemplated in the bill and any other regulations. If I had time—and I hope I may turn the pages and find the provision—I could show that the regulations and the law are on the same basis with the regulations and the laws in respect to other acts, not only of this character but of other characters, enacted by Congress. But seizures are made and ruin may be wrought by them without trial.

Mr. McKELLAR. Mr. President, will the Senator from North Carolina yield to me?

Mr. BAILEY. Certainly.

Mr. McKELLAR. I desire to ask the Senator whether the provisions of the bill add greatly to the powers which are now possessed by the Bureau here in Washington.

Mr. BAILEY. I think so; but the powers are very great as to what are actually wrongs. This gives very much discretion. As I have just said, to take the word "misleading" and substitute it for the word "fraudulent" is an expansion in an infinite degree.

Mr. McKELLAR. In a practical sense, then, the bill very largely adds to the powers of the bureaus over advertising and over every other feature connected with the pure food and drug law?

Mr. BAILEY. Oh, yes; it very greatly expands the powers of the bureaus. I will come to that.

Mr. McKELLAR. I wish to say that I think they have too great powers now.

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

Mr. BAILEY. I yield.

Mr. McCARRAN. Carrying out the discussion between the able Senator from Idaho [Mr. BORAH] and the able Senator from North Carolina, my reading of the bill answers the question propounded by the Senator from Idaho, in that it does not shift the burden of proof in any way whatever. The burden of proof remains where it was. In order for the agency having the prosecution successfully to prosecute, it must establish guilt, and it must establish it affirmatively.

Mr. BAILEY. I am looking for the paragraph referred to. I realize that this is the tenth reprint of the bill, and I am having some difficulty in finding the provision relating to the regulations.

Mr. McCARRAN. In view of the fact that I have pending before the committee a companion bill, which bears my name, I wish to say that I have followed the course of this legislation with some considerable study; and I believe the Senator may content himself with the idea, in answer to the query made by the Senator from Idaho, that nowhere does this bill seek to shift the burden of proof. In other words, the same rules that now prevail with reference to criminal prosecutions will prevail under this bill. The violation must be proven, and its intent must be proven; and the violation of the regulation must be established, to use the expression of the Senator from North Carolina, beyond a reasonable doubt. There is no question in my mind about that.

Mr. BAILEY. The Senator takes the view I take, but the distinction lies in the difference between the power to seize goods, in which the burden is shifted, and the power to prosecute for crime, in which it is not.

Mr. McCARRAN. I agree with the Senator in that; and that is true all the way through all our legislation. In other words, we do delegate our authority to a large extent in the way of providing that certain bureaus may make regulations. The Supreme Court recently passed on that and commented

on it severely, and I think rightfully so, because the bureaus did not file their regulations so that they might become public, and thus that the average man might know what the law was. That was the general tenor of the comment of the Supreme Court. These regulations should be filed, should become public, should become a thing to guide the public; but when that is all over, and the regulations have been established, as they must be established, the burden of proof rests on the Government or the prosecuting agency to establish the guilt of those charged with offenses.

Mr. BAILEY. The burden of proof always rests with the Government bureau in prosecutions for crime, but not in actions of seizure.

Mr. McCARRAN. That is what I desired to clarify, in view of the discussion between the Senator from Idaho and the Senator from North Carolina.

Mr. BAILEY. I must confess that I do not see the difference. The burden of proof always rests upon the State to prove the guilt of the defendant. What is the distinction?

Mr. McCARRAN. The distinction is this: The Senator from Idaho asked a question, which was, if I recall it correctly, "Does this bill shift the burden of proof? In other words, must one who is accused prove his innocence?" That was the purport of the question of the Senator from Idaho.

Mr. BAILEY. I do not think so. I should not say that the bill shifted the burden of proof in criminal actions. I very seriously question whether that could be done, or ever thought of. Senators realize that we have a distinction here in the matter of seizures and the matter of criminal guilt; but I do not think anywhere in America, or in any regulation, it is conceivable that we bring a man into court and presume him guilty of crime.

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

Mr. BAILEY. I yield.

Mr. BORAH. As I said, I myself did not find in the bill the justification for the theory that the burden of proof was attempted to be shifted.

Mr. BAILEY. If the Senator wishes a flat answer to that statement, I do not think the burden of proof is shifted in criminal actions. There are instances here in which, in matters of seizure, the action is wholly within the breasts of the administrators. That is assimilated in the actions in admiralty. The offense is not made a crime; it is a libel. When we come to the criminal end of it, however, I would not for one moment suggest that the burden of proof is shifted.

Mr. BORAH. I knew it could not be shifted, but I understood there was an attempt to shift it.

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

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. That was the case, I may say to the Senator, in the original bill, but not in the present bill.

Mr. BORAH. That undoubtedly explains it.

Mr. BAILEY. Yes. I am glad we have that matter made clear. I was totally unprepared for the question, because that sort of thing never entered my mind. I will say to the Senator from Idaho that I knew many things might be attempted here, but I did not think that sort of thing would be attempted, and I was totally unaware of the implications of his questions.

To go on with the analysis, I now come to the procedure. Under the old law there was provision for multiple seizure in adulteration or misbranding, whether injurious or not. Under the new proposed law there is provision for multiple seizure the same as in the old law, except that there are included in the proposed law advertising and false or misleading statements in advertising or inadequate warnings and directions.

Now I desire to dwell for a moment on the matter of multiple seizures. I agree that wherever an article of food, cosmetic, or drug is imminently dangerous to health, there ought to be the power to take it out of the market. I would strike it as quickly as I would strike poison. There would be no difference between the committee and myself, or the proponents of the bill and myself, in that respect. But with that for a base, this proposed law has been spread out to the point—and I wish the Senator from Idaho to get my thought in this respect, because I think it is of the utmost importance—where advertising is described for the purposes of the act as adulteration, and under adulteration by way of publication in the newspapers there may be multiple seizures; and if the head of the Bureau finds, in his opinion, that the advertising is misleading, he may proceed to seize throughout the land. That is just as much power as Julius Caesar ever asked for. The head of the Bureau can kill and make alive.

Assume that I am selling a proprietary article in every State in the Union, and the head of the Bureau reads an advertisement printed by me in a magazine and decides that the advertising is misleading, and from that decision, under this proposed act and by its power, he forms the judgment that that is adulteration. Then he declares that I am selling an adulterated article, injurious to health; he seizes my goods in 10 States in a day, or on every day; and I am ruined and destroyed before I can get back to court.

That is too much power. That is more power than the Congress ought to have.

Mr. BORAH and Mr. TYDINGS rose.

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and if so, to whom?

Mr. BAILEY. I yield to the Senator from Idaho.

Mr. BORAH. Do I understand that the person whose goods may be seized is not given an opportunity to be heard?

Mr. BAILEY. His goods can be seized at once.

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

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. The official can seize the article if he has reported to the Secretary that it is imminently dangerous to health. That is when he can seize it.

Mr. BAILEY. And he can seize it under the adulterated theory on the ground of misleading advertising.

Mr. COPELAND. No, Mr. President, he cannot. He can seize it if the advertising puts forth untruthful statements.

Mr. BAILEY. Or is misleading.

Mr. COPELAND. But he cannot seize it except where there is reason to believe that the article is imminently dangerous to the public health.

Mr. BAILEY. I said he could find that it was adulterated from the advertising, reach the conclusion that it was dangerous to health, and then make the multiple seizures.

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

Mr. BAILEY. I yield to the Senator from Idaho.

Mr. BORAH. In other words, if the person who reads the advertisement in the magazine or the newspaper comes to the conclusion that the food as advertised is adulterated, he may seize the food?

Mr. BAILEY. Yes; that may be done in every State, under the multiple-seizure provision, but the person must be an official with authority.

Mr. BORAH. Yes; I understand.

Mr. COPELAND. Mr. President, will the Senator from North Carolina permit me to interrupt him?

Mr. BAILEY. I promised to yield to the Senator from Maryland; then, I will yield to the Senator from New York.

Mr. TYDINGS. I should like to ask whether or not—I presume it is impracticable—it would be possible to have an advertisement approved before it was used?

Mr. BAILEY. I cannot answer that question, but I should dislike to be put to that expedient; I should dislike to have to run to Washington and ask somebody here whether I could advertise a commodity in which I was interested.

Mr. TYDINGS. That would be somewhat inconvenient, I admit, but, at the same time, inasmuch as the Department has to pass on whether or not the article is pure, it strikes me that it would be no great inconvenience, because advertising is nothing more than describing the food or other commodity, and so it might be passed on at the same time. One of the evils complained of, as I understand the Senator from New York, is that misleading advertising is being used to induce people to buy commodities. If that be the case, if the commodity were not deleterious to the person who bought it, the advertising might be subjected to a fraud charge. While we do not want to cover too much scope, I

was wondering just to what extent the consumer was protected from false and misleading advertising as well as from the harmful contents of a package or bottle.

Mr. BAILEY. I thank the Senator. I wish to recur to this language of section 401 on page 13, which reads in part:

A drug shall be deemed to be adulterated—
(a) (1) If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

That is the language of the bill. Under it we provide for a supervisor of advertising in America, and we repose in his supreme judgment the right to seize the goods of an American citizen. He says the advertising makes an adulteration that is injurious to health; I am selling my goods in 48 States; he seizes them in 40 States, and, even though I go into court a thousand times and prove he is wrong, my business is gone, for a man cannot be universally disgraced by his Government and hope to recover in a lawsuit.

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

Mr. BAILEY. I yield to the Senator from Missouri.

Mr. CLARK. I call the Senator's attention to the fact that not only does the bill set up in Washington a supervisor of advertising, as the Secretary of Agriculture or his subordinate, the head of the Food and Drug Administration in Washington would be, but it sets up as many supervisors of advertising as there are localities in the United States where there are employees representing the Secretary of Agriculture, because at the bottom of page 45 appears this language:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney.

In other words, if a $100-a-month employee in the Food and Drug Administration who happens to be listening to a radio program hears an advertising claim made which he regards as misbranding, it ipso facto becomes adulterated under the definition of this bill, and, after reporting the matter to the Secretary but without being required to hear from the Secretary to get specific authority, he can go out and seize the goods and possibly ruin the manufacturer's business, or the retailer's business, as the case may be, and on his own responsibility, without any necessity for any further instructions from the Secretary of Agriculture, report the matter to the United States district attorney.

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

Mr. BAILEY. Certainly.

Mr. TYDINGS. I think perhaps I did not make my contention plain. Assuming that a food is pure and qualifies under the Pure Food and Drug Act, what has advertising got to do with it?

Mr. BAILEY. Assuming that the article is pure?

Mr. TYDINGS. Assuming that it is pure and is not an adulteration, what has advertising got to do with it?

Mr. BAILEY. I imagine if the Bureau head said that the advertising was misleading to somebody as to the nature of the food or its value or its character, he could proceed against it.

Mr. TYDINGS. What I am getting at is, even admitting the advertising is miseading, then the pending measure is not only a pure food and drug bill per se but it is also a bill to protect the public from misleading or false advertising about an article which per se is pure and good in itself. In other words, chopped up automobile tires might be prescribed for some disease, and, of course, that would be deleterious; but plain water might be prescribed for the disease. What if the advertisement should state that the water would cure pneumonia or whatever the disease might be, that would not affect the water; as I understand this proposed law, it is primarily to keep from the public deleterious foods and medicines; so where the advertising comes in and how it is a part of the subject matter I do not really see.

Mr. BAILEY. I am glad the Senator asked me the question, because I can explain that point to him. This proposed legislation is contrived so adroitly that whoever drew the bill—I do not mean to impute anything to anyone's motives, of course—managed to include advertising under adulteration.

Mr. TYDINGS. On what page is that found?

Mr. BAILEY. It is found on page 13, under the title "Adulterated drugs."

That was done with a view of bringing advertising under the statutes relating to adulteration, which are the strictest statutes. I have an amendment which will transfer this advertising provision to the misbranding section, and when it shall be placed in the misbranding section we will have it where it belongs, and the law will be entirely different and much more moderate. I shall offer three amendments to accomplish that purpose.

Mr. TYDINGS. Does the Senator from North Carolina have the copy of the bill which I have the print of which is dated April 2? Paragraph (a) of section 401 has been stricken out in the copy I hold in my hand.

Mr. BAILEY. If the Senator will read just below he will see what was substituted for it.

Mr. TYDINGS. The language is:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

Mr. BAILEY. That is the same language as has been stricken out.

Mr. TYDINGS. That fact has to be established, does it not?

Mr. BAILEY. Let me make it clear to the Senator. That constitutes an adulteration. If the Senator will agree with me that that is not adulteration but misbranding, and should be in the misbranding section, I shall be entirely content.

Mr. TYDINGS. The Senator has already arrived at a solution for my dilemma if he has an amendment of that kind.

Mr. BAILEY. I have three amendments for that purpose.

Mr. TYDINGS. I cannot see why food that is good, but which might be falsely advertised, becomes deleterious because of the advertising. It is simply misbranding.

Mr. BAILEY. That is a part of the logic of the bill I cannot understand.

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

Mr. BAILEY. I yield.

Mr. CLARK. For the benefit of the Senator from Maryland, on the point he just asked as to procedure in the case of adulteration, and whether it has to be proved or not, I suggest that he read the language on page 13 just referred to by the Senator from North Carolina in connection with the language in the seizure section on page 44, particularly the language of the amendment starting at the bottom of page 45, which provides for the summary seizure of adulterated goods whenever an employee concludes that they ought to be seized.

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

Mr. BAILEY. Certainly.

Mr. COPELAND. May I say to the Senator from Maryland that if he will turn to page 13, lines 19 and 20, he will find this language:

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

A drug might be the purest one in the world, a perfectly proper drug when used under proper conditions, but if in the newspaper advertising of it, or in the radio advertising of it, the public should be told they might take the drug in any quantity without harm to health, that would be misleading, false, and harmful; and the object is to prevent that sort of thing.

Mr. TYDINGS. Even assuming that to be so, that is entirely different from saying whether a drug or a food is deleterious or injurious per se. What I am attempting to get at, and what the Senator from North Carolina offers, is that if it is a case of false advertising or misbranding, that does not make the article itself impure. It might be prescribed wrongly; its use might be recommended in a quantity that would make it deleterious, I agree; but that would be because of the advertisement, and the fault would not be

in the article which is advertised. There ought to be a section against fraud, but there is no reason to go out and seize an article if it is all right simply because it has been wrongly advertised over the radio.

For example, let us suppose that some drug, calomel, for instance, is properly labeled on a bottle which is held out for sale; and let us suppose that somebody recommends that 25 grains of it be taken before each meal. That would not make the calomel any worse than if the properly prescribed dose had been ordered. The point in that instance is not that the medicine is deleterious but that the advertising is erroneous; and certainly we do not want the medicine seized when it is properly branded simply because somebody erroneously or falsely misrepresented its value over the radio.

Mr. COPELAND. Will the Senator from North Carolina permit me to interrupt there?

Mr. BAILEY. Certainly.

Mr. COPELAND. The Senator wants in some way to stop misleading, false, and harmful statements?

Mr. TYDINGS. Yes.

Mr. COPELAND. What difference does it make?

Mr. TYDINGS. What difference does it make?

Mr. COPELAND. Yes, what difference does it make?

Mr. TYDINGS. My illustration was not very apt. Let me give a better one. Let us suppose that someone starts to produce vinegar, and it is labeled as a certain kind of vinegar; we will call it "Western vinegar", for want of a better name. Suppose someone "goes on the air", and says, "You should drink a pint of Western vinegar before each meal as a health-producing beverage"; that would not make the vinegar deleterious; the vinegar would be perfectly good vinegar; it would not do to go out and seize the vinegar because somebody had falsely advertised it.

On the other hand, the public ought to be protected against false advertising. That would be no excuse for seizing the vinegar.

Mr. COPELAND. The unfortunate thing about the illustration is that that sort of thing does not enter into food.

Mr. TYDINGS. I just took a food for illustration.

Mr. COPELAND. There is no such provision as the Senator from North Carolina is discussing that relates to food. It applies to drugs.

Mr. TYDINGS. Suppose someone, to cause a greater consumption of some drug that is not deleterious in its effects, advertises that more than a healthful dose should be used, to get fat, to get thin, to keep well, or for whatever reason; that would be no excuse for going out and seizing the article itself if it were branded properly, would it?

Mr. COPELAND. I have in my hand an article such as the Senator has in mind, for the reduction of fat. We will not name the article.

Mr. TYDINGS. What about it?

Mr. COPELAND. The radio man, the advertiser, says it is a perfectly harmless preparation and should be used. Certainly the Senator does not want the American people to be given products which are harmful. There ought to be some way to reach them, and this is the way by which we are reaching them.

Mr. TYDINGS. Suppose this preparation which the Senator has just handed me and which I hold in my hand, properly taken, two capsules before each meal, is not injurious. Let us suppose, on the other hand, that six capsules taken before each meal would be injurious. Suppose the directions on the box say to take two capsules before each meal, but some enthusiastic advertiser over the radio says, "You ought to take 6 capsules before each meal instead of 2." Would the Senator then favor going out and seizing all of the preparation in the country when the harm done has been in the false advertising rather than in the drug being injurious in itself?

Mr. COPELAND. If the Senator will bear with me——

Mr. TYDINGS. If the Senator will answer my question I shall bear with him.

Mr. COPELAND. I was asking the Senator from North Carolina, who has the floor, to bear with me.

Mr. TYDINGS. If the Senator from North Carolina will let the Senator from New York answer my question, I will bear with him, too.

Mr. COPELAND. This particular article——

Mr. TYDINGS. Will the Senator answer my question, using the illustration I put to the Senator, where the article itself is not injurious but a dose is prescribed which is injurious. Would the Senator say the article ought to be seized in every drug store in the United States?

Mr. COPELAND. If the article is dangerous to health, under the doses prescribed on the label or the advertising thereof, it should be seized.

Mr. TYDINGS. Let us suppose it is not injurious, but that the radio advertising prescribes such doses as would be injurious.

Mr. COPELAND. Then action should be taken.

Mr. TYDINGS. What action would be taken?

Mr. COPELAND. The radio licensee——

Mr. TYDINGS. Oh, no! Under the Senator's bill, as I understand, the agent of the bureau would be justified in seizing every box of that article in the country, notwithstanding the branding on the box was a proper branding.

Mr. COPELAND. But it is not. Will the Senator read the language of the bill?

If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

This article is dangerous to health in the labeling and the advertising.

Mr. TYDINGS. With all due respect and perhaps because I have not made it clear, the Senator is evading the question I am putting to him. The article is not harmful. The article is properly labeled, but the radio program advertising is erroneous, it is false, it induces a quantity to be used greater than the amount stated on the label. What would the Senator do in that case?

Mr. COPELAND. There would not be any action then except against the man who gave the copy to the radio advertiser.

Mr. TYDINGS. What action would there be against him?

Mr. COPELAND. If it was false advertising, there would be a penalty for it.

Mr. TYDINGS. Where is the penalty found?

Mr. COPELAND. With the manufacturer and not the advertiser.

Mr. TYDINGS. Would that come under the United States district attorney or the Pure Food and Drug Bureau?

Mr. COPELAND. It would be reported by the Pure Food and Drug Bureau to the United States district attorney.

Mr. TYDINGS. The Senator would not want the article seized in that case throughout the entire United States?

Mr. COPELAND. Not unless it came under this provision of the bill.

Mr. TYDINGS. That is what I have been trying for 10 minutes to get the Senator to say. It does come within the provisions of the bill.

Mr. BAILEY. Mr. President, I will resume with a view to concluding. The point in the colloquy between the Senator from New York and the Senator from Maryland is wholly the making of a distinction between adulteration and misbranding. No one objects to proper measures to take hold of and get out of the channels of commerce adulterated articles which are injurious to health. The unfortunate thing about the bill is that it takes a misbranded article, or the advertisement by way of some inaccurate statement as in the character of adulteration, and applies to it the strict law of adulteration. My amendment would take the advertised article on the basis of the false advertisement and put it where it belongs, under misbranding, and then would permit one seizure. There is a vast difference between destroying an injurious poison or product, and a proper action to take charge and proceed in a considerate way protective of the rights of the people under the misbranding act.

Mr. President, for one reason and another I have remained on my feet and talked a great deal longer than I had intended.

Mr. McKELLAR. Mr. President, will the Senator yield at that point?

Mr. BAILEY. Certainly.

Mr. McKELLAR. Will the Senator express an opinion about this point? As I gather it, the necessary result of the legislation as explained by the Senator means that every business house dealing with foods or drugs, which advertises its wares, will of necessity have to come to Washington and have its advertisements passed on by a bureau here before it can advertise.

Mr. BAILEY. I think that is the consequence. That is one of the things I hope to avoid. And there will also be wide exposure to inspection.

Mr. McKELLAR. Yes; that is something that ought to be avoided.

Mr. COPELAND. Mr. President, has the Senator from North Carolina prepared his amendments?

Mr. BAILEY. I have my amendments here. I am about to conclude.

Mr. COPELAND. May I see the amendments the Senator proposes to offer?

Mr. BAILEY. Certainly. Let me say to the Senator from New York that the first two amendments merely transfer the advertising feature from the adulteration section of the bill to the misbranding section. The third amendment makes the matter complete by authorizing one seizure action in cases of misbranding instead of the multiple seizures.

Mr. VANDENBERG. Mr. President, may I ask the Senator from North Carolina if the final amendment which he offers is to section 711?

Mr. BAILEY. Yes; on page 45, line 7.

Mr. VANDENBERG. If the Senator will permit me, I desire cordially to concur in what he said at that point, and to urge upon the Senator from New York the utter justice of the amendment and the propriety of its acceptance.

Mr. BAILEY. Mr. President, I wish to conclude. I am for the legislation. I have spoken very earnestly against excessive powers and against certain abuses by way of confusing advertising with adulteration. I have tried to speak constructively. I do not wish to destroy the legislation. On the other hand, I wish with all my heart to accomplish to the utmost degree the spirit and the objectives of the President's message. I wish to fulfill all the fine hopes of refinement and improvement upon the Wiley Act, which has served the American people very nobly.

I shall conclude with this statement from the President, contained in his message of March 22:

> The great majority of those engaged in the trade in food and drugs do not need regulation.

He did not contemplate that we should put regulations upon them.

> They observe the spirit as well as the letter of existing law. Present legislation ought to be directed primarily toward a small minority of evaders and chiselers.

Submit such a measure, and no Senator will be found more heartily disposed to go the limit of his capacity to bring about its passage than myself.

I thank the Senate

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 255. An act for the relief of Margaret L. Carleton;
S. 274. An act for the relief of Charles C. Floyd;
S. 906. An act for the relief of Chellis T. Mooers;
S. 1391. An act for the relief of William Lyons;
S. 1520. An act for the relief of Charles E. Dagenett;
S. 1621. An act for the relief of Mrs. Charles L. Reed;
S. 1694. An act for the relief of C. B. Dickinson; and
S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The Senate resumed the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. AUSTIN. Mr. President, I send to the desk an amendment, which I should like to have incorporated in the bill.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. At the bottom of page 51 it is proposed to insert the following new subsection:

> (h) Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States in any district in which cases from various jurisdictions are consolidated under this section may run into any other district.

Mr. AUSTIN. Mr. President, to explain this amendment——

Mr. COPELAND. May I ask the Senator on what page it is to be inserted?

Mr. AUSTIN. At the bottom of page 51 I propose to insert a new paragraph to enable the courts in districts in which cases are consolidated to reach witnesses in the districts from which the consolidations are made.

Mr. COPELAND. I am in the fullest sympathy with the amendment, and I hope it will prevail.

Mr. AUSTIN. Very well, then, if the question may be put on the amendment without explanation.

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

The amendment was agreed to.

Mr. BAILEY. Mr. President, I send to the desk the three amendments to which I referred in the course of my remarks. When they are considered I shall ask that they be considered together, as they are part of one whole. They relate to different sections, and therefore had to be written separately; but I should like to have them considered as one amendment.

The PRESIDING OFFICER. The amendments offered by the Senator from North Carolina will be stated.

The LEGISLATIVE CLERK. In section 711 (a), on page 45, line 7, it is proposed to insert a semicolon after the word "found", and to add the following:

> *Provided, however,* That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act; and provided further, that said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article.

In section 401 (a) (1), on page 13, it is proposed to strike out all of lines 19 and 20.

In section 402, on page 16, it is proposed to insert a new subsection between lines 2 and 3, to be designated as (b), and to read as follows:

> If it is dangerous to health under the conditions of use prescribed in the labeling or advertising thereof.

Mr. COPELAND. Mr. President, before giving consideration to these amendments I desire to discuss the matter somewhat at length. I ask the leader of the majority what is his wish?

Mr. ROBINSON. Unless there is objection, I shall move an executive session.

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

Mr. ROBINSON. Yes.

Mr. CLARK. I send to the desk sundry amendments which I intend to propose to the bill, and ask that they may be printed and lie on the table. In the case of a series of amendments having to do with the jurisdiction of the Federal Trade Commission, while they necessarily involve amendments to several different sections, I ask that they may be printed as one amendment for consideration in that way.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be printed and lie on the table.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). If there be no further reports of committees, the clerk will state the first business on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That concludes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 28 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, April 4, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3 (legislative day of Mar. 13), 1935

POSTMASTERS

MISSISSIPPI

Ira I. Massey, Ethel.

PENNSYLVANIA

John J. Roll, Natrona Heights.
James M. Herrold, Fort Trevorton.
Ruth B. Walker, Unity.

TEXAS

Amos H. Howard, Lubbock.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 3, 1935

The House met at 12 o'clock noon.

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

Incline Thine ear, our Heavenly Father, and hear us, and may we not be ashamed to confess Thee before men. Direct us by the inspiration of that altruism taught by the Master and fulfilled in His exemplary life. This is the jewel of revelation flashed out of the mines of eternity. We pray that the passion to serve may beat in our blood; having this compulsion, do Thou shine upon our paths with heavenly luster. Give us strength to crowd out of our lives evil desire and sinful tendencies; in all things may we hallow Thy name. Almighty God, we come to Thee for help and guidance, for upon this Congress rest great and solemn responsibilities and the issues are tremendous. O be consciously near all Members, dominate our thoughts and acts, and in all things may we be wise, just, and noble. For Thy name's sake. Amen.

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

PERSONAL PRIVILEGE

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

The SPEAKER. The gentleman will state his question of privilege.

Mr. MAPES. Mr. Speaker, will the gentleman withhold his request for a moment that I may make an announcement?

Mr. BLANTON. Mr. Speaker, I withhold my question of personal privilege to allow the gentleman from Michigan to make an announcement.

EDWIN F. SWEET

Mr. MAPES. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes to announce the death of a former Member.

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

There was no objection.

Mr. MAPES. Mr. Speaker, the morning's paper carries the notice of the death, in California, of a former distinguished Democratic Member of the House, who represented the Fifth Congressional District of Michigan in the Sixty-second Congress—Hon. Edwin F. Sweet. He died at the ripe old age of 87. After his service in the House, he served as Assistant Secretary of Commerce during the 8 years of the Wilson administration. He was an honored and highly respected citizen and a capable and patriotic public servant.

REFERENCE OF BILLS

Mr. JONES. Mr. Speaker, will the gentleman from Texas permit me to ask unanimous consent for the reference of certain bills before he presses his question of personal privilege?

Mr. BLANTON. Mr. Speaker, I yield for that purpose.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bills—

S. 464. An act to add certain lands to the Malheur National Forest, in the State of Oregon;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon;

H. R. 5925. A bill to add certain lands to the Malheur National Forest, in the State of Oregon; and

H. R. 1418. A bill to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon; be referred from the Committee on Agriculture to the Committee on the Public Lands, with the understanding that this does not in any way affect the general jurisdiction of the Committee on Agriculture over the question of the national forests. The Parliamentarian advises me that there was an error of reference in the first place.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understood the statement of the gentleman from Texas it was that there had been a mistake in the original reference, and that these bills should have gone to the Committee on the Public Lands.

Mr. JONES. That was my impression from what the Parliamentarian told me. It merely involves the transfer of some public lands to the Forest Service.

Mr. SNELL. And they are bills that properly should go to the Committee on the Public Lands?

Mr. JONES. That is my understanding.

Mr. RICH. Mr. Speaker, reserving the right to object, are these administration bills?

Mr. JONES. I may state to the gentleman that I am not informed; we have not gone into the merits of the bills. I understand some of them may be of interest to the administration, but I cannot give the gentleman definite information.

Mr. RICH. Does the gentleman know whether they are from any particular department of the Government?

Mr. JONES. Two of them, I believe, were introduced by Senators and two by Members of the House. I prefer not to express an opinion on it.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I renew my request of yesterday and ask unanimous consent that business in order on today, Calendar Wednesday, be dispensed with in view of the fact there are matters of pressing importance we want to take up.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman tell the Members what is to come up today if Calendar Wednesday business is dispensed with?

Mr. TAYLOR of Colorado. We expect to call up the McSwain bill to take the profits out of war.

Mr. RICH. Mr. Speaker, reserving the right to object, has the House had notice that the McSwain bill is to be brought up? Is it expected that a special rule will be brought in for the passage of the bill today?

Mr. TAYLOR of Colorado. I so understand. The Chairman of the Committee on Rules is here.

Mr. RICH. Have the Members been advised that the bill will be brought up today?

The SPEAKER. There has been a rule on this bill at the desk for some time.

Mr. TAYLOR of Colorado. There is a rule on the bill, as I understand it.

Mr. KLOEB. Mr. Speaker, if the gentleman will yield, I may say that a rule was granted a month ago which provides for 4 hours' general debate.

Mr. RICH. But the bill will not be acted on today?

Mr. KLOEB. That is my understanding.

Mr. CULLEN. That is right.

Mr. RICH. Is that the understanding of the floor leader?

Mr. TAYLOR of Colorado. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado that business in order on today, Calendar Wednesday, be dispensed with?

There was no objection.

PERSONAL PRIVILEGE

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

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, the Washington Times of Thursday, March 14, 1935, wholly without foundation or excuse, in big box-car letters across the entire front page—and by " box car " letters I mean letters of large black-faced type about an inch high—falsely and maliciously states:

Police plot laid to BLANTON.

And follows that with a lot of other unfounded and malicious allegations.

The Washington Times in another issue of the same date, March 14, 1935, in large box-car letters falsely and maliciously states:

BLANTON police ouster plot charged—

followed by other false and malicious allegations.

The Washington Star for that date in large headlines on the front page, without foundation or excuse, but with intent to injure me, states:

BLANTON accused by Bean of plot—

followed by unwarranted allegations, and printing my picture with some police officials, as if I had done something wrong.

From the body of these press reports I quote the following excerpts:

Charges that Representative THOMAS L. BLANTON, Democrat, of Texas, had threatened to force Assistant Police Supt. Thaddeus R. Bean out of office unless he resigned to make way for Representative BLANTON'S friend, Inspector Albert J. Headley, was made at the District crime hearing today.

The press reports showed that there were but two Members of Congress on said committee present at said hearing, one being Mr. WILLIAM T. SCHULTE, of Indiana, who did his first service here in the last Seventy-third Congress, and Mr. CHAUNCEY REED, of Illinois, whose only service here began in this session last January, neither of whom have yet had time to learn all about Washington.

Although my office is in the same building near the committee room, on the floor just below, and between it and the post office, I had no notice whatever of any such ridiculous charge or proceedings before said subcommittee of two members, with its employed counsel, Mr. Fitzpatrick, being at the time present, until I saw the evening papers filled with such silly headlines.

Shortly after said committee had been organized I went before it to present the facts about a bill I have introduced to change the present system of police and firemen trial boards, as the present trial board is composed of policemen, who are called upon to pass upon the delinquencies of brother policemen, and it is absolutely impossible under such system to get rid of the dishonest policemen among the 1,300 police on the Metropolitan Police Force of Washington, as not a policeman can be discharged by the Commissioners until he has been tried and convicted by a police trial board composed of brother policemen, and my bill sought to change this to an impartial civilian trial board, so that we could get rid of the crooks who are now on the force, destroying its morale, and preventing proper law enforcement.

I had caused Maj. Ernest W. Brown, Superintendent of the Metropolitan Police Department, to be present, so that he could hear what I said, and I called attention to the fact that a reliable Government official had testified before my committee that there was a big gambling house running regularly within less than a block from the committee room, and had been running for over a year. As the five Washington newspapers then had their reporters all present at this executive meeting of this crime-investigating committee, they all then played up my action as an attack upon the entire police department, but, as this big gambling house was raided on February 6, 1935, and 58 gamblers arrested, I did not expect a reprisal.

From one of these Washington papers reporting what Inspector Bean said, and the way in which he made the charges, I quote the following excerpts:

Q. Do you know of any petty jealousies among the higher ranking officers of the police department, say above the rank of captain? Representative SCHULTE asked.

Inspector Bean said, No.

Q. Then why, snapped Mr. SCHULTE, are they trying to get you?

I heard last September, Inspector Bean replied, that Mr. BLANTON, of Texas, had written a letter to Major Brown asking him to retire me and replace me with Inspector Headley.

Q. Why? asked Mr. SCHULTE. Had you had trouble with Mr. BLANTON?

A. No, sir.

Q. Then why?

A. Well, Mr. BLANTON and Inspector Headley have been good friends for a number of years, Inspector Bean replied. Several years ago Inspector Headley was reduced to a captain, and had to come to Congress to get back.

Q. Mr. BLANTON did that for him?

A. Yes, sir.

Q. Now, interrupted Mr. SCHULTE, if this is true in your case, are there any other cases? Anyone else they are trying to get out of the picture?

A. Not that I know of.

Q. Isn't it true, asked Representative SCHULTE, that Mr. BLANTON is a member of the District Appropriations Subcommittee?

A. I understand that he is; yes, sir.

Q. Don't you think their conniving to get you out is lowering the morale of the police department?

A. I only know about myself. I know how I feel.

Q. It means there are others, Mr. SCHULTE said. No one knows when the cap will be set off under them.

Have you ever heard of similar tactics employed against any other members of the department, either by a Member of Congress or anyone else?

A. No, sir. Not that I know of.

Dr. John R. Fitzpatrick, committee counsel, said: "Brown sent you to the guillotine."

Representative WILLIAM SCHULTE complimented Mr. Bean and said: "It seems unfair that a man could be threatened by a conniving person or persons outside of the police department. I believe that if the people of Washington knew the true facts they would resent it."

The papers reported that Inspector Bean said that in a conversation with me in my office I had said to him that I was a high Mason, and as he is a Catholic and Representative WILLIAM T. SCHULTE is a Knights of Columbus, and

the committee counsel, John R. Fitzpatrick, is also a high Catholic, he undoubtedly interjected that statement hoping to arouse some religious prejudice against me, when in my own breast I have not now, and never have had, any religious prejudice, some of my best friends in this House being Catholics and Knights of Columbus.

The whole silly hurrah and hullabaloo about nothing was stirred up by these malicious Washington newspapers. Inspector Albert J. Headley has been an honored, faithful police officer here in Washington for 39 years. He is as brave as a lion. He is absolutely dependable. He is a man of strict honor and integrity. He is a good neighbor and a loyal friend.

On account of his seniority, he was in line for promotion as assistant superintendent. Inspector Bean also was in line. When in the spring of 1934 the Senate placed such a position in the bill, one of these two men was entitled to be appointed. I was for Inspector Headley, because I had absolute confidence in him and knew that he would clean up the rotten conditions in Washington. A number of his friends who were prominent citizens of Washington, both Masons and Catholics, came to me and asked my help to get Inspector Headley appointed. Some of Inspector Bean's friends, including Major Brown, came to see me and advised that Inspector Bean was in bad health; that he did not want to spend another winter in Washington, but intended to move to Florida; that he was anxious to get this appointment, so that when he retired in a few months he could be retired on higher pay; and that he was in sore need of this, and such extra pay would mean much to him financially; and that if I would get Inspector Headley and Headley's friends to withdraw Headley's application, and all of us would get in behind Inspector Bean and help him get the appointment, he would retire in a few months, and then Inspector Headley would have an open field for the appointment. And Major Brown assured me that he would then appoint Inspector Headley to the position.

I caused Inspector Headley to step down and out, which he did gracefully, and we got in behind Bean, and did what we could to have him appointed, and he was appointed, as a result of that gentlemen's agreement.

What I did for Inspector Headley was done without his solicitation. The following letters passing between Major Brown and myself show the agreement:

ABILENE, TEX., *August 4, 1934.*

Maj. ERNEST W. BROWN,
Superintendent Metropolitan Police Department,
Washington, D. C.

MY DEAR MAJOR BROWN: You will remember the gentlemen's agreement we had that the assistant superintendent only wanted to hold the office a short time and would then retire and that you would then give the place to Inspector Albert J. Headley. I am counting on you to carry out this agreement and would appreciate your advising me just how soon this change will be effected.

Very sincerely yours,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 8, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 4th instant in which you refer to our conversation some months ago in connection with the position of assistant superintendent of police, in which it was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents.

In reply, permit me to advise that it is my understanding that one of the assistant superintendents contemplates retiring in the very near future, and although he has not mentioned it to me, through other sources he has made the statement that he would not continue in the service again during cold weather, and in the event this vacancy occurs our agreement will be carried out as discussed by us in your office.

It may be of interest to you to know that Inspector Headley is rendering me a most efficient service and is cooperating fully in bringing about improvements in the department.

I trust you are able to obtain a little rest from your arduous duties during the past session of Congress and your campaign for renomination.

I intended writing you before expressing the congratulations and best wishes of the membership of the police department on your renomination, which we know is equivalent to your election as a Member of Congress.

With personal best wishes, I am,

Sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

ABILENE, TEX., *August 15, 1934.*

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police Department,
Washington, D. C.

DEAR MAJOR BROWN: Thank you for your letter of the 8th instant. In it you use the following language:

"It was our understanding that there would be a vacancy in this position very shortly due to the retirement of one of the assistant superintendents."

The above does not quite state the understanding. It was distinctly stated by you that the one who was to be appointed to this specific position provided for in that bill only wanted the position for a few months, as he intended to retire, anyway, and only wanted it for the purpose of increasing his retirement pay. And I was assured that he would retire in a few months, and I am counting on you to see that he keeps his agreement and does retire at an early date, because he has now held the position longer than was contemplated at the time we had our gentlemen's agreement.

With kind personal regards, I am,

Your friend,

THOMAS L. BLANTON.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 25, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position; and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department; and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,

Your friend,

ERNEST W. BROWN,
Major and Superintendent.

Mr. Speaker, the next day, March 15, 1935, all of the various Washington newspapers again attacked me with vicious articles. I call attention first to the Washington Post, which, in large box-car headlines, printed the following:

BLANTON police plot charged at inquiry.

Followed by a lot of other unfounded malicious allegations to which I will call attention later.

The Washington Herald for that date, March 15, 1935, maliciously and falsely states:

House to probe BLANTON plot—

In large headlines on the front page, as if I had been in a plot and had done something wrong, when it knew I had done neither, and when it knew that the House was not even thinking of probing any action of mine.

The Washington Star for that date, March 15, 1935, in large headlines says:

BLANTON takes fight on police plot to House.

And then it fills several columns with a ridiculous recitation of purported evidence about my endorsing a police officer for promotion.

The Washington Times for that date, I want the Speaker to note, had three separate issues, all with different big box-car headlines in each issue falsely referring to me and maligning me. One of the issues of that date, March 15, 1935, had across the whole top of the front page:

Representative BLANTON faces accuser—

As if I had done something wrong. In another issue it printed on that same day, across the whole top of the front page in big box-car letters this statement:

Crime probers rebuke Representative BLANTON—

As if I had done something wrong. In a third issue of that same day the Washington Times has in large box-car letters across the entire front page:

BLANTON screams plot denial—

With my picture taken between two police officials.

All of my colleagues here know that is untrue.

As soon as I had seen an account of Inspector Bean's statement before this subcommittee—and its two members only who were present—from the accounts given in the evening papers of March 14, 1935, I went immediately to my good friend and colleague, JENNINGS RANDOLPH, of West Virginia, chairman of it, but who had not been present when Bean was heard, and arranged with him for me to appear the next morning and answer Inspector Bean and also for me to bring with me Maj. Ernest W. Brown, superintendent of police, and Inspector Albert J. Headley, and let them tell the facts about it. He readily agreed.

To my great surprise, when I appeared, I found the five reporters for the five Washington newspapers present, to sit in at an executive session; and I found a bevy of newspaper photographers with the cameras, all prepared to take pictures of everybody.

I requested that Inspector Bean should be present so that he could hear all I had to say, but this request was turned down. To my great surprise objection was raised to Major Brown and Inspector Headley, whom I had brought with me, being allowed to sit in the front, where I wanted them to be, so that they could hear all I had to say. They were finally allowed to remain, but when we met back after noon the gentleman from Indiana [Mr. SCHULTE] objected to their staying in the room, and on his motion they were excluded.

It was nothing to me whether they were there or not, but in fairness to them I thought they were entitled to hear what I said that affected both of them.

While I appeared voluntarily, as a Member of Congress entitled to be heard regarding charges one in my absence had unjustly made against me, I was insulted repeatedly by John R. Fitzpatrick, who as counsel for said committee was receiving $225 per month from this House, and he seemed to think that he had a duty upon his shoulders to cross-question me as he would some defendant in a police court, to the glee and satisfaction of the five newspaper reporters and the newspaper photographer who were there present to witness and publish any embarrassment that could be caused me.

The first thing I did was to produce for the inspection of the committee and the five newspaper reporters who were in attendance on the "executive" meeting of this subcommittee the four letters heretofore quoted, two from myself to Major Brown and two from him to me, and to my surprise the papers stated that I had been forced to produce such letters before the committee, when they knew they were publishing a deliberate falsehood.

I want to quote from these papers of March 15, 1935, some excerpts indicating the kind of reception I had when I voluntarily appeared as a Member of Congress, and the following are quoted from the Washington Star:

Fitzpatrick, counsel for the committee, wanted to know why BLANTON should have all this interest in the Metropolitan Police force. BLANTON reached into his pocket, drew out a wallet, and threw a card onto the table.

"Here is why," he said. "On account of the work I've done for the police department and the few accomplishments I have made in their behalf, they made me an honorary member of the Policemen's Association."

SCHULTE wanted to know "why the rest of the Congressmen couldn't get honorary membership tickets to the Policemen's Association."

Fitzpatrick asked of BLANTON: "Why were you so interested in having Bean retired?"

In answer, BLANTON went over his previous testimony about friends telling him Bean could not live another winter in Washington, and explained he wanted Bean retired so Bean could get more money.

The name of Bean never figured in the correspondence between the major and BLANTON.

In asking BLANTON to explain that, a flare-up was started in the committee.

"Why," asked Fitzpatrick, "was Major Brown telling you all this?"

"Because we had a gentlemen's agreement," responded BLANTON.

"Why did you have a gentlemen's agreement?" Fitzpatrick asked.

"What are you doing here, trying to find out crime conditions in the District or stir up trouble in Congress?" BLANTON asked, looking at Fitzpatrick. "I am a Member of Congress," BLANTON shouted, and intimated that if necessary he would take this case to the floor of the House.

Fitzpatrick sallied: "You may be a Member of Congress, but you're just another witness here."

SCHULTE, who has taken a leading part in the crime investigation, resented BLANTON'S attitude and told him that he was "just another witness" even though he is a Member of Congress.

BLANTON failed to complete his statement to the committee because of a roll call in the House, which caused an abrupt adjournment of the hearing until this afternoon.

BLANTON GRILLED

SCHULTE also declared just before the committee began its afternoon session that "we are going to take this baby apart." He had reference to BLANTON, who returned to the witness stand to complete his statement. For 3 hours BLANTON was shelled with questions about his interest in the Bean-Headley case by members of the committee and John R. Fitzpatrick, committee counsel.

RANDOLPH ASKS ORDER

SCHULTE'S remarks that BLANTON was "just another witness" caused a flare-up and threw the hearing into disorder. The disturbance became so hot and furious that Chairman JENNINGS RANDOLPH arose from his seat and demanded that the hearing be conducted in a dignified manner.

"I'll treat them right if they treat me right," BLANTON shouted, at the same time glaring at SCHULTE and Fitzpatrick.

In the midst of the excitement Fitzpatrick looked at BLANTON and said:

"What are you doing here; trying to show your authority?"

"Oh, hell, no," Blanton replied.

From the News I quote the following:

JUST ANOTHER WITNESS

With visible anger, Representative SCHULTE addressed BLANTON: "I object to the attitude you have taken. You may be a Member of Congress, but remember, you're just another witness to this committee."

But BLANTON was not to be deterred.

"I insist upon my privilege as a Member of Congress to make my statement here without interference," he shrieked. "If I can't do it here I'll do it on the floor of the House."

From the Washington Times I quote the following:

Following the morning session, Mr. SCHULTE said: "That is just the beginning. We will take that baby apart" (the reference being made about BLANTON).

In the Washington News of that date, which is the fifth Washington paper to attack me, on March 15, 1935, there is at the top in large headlines the malicious statement, "BLANTON rages at crime quiz", and a lot of other silly, ridiculous allegations I shall call attention to later.

Mr. O'CONNOR. Mr. Speaker, not to interrupt the gentleman, but in an attempt to save time, may I say I think the gentleman has stated a question of personal privilige, by showing that he had his picture taken with some cops.

Mr. BLANTON. Mr. Speaker, each one of these attacks constitutes privilege, but I am entitled to state all of my grounds of privilege from these continuous, untrue, unfounded, malicious attacks for 3 solid weeks by the 5 Washington papers acting concertedly, and I want to show it in full. This is a matter that affects me, and it affects the integrity of the House, its proceedings, and its membership by an unwarranted interference by these avaricious newspapers that are always trying to take something out of the people's Treasury.

The Washington Post for the next day, March 16, 1935, in large headlines across the front page, stated, "BLANTON admits deal", and other matters I shall call attention to.

In the Washington Times of that date in one issue it is stated in large headlines, "Representative BLANTON fails to brush aside police accusation", as if I had been accused of doing something wrong.

In another issue of that date, March 16, the Washington Times has a large, vicious cartoon intended to be of myself, which is not stated by name, but which by its innuendoes and its editorial shows that it was trying to refer to me as "a politician who fixes things" here in the District against the people's interest, when it knew that it was a damnable libel.

In the Washington Herald for March 17, again in large headlines, there is a reference to me in a derogatory manner which I shall not take time to read.

The Washington Post for Sunday, March 17, has an infamous editorial attacking my standing and integrity here in the House as a Member and impugning my motives, when it knew it was maliciously libeling me.

The Washington Times for March 18 has another big headline with pictures and an alleged statement made in the presence of police officers, with the following statement, "Blanton deal under scrutiny", as if I had done something wrong which needed scrutinizing by police officials or those interested in enforcing the law.

The News of Monday, March 18, has another vicious editorial referring to me in a derogatory manner, and which I shall not take time to read.

The Washington Herald, on its editorial page for March 19, has another vicious editorial, occupying practically a full double column, attacking me in a derogatory manner. The Washington News of March 20 has a vicious cartoon and a statement in it attacking me in a derogatory manner.

The Washington Herald for March 20, 1935, in large headlines has this statement: "Hazen will probe Blanton deal", and the article makes derogatory remarks about my standing as a Representative in this House.

The Washington Herald for March 20 has a statement about a meeting of a so-called "citizens' association to oust me", and it says that—

At Tuesday night's meeting Mr. Arthur Clarendon Smith denounced Representative BLANTON.

The Washington Herald for that same day, under headlines printed in large type, states:

Mass meeting to ask Blanton ouster at once. Protest planned for March 28 on Capitol steps by federation of men's group.

And it states that I was excoriated at such meeting. It has this further language:

The federation intends to immediately appeal to Congress, asking the removal of Representative BLANTON from the subcommittee. Headquarters for the arrangement committee for the mass meeting has been established at the Smith Transfer Co., 1313 U Street NW. Organizations and citizens desiring to participate have been asked to communicate with the committee. Members of the committee include Mr. Arthur Clarendon Smith and Dr. F. Thomas Evans—

About whom I will tell you some very pertinent facts directly. I will also tell you some pertinent facts about this Mr. Arthur Clarendon Smith.

The Washington Post for March 20, on the front page, taking up practically the entire page, has in large headlines:

DRIVE TO OUST BLANTON BEGUN BY D. C. GROUP—DEMONSTRATION IS PLANNED TO FORCE HIM OFF THE D. C. COMMITTEE

The executive committee of the Federation of Business Men's Association last night voted to stage a city-wide demonstration to persuade Congress to remove Representative THOMAS L. BLANTON, of Texas, from the House District Appropriations Committee. The protests of Washington residents, under the plan of the Federation, of which Arthur Clarendon Smith is president, will be presented to Speaker JOSEPH W. BYRNS, of Tennesee, on the east steps of the Capitol. The presentation would be made at night so that business duties would not keep away those who wished to participate.

All of this hurrah was carefully planned and worked up by these Washington newspapers.

Then it goes on to give these silly and ridiculous plans for a public demonstration of several thousand people here at the Capitol to ask for my removal from one of the House committees to which I was placed by the House itself, and concerning which position, Mr. Speaker, only the House of Representatives has anything whatever to do under the law and the Constitution of the United States.

Then, on March 20, the Washington Post has a long, almost double-column editorial attacking me in a derogatory manner, and winding up with this language:

A more vigorous commissioner of public safety would have taken precautions to protect the police department from intolerable political intrusion. If the present inquiry merely exposed the danger of carpetbag politics in the District, it will be a blessing to the community.

Note the innuendo that I have been guilty of carpetbag efforts in this District to place people in positions.

Mr. Speaker, I have been a Member of this House for 18 years and I have never been given but one position by the Commissioners, filled first a few months ago by Mr. Howsley, and now filled by Mr. Brooks—just one in 18 years—notwithstanding the fact that for 12 years I was a member of the District Legislative Committee, the ranking Democrat on it, and for several years I have been a member of the District Appropriations Subcommittee, and yet I have been given only one position by the District Commissioners. One position only has been allowed me, when there are 1,300 police positions, 900 firemen's positions, and hundreds of other positions, and I have had one position in 18 years granted me by the Commissioners. Is not that some carpetbagging?

Mr. Speaker, the Washington Times for March 20, 1935, has another article about the move to oust BLANTON in large headlines, and again states that Arthur Clarendon Smith assailed me.

Then the Evening Star, Mr. Speaker, for Wednesday, March 20, 1935, had in big headlines, "Fight on BLANTON planned by citizens", and I want to read this article, because it shows privilege and it shows an interference on the part of these people and these newspapers with the integrity of this House and its organization and its procedure:

Fight on BLANTON planned by citizens. Plans for a proposed demonstration March 28 to request the House to remove Representative BLANTON, Democrat, of Texas, from his assignment on the House Appropriations Committee, were discussed at a meeting last night of the executive committee of the Federation of Business Men's Associations. A march on the Capitol, where petitions would be presented to Speaker BYRNS, demanding BLANTON's removal from the committee, were proposed. Every civic organization in Washington, it is stated, is to be invited to participate. Arthur Clarendon Smith, president of the federation, who initiated the move for the demonstration, criticized BLANTON, commended the Crime Committee for its courage, and pointed out that there could be no effective enforcement of the law until the police department is divorced from politics. Smith also called a special meeting of the federation in the Lafayette Hotel at 6:30 o'clock tonight to further plan for the proposed demonstration.

The Washington Times for Friday, March 29, in large headlines, states:

Business men flay BLANTON. Members of the Northeast Business Men's Association last night voted to demand removal of Representative BLANTON, of Texas, from the House Subcommittee on District Appropriations. Heated debate marked the meeting, and the matter was not decided until Dr. James J. Greeves, president, voted in favor of the measure to break a 20–20 tie. During the bitter speeches, James Farmer, association secretary, shouted, "Representative BLANTON has been the greatest detriment to Washington's progress this city has seen in 35 years—possibly longer."

And listen, Mr. Speaker. He said at this meeting:

We want him out, and we are not going to stop until we get him out.

In other words, they are not going to stop until they interfere with the orderly procedure and the organization of this House. They are going to dictate to this House of Representatives what it shall do with regard to its organization and with regard to its committee personnel. Is not that silly and ridiculous?

I call attention, Mr. Speaker, to the Washington Post for March 21, 1935, which has a large, double-column editorial against me, attacking me in a derogatory manner, and making the threat that if I did not resign from this position, they would take steps to place me in a further derogatory attitude, and would take steps to put me out of the House Appropriations Subcommittee; and they wind up by questioning my motives, and I want you colleagues to know how they attack the procedure of this House and the integrity of the House in making this statement.

His motives in opposing District measures are now open to a suspicion, as unfortunate as it is understandable. His prestige with regard to legislation for the District is irrevocably shattered. Under these distressing circumstances, Mr. BLANTON can hardly be expected to expose himself to unnecessary criticism by remaining a member of the Appropriations Subcommittee now that his constructive influence there is at an end.

I call attention to another one, and I have about four or five stacks of these attacks that have occurred continuously for almost 3 solid weeks in the five newspapers of Washington; but, of course, I am not going to inflict them on the House or take its time in reading but one more of them.

The SPEAKER. Will the gentleman send the editorial to the desk?

Mr. BLANTON. Yes, Mr. Speaker; but I have one worse than this, where they falsely and maliciously charge me with disgraceful conduct.

As was intimated by my good friend from New York [Mr. O'CONNOR], each and all of these are privileged, but I want this RECORD to show how far they went in this plot, but I will read only one more, which especially is privileged.

This is a double column editorial in the Washington Post of March 16. I will read an excerpt from it:

For years citizens of the District have suspected Representative BLANTON of bulldozing local officials. As a member of the District Appropriation Subcommittee in the House, he has used his influence to thwart numerous measures of special importance to Washington. On several occasions he has been accused of trying to force the appointment of favored constituents to District positions. Now he is exposed as the sponsor of this disgraceful "gentlemen's agreement" designed to displace a trusted assistant superintendent of police in order to make room for an officer who has a claim upon his friendship.

This sort of procedure is intolerable, regardless of who the offender may be.

Mr. Speaker, I am not going to take further time of the House. I submit, Mr. Speaker, I have a privilege, and I ask to be recognized so that I can tell these Washington newspapers, and those who with them are responsible for this outrage, something about what I think of them.

Mr. TABER. Mr. Speaker, it seems to me that we ought to have a quorum present.

The SPEAKER. Will the gentleman withhold that until the Chair has made a ruling?

Mr. TABER. I will.

The SPEAKER. The gentleman from Texas rises to a question of personal privilege, and has presented a great number of publications of newspapers in the city of Washington, which will appear in extenso in the RECORD of today's proceedings.

It is unnecessary for the Chair to rule upon each of these publications, and the Chair will not undertake to discuss all of them. Many of them affect the gentleman from Texas in his representative capacity. Rule IX reads as follows:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members individually in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

Among these publications presented by the gentleman from Texas there is one which he has read from an editorial published in the Washington Post of March 16. The Chair calls attention to a portion of this editorial. It reads as follows:

For years citizens of the District have suspected Representative BLANTON of bulldozing local officials. As a member of the District Appropriations Subcommittee in the House he has used his influence to thwart numerous measures of special importance to Washington. On several occasions he has been accused of trying to force the appointment of favored constituents to District positions. Now he is exposed as the sponsor of this disgraceful "gentlemen's agreement" designed to displace a trusted assistant superintendent of police in order to make room for an officer who has a claim upon his friendship.

This sort of procedure is intolerable, regardless of who the offender may be.

As the Chair stated, he does not think it necessary to rule upon all the publications which have been presented, but the publication which the Chair had just read seems to the Chair clearly entitles the gentleman to speak on a question of personal privilege. The Chair recognizes the gentleman from Texas for 1 hour.

Mr. TABER. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present. Evidently there is not.

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

The motion was agreed to.

The doors were closed.

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

[Roll No. 45]

Allen	Faddis	Lambertson	Polk
Bankhead	Farley	Lamneck	Robinson, Utah
Berlin	Fish	Lee, Okla.	Romjue
Bloom	Focht	Lehlbach	Sadowski
Bolton	Frey	Lewis, Md.	Schneider
Brennan	Gambrill	Lucas	Schulte
Buckbee	Gasque	McAndrews	Shanley
Casey	Gassaway	McKeough	Smith, Conn.
Chapman	Gifford	McLeod	Smith, Wash.
Clark, Idaho	Gingery	McMillan	Somers, N. Y.
Clark, N. C.	Green	McSwain	Sweeney
Cooper, Ohio	Greenwood	Meeks	Taylor, Tenn.
Crowther	Griswold	Montague	Thomas
Daly	Gwynne	Moran	Tobey
Darrow	Hamlin	Norton	Wadsworth
Dempsey	Hartley, N. J.	O'Brien	Walter
DeRouen	Hennings	O'Day	White
Dies	Higgins, Conn.	Patman	Wigglesworth
Dietrich	Hoffman	Perkins	Wilcox
Dingell	Imhoff	Peterson, Ga.	Wilson, La.
Ditter	Johnson, Tex.	Pettengill	Woodrum
Dunn, Miss.	Kennedy, Md.	Peyser	

The SPEAKER pro tempore (Mr. RANKIN). Three hundred and forty-four Members have answered to their names, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. McSWAIN. Mr. Speaker, I was present and did not hear my name called. I desire to have my name called and to answer "present."

The SPEAKER pro tempore. The request of the gentleman comes too late, but the RECORD will show that he is here. The gentleman from Texas is recognized for 1 hour.

Mr. BLANTON. Mr. Speaker, I am not unmindful of the fact that the House of Representatives has important business to transact, and I wish that it had not been necessary for me to take the floor at this time. I shall try not to use all of the time allotted to me under the rule.

First, I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority that it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power—

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia.

Gentlemen will remember that episode that harassed the Members in the performance of their constitutional privileges and duties.

Toward the close of the war of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of Government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation (*Loughborough* v. *Blake*, 5 Wheat. 321; *Kendall* v. *U. S.*, 12 Pet. 619; *Shoemaker* v. *U. S.*, 147 U. S. 300; *Parsons* v. *District of Columbia*, 170 U. S. 52; *Capital Traction Co.* v. *Hof*, 174 U. S. 5; *Gibbons* v. *District of Columbia*, 116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States" provided: That a district of territory, not exceeding 10 miles square, to be located as heretofore

directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby accepted for the permanent seat of government of the United States."

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800 the seat of government and all offices of the United States should be transferred and removed to said district and thereafter cease to be exercised elsewhere.

Mr. Speaker, so that I may have time possibly to answer questions, if my colleagues should ask them, I ask unanimous consent to revise and extend my remarks and insert in my remarks, by way of revision, certain excerpts to which I shall refer.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that in revising and extending his remarks he may insert certain excerpts to which he may refer. Is there objection?

There was no objection.

Mr. BLANTON. I shall read now the explanation by President William Howard Taft:

EXPLANATION BY PRESIDENT WILLIAM HOWARD TAFT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

Madison argued: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy."

There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.

Several attempts have been made so to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that:

The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York, on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkins was discussing the matter from the standpoint of the citizens of the District of Columbia and he made the following pertinent admission:

Congress exercises the District of Columbia in addition to its national powers——

Mr. SEARS. Mr. Speaker, I make the point of order that the House is not in order.

Mr. BLANTON. Oh, Mr. Speaker, I shall come to matters soon to which the House will be glad to listen, but I want to get these things I am quoting from in the RECORD, particularly because this morning the press reports that, concerning the District appropriation bill, the Senate of the United States, through its subcommittee, has rewritten the entire House bill and added the things that the District wanted, and has ignored the President's Budget and the House of Representatives concerning those appropriations.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own, and provided that the tax rate in Washington should be $3 on the $100, and provided for the District to elect and send a delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act, and abolished the position of delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only $600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only $600. Compare this rental in the District of Columbia when our Government first created Washington with the present average rental of about $2,000 per year that the arrogant gorged plutocrats of modern Washington are now charging the 96 Senators and 435 Congressmen for their respective apartments.

I quote the following from today's Washington Herald:

UNITED STATES LUMP SUM UP $2,600,000 IN SENATE BILL—DISTRICT SUBCOMMITTEE ALTERS MEASURE; 141 MORE POLICE AND OTHER RAISES GRANTED

With an increase of $2,600,000 in the Federal lump-sum contribution to the District, provision for 141 more policemen and other substantial increases, the District appropriation bill for the 1936 fiscal year is expected to be given the full Senate Appropriations Committee today for approval.

The Appropriations Subcommittee, under the chairmanship of Senator THOMAS (D), of Oklahoma, practically rewrote the House bill, paying little or no attention to recommendations of the Budget Bureau or the House.

Mr. Speaker, in trying to resist such assaults on the President's Budget, and upon his financial recommendtions, I have been acting for you gentlemen. What I have done with respect to District appropriations in connection with my able colleague, the distinguished gentleman from Missouri [Mr. CANNON], who is my chairman and whom I follow, I have been doing for you, in holding down the clamorous demands of a money-spending District. [Ap-

plause.] When they attack me, whom you have placed in this position, and say they are going to demand that I be taken off the committee, when they demand that you rescind your action in placing me there, it is not me, but it is your authority they are questioning. Their attack is not upon me as a Representative, but it is upon your agent, and therefore upon you, the House of Representatives, in its integrity, in its capacity, in its organization, and in its personnel.

I left my home last November and came to Washington to spend the month of December in helping my colleague from Missouri [Mr. CANNON] hold hearings on the District of Columbia appropriation bill. I did not even get to attend a Christmas family reunion in Texas.

After we had spent most of December holding extensive hearings, on December 23, 1934, I wrote a letter to many of the leading citizens in Washington, and sent a copy to each of my colleagues, giving them some facts disclosed by that hearing, and if you will compare same with the printed hearings, you will see every assertion proven by said hearings, and I quote the following from my said letter:

This city has begun its annual campaign to force a large Federal contribution to its civic expenses. Living here, self-interest, without the facts, may give you a perverted view. Our District hearings will show that the District Commissioners this week admit the following: That most of the paved streets, bridges, schools, playgrounds, parks, water system, sewer system, hospitals, courts, jails, asylums for defectives, and other projects were acquired and constructed when the United States paid half of their cost; that during the last 20 years the United States has spent over $200,000,000 in Washington on its permanent buildings—a great city asset—attracting large crowds here daily, visitors spending $50,000,000 in Washington in 1934; that $13,000,000 has been spent here on relief in 1934, there being 1 of every 7 persons and 1 of every 4 negroes on relief, many refusing jobs, families receiving from $14 to $90 per month; that the tax rate is still $1.50 per $100 on real and personal property, and one-half of 1 percent on intangibles, with hundreds of millions in locked boxes never taxed; all libraries and $1,000 worth of furniture is exempt from taxes to each family; to aid citizens the assessed values have been lowered $50,000,000 this year and $80,000,000 last year; gasoline tax is 2 cents; auto license tags cost $1 for all cars, driver's permits $1; no income tax; no inheritance tax, no monthly sewer charge; all trees and their care free; trash, ashes, and garbage removed free; cost of water $7 per year per family; all school books, supplies, and clinics free; Commissioners testified that people here are least taxed and have more valuable privileges than in any other city in the United States. I cite you the above to offset city popaganda.

The officials and employees of the District of Columbia are the best paid of any in the whole world. Just to show you the kind of salaries they now receive, and what tremendous raises they have gotten since 1923, I quote the following furnished by the District Auditor to our Appropriations Committee:

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, the present salaries of which are over $2,500, together with the salaries of the positions in 1923, immediately prior to the date the Classification Act became effective

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Executive office:			
Commissioner	$9,000	Commissioner	$5,000
Do	9,000	do	5,000
Garges, Daniel E	5,600	Secretary, Board of Commissioners	2,700
Purchasing division:			
Hargrove, M. C	5,400	Purchasing officer	3,000
Lindsay, M. D	3,300	Principal assistant purchasing officer	(1)
Gelbman, J. L	3,300	Chief, printing section	(1)
Kennedy, J. T	3,100	Deputy purchasing officer	1,800
Teachum, G. F	2,900	Assistant purchasing officer	1,800
Teepe, W. T	2,600	Chief clerk	1,500
Building inspection division:			
Oehmann, J. W	5,800	Inspector of buildings	3,000
Scullen, A. J	3,400	Chief engineer computer	(1)
Lindholm, S. G	3,400	Zoning engineer, zoning commission	(1)
McGuire, J. J	3,400	Engineer computer	2,000
Daly, J. B	3,400	do	1,800
Downing, J. W	3,300	Deputy inspector of buildings	2,000
Dollins, H. D	3,300	Engineer computer	1,800
Gedney, Ralph	3,200	Chief engineer inspector	(1)
Johnstone, J. E	3,200	Zoning engineer, building department.	(1)
Ritchie, John	2,800	Chief clerk	1,800
Frankhouser, R. V	2,700	Steel inspector	(1)
Newman, William	2,700	do	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Building inspection division—Continued.			
Rogers, A. T	$2,700	Concrete inspector	(1)
Downman, J. R	2,700	do	$1,800
Sherrier, C. W	2,600	Steel inspector	(1)
Dulin, E. M	2,600	Concrete inspector	(1)
Price, Roy A	2,600	do	(1)
Kimball, J. J	2,600	Chief field inspector	1,500
Roche, T. F	2,600	Inspector of signs	(1)
Brown, J. M	2,600	Chief elevator inspector	1,680
Plumbing inspection division:			
McGonegal, A. R	3,200	Inspector of plumbing	2,000
Tapp, Samuel	2,600	Assistant inspector of plumbing	1,550
Mallet, Edmond	2,600	do	1,360
Lucas, Reese H	2,600	Inspector of refrigeration	(1)
Care of District building:			
Brooke, E. P	3,500	Superintendent, District Building	2,240
Assessor's office:			
Richards, W. P	7,500	Assessor	3,500
Russell, Charles A	5,600	Deputy assessor	(1)
Allen, Fred A	4,800	Assistant assessors	3,000
Johnson, L. S	4,800	do	3,000
Bardroff, John T	4,800	do	3,000
Gunther, Frank A	4,800	do	3,000
Edwards, Daniel H	4,800	do	2,000
Willige, Augustus	4,800	do	2,000
Gaines, Lloyd F	4,800	do	3,000
Fletcher, Edward B	4,600	do	3,000
Fitzgerald, M. C	3,000	do	2,000
Allmond, Harry	2,700	Field man	2,000
Causey, Foster	2,500	Chief, special assessment	2,000
Collector's office:			
Towers, C. M	6,000	Collector of taxes	4,000
Clark, W. D	3,000	Deputy collector of taxes	
Auditor's office:			
Donovan, D. J	9,000	Auditor and Budget officer	4,000
Wilding, W. G	3,100	Assistant auditor	(1)
McKimmie, S	3,400	do	2,700
Pilkerton, A. R	4,600	Principal assistant auditor	(1)
Cain, B. J	3,000	Chief, bookkeeping section	2,160
Harrison, B. A	2,900	Property survey officer	2,160
Hipkins, W. A	2,600	Chief, pay roll section	1,800
Ward, J. H	2,700	Chief, audit section	1,600
Lepson, F. P	2,600	Chief, retirement section	2,040
Thornett, G. M	2,700	Secretary, District personnel board	(1)
Lusby, J. R	3,600	Disbursing officer	3,000
Wright, K. P	3,000	Deputy disbursing officer	1,840
Corporation counsel:			
Bride, W. W	9,000	Corporation counsel	5,500
West, Vernon E	7,000	Principal assistant corporation counsel.	3,000
Roberts, Wm. A	7,000	Special assistant corporation counsel	(1)
Lynch, Robert E	6,000	Assistant corporation counsel	(1)
Fowler, Walter L	5,600	do	1,800
Stephens, F. H	4,800	do	2,500
Thomas, Edw. W	4,000	Assistant corporation counsel	(1)
Wahly, William H	3,800	do	2,000
Cameron, Thomas F	3,200	do	1,606
Walsh, T. G	3,200	do	1,500
DeNeale, Stanley	3,200	do	1,000
Gray, Chester H	3,200	do	(1)
Welliver, E. M	2,800	do	1,500
Sparks, Raymond	2,600	do	1,500
Dawson, Edw. S	3,200	Inspector of claims	1,878
Giebel, Adam A	2,700	Chief clerk	1,400
Coroners' office: Rogers, Joseph D.	3,200	Coroner	1,800
Weights, measures, and markets: Roberts, George M.	3,700	Superintendent	2,740
Chief clerk, engineer department:			
Brennan, Roland M	4,000	Chief clerk, engineer department	2,490
Handiboe, William N	3,000	Assistant chief clerk, engineer department.	2,040
Meaney, John	2,600	Clerk	(1)
Municipal architect's office:			
Harris, A. L	7,500	Municipal architect	3,600
Walsh, S. B	5,600	Assistant municipal architect	(1)
Marsh, H. H	4,600	Chief, structural division	2,640
Bennett, C. A	4,600	Chief, mechanical division	2,118
Coe, M. A	3,800	Chief, architectural division	2,431
Warren, George	3,800	Chief, inspection division	(1)
Holmes, Osgood	3,200	Associate engineer	2,431
Thrasher, R. H	3,300	do	(1)
Blatt, R. C	3,200	do	(1)
Hutson, A. G	3,200	do	(1)
Gregg, Charles	3,800	Chief, specification division	(1)
Peckham, C. I	3,800	Engineer	(1)
Soars, L	3,300	Associate engineer	(1)
Bubb, Ralph S	3,200	do	(1)
Greenleaf, A. H	3,200	do	(1)
Myers, H. F	3,200	do	(1)
Hooe, H. H	3,200	do	(1)
Cullinane, J. J	3,200	do	(1)
Redington, R. B	3,200	do	(1)
Johnston, L. P	3,200	do	(1)
Smith, H. J	3,200	do	(1)
Cuthriell, J. I	3,200	do	(1)
Conway, R. A	3,200	do	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Municipal architect's office—Continued.			
Draper, W. A	$3,200	Associate engineer	(1)
Brown, L. H	2,600	do	(1)
Newman, L. J	2,600	do	(1)
Grant, Paul	2,600	do	(1)
Phillips, F. D	2,600	Superintendent of construction	$2,240
Dicks, R. L	2,600	Assistant engineer	(1)
Wotier, A. A	2,600	do	(1)
Sweet, T. S	2,600	do	(1)
Durfee, N. B	2,600	do	(1)
Horton, E. F	2,600	do	(1)
Lind, A. R	2,600	do	(1)
Hale, W. T	2,600	do	(1)
Morrett, O. F	2,600	do	(1)
Whitcomb, R. L	2,600	do	(1)
Schultz, A. H	2,600	do	(1)
Freeman, D. C	2,600	do	(1)
Bradley, J. E	2,600	Chief engineering inspector	1,961
Repair shop:			
Wormington, L. C	3,800	Engineer in charge	(1)
Storey, Henry	3,100	Superintendent of repairs	1,800
Public Utilities Commission:			
Bachman, B. M	5,000	Chief accountant	3,000
Fisher, Earl V	4,800	Executive secretary	4,000
Reynolds, I. L	4,600	Chief engineer	(1)
Murray, J. D	3,800	Valuation accountant	(1)
Tate, T. R	3,800	Valuation engineer	(1)
Martin, J. L	3,500	Senior accountant	(1)
Dunlap, W. H	3,300	Engineer	3,000
Steele, H. B	3,300	Accountant and auditor	(1)
Runyan, E. G	3,200	Inspector of gas and meters	2,240
Porter, W. T	2,900	Associate accountant	(1)
Hoysradt, H. V	2,700	Inspector of electric meters	2,040
Milligan, E. J	2,700	Chief clerk	2,040
Nicholson, J. M	2,700	Research assistant	(1)
Falk, J. W	2,600	Assistant accountant and auditor	(1)
Putnam, A. C	2,600	Assistant engineer	(1)
Insurance department:			
Davis, H. L	4,600	Superintendent	3,500
Bryan, F. D	3,500	First deputy	3,000
Creighton, C. F	2,900	Second deputy	2,000
Surveyor's office:			
Hazen, M. C	5,000	Surveyor	3,000
Boyd, W. I	3,500	Assistant surveyor	2,000
Dent, E. A	3,500	Assistant engineer	1,800
Pelz, C. E	3,000	do	1,500
Williams, W. A	2,900	Assistant engineer	(1)
Armstrong, J. C	2,800	do	1,565
Jarboe, J. A	2,800	do	1,500
Hale, M. J	2,800	Computer	1,565
Healy, F. F	2,800	Assistant engineer	1,200
Crickenberger, G. W	2,700	do	(1)
Vehicles and traffic:			
Van Duzer, W. A	7,500	Director of traffic	(1)
Harland, W. H	5,400	Assistant director	(1)
Eldridge, M. O	4,800	do	(1)
Seiler, A. G	2,900	Office engineer	(1)
Bell, M. W	2,600	Chief clerk	(1)
Free public library:			
Bowerman, G. F	8,000	Chief librarian	4,000
Herbert, Clara W	4,600	Assistant librarian	2,000
Hance, Emma	3,400	Director reference work	1,500
Latimer, Louise P	3,300	Director children's work	1,600
Thompson, Ralph L	3,300	Librarian, Mount Pleasant branch	(1)
Finney, Grace B	3,300	Chief, circulating department	1,760
Laskey, Julia H	3,200	Chief, catalogue department	1,400
Purdum, W. T	3,200	Chief, acquisitions and binding	(1)
McHale, Cecil J	3,200	Librarian, northeast branch	(1)
Osborne, Frances S	2,700	Librarian, southeast branch	1,400
Bubb, M. Ethel	2,700	Assistant director children's work	(1)
Clark, C. H	2,600	Superintendent, school work	1,260
Williams, M. D	2,600	Superintendent, extension work	(1)
Lacey, Ethel A. L	2,600	Curator of Washingtonians	(1)
Cavanagh, Helen L	2,800	Chief clerk	1,560
Chaney, Alvan C	2,600	Superintendent of buildings and grounds.	(1)
Register of wills:			
Cogswell, Theodore	6,400	Register of wills	4,000
Mersch, Victor S	4,800	First deputy	3,200
Melvin, J. Margues	3,100	Second deputy	2,700
James, Chas. J	2,700	Appraiser	1,800
McLaughlin, Francesca.	2,700	Disbursing clerk	2,250
Recorder of deeds:			
Coage, Jefferson S	5,500	Recorder of deeds	4,000
Fisher, Wm. N	3,500	First deputy recorder	2,500
Tompkins, R. W	2,900	Second deputy recorder	2,000
Highways department:			
Whitehurst, H. C	7,500	Director of highways	(1)
Robertson, L. P	5,600	Engineer of streets	(1)
Whyte, C. R	4,800	Engineer of bridges	2,740
Fennell, A. S	4,800	Engineer of construction	(1)
Clemmer, H. F	4,800	Engineer of tests	(1)
Davison, F. M	4,800	Engineer of maintenance	(1)
Howser, H. R	3,800	Assistant engineer of bridges	(1)
Couch, F. B	3,400	Superintendent of streets	2,240
Gass, S. J	3,400	Superintendent of roads	2,490
Cleaver, Vernon	3,400	Inspector asphalt and cements	2,640
Grabill, L. R	3,300	Assistant engineer of maintenance	(1)
Robertson, J. N	3,300	Assistant engineer of construction	(1)

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to Classification Act of 1923
Highways department—Continued.			
Emack, E. G	$3,100	Assistant engineer	$2,040
Wager, C. E	2,800	Topographic engineer	2,275
MacGregor, W. B	2,800	Assistant engineer (grading)	2,275
Rousseau, J. G	2,700	Assistant engineer (asphalt)	2,440
Elbert, J. C	3,100	Assistant engineer computations	(1)
Curtin, J. J	3,000	Assistant engineer of alleys	(1)
Champion, W. B	2,900	Chief inspector	(1)
Roach, G. H	2,800	Assistant engineer (concrete)	(1)
Preston, H. C	2,700	Assistant engineer (substitute repairs)	(1)
Watson, L. R., Jr	2,600	Assistant engineer (concrete)	(1)
Sencindiver, J. A	2,600	Assistant engineer (asphalt)	(1)
Gainey, Morris	2,600	Principal inspector	(1)
Hoover, Walter	2,600	do	(1)
Bourgois, R. L	1,960	Superintendent of minor repairs	(1)
Trees and parking:			
Lanham, C	5,200	Superintendent	2,000
Wallace, C. B	3,200	Assistant superintendent	1,350
Sewer department:			
Gordon, J. B	7,500	Director of sanitary engineering	(1)
Black, A. D	5,000	Engineer of sewers	3,300
Chapin, R. S	4,000	Operation and maintenance	2,118
Baden, C. C	3,500	Assistant engineer	2,040
Sagrario, S. C	3,300	Mechanical designer	2,118
Johnson, Elwood	3,200	Associate maintenance engineer	2,118
Robinson, J. F	2,900	Assistant engineer	1,740
Iden, F. H	2,900	do	2,118
Fitzpatrick, W. T	2,900	do	1,740
Byrnes, W. M	2,900	do	2,118
Dick, J. H	2,900	Chief clerk	2,118
Steele, F. K	2,900	Principal steam engineer	2,330
Harbaugh, Y. D	2,700	Assistant engineer	1,840
Pearson, G. W	2,700	Assistant to sanitary engineer	(1)
Auld, D. V	2,600	Draftsman	1,440
Press, E. A	2,600	do	1,648
Gleason, J. F	2,600	Chief inspector	1,640
Dent, J. T	2,600	Chief overseer	2,431
City refuse division:			
Hacker, Morris	6,000	Supervisor, city refuse	4,000
Costigan, R. L	5,000	Superintendent, street cleaning	3,000
Crane, J. G	5,000	Superintendent, garbage reduction plant.	2,500
Russell, H. O	3,000	Assistant superintendent, garbage plant.	2,100
Corder, G. K	2,800	Superintendent, trash service	2,000
Murray, J. D	3,200	Master mechanic	2,000
Edgington, F. E	2,900	Administrative assistant	2,400
Meeks, B. M	2,600	Chief clerk	1,800
Krams, H. F	2,700	Accountant	1,800
Wood, W. R	2,700	Superintendent, garbage collection	2,000
Brooke, A. G	2,600	Superintendent ash service	1,760
Santmyer, E. L	2,600	Master mechanic	1,600
Grenfell, F. W	2,850	Veterinarian (part time)	1,400
Greene, A. B	3,800	Resident engineer	(1)
Playground department:			
Baker, Sybil	4,600	Supervisor of playgrounds	2,500
Tennyson, R. S	2,900	Assistant supervisor	(1)
Electrical department:			
Kern, W. E	4,600	Electrical engineer	2,750
Simpson, J. C	3,400	Electrical inspector	2,000
Lyman, F. C	3,400	do	1,800
Murray, J. J	2,600	do	1,350
Zebley, J. S	2,700	Chief electrical inspector	1,560
Public schools:			
Anderson, R. S	3,200	Statistician	(1)
Hine, H. O	3,500	Secretary, board of education	2,000
Holt, R. W	3,500	Chief accountant	2,000
McQueeney, H. F	3,500	Superintendent of janitors	1,500
Metropolitan police:			
Crawford, H. E	3,500	Chief clerk	2,400
Brandenburg, W. H	3,040	Police and fire surgeon	1,600
Reed, J. A	3,040	do	1,600
Borden, D. L	3,040	do	1,600
Allen, F. McJ	3,040	do	1,600
Marbury, W. B	3,040	do	(1)
Williamson, F. Y	3,040	do	(1)
Health Department:			
Fowler, W. C	7,000	Health officer	4,000
Schwartz, E. J	5,600	Assistant health officer	2,500
Cumming, J. G	4,600	Chief, preventable diseases	2,750
Reed, J. B	4,600	Chemist	2,000
Donaldson, E. R	3,800	Microanalyst	(1)
Cole, A. G	3,200	Chief clerk and deputy	2,500
Porch, J. P	3,200	Serologist	2,500
Yongue, N. E	2,600	Assistant chemist	1,500
Butts, J. F	2,600	Chief sanitary inspector	1,800
Ashworth, R. R	4,600	Chief food inspector	1,800
Gelston, S. L	2,700	Food inspector	1,400
Neale, H. V	2,700	do	1,400
Shumate, T. J	2,700	do	1,000
Conroy, J. G	2,700	do	1,200
Lanahan, F. R	2,700	do	1,400
Sando, E. R	2,700	do	1,400
Sproesser, T. W	2,700	do	1,200
Hailman, J. A	2,600	do	1,400
Martin, R. L	2,600	do	1,200
Smith, W. R	3,080	Poundmaster	1,400
Murphy, J. A	4,800	Chief medical and sanitary inspector of schools.	2,500
Davis, H. J	2,800	Director, child-hygiene service	1,500
Noble, J. E	4,800	Bacteriologist	2,240

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
Health department—Con.			
Bradfield, J. D	$3,400	Medical inspector	$2,000
Grayson, S. M	3,400	do	1,720
Fisher, Howard	2,800	do	1,250
Juvenile court:			
Sellers, Kathryn	7,000	Judge	3,600
Sellers, C. F	2,600	Clerk of the court	2,000
Ezekiels, Jeanette	3,200	Chief probation officer	2,000
Lyons, J. Leonard	2,600	Assistant chief probation officer	1,500
Bayles, Mary H	2,600	Director department of inquiry	(1)
Police court:			
Sebring, F. A	3,800	Clerk of the court	2,200
Norgren, W. A	2,900	Chief, deputy clerk	(1)
Alienist: Hickling, D. Percy.	3,500	Alienist	1,500
Board of Public Welfare:			
Wilson, George S	8,000	Director of public welfare	(1)
Kirby, Paul L	5,600	Assistant director	(1)
Tobin, Dr. R. F	3,400	Medical officer	1,400
Allen, Mary P	3,200	Administrative assistant	1,600
Davies, Emma	2,800	Supervisor, home care	(1)
Snyder, Wm. I	3,000	War Veterans' service	(1)
Morss, A. Patricia	3,200	Chief, child welfare	1,800
Donahue, A. M	2,700	Supervisor	1,740
Closson, Eleanor	2,600	do	1,500
Miller, R. R	2,600	Social worker	900
Jail:			
Peak, W. L	4,400	Superintendent	1,680
Angevine, W. K	2,600	Physician	(1)
Workhouse and reformatory:			
Hornbaker, F. W	3,200	do	1,680
Barnard, M. M	6,000	Superintendent, penal institution	3,500
Tawse, A. C	5,000	Superintendent, reformatory	1,800
Bischoff, J. E. C	4,600	Business manager	(1)
Petitt, A. L	4,200	Superintendent, workhouse	1,680
Haar, H. R	3,400	Construction engineer	1,800
Schreyer, Geo	3,100	Superintendent of foundry	(1)
Selecman, J. R	3,000	Superintendent of brick plant	1,500
Fling, J. A	2,600	Chief agriculturist	(1)
Hanger, Chas. W	2,800	Chief accountant	(1)
Green, E. Allen	2,800	Chief mechanical division	(1)
Coffin, Frank	2,500	Steward	1,500
Lambert, N. S	2,500	Head brick burner	(1)
National Training School for Girls: Richardson, L. R.	3,000	Superintendent	1,440
Tuberculosis Hospital:			
Peabody, Dr. J. W	4,600	do	2,040
Risk, Dr. W. A	2,800	Resident physician	840
Finucane, Dr. D. L	2,600	Assistant resident physician	840
Gallinger Municipal Hospital:			
Bocock, Dr. E. A	7,500	Superintendent	(1)
Gilbert, Dr. J. G	5,600	Chief psychiatrist	(1)
Leffler, Dr. H. H	4,600	Medical officer	(1)
Kelk, Dr. J. A	3,200	Associate medical officer	(1)
King, Dr. C. V	3,200	Roentgenologist	(1)
Silverman, Dr. I	3,200	Associate medical officer	(1)
Malone, Dr. Lillian	2,600	Resident clinical director	(1)
McCullagh, Dr. Wm	2,600	do	(1)
Collins, Dr. J. L	2,600	Assistant medical officer	(1)
Skinner, Dr. V. V	2,600	Assistant dentist	(1)
Moran, Catherine E	2,600	Superintendent of nurses	1,440
Snyder, Bradley A	2,600	Chief engineer	(1)
District Training School: Jones, K. B.	6,000	Superintendent	(1)
Industrial Home School (colored): Tucker, Wendell P.	2,600	do	1,200
Industrial Home School (white): Cassie, E. W.	3,000	do	1,740
Home for Aged and Infirm: Haskell, Frank B.	3,500	do	1,200
Militia: Nevitt, P. G	3,200	Administrative assistant	2,040
Public buildings and parks:			
Gartside, Frank T	5,000	Division chief	2,500
Clark, George E	4,800	Engineer in charge	3,000
Payne, Irving W	4,600	Landscape architect	3,300
Ranger, Donald R	3,200	Associate civil engineer	(1)
Saunders, David E	3,200	Section chief	1,860
Hanson, August H	3,200	Assistant landscape architect	(1)
Emmett, Thomas T	2,700	Chief of party	1,502
Bailey, T. L	2,600	Assistant civil engineer	(1)
Wigglesworth, T. H	2,600	do	(1)
Smith, Percy E	2,600	do	(1)
Hoffman, Irvin N	2,700	Engineer draftsman	(1)
Kinnear, Wm. E	2,600	do	(1)
Balluff, R. B	2,600	Assistant chief section	1,860
Clyde Burton, A	3,400	Assistant division chief	1,800
Ely, Lewis B	3,400	do	1,860
Taylor, Hazel F	2,600	Deputy disbursing clerk	1,860
Sheets, Wm. S	3,000	Section chief	(1)
Kincheloe, R. W	2,700	Foreman carpenter	2,100
Littleton, Edwin C	2,600	Chief painter	2,040
Lewis, Harry B	2,600	General foreman	1,920
McNally, William	2,600	do	1,860
Roche, John	2,600	do	2,040
Watt, George	2,600	do	2,100

[See footnotes at end of table]

Statement of positions in the government of the District of Columbia under the Classification Act of 1923, etc.—Continued

Name of employee	Present salary	Position	Salary of position prior to classification act of 1923
National Capital Park and Planning Commission:			
Nolen, John J	$4,600	City planner	(1)
Settle, Thomas S	4,600	Secretary	(1)
Jeffers, Thomas S	3,800	Landscape architect	(1)
Ryder, James A	3,200	Associate engineer	(1)
Haiber, William F	2,800	Draftsman	(1)
Kelly, Edward J	3,400	Assistant motion-picture producer	(1)
Nolte, Carl R	2,600	Assistant secretary	(1)
Eliot, Charles W	[2] 20	Director of planning	(1)
Zoological Park:			
Mann, W. M	6,500	Director	$3,300
Walker, E. P	4,800	Assistant director	2,500
Blackburne, W. H	3,200	Head keeper	2,400
Clark, T. F	3,100	Department disbursing agent	2,200
DuPre, D. L	2,600	Property clerk	1,800
Water department:			
Holton, D. W	5,800	Superintendent	3,300
Beckett, H	4,800	Engineer	2,640
Lanham, Paul	4,000	do	1,928
Grove, E. H	3,500	Water registrar	2,640
Lay, A. S	3,300	Assistant engineer	2,040
Woodward, W. R	3,200	do	1,940
Hibbs, L. L	3,200	do	1,752
Van Doren, W. T	3,200	do	2,003
Gibbons, A. E	3,200	Master mechanic	2,740
Robertson, W. V	2,900	Property officer	2,160
Lybrand, A. W	2,800	Assistant engineer	1,565
Beckett, C. C	2,800	do	1,643
Hebbard, R. L	2,800	do	1,752
Wilson, T. L	2,700	do	2,040
Hoeke, H. W	2,600	do	(1)
Robertson, N. B	2,600	Chief clerk	2,040

[1] Created since 1923. [2] Per diem.

The Superintendent of Schools in Washington receives $10,000. The teachers, from the high schools to the lowest grades, receive better salaries than are paid elsewhere in the United States. And during all of the years of depression they have not had to wait an hour for their money, but have always received it in cash on the day it was due. The police and firemen all are well paid.

The press recently reports that there are approximately 100,000 Government employees in Washington, and that the Government's pay roll here is $200,000,000, which is a bonanza for Washington.

My colleagues will remember that a few years ago I took the floor and called attention to the fact that Hearst's vicious Herald had hired a newspaper writer named Edward T. Folliard—I designated him as "Funny" Folliard—to write an attack upon me every day. Did you know that every day for 66 days in a Washington newspaper there was an attack on me, numbered consecutively from 1 to 66, because I was doing my duty in holding down these expenses?

They tried to take out of your Treasury and build up here at Great Falls—what they said would cost $75,000,000—an electric plant. I had reports from expert engineers to show that eventually it would cost at least $125,000,000, and the most that the people of Washington could expect in benefits would be about 15 cents a year per family. I am the one who led the fight against that for 3 years, until it was killed and stopped. The Washington papers did not like it.

The RECORD for March 3, 1933, pages 5611 to 5618, inclusive, will show that after holding the District appropriation bill for weeks, the Senate placed 174 amendments on it aggregating millions of dollars, and that Senator Bingham, of Connecticut, arrogantly demanded that unless this House agreed to make a Federal contribution of $9,500,000 out of the people's Treasury to help pay the taxes of the people of Washington there would be no appropriation bill at all. He thereby, under threats, forced a conference agreement.

You will remember that I led the fight on this floor to kill that conference report, and on that last night, in the dying hours of the Seventy-second Congress, this House killed that conference report and adjourned sine die without any appropriation bill at all.

Mr. Bingham never came back to the Senate from Connecticut. The people of Connecticut found out that he was

thinking more of the people of Washington than he was of the people of Connecticut. He did not come back any more. He ceased to be a Senator. When the people of the United States find out that any Member of Congress, House or Senate, is so unmindful of their interests that after they pay their taxes and are burdened down more than they can stand up under, they then will be called upon to pay most of the taxes of the people of Washington, you will hear of some more distinguished men being forgotten at the polls in some of the States.

Mr. TAYLOR of South Carolina. Will the gentleman yield?

Mr. BLANTON. In just a moment. I appreciate the gentleman's wanting to help me, but I must get this off of my system. [Laughter and applause.]

The funny part of it was we offered them that night by way of compromise—and conferences are always compromises—we offered them a $6,500,000 Federal contribution. No. They demanded $9,500,000. When the next Congress met, the President's Budget had gone carefully into the matter. The first Budget of Franklin D. Roosevelt had gone into the matter carefully. Do you know what kind of a Budget report President Roosevelt sent to Congress? He recommended that that Federal contribution should be only $5,700,000; not even the $6,500,000 that was offered them, and not the $9,500,000 they demanded, but $5,700,000; and that has been the Federal contribution ever since.

While I do not think the people of the United States ought to pay one dollar of the taxes of the people of Washington [applause], and if I had my way about it they would not pay one dollar, yet when the Budget says it shall be $5,700,000, I have not felt like going up against the President's Budget or his recommendations, and I have gone along.

You will remember the gentleman from Pennsylvania, Mr. McFadden, who was formerly Chairman of the great Committee on Banking and Currency in this House, was elected to this Congress the last time by 74,000 votes over so distinguished a personage as the wife of Governor Pinchot. Mr. McFadden rose to his seat on the floor of this House on May 23, 1933, and filed impeachment charges against Eugene Meyer and others, and in those charges he alleged that they had defrauded the Government and the people of the United States out of many millions of dollars.

You will remember that in the magazine Fortune a few years ago it showed that Eugene Meyer, when he was 21 years of age, did not own a dollar; never had a dollar to his name.

During the years from 1917 up until the time the Hoover administration went out of office, look back at all the Government positions he held, even up to being in charge of the great Federal Reserve System. Holding those Government jobs from 1917 on, he is now worth his millions.

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

Mr. BLANTON. I am sorry, I cannot just now.

Now he is worth his millions; and, of course, with the nearly $2,000,000 that he schemed and squirmed out of the McLean heirs when he took over that Washington Post by a dummy arrangement, though once a young fellow owning nothing, he is able now to be a member of the great, influential Metropolitan Club, a member of the great Cosmos Club, a member of the great National Press Club, a member of the Washington Golf and Country Club of Washington; and he is also able, with all the money that he has gotten since he has been holding these Government offices and since he got this $2,000,000 property from the McLean heirs, to belong to such influential clubs as the Players' Club, the great Lotus Club, the Grolier Club of New York City——

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

Mr. BLANTON. Not now; I will yield directly; I will never refuse to yield to my good friend from California; I will yield after a while, when I get through. Please do not interrupt now.

You remember he kept attacking me in his Washington Post, attack after attack, because I was doing my duty here as a sworn representative of the people until he forced me to take this floor on June 15, 1933. Look at my remarks. I notified him then that if he did not stop maligning me I was going to let the country know something about his record. Now I am forced to do it.

Were the McLean minor children swindled out of their birthright? Let us see. About the time Eugene Meyer cast his covetous eyes on the Washington Post following his amassing a fortune by manipulating the Government it then belonged to the McLean heirs, the McLean family having established it and cherished it as a family heritage for many, many years. Edward McLean was then sick in a sanatorium, unable to attend to business. A tentative sale of the property had been arranged for $3,000,000 and the proposed purchaser had posted a forfeit, but the sale was not consummated because it was not arranged for Mr. Eugene Meyer; it was for somebody else. Then arrangements were entered into through Julius Peyser to sell the Post, and a tentative agreement of sale for $2,800,000 was arranged to a distinguished newspaperman of this country than whom there is no better journalist in the world; and he was willing to make the deal, but those in authority refused to consummate it.

Through influential friends Eugene Meyer learned that the Washington Post owed the International Paper Co. about $100,000. Then it dawned upon him how he could take it over. On March 24, 1933, his friend, Harry Covington, filed in the Supreme Court of the District of Columbia a bill in equity, no. 55485, styled "International Paper Co. versus Washington Post", alleging that on March 21, 1933, the latter owed the former $103,263.96, that the Post's assets were in excess of $800,000, and that its liabilities approximated $625,000.

Paragraph 7 of that bill in equity admitted that the Post was solvent and that its assets exceeded its liabilities and requested that a receiver be appointed. The Supreme Court of the United States in both the *Jones case* (261 U. S. 491) and the *Lyon Bonding Co. case* (262 U. S. 491) held that a simple contract creditor could not have a receiver appointed for a debtor where solvency existed; yet on the identical day, showing collusion, on the identical day that the suit was filed, Mr. Corcoran Thom, the executor of the McLean estate, through his attorney, Mr. Flannery, on March 24, 1933, immediately filed an answer admitting the bill and consenting to the appointment of the receiver—right in the face of the decision of the United States Supreme Court to the contrary.

Promptly the next day, Benjamin Minor was appointed receiver, on March 25, 1933. Even though sick and incapacitated, Edward McLean, through an attorney, tried to intervene on April 14, 1933, but objection to his intervention was filed on April 19, 1933, by Harry Covington, and on May 9, 1933, he was denied the right to intervene. He was denied the right to come in there and protect the interests of his little minor children who owned the assets of the estate, and concerning that newspaper which once tentatively had been agreed to be sold for $3,000,000!

On May 17, 1933, Harry Covington filed a supplemental bill asking that the receiver be authorized to sell the Washington Post. On that identical day, showing collusion, May 17, 1933, Corcoran Thom, through his attorney, Flannery, filed his consent to such sale. On that identical day, May 17, 1933, the order of sale was issued empowering the receiver, Benjamin Minor, to sell the Washington Post.

That was pretty fast action, was it not? Thereafter, on account of Edward McLean, being sick in a sanatorium and incapacitated for business, Mrs. Edward McLean made arrangements to protect the interests of her children in an attempt to buy in the Washington Post and thus saving the family heritage.

She knew the debts against it totaled only $625,000 and that the bill in equity alleged it to be worth over $800,000. She knew it really was worth about $3,000,000, but she never dreamed that any outsider would bid more than the $800,000, so she arranged for enough money to enable her to bid up as high as $800,000. She knew nothing of Eugene Meyer's scheme; she knew nothing of his plots; she did not know about his conspiracy; she did not know that he was going to have a dummy at said sale representing him; she did not know that Eugene Meyer was all prepared to defraud her and

her minor children; but Eugene Meyer had George Hamilton at said sale as his secret dummy, and she realized that it was being run up on her, so finally she was forced to bid her entire $800,000, but she had no more money.

Then Eugene Meyer's dummy, George Hamilton, bid $825,000, and on June 5, 1933, the sale of the Washington Post was approved to George Hamilton at $825,000. On June 12, 1933, said sale was ratified by order of the court, and immediately on that identical day George Hamilton, Eugene Meyer's secret dummy at said sale, assigned and transferred the Washington Post to the Eugene Meyer Publishing Co., and Eugene Meyer immediately incorporated it for $1,250,000.

Thus did Eugene Meyer swindle the little McLean minor children out of about $2,175,000 besides taking their family heritage away from them.

On August 2, 1933, the court allowed Benjamin Minor a fee of $40,000 in payment of his services as receiver, which service consisted mostly in his having signed his name a few times. On the same day, August 2, 1933, the court allowed a fee of $12,000 jointly to the two attorneys, Mr. Covington and Mr. Flannery, and yet with that kind of indelible stain upon his dirty hands Eugene Meyer for 3 weeks has filled his purloined newspaper with malicious, lying, contemptible articles libeling me in every one of them, simply because I wanted to have a faithful, dependable officer who has been a policeman in Washington for 39 years made assistant superintendent of police so that we may have a chance to stop crime in the District of Columbia.

As I told you awhile ago, I was for 12 years the ranking Democrat on the District legislative committee. God knows how much work I did during those 12 years. Did you know that I did not go home lots of summers? I worked the entire 12 months. I made it a point to know just as much about every single part of the District's business in Washington as anybody else knew, and I did. I checked up every single department of the District government. I conducted many investigations. For several years I have been under the gentleman from Missouri [Mr. CANNON] on this committee that makes appropriations for the District. God knows how hard both the gentleman from Missouri [Mr. CANNON] and myself and our other colleagues on that committee have worked. Not a newspaper has said a word about all of the hard work that I ever did for Washington and the District of Columbia. I helped it in its progress. I helped it construct its various enterprises, its hospitals, schools, and playgrounds. I helped to procure its now more than 1,200 parks in this city, big and little. I helped it all the way down the line in a constructive program to build for the people, not of Washington, but for the people of the United States, under the Constitution, the most beautiful city in the world, and it is the most beautiful city in the world. [Applause.]

When I first came here the policemen got only $1,400 a year. They could not maintain their families on that salary, they could not educate their children, they could not do the things for their families that other families had done for them. They could not pay their doctor bills, their dental bills, and all of the charges that come on a family. I was one of those who for weeks and months, with my good friend Clyde Kelly, of Pennsylvania, and others, worked to get a bill through which would pay them a reasonable living wage. We finally got the bill passed that provided them not a basic salary of $1,400 but a basic salary of $1,800 a year, with an additional $100 a year for 3 years' service, which gives them now a maximum of $2,100 a year. I helped do the same thing for the firemen of the District. We have 1,300 policemen and 900 firemen here.

They talk about me being a carpetbag politician. They play me up to the Washington people in all of these damnable cartoons as a carpetbag politician who endeavors to put friends in the employment of the District of Columbia. Not a man have I ever asked to be appointed from Texas on the police force with its 1,300 men. Not a man have I ever asked to be appointed on the fire department force with their 900 members. In all my 18 years' experience here I have had just one single position allotted to me by the District Commissioners for someone from my district. One position! Mr. Howsley filled it for a few months, but he saw such a rotten situation here in Washington, that he became disgusted and homesick and he did not want to stay here any longer. He resigned and went home. Then the Commissioners let me put Mr. Brooks in his place. That is the only position that has been given me, and these damnable Washington newspapers have been crucifying me ever since because the District Commissioners saw fit to allot me one measly little position.

The gentleman from Missouri [Mr. CANNON], in all fairness and justice, took this floor the other day to keep them straight, and you know I have loved him ever since I have been serving under him. He is God's nobleman. There is nothing I would not do for him. He took the floor the other day, when they were talking about me having put this position of assistant superintendent in the bill in order to get one of my friends appointed, and stated that I had nothing to do with that matter, that I was against it. It was a legislative committee that had passed a law that authorized that position, and the Senate of the United States put the money in the bill for it. Mr. CANNON told you it was over my objection that they did that. However, it is one of those compromises that is forced on the conferees of the House. The position was included in the bill.

What would you have done if you had been in my place, representing the House of Representatives in a representative capacity? What would you have done? I knew that in this District among the 1,300 policemen there were some of the finest men in the world—honorable, upright, Christian gentlemen; but among those 1,300 there are some of the biggest crooks in the world, who sell out the people's interest.

I wanted to see a man placed in charge of them on whom we could depend to enforce the law. Whom did I recommend? A man who had served as an old Washington policeman and who honorably served the police department for 39 years—Albert J. Headley, inspector. When ERNEST GIBSON, from Vermont, who is now a United States Senator, and myself were on a committee investigating conditions in Washington, he was the one man who went down the line for us to help us clean up the rotten conditions existing in Washington. He was the man whom GIBSON and I learned to depend on. We found out that he was truthful, that he was honest. He was a perfect gentleman. He was reliable. He was dependable all the way down the line, and with all that he was a splendid neighbor to those living around him, and he is a faithful, loyal friend. Without even saying a word to him, some of his friends came to me when they learned of the situation. My office was filled with them one evening. It has been mentioned here that religion crept into the case. In that bunch of business men who came to my office were Knights of Columbus and Knights Templar Masons, both working for Headley. There was no religious question entered into the matter.

It was the man they wanted, because they wanted the law enforced, and it was the office seeking the man, and I got Major Brown up there at the office and asked him about appointing him. I had him put in an application. He never asked me to do it for him. I and others were doing it for him and for the people of the District, and we found out that he was in line, but another man was in line also, Inspector Bean. Both of them were in line for the position, both of them had served 39 years and we found out that Inspector Bean just wanted the position for a few months. He was fixing to retire. He was in bad health and these friends represented to me that he did not intend to spend another winter in Washington. He was going to Florida, and they said, "If you and Headley's friends will withdraw his application and get in behind Bean, he will retire in a few months, and then Mr. Headley will be the only man in line for the position, because he will be the man who has the seniority." I asked Brown what he would do about it and Brown said, "Why, certainly", if we would take Headley out of the way that Bean's friends had assured him he would retire in a few months and he said, "I will appoint your friend, Albert J. Headley, who is also my friend, to the position", and we had a gentlemen's agreement with him about it.

Of course, I cannot expect anybody connected with the Washington papers, especially the Herald and Post, to understand a gentleman's agreement. It would be impossible. It is beyond their comprehension. [Laughter.]

We took Headley out of the way and we helped to get Bean appointed, and he would have retired—because I believe he is honest—if these infernal Washington newspapers had let him alone.

Then a good friend of mine met me in Washington, a good business man, who told me that one of the representatives of a Washington paper had gone to him a short time before Congress met and said:

BLANTON has just got out a statement that he sent to the people the last of December calling attention to all the things that Washington enjoys, and the Members are not going to give us anything more than the Budget in the District bill. BLANTON is in our way. We can get anything we want put in the bill in the Senate, but we cannot get it by BLANTON on the House Appropriations Committee, because he works with Mr. CANNON, and Mr. CANNON knows these conditions, but BLANTON is the one who takes the floor and fights like he did when he killed our conference report back in March 1933. We must get him out of the way.

This friend said, "How are you going to do it?" and they said, "Through continual hammering." He said, "There is not any man on earth who can stand continual hammering. If you will just continue hammering him, you will finally get his nerve, and we are going to continue to hammer him until we get his nerve and get him out of the way."

Dick, do you believe those sons of guns can get my nerve?

Mr. KLEBERG. They have not yet.

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

Mr. BLANTON. I yield.

Mr. MAY. Some 2 years ago I was attempting to defend myself on the floor of this House against a newspaper attack, and my friend from Texas came to my rescue with the statement that he used to dread newspaper attacks when he was a young Member of the House, but he had learned later that if a man continued to do his duty newspaper assaults or nothing else would ever bother him. I should like to say to my friend from Texas that I do not think he need worry himself about the high regard that the House of Representatives has for him in connection with this charge. [Applause.]

Mr. BLANTON. I am grateful from the depths of my heart to my friend from Kentucky and to my colleagues for their hearty applause; but I want to get back to my subject, because my time is fleeting. [Applause.]

Hearst newspapers have been maligning me ever since I have been in Congress. They have caused opposition to come up against me, and have cost me about $2,500 every election year since I have been in Congress. I still owe about $2,000 to a bank for my last campaign, and am still paying interest on it. I want to give these newspapers this much satisfaction. They at least put this burden on me. They have filled my district with their infamous attacks.

I took this floor on April 24, 1934, after repeated and continued attacks on me by Hearst and his papers here, and I warned Hearst that if he did not quit maligning and lying on me in his papers I was going to take this floor and give his life record. I ought to do it. [Cries of "Go ahead!"]

But I am not going to punish innocent people or the victims of his wrongs by mentioning now all the things he has brought about on the Pacific coast and in New York City, concerning which I have a stack of affidavits by some of the best women both in California and New York; but it affects some little children, innocent children, who are not responsible, and I am not going to allow myself, in justly punishing Hearst, to punish them unjustly.

I will show just a few things about what the CONGRESSIONAL RECORD, during the history of Congress, shows about him. These are facts which Hearst's former attorney knew about him, a man who had been his attorney. And who is closer to a man than his attorney? Who knows a man better than his attorney?

When Hon. Grove L. Johnson, the father of the present United States Senator, HIRAM JOHNSON, of California, was a Member of this House, he made a speech on January 8, 1897, page 593 of the daily RECORD of that date, picturing William Randolph Hearst as he then existed back in 1897, from which speech I quote from the RECORD the following:

Mr. JOHNSON of California. Of this literary coyote, William Randolph Hearst, much could be said. He is a young man, rich not by his own exertions but by inheritance. He became possessed of the idea that he wanted to run a newspaper. Like the child in the song, "he wanted a bow-wow", and his indulgent parents gave him the Examiner.

At first we Californians were suspicious of "our Willie", as Hearst is called on the Pacific coast. Daily editorials written by "our Willie's" hired men praised his motives and proclaimed his honesty.

We knew him to be a debauchee, a dude in dress, an Anglomaniac in language and manners, but we thought he was honest.

We knew him to be licentious in his tastes, regal in his dissipations, unfit to associate with pure women or decent men, but we thought "our Willie" was honest.

We knew he was erotic in his tastes, erratic in his moods, of small understanding and smaller views of men and measures, but we thought "our Willie", in his English plaids, his Cockney accent, and his middle-parted hair was honest.

We knew he sought on the banks of the Nile reliefs from the haunts of vice, and had rivaled the Khedive in the gorgeousness of his harem, but we still believed him honest, though low and depraved.

We knew he was debarred from society in San Francisco because of his delight in flaunting his wickedness, but we believed him honest, though tattooed with sin.

We knew that he was ungrateful to his friends, unkind to his employees, unfaithful to his business associates.

We knew he had money not earned by himself—for he knew that he was unable to earn any money save as a statue for a cigar store—but given him by indulgent parents; we knew he needed no bribes with which to pay his way; hence, while we knew all these things, we did believe "our Willie" to be honest.

When C. P. Huntington told the truth about "our Willie" and showed that he was simply fighting the railroad funding bill because he could get no more blackmail from the Southern Pacific Co., we were dazed with the charge, and as Californians we were humiliated.

We looked eagerly for "our Willie's" denial, but it came not. On the contrary, he admitted that he had blackmailed the Southern Pacific Co. into a contract whereby they were to pay him $30,000 to let them alone, and that he had received $22,000 of his blackmail, and that C. P. Huntington had cut it off as soon as he knew of it, and that he was getting even now on Huntington and the railroad company because he had not received the other $8,000 of his bribe. He admitted by silence that the Southern Pacific Co. was financially responsible, but that he dared not sue it for the $8,000 he claimed to be due because of fear that his blackmail would be exposed in court.

With brazen effrontery only equaled by the lowest denizens of vice "our Willie" knows so well in every city of the globe, he unblushingly admitted he had blackmailed the railroad company, but pleaded in extenuation that he did not keep his contract, but swindled them out of their money.

He showed himself to be the correct exponent of a scoundrel as defined by Bill Tweed, namely, "A man who wouldn't stay bought." I cannot tell how sad I felt to learn of this phase of Hearst's life. I had been his attorney. I had regarded Hearst as honest.

To learn "our Willie" was nothing but a common, ordinary, everyday blackmailer—a low highwayman of the newspaper world—grieved the people of California, myself included.

I regret it. For the honor of California I wish this exposé had never been necessary, but it is true, sadly true. We grieve over a wicked newspaper.

People read the newspaper because it gives the news in large type, but they say while reading it, "Isn't it too bad Hearst should have sold himself. He must be wicked at heart, for he didn't need the money." He has intimidated men. He has intimidated people. You do not know the terrorism he has exercised in California with his paper. You know how it has abused and maligned and caricatured people in this House, the honored chairman of our committee, and other members of our committee, and our honored speaker. He has carried it on for years. He has debauched the public mind in California by terrorism. He has terrorized over everyone. He has issued his edicts that men shall be driven from public life, shall be ruined in private life, and shall be disgraced before the people. I am willing to stand for what I believe to be right, even if this blackmailing paper does continue to assault me.

The above was a cross section of what William Randolph Hearst and his Hearst paper was 38 years ago, expressed by Hearst's former attorney, Congressman Grove L. Johnson, father of United States Senator HIRAM JOHNSON, in his speech from the floor of this House on January 8, 1897.

ENTERED POLITICS IN NEW YORK, NOT CALIFORNIA

A few years thereafter William Randolph Hearst was elected to Congress from New York. As to his service and standing then, I will quote from one of his colleagues, Congressman John A. Sullivan, of Massachusetts, who from the

floor of this House on February 13, 1905, concerning Hearst and his newspapers, said:

Where the proprietor of a newspaper is also a Member of Congress, he owes a double duty to his colleagues to be fair and impartial in his newspaper criticisms of them. A breach of these obligations is offensive to the law, to justice, and to the proprieties. It affects the dignity of the House and of every one of its Members. The right to publish must never be permitted to degenerate in a mere license to slander. The gentleman from New York must not seek to coerce others into agreement with him by wrongful and cowardly use of an unscrupulous press.

It is surely a grievous misfortune not to be able to appreciate the value of the legislative services of the gentleman from New York. It covers the case of the moral degenerate who insolently casts his lecherous eyes upon the noblest of women whose virtue places them beyond the contamination of his lust. It covers the case of the unclean, unproductive, shiftless member of society and includes the man who, totally bereft of the senses of proportion, raises his profaning eyes toward the splendid temple of the people's highest gift—the Presidency of the United States—blissfully unconscious of the woeful contrast between the qualifications requisite for that high office and his own contemptible mental and moral equipment.

It is well known that the gentleman is the most notorious absentee in this body and does not attend 1 day in 10, and has never been known to remain for an entire legislative day even upon those rare occasions he condescends to grace us with his presence. Has any Member heard his manly, sonorous voice once upon this floor in the discussion of a subject, in the asking of a question, in the making of an amendment, in the offering of a motion? Not once! Silent, inarticulate, wrapt in impenetrable gloom, this legislative sphinx sits enshrouded in the majesty of his fancied greatness.

The magnificant advantages of distance have never been more fully demonstrated than in our system, which unites in a common scheme of government territories situated at opposite ends of this great continent.

Thus while this man may by his conduct on the borders of the Pacific Ocean make either his nomination or election to office impossible in a community of self-respecting persons, he may by fleeing from the sources of his reputation as far as the Atlantic Ocean permits, secure election to high office. From California to New York measures the scope of this continent. Any less distance would be fatal to his ambition. If by my remarks I have checked the scheme of political assassination which has been marked out by this Nero of modern politics, I have performed a service to the House and to the country. [Prolonged applause.]

HEARST TOOK IT AND LIKED IT

Immediately following Congressman Sullivan's speech Mr. Hearst took the floor, and from his few remarks I quote the following excerpts:

Mr. HEARST. Mr. Speaker, it seems to me that the gentleman from Massachusetts [Mr. Sullivan] has very largely exaggerated the article which appeared in my newspaper. * * *

The gentleman from Massachusetts apparently criticizes my action, or lack of action, on the floor of this House. * * * I have heard the ablest speakers deliver the most admirable addresses on the floor of this House without influencing legislation in the smallest particular.

Therefore, according to Mr. Hearst, there is no use whatever for Members of Congress to attend sessions or take any part in proceedings, but should go back to their homes and attend to private affairs when Congress is in session.

Mr. Hearst then made an attempt to attack Mr. Grove L. Johnson concerning something he had done when a young boy, when he was interrupted as follows:

Mr. DALZELL. Mr. Speaker, I desire to make a suggestion. If Mr. Johnson is to be criticized by the gentleman from New York [Mr. Hearst], we ought to have what Mr. Johnson said. I am for fair play; let us have both sides.

Then Mr. Hearst attempted to slander Mr. John A. Sullivan concerning what he had done as a young boy many years before, and from the floor of the House Mr. Sullivan was warmly defended the next day as follows:

Mr. GARDNER of Massachusetts. Mr. Speaker, when the gentleman from Massachusetts [Mr. Sullivan], my colleague, came to Congress, I suppose that I was his greatest friend politically and personally. I have known him for many years. I served in the Massachusetts Senate with him. There is no man in politics in Massachusetts today, be he Republican or be he Democrat, for whom I would more quickly personally lay down my life on the proposition that he is entirely honest, absolutely above reproach, and almost too good a man to be in politics. [Prolonged applause.]

WHAT THE HERALD AND POST SAY ABOUT EACH OTHER

The following front-page editorial, or personal letter, appears on the front page of the Washington Herald for February 14, 1935:

YOU ASKED FOR IT, EUGENE

Mr. EUGENE MEYER,
Publisher the Washington Post.

DEAR EUGENE: I wonder if you know that the photographs reproduced Monday and Tuesday in full-page announcements in your Washington Post were taken by a Washington Herald photographer in the presence of a representative of the Audit Bureau of Circulations?

Could you imagine that copies of these photographs, and similar ones, have been locked in my desk since December 19, 1934?

Do you know that the papers represented are all Washington Posts? Would you be surprised, Eugene, to learn that probably none of these papers were ever put into the racks, nor were they ever distributed to the public?

Are you so innocent that you believe that papers stolen singly, as you infer, "corrupting the youth of Washington", collect themselves all by themselves into bundles of hundreds, neatly bound up with twine?

Would you be terribly surprised to learn that none of these papers were ever stolen by the Washington public, in whom you have so little faith?

But, as a matter of fact, were they ever intended for the public? Has the thought not yet occurred to you that they were probably never out of the hands of your own employees?

You have so little faith in human nature, Eugene, that you may not believe me when I tell you that thousands of other copies of the reliable Washington Post were "dumped" at the same time in other localities. We have photographs of these other copies also. Would you like to see them?

Were these thousands stolen by the Washington public, as you have said, Eugene, or were they "dumped" papers which the Washington Post, in its circulation figures, claimed as net paid? I wonder if you have as yet discovered that the Audit Bureau of Circulations will not permit you to call this "paid" circulation.

I'm not very old in the newspaper business, Eugene, but you are even younger than I. Possibly when you are a little more experienced, you will learn to have as real a faith in the Washington public as I have always had.

Sincerely yours,

ELEANOR PATTERSON.

P. S.—And will you please, Eugene, turn to page 6?

Then on the sixth page of the Herald, to which the Herald asked Eugene Meyer to turn, is a reproduction from the Washington Post giving the Hauptmann jury verdict, headed "Scoop", and stating that Hauptmann had escaped the death verdict, and with the following comment by the Washington Herald, to wit:

WRONG AGAIN!

One of the most astonishing performances in local newspaper history was given to the people of this city last night by a Washington newspaper—not the Herald. (See above.)

An edition of this paper, which calls itself "Washington's reliable morning newspaper", was on sale on the streets before the jury brought in a verdict in the Hauptmann trial.

The paper made a slight mistake. The headlines read:

"Hauptmann is guilty, but escapes death."

The paper said that the jury recommended clemency.

EUGENE MEYER IS TOO TIMID TO CALL NAMES

When Eugene Meyer in his purloined Washington Post falsely told his cheated readers that the jury in the Bruno Hauptmann case had given him a life sentence instead of death his no less prevaricating contemporary, Hearst's Washington Herald on its front page denounced him by name.

But when Hearst's scandal, crime-distributing Washington Herald on February 3, 1935, in its 6 o'clock a. m. edition falsely gave its cheated readers the death facts about the electrocution of the two gangsters Mais and Legenza, specially fabricated and manufactured 2 hours before the electrocution, Eugene Meyer, squirming and trembling for fear more would be told on him, had his Washington Post, Sunday, February 3, 1935, on its front page, tell all about the same being printed in a "Washington newspaper", but for fear somebody might take him across her knees and spank him, he did not dare state that it was the Washington Herald that had perpetrated this fraud. The following is the way his Post carried it, which, by not naming the Herald, fraudulently left his readers to believe that it might have been some other newspaper:

SCOOP

One of the most astonishing performances in local newspaper history was given to the people of this city yesterday by a Washington morning newspaper—not the Post.

An edition of the paper appeared at 6 a. m. carrying a detailed "account" of the deaths in Richmond of the gangsters Mais and Legenza, 2 hours before the men were executed! Chevy Chase readers got the "news" at 7. The men actually died at 7:50 and 8:06, respectively.

An unnamed witness of the execution was quoted as telling how Mais died; how he was carried to the execution room with "legs paralyzed by fear", although Mais was still alive when the paper was printed. Actually, he walked to the chair. Legenza was taken to death, according to the same paper, "cursing law, himself, and God." Legenza had not been executed then, either.

The slogan of the newspaper in question is "Truth, justice, public service."

If the Washington Post had been alert, and keeping up with the news, it might have mentioned that on the day the bill to provide an additional judge for the Court of Appeals in Washington was killed in the House, one of Hearst's papers reported that the bill had been passed by the House.

Mr. Speaker, in the few minutes remaining, I desire to refer to some criticism that has been made. Did you know that the Washington newspapers caused this crime committee to be organized? Two months before we met, in the District Supreme Court, Mr. Justice Proctor called on the United States district attorney to come down to his court, and in open court he said, "Mr. District Attorney, your assistant here, Mr. John Fitzpatrick, has been impudent and insolent to this court, and I demand that you take action about keeping him out of here."

Mr. Garnett told Mr. Fitzpatrick that he could not use him in that court any longer, and that in Judge Luhring's court he had another district attorney who was ably performing his duty and getting along with the court, and he would have to put him in a civil court.

Mr. Fitzpatrick had never been an astute lawyer. He had been secretary to one of the judges down there and had not tried cases when he was made assistant district attorney.

Mr. Garnett told him that he was going to have to take him out of that criminal court, and Mr. Fitzpatrick got mad and quit. Immediately he reported to the newspapers. Instead of sending his resignation to the district attorney he sent it to the newspapers here in Washington. Mr. Garnett first found out that he had resigned, from a newspaper, and then when it was created, he was selected for a position on this crime committee. My good friend JENNINGS RANDOLPH knew nothing about what these newspapers had been doing. He would not have been a party to it if he had, and I am afraid that they put one over on him. I am going to read you a statement directly that will show how it was done. The newspapers did it all. Did you know that the Washington Post made one of their reporters, Mr. Seals, an investigator before that committee, and Mr. RANDOLPH tells me that he has been drawing a salary of $225 a month from the Government.

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

Mr. BLANTON. Was not that what the gentleman told me?

Mr. RANDOLPH. I want to suggest——

Mr. BLANTON. Oh, please, just answer me.

Mr. RANDOLPH. I will reply in my own time.

Mr. BLANTON. Very well. The gentleman told me that he was drawing $225 a month, didn't he?

Mr. RANDOLPH. That is right.

Mr. BLANTON. Then, I have not misquoted the gentleman, and he told me this fellow Fitzpatrick, who is insolent and insulting in Judge Proctor's supreme court, is drawing $225 a month from the Government as the committee counsel. And the first thing Mr. Fitzpatrick did was to bring your district attorney up there before him and grill him and insult him, like he tried to insult me in that committee. All because of pique and spite. Why, JENNINGS RANDOLPH knew nothing about all that. He would not have stood for it if he had.

The papers came out and said that I was going to be crucified by this Mr. Arthur Clarendon Smith, who was getting up this march on the Capitol, and by this Dr. Thomas S. Evans. Did you know these Washington newspapers went to the Speaker of this House and tried to get him to take part in having me removed? And you all doubtless know what JOE BYRNS told them, do you not? They went to my colleague Judge BUCHANAN, Chairman of the Committee on Appropriations, and tried to get him to take action; and you all doubtless know what "Buck" told them, do you not? They went also to another one of the finest men in the Government employ, Col. James G. Yaden, and all of you know Jim Yaden, one of the finest citizens of this city. He is president of the Federated Citizens Association—not this little gang of two-bit, second-class merchants that Smith is president of, but the real citizens of the city of Washington.

Jim Yaden is the president of the entire Federated Citizens Associations of the city of Washington. They went to him and tried to get him to take charge of this newspaper-inspired march on the Capitol against me, and I wish you could have heard what Jim Yaden told them. Jim told them they could not work him into anything like that, and then they got this fellow Smith, this cheap guy, among the cheap little merchants here, not the big merchants—and let me show you something about him.

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

Mr. BLANTON. Could I get 10 minutes more to finish?

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman may be granted 10 minutes more.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the gentleman from Texas may have 10 additional minutes. Is there objection?

There was no objection.

Mr. BLANTON. About October 1, 1916, on Bladensburg Road, Mr. Smith's car was in an automobile accident in which John William Shaffer was killed. On October 4, 1916, Arthur Clarendon Smith was held by the coroner's jury for the grand jury, and on October 26, 1916, the grand jury ignored the case. The case was no. 32229 down in the coroner's court. I will not tell you anything about the circumstances of that accident, because it involves some other people, but you ought to find out something about it.

Dr. Thomas F. Evans was going to help Smith organize the thugs of Washington against me, not the good people. Why, he could have gotten 2,000 hoodlums here under the domination of these newspapers to have marched on the Capitol against me if he could have gotten any recognition from anybody. But it all fell flat. People would not respond.

Dr. Thomas F. Evans was indicted in 1924 for procuring an abortion. I will not mention the lady's name. It was case No. 42063. At that time Dr. Evans lived at 1347 L Street NW. On April 21 his bail was fixed at $3,000. This case was nolle prossed on November 9, 1927. The district attorney said that the complaining witness had changed her story and had since married the man who was responsible. That is the "son of a gun" who is after me. [Laughter.]

I do not blame those boys in the press gallery. They have to write what their newspapers tell them to write. Lots of them are good fellows; lots of them are good scouts. They would not malign me at all if they did not have to do it to hold their jobs.

Did you know that these Washington newspapers after me have had some reporters here who have been charged with serious crimes, attending this executive meeting of the Crime Investigating Committee, with two fellows sitting there at the time I was attacked on the 14th of March, when I did not know anything about this fellow coming there at all? They did not tell me he was coming. Just two new Members, not any of the older ones were there. If they had been I would have been notified. Did you know that some of the reporters, with 2 Members of Congress conducting an investigation, with 5 newspaper reporters present in an executive session and 5 photographers present were taking a picture of Members every 5 minutes? [Laughter.] Let me tell you about one of these reporters. He is now called "Lester Sumners." His alias is Lester Stanley Simmons.

That is the name he went by once. Lester Sumners is now a reporter for the Washington Herald, or he was when this crime committee first met, and was present before the Subcommittee of the District of Columbia on Crime Conditions. This man was a partner in the bootleg business with one John E. O'Hearn, going by the name of Lester Stanley Simmons. Let me quote you his police record. In

the case of the United States of America against him and this other fellow and some others in Equity No. 53454 I am going to show you the order of the court if I have time. Here is his police record.

Case No. 6121: He was charged with possession of liquor. The complainant was Holmes. The officer was F. O. Brass, precinct no. 14.

Case No. 61531: He was charged with possession of liquor; Holmes, complainant; Holmes, officer; eighth precinct.

Case No. 9131: Charged with possession of liquor; Holmes, complainant; McBerry, officer, headquarters; verdict of not guilty.

Case No. 9231: He was charged with maintaining a nuisance; Officer Holmes, complainant; McBerry, officer, headquarters precinct. In that case he got a verdict of not guilty.

Then he was mixed up in cases nos. 343024 and 985965 with other defendants. In that case there was $10 forfeited.

John J. Sirica is counsel for Sam Beard and 12 other gamblers charged with conspiracy to violate the gambling laws now pending in the District of Columbia. I have been trying to get from the committee a copy of the statement I made there. I have not yet been able to get it, and I am a Member of Congress.

A party tells me, who says he knows it is true, that copies of the evidence taken before the Crime Committee have been made available to this man Sirica, who is counsel for Sam Beard. I will put in this record, showing that the Government has charged Beard recently with maintaining and operating gambling houses in about 12 different places in Washington, and I will give you the places by name and number:

[From the Washington Post, Feb. 24, 1935]

BEARD RECEIVES SPECIFIC DATA IN GAMING CASE—UNITED STATES SUPPLIES LIST OF 18 PLACES HERE ALLEGEDLY INVOLVED IN "PLOT"

Forced to reveal its hand through a bill of particulars, the Government has furnished Sam R. Beard and his 13 codefendants with a list of 18 places where it is alleged they conspired in "the setting up and keeping of gaming tables, gaming devices, and gaming places."

The list was revealed when Roger Robb, assistant United States attorney in charge of the prosecution, was directed by Justice James M. Proctor to draw up a list of the specific offenses that would be shown in his trial.

In accordance with the order, Robb has given Beard's attorney, John J. Sirica, a list showing the addresses where alleged offenses either occurred or were about to occur.

The addresses are: Room 508, Mather Building; 605 Pennsylvania Avenue NW.; 718 Eighteenth Street NW.; 1319 Wisconsin Avenue NW.; 1319 F Street NW.; 833 Fourteenth Street NW.; 804 North Capitol Street; 10 H Street NE.; 1405 L Street NW.; 519 Ninth Street NW.; 742½ Ninth Street NW.; 722 Thirteenth Street NW.; 939 D Street NW.; 702 O Street NW.; 522 Eighth Street NW.; 514 Tenth Street NW.; 1417 New York Avenue NW.; 922 F Street NW.; and divers other places to the grand jury unknown.

INDICTED ON THREE COUNTS

Beard and the others were indicted on three counts, the first two charging the setting up of a gaming table and the setting up of a gaming place, and the alleging a conspiracy to violate the gaming laws.

Beard was arrested several months ago. His trial has been postponed numerous times because of attacks on the indictments, the defense claiming it was illegal because a woman on the indicting grand jury was serving unlawfully. Following that another indictment was returned, and it, too, was attacked.

The latest move, one to force the Government to acquaint Beard with the nature of the charge against him so he could properly prepare his defense, has resulted in the removal of his case from the trial calendar.

WAS ARRESTED IN RAID

This was brought about by the necessity of investigating all of the places listed.

Beard was arrested in a raid on the Mather Building, where police claimed they seized 60 phones, each with sufficient outlets to make possible 1,600 simultaneous calls. Mr. Robb said he hoped to be able to show that race-track information was sent out throughout Washington over the telephonic system.

Removal of Beard's trial from the calendar means he probably will not be brought to face the charges until after the Easter recess. He is at liberty on a $9,000 bond.

John Kenny was employed by the Washington Herald. I do not know whether he is still employed or not, but he was employed by them as a reporter. He was indicted July 2, 1934, for gambling, case no. 57437. On October 29 he entered a plea of guilty, and on November 19 he was sentenced to the penitentiary for a period of from 1 to 3 years, to take effect upon arrival. The sentence being suspended, Kenny was put out on probation. I do not know whether he is still working for the Herald or not. [Laughter.]

Now, I want to call the attention of my good friend from West Virginia to a thing that he should have corrected himself. The paper said that not only did I try to put Headley in a position but I had endorsed a man by the name of Lieutenant Varney for promotion and that Mr. RANDOLPH'S committee was going to hail me back there and probe me for having endorsed Mr. Varney. Jennings, why did you not tell them that before I endorsed him you wrote the first letter that was ever written asking that he be promoted? I have your letter here, a copy of it, and I am going to put in the RECORD a copy of the reply. You should have told them that, Jennings.

Mr. RANDOLPH. I want to say that the letter is proper in every way.

Mr. BLANTON. Yes. Now, in this connection, I will put in other letters written by other Congressmen for Lieutenant Varney:

MARCH 30, 1934.

Hon. MELVIN C. HAZEN,
District Commissioner, District Building,
Washington, D. C.

MY DEAR MR. HAZEN: This letter is written in behalf of Mr. Frank A. Varney, who is a lieutenant of the police force, but wishes to become a captain for the vacancy which I understand will exist. I trust he can be given most careful consideration.

With kind personal regards, I am, very sincerely yours,

JENNINGS RANDOLPH.

APRIL 2, 1934.

Hon. JENNINGS RANDOLPH,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: Referring to your letter of the 30th ultimo, written in behalf of Lieut. Frank A. Varney for promotion to the grade of captain, Metropolitan Police, District of Columbia, permit me to advise that the recent vacancy occurring in the rank of inspector was filled by the advancement of an acting inspector to the full pay of an inspector, in keeping with the economy program, and resulting in but one promotion instead of four, and assuring the District of Columbia of the same measure of patrol service as heretofore.

Major Brown further informs me that in the event of a vacancy to be filled in the grade of captain, every consideration possible will be given Lieutenant Varney, your interest in him being kept in mind.

Thanking you for writing me concerning this officer, and reciprocating your kind personal regards, I am,

Sincerely yours,

MELVIN C. HAZEN,
Commissioner, District of Columbia.

APRIL 7, 1934.

Hon. ERNEST W. BROWN,
Major and Superintendent Metropolitan Police,
Washington, D. C.

DEAR MAJOR BROWN: I understand that Lieut. Frank A. Varney stands first on the civil-service eligible list to be made a captain in your department. I would appreciate your seeing that he is given due consideration and made a captain at the earliest date possible.

With kind regards, I am,

Your friend,

THOMAS L. BLANTON.

APRIL 14, 1934.

Mr. GEORGE E. ALLEN,
Commissioner, District Government,
District Building, Washington, D. C.

DEAR GEORGE: Perry Howard has spoken to me about Lieut. F. A. Varney, of the twelfth precinct.

From what Perry tells me, Lieutenant Varney is in line for a promotion to a captaincy and if the superintendent of police recommends this promotion, I sincerely hope that you will do everything you can to have it effected.

With best wishes, I am,

Sincerely yours,

PAT HARRISON.

Hon. MELVIN C. HAZEN,
President of Board of Commissioners,
Washington, D. C.

MY DEAR COMMISSIONER: I understand that Lt. Frank A. Varney is first on the eligible list for captain in the Metropolitan Police, Washington.

Many of my friends here in Washington have told me of Mr. Varney's record and excellent work. If opportunity presents itself, will you not give him serious consideration?

Very truly yours,

D. LANE POWERS.

APRIL 13, 1934.

Hon. MELVIN C. HAZEN,
Commissioner, District of Columbia,
Washington, D. C.

MY DEAR MR. HAZEN: I understand that a vacancy exists in the police department in the office of captain of police.

My attention has been directed to the qualifications of Lt. Frank A. Varney who, I believe, is first on the eligible list of the civil-service applicants. From authentic reports, which have come to me, I feel warranted in presenting the claims of Lieutenant Varney to you for consideration for promotion. I am persuaded that this promotion will be for the benefit of the service.

Thanking you for such favorable consideration as you can give to this subject, with kind personal regards, I am,

Very truly yours,

J. W. DITTER.

The following is a dirty little dig, wholly untrue and uncalled for, made by Paul Mallon, under his column for a Washington newspaper, and which was sent into my district:

PAUL MALLON

NOTES

The irrepressible BLANTON, of Texas, spoke so often on the bonus bill that House Members finally openly joined in a chorus inviting him to "sit down", and he did.

The following letter, voluntarily written by my colleague, Hon. WRIGHT PATMAN, author of the bill, and who managed it on the floor, shows just how unreliable these digs are:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 23, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR FRIEND AND COLLEAGUE: Since I am acquainted with your activities in behalf of the full cash payment of the adjusted-service certificates, permit me to personally thank you for your cooperation and support in the passage of H. R. 1.

It is not my victory; it is our victory. The veterans all over this Nation owe you a debt of gratitude. You have also performed a useful and constructive service to the country.

As one who knows and realizes your worth and service to this great cause, permit me to extend to you my sincere thanks and appreciation.

Judge, you are entitled to greatest recognition for your very effective service to the cause. I am personally indebted to you for your splendid help.

With kindest personal regards and very best wishes for your future success, I am,

Your friend,

WRIGHT PATMAN.

The following letter explains one part of the testimony:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
March 30, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 27th instant, in which you request information as to the issuance of a courtesy card to one Tony De Janeiro.

In reply, permit me to advise that as I recall it was in the evening of the day on which you had testified before the Crime Investigation Committee that the Honorable WILLIAM T. SCHULTE, a member of that committee, came to my office at these headquarters and introduced to me Mr. DiGenaro, and referred to him as one of his good friends, and requested that I issue Mr. DiGenaro a courtesy card, as well as a courtesy card for myself.

This is the first time that I had ever met DiGenaro, and while my secretary was engaged in making out the card I remarked to DiGenaro that I did not recall ever having met him before, and he stated that I had known his father some years ago when I was in the sixth precinct, and his father was engaged in the grocery business in that precinct, which I did not recall.

The record kept of the courtesy card issued in my office indicates that card, no. 980, was issued to Anthony DiGenaro, at the request of Congressman SCHULTE.

Trusting this is the information you desire, I am,

Very sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

The Washington newspapers have played me up as an enemy to the police department. I introduced a bill and helped to pass it that gave the policemen in Washington their uniforms and equipment. I introduced a bill that gave both policemen and firemen 1 day off in lieu of Sunday; and I showed a card they had given me making me an honorary member of the policemen's association for life. The gentleman from Indiana [Mr. SCHULTE] said, "They have not furnished me one."

Then I showed them a courtesy card; they had issued a number of these cards which allows us to park our cars, and so forth; and that very evening, as soon as the committee adjourned, my friend from Indiana brought a "dago" named Tony de Janiero down there and wanted them to issue one of these courtesy cards to both of them, permitting them special parking privileges. Major Brown's letter shows it. Tony runs a joint down here, a restaurant and saloon downstairs and a place upstairs where people may have wild parties.

Now, just one thing further and I am done. One of my friends in Congress told me that I could depend absolutely upon anything that one of the newspaper reporters he happened to know told me. I wrote him a letter, told him about it, and asked him to please give me a statement about what he knew of this transaction, and here is what he said——

[Here the gavel fell.]

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

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

There was no objection.

Mr. BLANTON. Here is what he said:

UNIVERSITY CLUB,
Washington, D. C., March 20, 1935.

Hon. THOMAS L. BLANTON,
Member of Congress, House of Representatives.

MY DEAR MR. BLANTON: I do not like to be mixed up in any local matters here, but in the interest of common justice I am willing to tell you what I know. I was a reporter for the Chicago Tribune for a period of 10 years.

At the first and subsequent meetings of the subcommittee of the District Committee investigating crime conditions in Washington, I represented the Washington Herald.

At the first meeting of the Crime Committee, I was introduced to a Mr. Seals and he informed me that he was a reporter for the Washington Post. Subsequently, at the time of the appointment of Mr. Fitzpatrick as counsel for the committee, Mr. Seals became investigator for the committee. At the time of my assignment to cover the Crime Committee activities for the Washington Herald, in a conversation with one of the reporters who evidently enjoys the confidence of the city editor, I was told to stay away from BLANTON because he was extremely unfriendly to any of Hearst's representatives.

With reference to the appointment of Mr. Fitzpatrick as counsel for the subcommittee, at the time I knew nothing of the arrangements or what brought it about, except I was informed by Mr. JENNINGS RANDOLPH at a press conference in his office, with other reporters present, that Dr. John R. Fitzpatrick was the man the committee had decided upon as counsel, and asked if he was acceptable to all of the papers. I concurred as the others did, assuming that in view of the high praise of him by the others present, he was the man for the job. At a later date, a Sunday evening, in casting about for a follow-up story on the Crime Committee, I phoned Colonel Yaden and one other member of a local civic body to get their comment on a crime address made over the radio by Representative RANDOLPH. During my conversation with Colonel Yaden he informed me that he had a very high regard for Mr. RANDOLPH, Mr. Fitzpatrick, and Mr. Seals, of the Washington Post, and for their activities in the functions of the Crime Committee, and added that Mr. Seals, of the Washington Post, had talked with him about the appointment of Dr. Fitzpatrick as counsel for the Crime Committee.

About February 5, at the close of a meeting of the subcommittee, Representative SCHULTE had a conversation with me, in which he said, "George, they killed poor Tommie", having reference to Tommie Malloy, head of the Motion Picture Operators' Union, in Chicago. We discussed Malloy momentarily, and I remarked from my observation of Tommie Malloy's activities that he had simply overstayed his leave. Mr. SCHULTE indicated to me his fondness and great friendship for Tommie Malloy.

He was a much-feared man, and the newspaper clippings in the morgues of the various Chicago papers tell many vivid stories of his alleged activities. Malloy was shot to death at the wheel of his Packard sedan while on the outer drive in the vicinity of Soldiers' Field, Grant Park, Chicago, February 4, 1935.

One day following the reported death of Tommie Malloy I was in Mr. SCHULTE's office. Mr. SCHULTE wasn't in, and I had a conversation with Harry Gallagher, SCHULTE's secretary, during which he expressed comment on the death of Malloy, saying that Tommie had been in Washington and saw Mr. SCHULTE just a day or two before his death.

The evening following the afternoon testimony of Chief of Detectives Burke I was called at the Herald office by a friend of mine who informed me that a detective from the office of Mr. Burke was talking about the efforts Mr. Burke was about to make to discredit Mr. SCHULTE in retaliation for his (Burke's) embarrassment at the hands of Mr. SCHULTE during the Crime Committee session of that day. He informed me as follows: That Mr. Burke had detailed a couple of his men to watch Mr. SCHULTE and his activities very carefully, and at the moment Mr. SCHULTE was in the New Haven Grill, 45 H Street NE., and two detectives were watching the place, and at the first opportunity to embarrass

Mr. SCHULTE they were to do just that. Immediately upon receiving the information I consulted with the assistant city editor who was in charge at the time on the Herald, as to what course to take. He suggested either to permit the police to do what they saw fit, and I be an observer and record the event, or contact Mr. SCHULTE with a view to having him submit to the frame-up and the Herald would expose the situation. I contacted Mr. SCHULTE on the telephone at the New Haven Grill, advised him he was in a precarious position, and suggested he meet me immediately so I could inform him of what I had been told. He suggested that I come to his office, room 1018, New House Office Building, which I did. This was at about 10:30 in the evening—the exact date I do not at the moment recall. I met him there, told him what I had been informed of, suggested that he exercise extreme care in his conduct while in this place, and he suggested that I go back there with him. Before doing so, however, he called Tony De Janeiro, the alleged proprietor, on the phone and ordered him to remove some photographs of his (Mr. SCHULTE) and others which were hanging back of the small service bar of the main room of the New Haven Grill. He also asked Tony if there were any policemen about the place. Tony informed him that there were two in the place at the time, but that they were friendly. Mr. SCHULTE then suggested that I go back to the place with him. He drove me over in his Packard sedan, parked the car in the gasoline filling station parking lot on the corner of H and First Streets NE., and we entered the place by the side entrance. I was taken upstairs on the second floor to a private dining room facing H Street, where I was introduced to Tony De Janeiro. I infer from the manner of introduction and the conversation that transpired that Mr. De Janeiro and Mr. SCHULTE were on the friendliest of terms. I was introduced to several men and women, friends of Mr. SCHULTE. We had several bottles of beer, some lunch, and Mr. SCHULTE and I left the place alone at 2:30 a. m., he driving me to the University Club.

It is a combination saloon and restaurant. Frank Waldrop, a reporter on the Herald, and myself visited the New Haven Grill one afternoon, Mr. Waldrop taking me there for the purpose of showing me Mr. SCHULTE's autographed picture taken with Tony de Janeiro, the alleged proprietor of the place. The picture and two others adorned the wall of the back bar of the small service bar. I have already related that I heard Mr. SCHULTE ask Tony over the phone to remove the pictures.

I interviewed Mr. SCHULTE late the afternoon of the day the report of his car being stripped was given to the police. I knew nothing of my own knowledge of it, except that Mr. SCHULTE said the window of the door and lock on his Packard sedan was broken, the car was entered, and papers and things in the pockets and compartments were disturbed as though someone was in search of some papers. Mr. SCHULTE inferred that he had some idea who was responsible for the breaking into his car. The inference I got was that it was the police. The stripping of the car incident took place sometime after the night I had been to Tony's place.

Trusting this complies with your request, I am

Very sincerely yours,

GEORGE E. REEDY.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for sufficient time to finish.

The SPEAKER. Without objection, the gentleman's time is extended 5 additional minutes.

There was no objection.

Mr. BLANTON. Mr. Speaker, I regret to have taken this time, but I want the Washington newspapers to know that this House of Representatives is going to be the judge of its own committees. Nothing the newspapers may do can disturb the action of this House. This House does not belong to the Washington newspapers. This House has shown that it does not honor their infamous and despicable influence; this House does what it pleases.

Mr. COX. Mr. Speaker, if the gentleman will permit me, I should like to make the observation that I do not think the gentleman should feel any regret at having consumed the time he has taken to make answer to these charges that have been made against him for weeks in the effort to undermine his standing and position here with his colleagues. He should be very happy in the consciousness that his colleagues still believe in him and are standing with him. [Applause.]

Mr. BLANTON. I thank my good friend the gentleman from Georgia.

I want to say, my colleagues, that since I have been in public office I have given the best that is in me and have been getting poorer and poorer every year. I am $30,000 poorer now than I was when I entered public life. Above a bare living for my family it is the honest truth that since I have been in public life I have spent every bit of my income in trying to bring about better conditions.

Why, I was the man who first started the crime committee doing anything worth while. I went to them with a bill to reorganize the trial board here. You cannot have good policemen as long as you have a trial board made up of policemen themselves; they will let the crooked policemen stay and sometimes convict innocent men. You have got to take that crime board out of the hands of the police. Incidentally, I thought it was an executive session, but there was a bunch of photographers there.

I told the chairman of the committee, JENNINGS RANDOLPH, that I would not make any statement as long as the photographers were there and asked him to forbid them taking pictures of me during the hearing. He ordered them not to take pictures of the committee that afternoon. I told them, incidentally off the record, that there had appeared before the committee of the gentleman from Missouri [Mr. CANNON] a responsible, reliable Government employee who said that within a block of that committee's room there was a regular gambling house going on day and night, with lots of tables filled with all kinds of gambling devices, openly defying the law. I told them and I insisted that the superintendent of police stay there and hear me, which he did, over the protest of one member of the committee, my good friend from Indiana [Mr. SCHULTE]. But he stayed there, the committee let him stay there to hear me; and the next day there was staged a raid. He said he did not believe there was any gambling house there, that they would not find anything; but he told them to make a raid. They found nothing, because the gamblers had been tipped off.

The following is the account of the real raid:

[From the Washington Post, Feb. 7, 1935]

POLICE STAGE GAMING RAID NEAR CAPITOL—AXES USED TO SMASH INTO HOUSE; 56 MEN TAKEN IN CUSTODY—CONGRESSMEN WHO SEE VICE SQUAD AT WORK PRAISE EFFORTS

One week to the day after fifth precinct police had made a visit and found only "vacant rooms", vice squad police late yesterday swooped down on a three-story building located near the Capitol and within a block of the House Office Building, where hearings on District crime conditions are now under way, and discovered an elaborate gambling establishment, where they seized 56 men.

Eight of the men taken into custody were booked on charges of setting up a gaming table and ordered held for arraignment in $2,000 bonds. The others were released after police had put them through the line-up, searched them, and ordered them to hold themselves in readiness to appear as witnesses.

EIGHT PRISONERS CHARGED

The eight gave their names as follows: Charles Turner, 45, 1300 block of East Capitol Street; John M. Cornell, 31, 900 block of East Capitol Street; Edgar J. Behrle, 39, 900 block of E Street NE.; Fred A. Stillman, 42, 1700 block of P Street NW.; Kenneth T. Pumphrey, 29, 400 block of Fifteenth Street NE.; John E. Goetz, 36, 1600 block of Q Street NW.; Wilmer M. Long, 28, 700 block of Nineteenth Street NE.; and Frank E. Lyon, 51, 500 block of Fifth Street NW.

Both police raids on the building came on the heels of charges made several days ago by Representative THOMAS L. BLANTON, Democrat, of Texas, before the crime investigating committee that a gambling establishment "which everybody knows about" is operating within the shadow of the Capitol.

CONGRESSMEN SEE RAID

The police activities attracted the attention of hundreds of persons, including Members of Congress, their secretaries, employees of the Capitol, workers in the Library of Congress, and ordinary residents—and many who stood in the street and watched the police corral their prisoners into patrols looked over their shoulders at the dome of the Capitol looming against the western sky and grinned.

Several of the Members of Congress attracted to the spot praised the work of Lt. George Little, vice squad chief, and the six men who helped him in the coup. Among these was Representative JOHN J. MCSWAIN (Democrat), South Carolina, Chairman of the House Military Affairs Committee.

Lieutenant Little announced that $2,127 was taken off the eight men booked, including marked money for a bet made earlier in the day by a member of the squad.

KNEW OF PREVIOUS RAID

The vice squad chief, asked about the previous raid by the fifth-precinct detail, admitted that he knew about it. Asked specifically if the equipment seized was new, Lieutenant Little said: "Well, the beams supporting the backs of the blackboards were new lumber."

The fifth-precinct squad made the raid last week and the raiding squad at that time consisted of Lt. John Flaherty, Sgt. A. S. Bohrer, and Privates T. Smithson and W. Salkeld.

Private Salkeld, speaking of that raid last night, said: "We battered our way in. I wielded the ax myself, but we found nothing but vacant rooms and a lot of dust."

The vice squad members also had to smash their way in, but Lieutenant Little was confident that no patron or alleged operator had been permitted to escape.

PARAPHERNALIA SEIZED

While occupying the entire building, the gaming establishment was centered on the third floor where police found a blackboard containing racing results and a quantity of numbers slips.

Loud speakers for dissemination of race track results and mutuel totals were found, as were a trough in which discarded numbers slips were thrown, two tables covered with green baize, ostensibly for dice games, and a cashier's cage where police said the race and numbers bets were made and where the winners collected.

Police records showed the following equipment seized: One cloth table (used for dice), 1 pool table (used for dice), 1 radio, 1 radio power pack, 2 telephones, 1 set of ear phones, 1 stool, 1 electric heater, 1 fan ventilator, 1,200 numbers books, 2 barricaded doors, an uncounted number of poker chips.

Several members of the vice squad reported to Lieutenant Little that they saw people in the establishment turn back the dice blankets from the tables when the police axes crashed through.

Police, armed with axes, came in from the rear and gained entrance to the third floor by smashing in a heavily reinforced door in the rear of the second floor.

Automatic locks were used on both front and back doors, and persons entering, according to police, had to identify themselves before being permitted to get into the gaming room.

That the place had been expecting a land-office business, police said, was evidenced by the fact that the third floor had been reinforced from the second floor by 4-inch joists. Police who had been in the place some time previously said that partitions on the third floor had been torn out to make one big room. In addition, it was pointed out that stairways leading from the top floors in the rear had been encased in composition wall boarding to make detection from that sector impossible.

This same man Headley ordered that captain to close up this joint. The records show it; Captain Morgan admitted it before this committee, that Headley had ordered him to close it up. These real raiders headed by Captain Little went there, cut those doors down, and arrested 58 gamblers there and took charge of that gambling paraphernalia within a stone's throw of the House Office Building and the Committee on Crime. The committee had ignored it for about 2 weeks and spent 8 days investigating my endorsement of a policeman.

In conclusion, let me say, that Bob Taylor, in Paradise of Fools, said:

God deliver us from the fools whose life work is to cast aspersions upon the motives and character of the leaders of men. I believe the men who reach high places in politics are, as a rule, men of sterling worth and intelligence, and upon their shoulders rest the safety and well-being of the peace-loving, God-fearing millions.

I thank you kindly, all of you colleagues, for your kind attention and consideration. [Prolonged applause.]

The SPEAKER. Under the previous order of the House the Chair will recognize the gentleman from North Dakota [Mr. LEMKE].

Mr. TAYLOR of Colorado. Mr. Speaker, I may say that the gentleman from North Dakota [Mr. LEMKE] has very kindly yielded his time for the present in order to take up the McSwain bill.

Mr. BLANTON. Mr. Speaker, in fairness and justice, my colleague the gentleman from West Virginia [Mr. RANDOLPH] is Chairman of the Crime Committee, and he indicated a desire to make some remarks. I therefore ask unanimous consent that the gentleman from West Virginia [Mr. RANDOLPH] may be permitted to address the House for 10 minutes at this time.

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

There was no objection.

Mr. RANDOLPH. Mr. Speaker, of course, I have neither the strong language nor the inclination to attempt an answer to my friend, the distinguished gentleman from Texas. I do not desire to go into the matters which he has consumed most of his time discussing in his address today. They are matters with which he is personally interested, and, of course, he has explained them to you. My remarks, of course, are extemporaneous, but they will be directed only to the honesty and to the devotion to duty of the eight members of the Crime Committee, acting under a resolution of this body to investigate all conditions of a criminal nature existing in the District of Columbia. The gentleman from Texas [Mr. BLANTON] has told you that years ago he was engaged in a similar task as a Member of the House of Representatives in connection with an investigation of crime conditions in the District of Columbia. I am certain that he gave his very best efforts at that time in the discharge of his duties as he saw them. Now, we are saddled with worse situations than in those years, and there was created, because the District of Columbia Committee asked that there be created, a special committee to investigate the alarming crime conditions in the District of Columbia. It was upon the unanimous request of the District of Columbia Committee that this House was asked to pass upon a resolution which gave to the Special Crime Committee the sum of $1,500, to be used for the employment of a counsel, an investigator-secretary, together with the other needed help in order to conduct hearings and investigate the criminal activities and the functioning of law-enforcement agencies at the Nation's Capital.

Mr. Speaker, it so happened that the Chairman of the District of Columbia Committee selected me as Chairman of the Special Subcommittee to Investigate Crime in the District of Columbia. I am a comparatively new Member in the House of Representatives, serving my second term. I am not familiar with all the workings of this body nor of the Federal Government to the extent which my friend from Texas is; however, I yield to no Member of the House in the energetic service to the task to which I am appointed nor devotion to duty and in the obligations that are presented before me in any capacity which I have been chosen for or selected to perform by the Membership of this House. [Applause.]

The Members of this body voted for the resolution and power of investigation which gave us a small fund of $1,500 for this important task. Mr. BLANTON supported and spoke for it. I may say to you that when the final report of the Special Crime Committee is made to this House—I trust within the next 18 days—I hope the committee and its work will be judged solely upon its findings and recommendations for remedial legislation brought here at that time. Regardless of the fact that our counsel received $225 per month for his services or that the investigator for the committee receives a like amount, we are going to return to the Committee on Accounts perhaps $300 of the amount of $1,500 which was given to us to investigate criminal activities in the District of Columbia. This investigation might have been a long, drawn-out affair, drifting into the summer or fall and a report made after the Members came back here next year. But I determined, and the rest of the members of the special committee determined that they should work hard, that they should be honest and fair to all concerned in conducting this investigation into criminal conditions in the District of Columbia during the weeks which we were to serve. I say now that I have labored long hours at the hearings held by this committee. We met in the morning and we had sessions in the afternoon because we had the permission of the House to sit during its sessions and we have also met as a committee at night.

At this time I want to thank the membership of the special committee who have served with me in the investigation of criminal activities in the District of Columbia. I take this occasion to thank them publicly, as I am going to do when the final report is made, on behalf of myself and also on behalf of the Membership of this House, for, after all, those eight Members who serve on this committee acted for a standing committee of Congress, the District of Columbia Committee, and thereby, I trust, they have served you as well.

Mr. Speaker, I shall not detain the House long. The gentleman from Texas [Mr. BLANTON] appeared before our committee—and let me say to the Membership of the House at this time that the gentleman from Texas [Mr. BLANTON] was never called before our committee to testify. He came upon the first occasion and he came upon the second occasion as a voluntary witness. We were glad to have him, just

as we would have been glad to have had any Member of this body who felt that he or she had been in position to contribute something to this committee in the conduct of its hearings in reference to crime conditions existing in the National Capital.

Mr. Speaker, I have no desire whatsoever to go into personalities at this time. However, as chairman of this committee I do desire to stand 100 percent by the choices of this committee in its selection of counsel, investigator, and secretary for the committee. I shall take that blame upon my own shoulders, not asking even the other members of this special committee to stand with me as those selections are gone into.

Dr. John R. Fitzpatrick was secretary to Justice Frederick L. Siddons, of the Supreme Court of the District of Columbia, from 1925 to 1929. It was from Justice Siddons, who was formerly police commissioner of the District of Columbia, that Dr. Fitzpatrick received his later ideas concerning the necessary educational equipment for policemen, and other matters pertaining to police work in the District of Columbia.

In 1929 Dr. Fitzpatrick was appointed by Leo O. Rover as assistant United States attorney, and he continued in that capacity under Mr. Garnett when he took over the duties of the office. It was in November of last year, 1934, that Dr. Fitzpatrick resigned from his assistant district attorneyship in protest at what he believed to be unreasonable continuances in the Buccoli murder case.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

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

There was no objection.

Mr. RANDOLPH. As assistant United States district attorney, Dr. Fitzpatrick was in charge of the district attorney's office at police court, in charge of grand jury work and, finally, was elevated to active prosecution in criminal cases. As a prosecutor, he won prominence in this work in the District of Columbia. He prepared and successfully prosecuted a large number of difficult cases. Among these were the Brinkler, Wampler, Bowles, and Du Benque-Gormley cases.

Because of his experience in the district attorney's office and his earlier training under Justice Siddons, Dr. Fitzpatrick applied himself to seeking a solution of the problem of equipping police officers in the District of Columbia so that they would be of assistance in the prosecution of criminal cases. His experience had impressed upon him the great weaknesses that exist because the average policeman knows nothing of evidence, it is said, and the manner in which it should be presented. As a result of Dr. Fitzpatrick's concentration upon this problem he conceived the idea of the establishment here in Washington, D. C., of a school in which members of the police department would be given sufficient legal and criminological training so as to increase their efficiency. Dr. Fitzpatrick enlisted the support of the District Commissioners, the officials of the Metropolitan Police Force, and the officers of Columbus University; and in January 1932 this counsel for your subcommittee investigating criminal activities in the District of Columbia was placed in charge and established the Metropolitan Police School of Criminology here in the Nation's Capital at Columbus University. The university donates its facilities and Dr. Fitzpatrick donates two evenings a week without pay to the instruction of the police officers and the privates of the force in the District of Columbia.

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

Mr. RANDOLPH. Yes.

Mr. McCORMACK. Do I understand the counsel only receives $225 a month?

Mr. RANDOLPH. Yes; that is true; and I know of the salary that the gentleman's committee paid its counsel, of course.

Mr. McCORMACK. My committee started out to pay its counsel $500 a month, and I did not think it was high enough. [Applause.]

Mr. RANDOLPH. I do want to say at this time that of all the witnesses that came before our committee from the very opening until the closing session on this past Friday, so far as I was able to conduct the hearings, and I missed only two of them, once on account of being out of the city and the other time on account of meeting with a group from my own district upon an important matter at one of the departments, I gave to every witness every courtesy of which I personally am capable.

Mr. MAVERICK. If the gentleman will permit, I think the House feels about the matter in this way, although I do not know—just exonerate everybody, make TOM BLANTON the mayor of the District of Columbia and keep the gentleman at the head of the committee and we will call it square. [Laughter.]

Mr. RANDOLPH. I thank the gentleman.

Other professors have since been added to the courses which are being given at Columbus University at night by Dr. Fitzpatrick.

When the school was announced, 300 members of the Metropolitan Police force made formal application for enrollment. From this list 100 police students were selected by Major Brown, the superintendent of police. The course is absolutely free to members of the police force, and in addition to the men in the Metropolitan Police, women from the Women's Bureau and members of the United States Park Police are now enrolled in the school.

The subjects which Dr. Fitzpatrick presides over include evidence, criminal law and procedure, correct method of obtaining and presenting evidence in court, public speaking, so that an officer will be at ease before a grand jury or on the witness stand, and such practical criminological subjects as handwriting, fingerprinting, photography, ballistics, and allied matters. The school at this time has 150 men enrolled. They range from private to captain, and many members of the detective bureau of the District of Columbia are studying at this school 2 nights a week.

It is the only school of its kind in the United States, and it has added materially to the efficiency with which its student policemen present their cases in court. Dr. Fitzpatrick has devoted himself to this work purely out of a sense of obligation, as I see it, as a citizen of this community, and in the feeling that those who are so fortunate as to have acquired education and learning should endeavor to improve the educational status of their fellow men. It is to his credit that he has performed this task quietly, without any attempt at praise, without seeking publicity, and without thought of personal gain, because through his unusual concentration upon police problems in the District of Columbia he has not only gained an intimate knowledge of the police situation but he has an unusually broad acquaintance in the department and is well known by the membership of almost the entire force; and these men, I may say, hold him in the highest regard. In addition to this he has ideals for the raising of the standards of police work. He has courage and he has ability to achieve these ideals.

I may also say that he is under obligation to no one and he seeks no favors or special consideration from any individual or any group. He has been hard-working and painstaking as counsel for this committee, and I may add at this time that we had about 100 attorneys in the District of Columbia who applied for the position of counsel for this Special Committee on the Investigation of Crime.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia may have 5 additional minutes.

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

There was no objection.

Mr. RANDOLPH. Dr. Fitzpatrick was one gentleman who never made an application to me or to this committee to serve as its counsel.

I made a careful investigation, as I understood the needs, into the type of attorney which could serve the committee best. I went to the heads of the District of Columbia law group, and there I found the highest recommendations of

Dr. Fitzpatrick. When I asked the president of the District of Columbia Bar Association about the man the committee had under consideration I found the same high recommendation.

Now, I believe that is all I want to say in behalf of Dr. Fitzpatrick. I hold him in the highest esteem. I have the highest confidence in his ability, his devotion, and his service for the committee, which is now preparing its report after 2 months of hearings.

I should like to speak a moment about Mr. Seals.

It has been said that Mr. Seals was connected with the Washington Post, and at the very time that we were considering the hiring of an investigator for the committee to act as secretary.

I want to say that I knew Mr. Seals—not a few weeks ago—but I knew him personally more than 2 years ago.

Why did I suggest Mr. Seals for the position? Because, ladies and gentlemen of the House, Bill Seals, my friend, was executive secretary of the United States Flag Association 2 years ago at the time the country fixed its attention for the first time on the solution of and the grappling with crime conditions not only in the District of Columbia but in the Nation at large.

The United States Flag Association had many eminent men upon its official board and at the meetings of the first criminal conference in the history of the United States to be held in Washington. The Attorney General of the United States, Mr. Cummings, addressed the group, and there were other distinguished men who addressed the delegates. The President of the United States sent a special message to it. It was from that crime conference, sponsored by the United States Flag Association, of which Mr. Seals was the executive secretary, that we began to face the crime problem and work for its solution.

Mr. Seals was a man who had studied the problem, made careful investigation of it. He served at one time as secretary of the committee over which Grover Whalen presided in the city of New York, and which rendered great service.

Now, I am about through, and I notice my time is nearly up, but before I sit down I want to say to the gentleman from Texas that these things that occurred between the gentleman from Texas [Mr. BLANTON] and the officials and Mr. SCHULTE and other Members are things that always occur at such hearings.

The SPEAKER. The time of the gentleman from West Virginia has again expired.

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

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, throughout all the heat and discussion, I never asked the gentleman from Texas [Mr. BLANTON] a single question while he was upon the stand, because I considered him, as I know that he would consider me, as a Member of Congress in his own right serving a certain district of the United States. This committee must be judged not by something unpleasant that happened along the route as it went toward its goal to better crime conditions in the District of Columbia, but this committee, charged with responsibility under a special resolution of bringing in a report to this Congress, must be judged by its final report upon which you gentlemen as Members of Congress shall solemnly pass. [Applause.]

APPORTIONMENT OF THE WATERS OF THE COLORADO RIVER

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from Hon. EDWARD T. TAYLOR, a Representative from the State of Colorado, to the Secretary of the Interior.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter, dated April 2, 1935, to Hon. Harold L. Ickes, Secretary of the Interior, from Hon. EDWARD T. TAYLOR, the distinguished and beloved dean of the Colorado delegation, earnestly protesting against the Secretary of the Interior entering into any contract with the State of Arizona for the storage or delivery to Arizona of any water from the Boulder Canyon project reservoir unless and until that State ratifies the Colorado River compact.

For 50 years Mr. TAYLOR has been recognized throughout the West as one of the leading authorities on the law of irrigation and water rights. In 1887–89, as referee appointed by the State district court, Mr. TAYLOR took testimony, adjudicated and established the irrigation water rights of all northwestern Colorado. None of the 1,000 water-right decrees prepared by him has been reversed. Throughout the years since 1909, during which he has served continuously as a Congressman from Colorado, he has taken a most active part in the negotiations and in the framing of legislation for equitable apportionment of the waters of the Colorado River. No one is more familiar than he with the details of this complicated question so vitally affecting the welfare of the seven States of the Colorado River Basin. He writes as a leading authority both on the facts and on the law of this question.

The views expressed in Congressman TAYLOR's letter are shared by all the Members of the House from Colorado.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 2, 1935.

Hon. HAROLD L. ICKES,
Secretary of the Interior, Washington, D. C.

DEAR MR. SECRETARY: At the time of the hearing before you of the representatives of the seven Colorado Basin States, December 17 last, on the application of Arizona to you to execute a contract for the free and perpetual delivery to that State of 2,800,000 acre-feet of water per annum from the Boulder Canyon project reservoir, I was too ill to attend the hearing, and you may recall that I expressed my disappointment, and requested the privilege of writing you a letter on the subject.

At that time you declined to execute the contract presented by Arizona and suggested that the representatives of the seven States should get together and, if possible, agree upon a contract.

I understand that the representatives of those States met at Phoenix, Ariz., on January 14, and again at Salt Lake City, on February 25, and that Arizona has prepared a revised contract that may be presented to you soon.

In this letter, when I use the name "Arizona" in any critical sense, I mean no reflection whatever upon the great State, or her splendid population. I refer only and collectively and impersonally to the 13 years' perpetual relay of her marvelously energetic, persistent, alert, shrewd, astute, and supersubtle Colorado River compact representatives.

They would richly deserve the highest commendation if their energies were expended in a more commendable enterprise.

I do not at all intend to in any way question the serious earnestness, great ability, or entire good faith of any of the official representatives of the six Colorado River compact States; and certainly would not in the slightest way reflect upon the Colorado members of that commission.

I am not a member of Colorado's Colorado River Commission; but I am the official home representative of the western half of Colorado, and I have not only a right but an imperative duty to speak, as best I know how, for the 150,000 people now residing there, as well as for the protection of all succeeeding generations in that "great western slope empire."

My home is on the bank of the main stream of the Colorado River; and that main stream and 12 of its greatest tributaries arise on the western slope of the main range of the Rocky Mountains—the highest part of the Continental Divide of our country—in my congressional district; and 20 of the 24 counties of my district that are within the Colorado River Basin furnish two-thirds of all the gigantic flow of that marvelous stream.

For over 50 years the people of western Colorado have very greatly honored and trusted me; and I have spent a large part of my time and energy during that half century in trying to establish and protect our water rights.

So that, regardless of any individual or personal considerations, and in view of the very serious and far-reaching importance of this matter, I feel I would not be performing my full personal or official obligation to the Colorado River Basin in my State if I remained silent, or did not candidly write you my judgment concerning the proposed Arizona contract.

As you are fully aware, this matter of the fair division of the waters of the Colorado River is a long, complicated, technical, and conflicting controversy that has been carried on by the State of Arizona against the other 6 States ever since the 24th day of November 1922, when the representatives of all those 7 States, including Mr. W. S. Norviel, of Arizona, officially approved and signed the Colorado River compact at Santa Fe, N. Mex. There have been hundreds of conferences on this matter since then. I have attended some of them.

As you are also aware, the waters of that great "Nile of America" are worth untold billions of dollars to the inhabitants of

those seven States for this and all succeeding generations for thousands of years to come.

The Colorado River is the only great river in the world entirely within an arid region, and it is intrinsically the most valuable stream on this planet.

The waters of that stream are worth a thousand times more to the Colorado River Basin than all its minerals and everything else.

In fact, a large portion of each of those States would be an utterly uninhabited and barren waste, were it not for that river.

The population of those seven States is about 10,000,000. About 5 percent of them live in Arizona.

The waters of that river belong absolutely to those seven States, and they imperatively must be equitably apportioned between them.

That was and is the express object and purpose of the Colorado River compact. It required more than a year to prepare that compact. It is the final composite result of the long and earnest efforts not only of the seven official representatives of those States but also of a large number of other splendidly capable and honest men. It is a great, statesmanlike document; and, frankly, I have never been able to appreciate the reasoning of Arizona or any other State in refusing to join her sister States in making an equitable, rightful, and practical division of those waters under the terms of that compact.

I cannot believe that any State has any legal or moral right whatever to be singled out and given any exclusive rights or special privileges at the expense of and to the detriment and future injury of the other six States.

If any State should have a preference right it would be my home State of Colorado, that furnishes the larger part of the water. My constituents have always felt that we ought to have a preference right to the first use of those waters on the western slope of our State, because our use within that basin would not really consume much of it.

Much of the water used by us would always run off and seep down into the hundreds of tributaries and gradually stabilize the flow below on the main stream.

However, Colorado has not reserved a claim of this kind in that compact, and we are willing to join our sister States in a division of that water under the provisions of that compact and also the division and apportionment of the waters in accordance with the requirements of the Boulder Canyon Project Act of December 21, 1928; and, in my judgment, that is all that any of those States is entitled to.

From the standpoint of the four upper basin States we are very much interested in the matter of the surplus waters unapportioned by the compact upon which the burden of supplying the Republic of Mexico may first fall. If the users in the lower basin States acquire large legal rights to these waters ahead of us, the upper four States may be called upon to supply most or all of the demands of Mexico.

I feel that you have no more right to contract that water to Arizona than you have to contract to any one of the other States the exclusive right to the first use of all the waters that rise in or flow through her borders. All those States have a joint interest in the ownership and fair use of those waters.

Those States should have reserved to them forever the sovereign right to the first and consumptive use of their share of the waters that is allocated to them by the Colorado River compact; and that right should never be taken away from them or diminished or jeopardized by any contract or otherwise.

I received a tentative draft of the present proposed contract a few days ago, and I have read it; but have not had time to give it the intensive study it deserves. However, from this and former drafts I know generally what it is; and while it is polished off some, yet it means just the same as all the former drafts. It seems to me that there is nothing whatever in it for anybody except Arizona.

I am not going to attempt a detailed analysis of this contract, because it may be amended several times before it reaches you. I am writing you concerning the water-right situation in the entire Colorado River Basin, and the Colorado River compact, and Arizona's application for a contract, as I individually look at it.

Section 5 of the Boulder Canyon Project Act provides:

"That the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir, and for the delivery thereof * * * upon charges that will provide revenue, etc."

But that does not give the Secretary any authority to unjustly and grievously inflict an utterly unwarranted and irreparable outrage upon six States for the benefit of one.

The Secretary has a very wide discretionary authority in this matter; and I am appealing to you upon the old-fashioned principle of "right or wrong", between seven sovereign States; and the untold millions of present and future residents of all of those States, who are so vitally affected by this matter, and whose very lives and property rights and all hopes for the future are, as I believe, in most serious jeopardy by this proposed contract.

The contract refers to the regulations by the Secretary of the Interior of April 23, 1930, as amended September 28, 1931, authorizing the extension of delivery contracts. The contract also states that the vested rights of the other States shall not be affected thereby—except as in this contract provided. But what those exceptions and provisions are, or really mean, I am very apprehensive of.

It also refers to the contract between the Imperial Irrigation District, of December 1, 1932, for the construction of the Imperial Dam; and the contract of February 10, 1933, with the Metropolitan Water District of Southern California, for the construction of the Parker Dam; and also to the contract of the Government to the city of Los Angeles, of April 26, 1930; and to some Arizona statutes, and to many other matters that seem rather irrelevant to me.

The contract provides that the United States shall each year deliver to Arizona not more than 2,800,000 acre-feet of water, and at a price of not more than 25 cents per acre-foot.

Whether or not the State can take whatever amount she needs, or wants, less than the full amount, or she can resell it, or let it run down to Mexico, or just leave it in the reservoir, the terms of the final contract will determine.

There is no reference whatever to the limitation in the Colorado River compact in relation to the computation of the average flow of the stream over a 10-year period, or the average of 7,500,000 acre-feet per year, to which the upper basin States are entitled and are subject to.

It provides that Arizona shall get all her demands every year, whether the other States get any or not. If this contract had been in force in 1934, Arizona would have been entitled to demand all the waters of that stream during that entire year for her sole benefit.

And yet Arizona expressly reserves the right to hereafter apply for more water—if there is any more left in the river.

The contract says that the vested rights of the other States shall not be affected—except as in this contract provided. But what the effect of the provisions are, or will be, is exceedingly ambiguous.

The contract provides that no charge shall ever be made by the Government for the free storage, or free delivery to Arizona of the 2,800,000 acre-feet of water, including also the use thereof on the Indian reservation or the Yuma project in Arizona, and no charge of any kind shall ever be made in excess of 25 cents per acre-foot.

As a consideration, that is about the limit of absurdity. They might as well have made it $1 a year.

The quantity of water in a reservoir is measured in acre-feet. An acre of land is nearly 209 feet square. An acre-foot of water means the quantity of water necessary to cover an acre of land 1 foot deep. That means about 43,600 cubic feet of water. That is the quantity of water for which Arizona agrees to pay not more than 25 cents. The amount of water that is flowing in a stream or canal is measured by the number of cubic feet passing a given point on the stream or canal each second. So that 1 cubic foot of water flowing in a stream or canal each second would be 60 cubic feet a minute, or 3,600 cubit feet an hour, or 86,400 cubic feet each 24 hours, which is approximately 2 acre-feet of water.

In eastern Colorado a first priority, that is, a perfect water right, to a cubic foot of water per second of time for irrigation purposes is valued at $24,000. In Colorado, the irrigation season is ordinarily only about 6 months in the year, while in Arizona and California, within the Colorado River Basin, the irrigation season is approximately 12 months in the year; and the climate is such that they can raise crops every month in the year, and they are much more valuable than can be raised in the higher altitudes. Moreover, water for domestic or municipal use is many times more valuable than it is for just irrigation purposes; and it is very much more valuable when it is used first for power and then also for irrigation or domestic purposes. Therefore, in Arizona and California the waters of the Colorado River are undoubtedly very much more valuable than they are in the upper four States. But because the water is much more valuable to that part of the lower basin than it is to the upper basin, is no reason whatever why the upper basin should be deprived of their rights.

I am only making this comment to show, what seems to me, the ridiculous inadequacy of 25 cents per acre-foot of water for a perfect water right in that climate, to be forever delivered by Uncle Sam as, and when, and where, Arizona wants it.

I assume the Secretary has the authority to fix the price at 5 cents, or at any other sum less than 25 cents per acre-foot, if he so desires.

Arizona also very condescendingly agrees in consideration of this contract to abstain from litigating Uncle Sam, except under certain conditions that are likewise problematical.

Arizona also reserves her right to an additional equitable apportionment of the waters of the Colorado River, if there are any left to apportion.

Arizona also reserves the right to litigate with any or all of the other States, as much and as often as she wants to; to establish the relative priorities and use of the waters of the entire Colorado River Basin in accordance with her wishes.

The contract also includes a very valuable exemption for the benefit of New Mexico, Utah, and Navada. But they hold their grip on Wyoming and Colorado, where the water mainly comes from. In fact, it is the Colorado water that Arizona is after all the way through the contract. If it were not for the water that comes from my congressional district, Arizona would have very little to be fighting over.

The contract provides that the United States shall not even be permitted to transfer any interest in or under the contract without the written permission of Arizona.

They sew the United States up in a bag all right, along with the other six States.

It may be presumptious for me to criticize this contract, because seldom has there ever been a document prepared that has had so long and so much and so many different conferences and considerations as this one has. It is the tentative compromise result of years of intense and exhaustive study by many very

exceptionally bright, alert, and capable gentlemen, and every little wording has a meaning all its own.

I imagine the genius who conceived some of the language of that compilation could take three live rabbits right out of a lady's thimble.

I confess it is a kind of weird, guileful, and insidious crosswork puzzle to me.

It begins with eight lengthy "whereases"; then there are about a dozen paragraphs of generalities, followed by about a dozen "provisos", and "nothing herein shall", etc., and "subject to's", all amplifying, modifying, or nullifying something.

As an illustration of my impression of the "now you see it and now you don't see it" character of this uncanny document, I will quote in full the last paragraph, which is given the appropriate number of "23." It is as follows:

MEMBER OF CONGRESS CLAUSE

"23. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing in this paragraph, however, shall invalidate this contract, if made with a corporation for its general benefit."

If it is deemed necessary in the first sentence to broadcast to the world that there is to be no graft in this deal for any Senator or Representative, why do they immediately follow it with the suggestion to those officials and everybody else that if they care to incorporate themselves for their "general benefit" they will be eligible for a rake-off?

That appears to me a fitting finale for that kind of a "contract."

Where in that contract is there the slightest benefit or consideration, whatever, inuring to either Uncle Sam or any of the other six States? Not a thing.

A contract without a consideration ought to be void.

Where in that contract is there any positive language saying: "That nothing in this contract shall be understood or ever construed to in any way injuriously affect or diminish the rights of any of the other six States under the terms of the Colorado River compact"? Even if it did so provide, it would not protect the upper States.

Where in the contract is there any provision saying: "That this contract is based wholly upon, and only as authorized by and in compliance with, the Colorado River compact; and that the Federal Government shall, under no circumstances, ever be obligated to store or deliver any water to Arizona, or any subdivision thereof, or any organization, corporation, or anyone else, that would in any way or at any time injuriously affect the use of said waters or the rights of any of the other six States under the provisions of that Colorado River compact or otherwise"?

As I read it, there is not a line to that effect or any valid or enforcible protection whatever either to the Federal Government or to any of those six States in all of those 11 pages of ingenious, ambiguous, and skillful phraseology. It is purely a "heads I win, and tails you lose" contract.

Moreover, it seems to me that if you execute the contract proposed you will be overcontracting the entire 8,500,000 acre-feet of water allocated to the lower basin by that compact, which is inclusive of the Gila River.

If I understand the situation correctly, Arizona, Nevada, and California now have acquired, or claim to have acquired, or initiated rights to, practically the full amount to which they are entitled under the allocations by that compact, and that this proposed contract seeks to obtain an additional gratuitous donation to Arizona of 2,800,000 acre-feet in excess of the total amount that the compact provides the lower basin States may jointly have for her use, primarily for power and commercial purposes and wholly at the expense of the upper States.

If I am correct in that, it would not only deprive the upper basin States of any part of their just share of the surplus waters, which cannot, under the compact, be divided until October 1, 1963, but would forever deprive them of all future development, or hope of irrigating any more land than they now have under irrigation. It would also effectually prevent any appreciable amount of water from ever hereafter being diverted out of the Colorado River Basin. Because Arizona would compel it all to flow down to that reservoir to perpetually supply her 2,800,000 acre-feet, there would be no spare water left to divert.

The drought in recent years very forcibly brings these matters home to us, and makes us extremely apprehensive of any special privileges being granted, like Arizona is endeavoring to obtain.

The average annual flow of the stream (exclusive of the Gila River) is now estimated to be about fifteen and one-half million acre-feet.

The entire recorded flow of the stream, during 1934, was only about 4,000,000 acre-feet.

In Arizona's brief in the case of *Arizona* v. *California et al.*, the Arizona attorneys assert very positively that of the total flow of the Colorado River "9,000,000 acre-feet were appropriated and put to beneficial use in the United States prior to June 25, 1929, and said appropriated water has ever since been, and is now being, used and consumed."

If that statement is true, and I think it is substantially, what possibility is there of the other States ever hereafter acquiring any additional water, if Arizona now obtains 2,800,000 additional acre-feet, and secures a clear title to it, and a preference and exclusive right, to have it delivered to her practically free of charge, and when, and where, and as, she wants it, in addition to the amount she really owns, and the further amount she already claims?

It would simply apportion to her exclusively much more than the entire flow of the river some years, and probably during many years.

I cannot see the slightest semblance of any justice, reason, common sense, fair dealing, or even good faith toward the other States in that kind of an application.

As long as Arizona refuses to sign and approve the Colorado River compact, she has no legal or moral right, in my judgment, to any contract for any amount of water whatsoever, especially when such water as she seeks is impounded by, and is to be delivered from, and through the facilities created by the Boulder Canyon Project Act, which act expressly approved and makes vital the Colorado River compact—the very compact that Arizona always has and still does defiantly repudiate and denounce.

To give Arizona this gratuity would be permitting her to reap a very great benefit on account of the compact, and yet to wholly escape its restrictions, joint liabilities, and proper regulations to the incalculable injury of those other States which are signatory to the compact.

What semblance of right, or justice, or decently fair dealing between States is there in that?

If Arizona does not hope to induce the Federal officials to grant that permission and also donate the money to enable her to obtain a fabulously valuable advantage over the other States by this proposed contract that she never could obtain by, and has no right to, under the compact, she would not be so persistently determined to obtain this contract and get it signed as quick as possible.

To my mind, the whole course of Arizona in this matter is so amazingly selfish and utterly without any appreciable benefit or consideration whatever therefor inuring to either the Federal Government or to the other six States; so wantonly without regard for both the present and future undetermined rights of the other States, as authorized by that act of Congress; so ruinously injurious and destructive of the rights of the other States, and so palpably unwarranted and unconscionable that I believe the United States Supreme Court would enjoin the enforcement of any contract of that character; and I have earnestly advised the representatives of those States to take that course.

That Court will never put that burden upon the present and blight the entire future of six States, to heap unjust and untold riches on their recalcitrant sister.

The States of California and Nevada are not so seriously affected or in such grave jeopardy by the proposed contract as are the upper basin States.

That 2,800,000 acre-feet, plus the Gila River, and plus Arizona's actual appropriations, and her additional claims, would amount to one-half of the entire flow of the stream throughout an average 10-year period.

That would not only greatly jeopardize and seriously diminish even the amount of water that those States have now adjudicated to them and in actual use and to which they are rightfully entitled, but it would outrageously prevent practically all future irrigation and domestic use and all further development in those States.

There are millions of additional acres of good land in those four upper basin States that some day can be profitably irrigated if we are permitted to retain our right to the use of a sufficient quantity of water for that purpose. But if you sign this contract, and your authority to do so is sustained, those States might as well give up all hope of future or further development within the Colorado River Basin.

Of course, you would not for a moment consider inflicting any such an outrageous injury or any injury upon those States of Wyoming, Colorado, Utah, and New Mexico.

But, Mr. Secretary, next to the President of the United States, at this time you have more arduous official duties and gigantic matters in your hands than any other human being in the United States, and it is a human impossibility for you, not being an irrigation lawyer, to give these matters the detailed study and investigation that is necessary to comprehend the enormity of this matter. And the Solicitor of your Department, being a splendid New York lawyer, cannot possibly give this contract the attention it deserves, with all the thousands of other matters on his hands.

From long and serious experience, the West, generally speaking, with all due respect to our friends in the East, North, and South, has a feeling that it is practically an utter impossibility for a nonresident of the arid region to ever fully grasp either the law or the facts of the water-right situation in the Colorado River Basin, or the importance and purport of the relativity of the rights and necessity of those States to coordinate the use of the waters of the Colorado River as between them.

Pardon my presumption in making this statement, but the law of irrigation and water rights is the most important branch of the law throughout the arid regions of the West. It is exceedingly intricate, and rests upon the many different constitutional provisions of the Western States, and hundreds of different statutes and thousands of different decisions of the various courts of those States. And a different condition prevails throughout the vast Colorado River Watershed on account of the Colorado River compact and numerous acts of Congress. That is my reason for writing you as extensively as I am doing.

I say to you, with the utmost deliberation, that if you sign that contract and the upper States do not prevent its execution, Arizona can forever confidently rely upon the Federal courts to compel the four upper States to perpetually send down to her an abundant irrigation and domestic water right, in addition to fabulously valuable power rights, for centuries to come, to the everlasting injury and outrageous wrong of the other six States.

No contract whatever of that kind, no matter how adroitly it may be worded, should ever be given by any Secretary of the Interior to any one of those States.

I hope and believe the 6 Governors, 6 attorneys general, 6 State engineers, and 6 Colorado River Water Commissioners, of those compact States will never be induced to even give a tacit acquiescence to what I look upon as a bold and plain robbery and promotion scheme, and that they will emphatically repudiate it, and make every possible effort to prevent its execution.

If that contract were executed in its present form, some years Colorado would have to pay rent to Arizona for the use of the waters in our own streams.

Frankly, it seems to me that contract would be giving Arizona a billion-dollar bonus for brazenly buccaneering her six sister States for 13 years; and a reward of merit for her persistently refusing to join in a fair apportionment of those waters for the mutual benefit and orderly development of all of them.

As long as that State persists in refusing to enter into the Colorado River compact, she should never have any separate contract of any kind. That State has acquired more than she is entitled to already.

On the 25th of February 1927 I delivered over an hour's speech and answered 60 questions on the floor of the House on the subject of the Boulder Canyon bill and the filibuster against the Colorado River development.

That speech appears in the CONGRESSIONAL RECORD, volume 68, part 5, second session, Sixty-ninth Congress, pages 4832 to 4840. I also delivered another extended speech on The Rights of Colorado, New Mexico, Utah, and Wyoming in the Colorado River, on May 24, 1928, which speech appears in volume 69, part 9, Seventieth Congress, first session, pages 9763 to 9766.

I made, I think, a very elaborate and accurate presentation of this entire Colorado River situation and the rights and obligations of those various States, and the damages that are being inflicted upon those States by Arizona's carrying on this long controversy, and I earnestly advocated, as I have many times since, the bringing of a suit in the United States Supreme Court to determine and quiet the respective rights of all the seven States in that stream. If Arizona continues to persist in her present course, I still feel that that is the only effective, honest, and fair way of determining and adjusting the respective rights of all the States and terminating this appallingly ruinous controversy.

In my opinion, Arizona is defiantly determined to get a gigantic portion of that water exclusively assigned to her, to be used for commercial purposes, to the frightful detriment and expense of the rights of the other States; and I cannot believe that you will, knowingly, inflict or tolerate any such irreparable and appalling injury upon this and all succeeding generations of the other six States.

Candidly and with the utmost respect, I feel that no one human being has, or ever should have, the sole power of unalterably determining the limit of the future destiny for all time of those four great upper-basin States of the Colorado River Basin; yet that is exactly what Arizona is desperately trying to obtain before the separate rights of those States to the waters of that stream can be in a legal and orderly manner determined and adjusted, as is specifically provided for by law.

As I said to you in a telegram last summer, when I first heard of this scheme, "that a relay of Arizona politicians has been carrying on and capitalizing this infamous racketeering game against her sister States for 13 years, trying desperately by every conceivable pretext to grab off an enormous amount of water and power rights to which that State has no right whatever."

Arizona's representatives, both in and out of Congress, fought the passage of the Boulder Canyon project bill with a terrifically raging fury for 6 years, day and night; and from the date of its passage to this they have all fought with an equal determination to not only get the benefits of it but to grab off all the benefits of it as near as they can.

Figuratively speaking, they have been precipitately ejected from the United States Supreme Court in *Arizona* v. *California*, and the other five States; in 283 U. S. 423; and also in 292 U. S. 341; and the Federal Government now has her hailed into that Court in *United States* v. *Arizona*, no. 18, original, October term, 1934, and will probably discipline her some more when that case is decided.

Arizona has also frequently been rebuffed by both Congress and the Secretary of the Interior, but nothing, apparently, phases her remarkable persistence or amazing audacity.

This year in and year out perpetual harassing, jockeying, and juggling with the destiny of six States and the lives of untold millions of people and billions of dollars' worth of property rights is a frightfully expensive and disturbing outrage that should not be tolerated any longer.

Personally, I frankly acknowledge my genuine admiration for the ability, shrewdness, ingenuity, and persistence of those Arizona attorneys. But it is time they should be permanently enjoined and suppressed as an intolerable nuisance and a perennial menace to the peace, comity, and orderly development of her neighbor States.

Section 15 of the Boulder Canyon Project Act of December 21, 1928, is as follows:

"The Secretary of the Interior is authorized and directed to make an investigation and public reports of the feasibility of projects for irrigation, generation of electric power, and other purposes in the States of Arizona, Nevada, Colorado, New Mexico, Utah, and Wyoming for the purpose of making such information available to said States and to the Congress and of formulating a comprehensive scheme of control and the improvement and utilization of the water of the Colorado River and its tributaries. The sum of $250,000 is hereby authorized to be appropriated from said Colorado River Dam fund, created by section 2 of this act, for such purposes."

The Reclamation Service has spent over 6 years in that investigation and consumed that $250,000, and has received $100,000 more to complete this investigation. It ought to have been completed sooner, because it is very important and must be completed before any special allocations of the waters of that stream can be rightfully or safely made to any State or for any purpose.

That investigation and report is necessary so that each State may learn what its respective rights, allocations, and obligations are in relation to each of the other States for their mutual benefit in formulating a comprehensive scheme of control and utilization of those waters.

The upper States never will or can know what their rights or liabilities are, to either the lower basin or to Mexico, as long as Arizona is running at large.

The fact that the other States are not a party to that contract does not at all, in my judgment, protect them from the evil effects of it.

The legal status of this matter, I think, in brief is this:

The Supreme Court of the United States, in the Arkansas River case of *Kansas* v. *Colorado* (206 U. S. 46), held that the waters of an interstate stream should be divided between the two States on the principle of an "equitable apportionment."

In the South Platte River case of *Wyoming* v. *Colorado* (259 U. S. 419) the Supreme Court held that the doctrine of "equitable apportionment" was applicable where one of the States held to the common-law doctrine of riparian rights and the other State adopted the policy of the right of priority of appropriation of the waters of the stream for irrigation purposes; and that throughout the arid regions of the West the latter doctrine of priority of appropriation, giving the superior right to the waters pro tanto, applied to all streams in that region from their ultimate sources to their mouths, regardless of State or county lines, topography, or anything else. And that is the law at the present time.

Therefore, from its ultimate source near the northwestern corner of the Rocky Mountain National Park in my congressional district, 1,700 miles down the Colorado River to the Gulf of California, it is one stream, including the Gila River and all other tributaries, from all seven States; and the doctrine of priority of right applies up and down the stream and to all those tributaries within the 244,000 square miles and 156,160,000 acres of that great watershed.

My judgment is that Arizona, not being a party to or bound by the Colorado River Compact at all, and expressly and repeatedly repudiating it, no matter what language you put in that contract, if you expressly give that State your official permission and authority to acquire rights-of-way over the public domain and the use of other Government property and the use of the Boulder Canyon Government-owned reservoir to initiate and perfect that right and bind the Federal Government to forever deliver from that reservoir that amount of water to her as and whenever and wherever she wants it; and that State goes ahead and makes expenditures in pursuance thereof, in reliance thereupon, and in compliance therewith, and diverts, applies, and beneficially uses that water, she will thereby perfect an absolutely lawful appropriation of it; and nothing either in or outside of those 11 pages of involved, adroitly, and ingeniously worded language will ever estop Arizona from consummating and holding that appropriation; and it will always be prior and superior in point of time and right to any and all subsequent appropriations on that stream in the entire upper basin States, regardless of the contract or the compact or anything else.

To me that is as clear as the noonday sun.

You cannot by that contract change the law or the doctrine of priority of appropriation. It required the Colorado River Compact and the approval of those six States and of Congress to change that law; and Arizona is not at all bound by that compact. She has a right to invoke and is invoking and will rely upon not your contract at all, but upon the doctrine of priority of right that is assured to an appropriation, which she expects to make by your permission and assistance and with Uncle Sam's money.

In other words, if, as the Secretary of the Interior, you have the authority to, and do officially, enter into a contract with a State, expressly permitting her to do all the acts and things that are necessary to constitute a valid appropriation of water; and, in pursuance of that authority, she does all those acts, and also complies with the laws of the State in relation to the acquisition of a valid water right, how can the upper States invoke that compact, or contract, or anything else, to nullify that appropriation?

For that reason I say that under the Wyoming-Colorado case, and many other decisions, no matter what language you use, if you sign any kind of a contract, or otherwise permit the doing of the things necessary to constitute a legal appropriation of that amount of water, and the acts are fully performed, it will be a legal appropriation of that amount of water, and that will practically destroy all hope of the upper basin States developing millions of acres of good land that is not yet irrigated.

The six States, not being or becoming a party to the contract—I do not believe they can be estopped from asserting their rights in court, or otherwise, by reason of their merely holding friendly conferences and trying to come to an amicable understanding with Arizona. Nevertheless, I am apprehensive of the grave possibilities of these long-protracted and many negotiations. We are all losing more water all the time.

I do not charge, or mean to imply, any collusion by any citizens of Arizona. But I do feel that there are some other people who are, and have long been capitalizing this long controversy, to their

own very large financial advantage, by bringing in large tracts of land in old Mexico under irrigation with our water; and they now are hiding behind the skirts of the Republic of Mexico; and that this long delay in the adjustment of the water rights upon that river has encouraged and made possible the creation of enormous "claims", and the instigation of vast alleged "right of Mexico", which will inevitably greatly injure all of the Colorado River Basin States, including Arizona, for all time to come.

The upper Colorado River Basin States can never be blamed for this 13 years' controversy that has made possible and encouraged the creation and magnifying of those fabulous so-called "claims of Mexico", and those States should never be penalized for it.

No one can estimate the enormous value of the water rights that this long controversy has made possible for Mexico, and some shrewd individuals to acquire from that stream—to the corresponding damage forever to the other six States. Our country and those injured States will have to settle that as best they can hereafter.

Notwithstanding this, Arizona is apparently very industriously endeavoring to make the upper States stand practically all of the Mexican burden; except that she offers to graciously donate a little alkali waste water down near the mouth of the Gila River that she cannot use any more.

In this connection, I understand that some clever individuals are insidiously and indirectly (of course, out of "purely patriotic motives") urging that this contract should be executed as quickly as possible, and give all the remaining unappropriated waters there are, if any, both in the reservoir and the river, to Arizona, to prevent Mexico from acquiring any further rights.

If this be true, in whole or in part, it is a cunning deception, so far as this contract is concerned. This contract is not written for that purpose and will not accomplish that purpose. It is written expressly to prevent the other six States, and more particularly the four upper basin States, from acquiring any further rights in that stream; and giving all the waters of the entire stream, including all its tributaries, as well as the entire remaining storage capacity, absolutely to Arizona, and enabling her to acquire an absolute title to it, and thereby and thereafter forcing all the other six States to pay tribute to her, if they are ever permitted to make any further developments.

If Mexico could be prevented from acquiring any further rights in that stream as against the United States by any contract that you could execute, it seems to me that it would be eminently appropriate for you to immediately execute such a contract, giving all the waters there are available from all sources, storage or otherwise, jointly to the six compact States, to hold in trust, to be apportioned between them in accordance with the terms of the compact.

The House of Representatives, on yesterday, April 1, 1935, passed a bill authorizing the Secretary of State to enter into agreements and to investigate the respective rights of Mexico and the United States to the waters of the Colorado and the lower Rio Grande and Tia Juana Rivers, "for the purpose of obtaining information on which to base a treaty with the Government of Mexico relative to the use of the waters of these rivers."

I hope that bill may become a law and the respective rights of the two nations in those three rivers may be speedily determined and adjusted.

Arizona works on this Colorado River game while the other States sleep. Her very ingenious geniuses have devised a wide variety of schemes for getting away with the Colorado River. This is the worst, boldest, and rawest of any of them.

Of course, Arizona, naturally, wants to obtain as advantageous terms as possible with the Federal Government. But in this legerdemain I cannot believe she really cares very much about the terms of the contract as it affects the other States. I think she has been doing a good deal of "shadow boxing" over the terms of this present proposed contract. All she wants is to persuade the other States into keeping still, while you sign on the dotted line, and she will very quickly do the rest.

I feel that I need not assure you that this letter is not in any way whatever any personal reflection upon you. I have repeatedly and publicly expressed, and now repeat, my genuine admiration for your absolute honesty, very great ability, marvelous energy, and supreme courage. You are rendering a great service to our country, and there is nothing personal in this appeal, and I intend no reflection whatever on my Arizona colleagues in either the Senate or the House.

I am making this individual appeal because of my duty to western Colorado, as I see it, and my half-century of active experience in water-right matters, and my personal knowledge of the enormous value of the waters of that great river, and what its unfair division means to the present and all future residents of those four States. In my judgment, they never should agree to or acquiesce in any contract at all, or even remain silent in this matter. They should at once all join in a most emphatic and determined protest against Arizona's obtaining any contract at all, or any further concessions or recognition, so long as that State refuses to come into the compact and cooperate with each other in a mutual adjustment of the most beneficial and economical use of those waters under the terms of that compact.

For the reasons set forth in the foregoing letter, and in my official capacity as the Congressman from the Fourth Congressional District of Colorado, and on behalf of all the residents within the Colorado River Basin in Colorado and for their protection, I hereby formally and most emphatically object to and protest against your entering into any contract whatever with the State of Arizona in relation to any of the waters of the Colorado River.

If you feel impelled to sign that or any similar contract, I respectfully ask you to withhold its delivery until Colorado, and such other States as may so desire, have an opportunity to apply to the United States Supreme Court for an order restraining its execution.

In conclusion, Mr. Secretary, I measure my words when I say to you, with all the earnestness I can, that no person or power on earth can justify enabling one State to destroy the future development of her sister States; and if you try to take from those six States a very large part of their inherent birthright—property rights that no human being can estimate the value of—and give it to the least deserving one of them, by executing a contract that will enable that State to thereby establish a vast appropriation of water, and acquire a prior right thereto, and also obligate the Federal Government to guarantee that special and preferred privilege by perpetually delivering that water to that State, which can, by no possibility be otherwise than ruinously injurious to and a flagrant violation of their honest rights, you will precipitate interstate ill will, appalling losses, and outrageously expensive litigation that will last until long after you and I have reached the end of the trail down the western slope of life.

I have the honor to remain,

Very respectfully yours,

EDWARD T. TAYLOR,

Member of Congress from the Fourth District of Colorado.

COTTON CONFERENCE

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by my colleague, Mr. CASTELLOW, before a cotton conference.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by my colleague [Mr. CASTELLOW] before the Cotton Conference held in Washington, D. C., in September 1933:

THIRD DISTRICT CONGRESSMAN PRAISED FOR LIBERAL STAND—REMARKS OF HON. B. T. CASTELLOW AT OPENING SESSION OF COTTON CONFERENCE IN WASHINGTON, SEPTEMBER 1933

As I understand, the object of this convention is primarily to correct the disparity existing between the prices received by the cotton producers for their commodities and the prices they are required to pay for necessities. The enhancement in price of those things which the farmer must buy is entirely out of proportion to the increase in value of the products of his labor. He not only needs relief from this unbearable and unjust situation, but he needs it now. In my section the cotton and seed are rapidly passing from the hands that toiled in their production, and even now is too late for complete equity to be accomplished.

While this convention seems to be in perfect accord in the opinion that expansion of the currency would immediately enhance the price of all commodities and thereby place the producers in better position to liquidate their obligations, this alone isn't the only relief needed; for, unless they can realize a net profit on their products, they would have nothing with which to make a credit on their indebtedness. Credits on past obligations must necessarily be made from the net profits of the present or future. To be sure, if cotton is selling for 40 cents per pound and the farmer could have a bale clear as profit, he might receive a credit therefrom of $200 on his debt instead of a credit of less than $50, as at present prices. But if it cost him 41 cents per pound to produce that cotton, he would have not a single pound to place on that debt. So I therefore contend the farmer not only needs but is entitled to more at this time than a general advance in prices. The detrimental disparity must be corrected.

The handicap under which the farmer has been forced to labor for these many years is the fact that he has been forced to sell in a competitive market and to buy in a protected market. The object of the processing tax was primarily intended to correct this very condition by giving to the producer the benefit of this tax levied upon the consumer. The producers of raw materials constitute a large percentage of the consuming public, and as such have borne their part of a protective tariff levied upon them for the benefit of the manufacturers. So the processing tax was devised for the purpose of giving this unprotected class a similar benefit. But what is the practical result of its functioning? The raising of prices to the consumer logically reduces consumption, and, in addition thereto, the farmer necessarily bears directly his part of the burden incident to the increase. Not only this, the tax so collected is not being applied as originally intended—to increase the prices received for his cotton—but is being used in reimbursing him for the loss sustained in the actual destruction of his property in the production of which he not only labored, but in most instances incurred further indebtedness. Property in the form of cotton has been destroyed, and I understand as clearly as any that if the farmer is reimbursed therefor the burden must rest somewhere, and it does appear that, as usual, it has been placed upon the shoulders least able to bear it, for it seems that the amount estimated as necessary to pay for the destroyed cotton has simply been deducted from the

price to be received from the remainder of the crop. To afford the farmer real relief, this burden must be transferred, and the only logical place would be to the common treasury, which means the general public, for a government as such has nothing. It has not a single dollar to give any man or set of men which it does not take from some man or set of men. In the physical world it is impossible to prize anything up without prizing something down. It is likewise impossible to prize up a single ounce more than is prized down.

So it is, therefore, equally essential to determine where the weight will rest as where the lifting shall be applied. This principle, equally true in government, is, I fear, sometimes overlooked. In this particular instance it appears we have committed the error of resting the fulcrum on the very sill we would prize up, and to my mind, there is no cause for surprise that its course has not been definitely upward. For more than a century cotton has maintained the balance of trade in our favor though the producers thereof have received an inadequate share of the benefit. As was so well said recently by the distinguished chairman of this convention, that if the monopoly in the production of this most useful staple had been enjoyed by the people of the North and East, they would have gotten far more profit out of the seed than we have received from both cotton and seed.

Is it, therefore, asking too much that the burden of this tax be transferred as suggested? Our farmers have been and are being called upon to pay their part of tremendous sums contributed to other causes of no direct benefit to them. In my judgment, no better investment could be made by our Government than to assume this obligation and for once give a substantial benefit and render a definite service to that class of our citizenship which has never failed our Government in a time of need and has contributed possibly more than any other to the stability of this great Nation. If it is asking too much, let's not ask it—but, in my opinion, it is not requesting a gift, but seeking a right!

A NEW DEAL IN RADIO REGULATION

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio interview the other evening in which a former Member of this House, now Chairman of the Federal Communications Committee, Hon. Anning S. Prall, participated.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following text of radio interview with Hon. Anning S. Prall, chairman Federal Communications Commission, by Martin Codel, Saturday, March 30, 1935:

Mr. CODEL. A few days ago many of you undoubtedly read in your newspapers that President Roosevelt had designated a new chairman to the Federal Communications Commission. This seven-man agency of the new deal, as you know, was created to displace the former Federal Radio Commission and to regulate not only the radio but all forms of interstate and international wire and wireless.

I have been asked to introduce to you the man picked by President Roosevelt as a sort of generalissimo of the Nation's civil communications. He is Anning S. Prall, until recently a Member of the House of Representatives from New York. To be barraged by questions is no new experience for Mr. Prall, who is seated beside me in the studio, for as a leader on Capitol Hill he had that experience with reporters almost daily. My interrogations, however, will be aimed at making you of the radio audience better acquainted with the man who is sworn to serve you.

A glimpse into the public service rendered by Mr. Prall tells quite eloquently why President Roosevelt selected him to head the F. C. C.

Of Dutch origin, Mr. Prall is a native New Yorker. In 1918 he had his first taste of public service, being appointed as a member of the board of education of New York City. For 3 years he served as president of that board. In 1921 he became commissioner of the department of taxes and assessments. Two years later he was elected to Congress, where he served continuously for 12 years. On January 17 the President honored Mr. Prall with an appointment to the Federal Communications Commission, successor to the old Radio Commission. Then on March 11 the President designated him as chairman of the Commission.

That, in brief, is the public service "Who's Who" of Anning S. Prall. He is slightly above average height, has a high forehead with hardly a furrow on it, wears a neatly trimmed moustache that is a mixture of black and gray, has clear blue eyes that twinkle with his ready smile. Always well groomed, he is, in a word, a handsome figure of a man.

Perhaps his outstanding characteristics, noticed by those of us who have frequent occasion to see him, are his quick grasp of the subject at hand and his ready wit. I don't know a readier raconteur in Washington, and from his generous stock of stories he seldom tells one that isn't pat.

Now I am going to initiate Mr. Prall, an old newspaper man himself, having served on the old New York World, into the realm of ultra-modern journalism—the radio interview. This is his first broadcast appearance since becoming chairman of the F. C. C.

Mr. Chairman Prall, let us talk about radio broadcasting first, for it seems to be the subject that touches our listeners most intimately. After your experience as chairman of the Broadcast Division and now as chairman of the full Commission, you must have some definite ideas about broadcasting?

Mr. PRALL. Mr. Codel, aside from my experience as a Congressman and as a member of the New York City Board of Education, I really bring to the Commission the point of view of a layman and business man. I think radio broadcasting is an industrial and social phenomenon quite aside from its scientific aspects. Its progress as an art and an industry has eclipsed anything we might have imagined a dozen years ago. On the other hand, I do not think it has taken the fullest advantage of its cultural, educational, and public-service possibilities.

Mr. CODEL. We seem to be getting into something. What do you mean, Mr. Chairman? Would you suggest some changes in the program menu now being served to radio listeners?

Mr. PRALL. Yes, I would. The bulwark of America is the American home. The success of radio broadcasting depends very largely upon its reception in American homes; therefore if broadcasting is to continue successfully it must present clean, wholesome programs which will be acceptable in, and receive the support of the average American home. My feeling is that we have made more definite progress under our peculiarly American system of private competitive radio programs than has any other country in the world. There is full freedom of speech on the air in America. That is not the case in other countries where the government, and of course the party in power, controls the radio.

Mr. CODEL. But the fault of radio, Mr. Prall, you said you would change some of its programs?

Mr. PRALL. Mr. Codel, long before I had any idea that I might become identified with the Federal machinery that administers radio, I took an interest in certain aspects of its programs. While I was head of the New York board of education, I was in daily contact with young people and the teachers who guide them. I had to deal with every imaginable kind of juvenile problem. There were underprivileged children who required special consideration, and there were youngsters with the spark of genius who likewise required special consideration.

Sometime ago I took a fancy to certain children's programs on the air. While in Congress I frequently visited this very studio of WRC to observe the children's hours. I have always thought that among these children might be a Galli-Curci or Barrymore, whose opportunities are negligible because of family circumstances. Radio offers an avenue for the development of new artistry and talent that has never before been available. The amateur hours now prominent on radio schedules may bring some of this out, but there's even more to the juvenile situation than that.

Mr. CODEL. Have you evolved any new ideas in this regard, Mr. Chairman?

Mr. PRALL. Yes, Mr. Codel, though I must say they are more general than specific, and the actual working out of the problem must be left to experts. While I believe that radio presents an unequalled opportunity for the new development of juvenile talent, I am not sure that it is entirely meeting its obligations with a regard to the effect it is having on the child mind of America. In some cases I am certain that it is having a deleterious effect because of some of the programs that are being presented. I refer to the blood-and-thunder programs so prevalent in the late afternoons. I am not condemning all of them, for I know many that are distinctly educational. I do condemn, however, those that can be compared to the dime novels of the "Deadeye Dick" or "Boy Smuggler" variety.

Mr. CODEL. Well, Mr. Prall, why can't your Commission do something about them?

Mr. PRALL. It is my view that the radio people themselves would do well to eliminate programs that arouse the imaginations of children to the point where they cannot eat or sleep. Good, clean adventure programs can be made educational, and even their commercial messages can be helpful. Now, as to what the Commission can do: Under the Communications Act, as under the old Radio Act, we may not exercise any direct control over radio programs. We cannot censor what is said on the air. That is right and proper, for you can readily see the political consequences if any governmental agency were invested with such bureaucratic powers while any one party is in the ascendancy.

What we can do is maintain a general surveillance over radio stations and networks under our broad authority in the public interest, convenience, and necessity. We can take into account the public interest as a whole, or in part, of the general program structures of the radio stations. If they are consistent violators, we can refuse to renew their licenses. As you know, about a half dozen stations have been taken off the air in recent years because of their failure to live up to proper standards of public service.

Mr. CODEL. Yes, Mr. Prall; but I recall that they were eliminated for quackery or for actually vilifying people and institutions. Isn't education by radio another thing—a matter of seeing that the proper people with proper character do the educating?

Mr. PRALL. Yes, Mr. Codel; but the fullest possible use of radio as an educational medium has not yet been found. I have studied the records of the hearings before our Broadcast Division last fall, and both educators and broadcasters, as I interpret the record, freely admitted that they have not cooperated to the fullest extent. Whoever is to blame, the fact remains that they must get together for a unified program of action. It is our plan to get

them together for a national conference under our auspices beginning next May 15.

In my opinion, radio cannot supplant the classroom, but it can supplement classroom instruction very appreciably if properly handled by proper persons.

Mr. CODEL. Well, now, what about the Commission's other activities, Chairman Prall? After all, you have the telephone and telegraph fields under your jurisdiction, too.

Mr. PRALL. I find myself in the position of being a jack of all the communications trades, so to speak, yet I am not an expert in any of them. As you know, I sit as a member of all three divisions—broadcast, telephone, and telegraph. Broadcasting regulation dates back to 1927, but the Federal regulation of the interstate telephone and telegraph is something entirely new. We are moving slowly in the telegraph and telephone fields, for our jurisdiction is supplementary to that of the States, and our fact-finding job may take years. Even now we are going into the telegraph structure thoroughly, and Congress has ordered a complete investigation of the telephone industry.

Eventually we will get to the matter of fair rates for interstate services, for our duty is to the consumer first. Contrary to some views, we are not aiming to hurt the industries that come under our jurisdiction. Together with them, we hope to be able to assure the American people continued efficient and perhaps cheaper methods of communication, whether by wire or wireless.

Mr. CODEL. The newspaper said something about a "new deal" on the F. C. C. with your appointment as chairman.

Mr. PRALL. Yes; I believe they did use that popular term. When I assumed the chairmanship this month we did reorganize somewhat. My distinguished colleague, Judge Sykes, who has been one of the mainstays of radio regulation since he came here with the old Radio Commission in 1927, asked to be relieved of the chairmanship of the full Commission and simply exchanged places with me, as chairman of the broadcast division. Then we shifted former Governor Case, of Rhode Island, over to the broadcast division, and he simply exchanged places with Col. Thad H. Brown, who took Governor Case's place on the telephone division.

Mr. CODEL. What was the purpose of these changes? Are some radical reforms in view?

Mr. PRALL. Oh, I would not say we are going to do anything especially sensational. We all agreed that bringing fresh viewpoints to the several divisions might be helpful all around.

Mr. CODEL. We hear reports every now and then that big reallocations are going to turn the broadcast band topsy-turvy and put stations on different dial settings with different powers. Is there anything in that?

Mr. PRALL. Of course, there are many proposals put before us constantly for this shift and that, and they might affect listeners locally or regionally, but these all have to go through due forms of applications, hearings, arguments, recommendations by our examiners, and the like before we render decisions. That doesn't sound very radical, does it? I will say that we have decided to tighten up broadcasting regulation and enforce our rules more rigidly. That means that radio stations must toe the mark if they want to earn their license renewals. We will not brook any trifling with our regulations. The radio people who disregard them—and I include the broadcasting of harmful and manifestly fraudulent material—are going to be made conscious that there is a board in Washington to whom they must render an accounting. We will punish the malefactors, even if it means their extinction from the wave lengths.

To maintain the high standards of radio programs, to render the most efficient and satisfying service to the people of the country, to aid the broadcasting industry in every possible legitimate way, and to bring to the administration, to which we are responsible, honor and credit in this particular field of its activity, is the purpose of the seven members of the Federal Communications Commission.

LEAVE TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes out of order.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for 10 minutes out of order. Is there objection?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. As I understand the order of business today, it was for the gentleman from North Dakota [Mr. LEMKE] to address the House; but I am informed, in order to hurry along a bill that is to come before the House, the gentleman from North Dakota very kindly stated that he would make his speech at another time. Cannot the gentleman from Ohio do the same thing?

Mr. HARLAN. Mr. Speaker, I have tried three or four times to get a little time on this subject. In view of the time that has been spent here today on other matters, I do not think my request for 10 minutes is unreasonable.

Mr. COCHRAN. It is not my place to object, and I shall not object.

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

There was no objection.

Mr. HARLAN. Mr. Speaker, in view of the deluge of criticism which has been heaped upon the administration during the last few weeks, it does seem a little out of order for anyone to arise in this body and say anything in defense of the administration, but at the risk of wasting some time, I feel that possibly some Members of the House might be interested in some of the facts that indicate that the Government has not quite gone to the dogs. I am not going to make an effort to weed out this entire crop of propaganda. I merely want to talk on a few subjects—the administration's financial policy, the industrial and agriculture recovery agencies, and the foreign-trade policy.

The administration is accused of violating its platform pledge on economy. They quote from the Democratic platform:

> 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.

They then combine our present normal with our emergency expenditures and declare that we have broken faith. This platform clause was written in 1932 to criticize the kind of Federal Government that existed in 1932. That Government was not engaged in human relief, in saving homes from foreclosures, in salvaging the morals of our young men, or any similar activity. It was indifferent to any human obligations and unconscious of the deluge that was imminent. Its extravagance in this limited field was a national scandal, wholly indefensible in the light of decreasing revenue. In the last Hoover fiscal year the cost of this type of alleged government was approximately $4,000,000,000. In the first Roosevelt fiscal year the cost of these same activities was approximately $3,000,000,000.

The administration is chided because it has not abolished governmental commissions and bureaus. The platform promise was definitely limited to "useless commissions and offices", such, for example, as the commission investigating prohibition, and the Farm Board; one carrying an appropriation of half a million and the other one of half a billion.

The fact that additional governmental agencies and wholesale new expenditures would be inevitable under Democratic control was frankly declared by other clauses in the platform which our opponents, charging bad faith, like to ignore:

> We advocate the extension of Federal credit to the States to provide unemployment relief, wherever the diminishing resources of the State make it impossible for them to provide for the needy; the expansion of the Federal program of necessary and useful construction, effected with the public interest, such as adequate flood control and waterways.

Again:

> We advocate continuous responsibility of Government for human welfare, especially for the protection of children.

Economy in government; liberality in necessary relief. This is the Democratic promise and performance, and no amount of confusion or smoke screen can obliterate this common-sense distinction.

You may talk extravagance if you wish, but you cannot honestly charge bad faith. Before we bewail extravagance too much, let us consider the condition of the country in March of 1933. States, counties, and municipalities that had been carrying on relief were financially exhausted. The great heart of human sympathy had pumped almost dry the reservoir of private charity. When the Roosevelt administration took over this work it took from the citizen local tax and charity expenditures and added to his Federal tax.

Furthermore, is it fair to look at our bonded indebtedness alone, without considering the cash in our Treasury or the value of our investments? No bank or industrial concern would be so foolish. A statement of this character made from the United States Treasury records appears as follows:

Statement of the public debt of the United States

[On basis of Treasury statement, in millions of dollars]

	Last administration		Present
	Feb. 28, 1929	Feb. 28, 1933	Feb. 28, 1935
Gross public debt	$17,345	$20,935	$28,526
Less (cash in Treasury)	74	221	2,081
Net debt	17,271	20,714	26,445
Proprietary interests in Government corporations and securities owned (exclusive of foreign obligations)	520	2,504	[1] 4,474
Debit balance	16,751	18,210	21,971

[1] As of Jan. 31, 1935.

Thus we see that the real primary indebtedness of the United States, instead of being twenty-eight billion, is less than twenty-two billion. A debit balance less than we have carried for many years in the past and nothing to get hysterical about.

Mr. HALLECK. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. HALLECK. Does the two-billion item represent the profit on the gold transaction?

Mr. HARLAN. About $700,000,000 of that represents profit on the gold transaction. The rest of it is independent of that.

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

Mr. HARLAN. I will.

Mr. TABER. Will the gentleman put in a list of those proprietary interest items?

Mr. HARLAN. Yes. The Treasury report shows that. I will put that in.

United States Government proprietary interest in governmentally financed corporations

	Excess of assets over liabilities [1]
I. Financed wholly from Government funds:	
Reconstruction Finance Corporation	$2,321,219,105
Commodity Credit Corporation	40,502,135
Export-Import Banks	[2] 13,802,510
Public Works Administration	269,071,605
Regional agricultural credit corporations	90,275,178
Production credit corporations	112,905,915
Panama Railroad Co	42,497,584
U. S. Shipping Board Merchant Fleet Corporation	193,905,081
War emergency corporations and agencies [3]	14,916,598
Other [4]	255,400,191
Total, group I	3,354,495,902
II. Financed partly from Government funds and partly from private funds:	
Federal land banks	253,948,363
Federal intermediate credit banks	68,516,165
Federal Farm Mortgage Corporation	202,306,025
Banks for cooperatives	117,752,467
Home loan banks	82,065,368
Home Owners' Loan Corporation [5]	88,022,334
Federal Savings & Loan Insurance Corporation	101,848,451
Federal Savings and Loan Associations	13,663,900
Federal Deposit Insurance Corporation	191,402,978
War Finance Corporation [6]	222,285
Total, group II	1,119,748,336
Grand total	4,474,244,238

[1] Exclusive of interagency assets and liabilities (except bond investments).

[2] Excludes contingent assets and liabilities amounting to $5,464,967 for guaranteed loans, etc.

[3] Includes U. S. Housing Corporation; U. S. Spruce Production Corporation; U. S. Railroad Administration; and notes received on account of war supplies.

[4] Includes Inland Waterways Corporation; Federal Subsistence Homesteads Corporation; Tennessee Valley Authority, Inc.; Electric Home and Farm Authority, Inc.; Federal Housing Administration; Farm Credit Administration (crop production and other loans); Agricultural Adjustment Administration; Tennessee Valley Associated Cooperatives, Inc.; and interagency interests held by the U. S. Treasury, and loans to railroads.

[5] Preliminary statement.

[6] In liquidation.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. CRAWFORD. Does this chart show contingent liabilities?

Mr. HARLAN. This chart does not show contingent liabilities except as reflected by the subtraction of those liabilities from the assets. I am glad the gentleman asked that question. By referring to the contingent liabilities the gentleman refers to the liability of the home owners' loan bonds and the farm bonds. Gentlemen, the homes and farms of this country are the bone and sinew of this Nation. If the time ever comes when the Government of the United States has to pay the bonds secured by those homes and those farms, then it will not make any difference to you and me whether the contingent liability is four billion or four hundred billion; this Government will never pay it, because the Republic of the United States will not be here any more. That is a charge against the homes, and the Government that you and I represent, if it continues, will never pay it; and if it does not, then we do not need to worry about it.

The SPEAKER. The time of the gentleman from Ohio [Mr. HARLAN] has expired.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

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

Mr. HILL of Alabama. Reserving the right to object, and I am not going to object, but the members of the Committee on Military Affairs have been waiting here for over 3 hours, since 12 o'clock, to take up the war-profits bill. I shall not object to the gentleman having an additional 5 minutes, but I should like to ask if the gentleman from California [Mr. BUCK] is seeking some time?

Mr. BUCK. I want recognition to make a unanimous-consent request, and that is all.

Mr. MOTT. Reserving the right to object, I should like to inquire whether, when this oratory is concluded, it is the intention that the House proceed with the war-profits bill?

The SPEAKER. The Chair hopes so.

Mr. HARLAN. In view of the delay that has been had on this bill, I will extend my own remarks in the RECORD anyway, and so I will defer the privilege of addressing the House further.

Mr. CRAWFORD. Will the gentleman yield further?

Mr. HARLAN. I yield.

Mr. CRAWFORD. In the four billion you mentioned as contingent liabilities, have you included therein or in these figures the service certificates due in 1945?

Mr. HARLAN. Does the gentleman mean the adjusted-service certificates?

Mr. CRAWFORD. Yes.

Mr. HARLAN. Yes. That has been taken care of in a special sinking fund, unless the Congress makes an appropriation to increase our present indebtedness to the veterans, in which case new bonds will have to be sold.

While speaking of bonds, let us consider interest. The average interest rate of the Hoover term was 3.71. We are now refunding our indebtedness at an interest charge of 2.875. We can now carry a fourth greater bonded indebtedness with the same interest charge to the taxpayer.

The gentleman from Massachusetts [Mr. TREADWAY] bemoans the lack of confidence in industry. Mr. Speaker, a little more genuine frankness, a few less half truths, a diminution of calamity rumors and ghost stories, and a little less thought to Republican success in '36 might just now be helpful.

Republican propaganda fails to disclose any affirmative program along with its criticism, unless it is to build even higher our present Chinese tariff wall. In 1930 they told us that with the Smoot-Hawley addition to this wall we would "forget that there was a depression in 90 days." The gentleman from Minnesota at that time said:

I believe that with the operation of the new tariff law employment conditions will rapidly become normal and the unemploy-

ment slack will be taken up * * *. It will stimulate business by opening factories that will make work for everyone.

On March 11, 5 years later, the same gentleman told us that if we would just give these import duties another general raise "you can end the depression in 60 days." If it were not for the very high personal esteem that I have for all of the gentlemen that have presented these arguments, I should recall that an ancient wise man once said:

As a dog returneth to his vomit, so a fool returneth to his folly.

Their negative program is to wreck the industrial and agricultural organizations. They say that the N. R. A. has injured the little business man. If we define a small business man as one who could not continue in business when his liabilities exceeded $5,000, then the facts do not carry out this contention. From 1928 through 1932, 2 years of prosperity and 3 of adversity, bankruptcies among this class amounted to 10,000 per annum. In '33 this dropped to 7,000, and in '34 to less than 5,000. A decrease of 54 percent under the N. R. A. With the large business men the decrease was less than 46 percent. Among the very large firms with liabilities of a hundred thousand and over, the decrease was but 11 percent.

A recent report of the Envelope Manufacturers Association of America discloses that under N. R. A. big companies in their organization have dropped 7 percent in volume of business, small companies have gained 8 percent, and very small companies have gained 20 percent.

If the N. R. A. is abolished, do the gentlemen propose to return to the good old days when we were cherishing our rugged individualism at the expense of our civilization, or will they adopt a policy of imposing code provisions by law rather than by voluntary contract? Do they favor industrial chaos, or a much more severe system of regimentation? The issue between the N. R. A. and its critics is not a new one with this administration. Senator Beveridge's keynote speech in the Progressive Convention of 1912 contained these words:

We stand for a broader liberty, a fuller justice. We stand for social brotherhood against savage individualism. We stand for an intelligent cooperation instead of a reckless competition. We stand for mutual helpfulness instead of mutual hatred.

Woodrow Wilson commented upon this proposal to control competition through voluntary contracts, as follows:

I said not long ago that Mr. Roosevelt was promoting a plan for the control of monopoly, which was supported by the United States Steel Corporation * * *. The Roosevelt plan is that there shall be an industrial commission charged with the supervision of the great monopolistic combinations which have been formed under the protection of the tariff, and that the Government of the United States shall see to it that these gentlemen who have conquered labor shall be kind to labor.

Woodrow Wilson relied on law. Franklin Roosevelt relied on contract. Neither was wholly successful. But they both progressed. Wilson was followed by the great ice age, when our governmental milk of human kindness was frozen harder than the Rock of Gibraltar. When, in the words of Emerson, "Things were in the saddle and they rode mankind."

The only question before us today is, Shall we use the experience and knowledge which we have gained by our mistakes, if you will, for further advance, or shall we repeat the tragic mistake of 1920, turn our backs on all progress, and invite another devastating panic to awaken us to our human responsibility?

Similarly, our destructive critics tell us that many farmers have not prospered under the A. A. A.; that the processing tax has worked some injustices and interfered with our foreign trade. The party to which most of these critics belong had 12 years to evolve a solution, and their answer was to throw the Government into the grain-gambling business. Their Secretary of Agriculture, at the end of 12 years, publicly stated repeatedly that crop limitation was the only way, but the imagination and courage to put this recommendation into force was lacking.

With sanctimonious fervor, we are told of the unpardonable sin of flaunting Divine bounty by plowing under the crops.

When we reduced the labor day from 12 to 10 hours about a century ago, that same devout intellect was doubtless then abroad talking about the sin of wasting God-given time. Industry, in the interest of efficiency, abandons factories and throws employees out on the streets by improved machinery. In fact, it plows under everything that interferes with its own profits, but we hear no pseudo-religious clamor on that subject. The tariff itself is nothing but a means of plowing under all foreign manufactured produce that might find access to our market. Yet the Democratic Party is taking us all to damnation because we have enabled the farmer to survive by doing what all of his exploiters have done for years.

The A. A. A. is nothing but the farmers' tariff. It is just as abhorrent economically as the tariff. Just as the tariff drives capital abroad and destroys exports, so will the process tax and the crop limitation policy drive agriculture abroad and strangle our export trade. Yet as long as we have this indefensibly high tariff, we will never escape some system answering the purpose of the A. A. A. unless we are willing to accept a pauper peasant class, kept in constant subjugation by a rigorous police power. To argue for a tariff and criticize the A. A. A. is an absurdity fit for the archives.

This brings us to the critical attitude of the opposition on our reciprocity policy. The speech of the gentleman from Minnesota opens up with a wail by a number of Maine potato growers, who are selling potatoes at 50 cents a barrel that cost three times that much to produce. Potato producers have been blessed for years by a tariff of a dollar and twenty cents per barrel, and yet are now selling their product at less than half of the tariff. This is a shining example of the benefit which agriculture gets from our tariff system.

Such schedules have been established solely to jolly the farmers into thinking that they were getting a piece of the mellon, and to keep them voting properly while the industrial interests picked their pockets. A tariff for any industry, either agriculture or manufacturing that produces for export, is nothing but a burden. The only protection so far devised for the farmer is the A. A. A.

Mr. KNUTSON asks us why we have not repealed or radically reduced the Smoot-Hawley tariff if it is so obnoxious. That is exactly what we are trying to do through these reciprocity treaties, but we must consider the capital that has already been invested in tariff-created industries. Stocks and bonds have been sold to innocent people and must not be ruthlessly destroyed. Import quotas and a gradual reduction in duties will allow that capital to drift into other channels to be profitably employed. If we are ever going to escape from this war-provoking, poverty-breeding tariff system, either as a nation or as a world, reciprocity is our only salvation.

Mr. KNUTSON apparently can see no connection at all between the amount of our exports and imports. He insists that there are only two things necessary to enable us to sell in any foreign market—"price and necessity." The fact that the purchasing nation must also have some means of paying our price, no matter how low it is, does not appeal to him as sound economics. He also says:

Under the Democratic theory Colombia should buy as much from us as we do from her, but such, unfortunately, is not the case.

This is not the Democratic theory, nor is it an economic fact; but if it is any Congressman's conception of the Democratic theory, it is no wonder that the people throughout the country have been so consistently and easily misled to their own destruction.

The Democratic theory and the economic fact is that no nation can buy the produce of any other nation unless the purchaser has the wherewithal to pay the bill. There is not enough gold in the world to pay for even an appreciable fraction of the world's purchases. We must have an exchange of commodities, either from one nation to another or in a circuit through many nations.

One of the letters read by the gentleman from Minnesota, protesting against the Cuban reciprocity treaty, says:

The Canadian transportation system and their banking arrangement make it possible for Canada to do the Cuban business in spite of American or Cuban tariffs, and they would do it while we would get in the United States what they have to export, Canada none.

This gentleman had probably read one of Mr. TREADWAY'S earlier speeches. However, we might ask what created the Canadian transportation system? Any sailor can tell you. It was full cargoes going both ways. What gave them their effective banking system to handle Cuban trade? Any bank messenger could tell you. It is the balancing of credits of import and export that makes this kind of banking possible. And no country can have such banking facilities unless there is a current of trade flowing both ways.

The gloomy prophecy that Cuba would not buy our commodities, when she could get Canadian goods, no matter what concessions we made, does not seem to be borne out by a recent Associated Press dispatch:

HABANA, March 16.—The Cuban Government, in a sweeping decree manipulating tariff, set the United States apart yesterday as a privileged trading nation and took from such countries as Japan gains made at the expense of American interests in recent years. * * * American cotton textile interests were handed back one of the choicest of foreign markets.

Nor is this prophecy borne out by the report of our State Department. Taking the period from September to December in 1932 and 1933, and striking an average of these 2 years and comparing that average with the same period of 1934 is most interesting:

	September–December–	
	1932–33 (average)	1934
Lard:		
Pounds	2,931,789	12,804,161
Value	$206,022	$949,996
Vegetable soup stock:		
Pounds	578,984	2,320,694
Value	$11,791	$67,216
Cattle side upper leather (grain and finished splits):		
Square feet	108,096	395,927
Value	$12,622	$60,267
Rayon yarn:		
Pounds	25,753	223,705
Value	$16,994	$132,332
Veneer packages for fruits, vegetables, etc.: Value	$31,360	$95,612
Box board (paper board and strawboard):		
Pounds	167,828	2,707,382
Value	$6,194	$56,687
Other paper board:		
Pounds	226,127	3,338,154
Value	$10,028	$80,327
Table glassware		
Value	$16,799	$63,385
Do	$286,639	$932,024
Do	$15,112	$55,352
"Other" wire manufactures:		
Pounds	182,349	769,395
Value	$13,472	$48,171
Bolts, nuts, rivets, etc., except railroad:		
Pounds	208,682	724,208
Value	$14,233	$53,022
"Other" cutlery and parts: Value	$12,822	$47,134
Electric household refrigerators:		
Number	177	481
Value	$15,347	$48,562
Radio receiving sets:		
Number	1,237	11,642
Value	$29,206	$276,694
Typewriters, standard new:		
Number	54	951
Value	$5,190	$67,778
Motor trucks, busses and chassis:		
Number	94	444
Value	$54,377	$249,954
Passenger automobiles:		
Number	67	361
Value	$46,499	$206,638
Ready-mixed paints, stains and enamels:		
Gallons	10,339	37,092
Value	$16,896	$59,007
Metal cartridges:		
Thousands	254	4,029
Value	$8,956	$75,845

The gentleman from Minnesota, who has such a deep interest in Maine potatoes, will be pleased to note that, using the same system of averages over the two preceding years, our exports to Cuba amounted to 16,500,000 pounds; while in 1934, our exports amounted to 30,700,000 pounds, an increase of 86 percent. During much of this period our concession to Cuban growers was in full force, and not one pound of potatoes was sent to the United States. They were only too glad to buy and consume our potatoes and pork if we would let them sell us sugar. When the Cuban Treaty was under consideration the State Department received a larger number of requests from potato growers from Maine and elsewhere urging a reduction in the Cuban tariff. A mutual reduction was arranged, which, in the light of trade developments, ought to be pleasing to all growers having more intelligence than the potatoes they produce.

Mr. KNUTSON cites the fact that Brazil sells us more tangible goods than we sell her, and gives this as a complete refutation of the fact that imports of goods and services must balance exports of goods and services. The facts as to Brazil are obvious to anyone who will take the time to examine international trade balance and take the interest to draw the necessary conclusions.

Brazil has a so-called "favorable balance of trade" with us. We had a favorable balance of trade with England. England had a favorable balance of trade with Brazil. Brazil sold us coffee. We sold England raw cotton. England sold Brazil cotton goods. In this way our cotton that went to England paid for the coffee which we bought from Brazil. In addition to that, the last available figures show that American investment in Brazil amounted to about one-half a billion dollars. Much of that coffee and other imports into the United States constituted dividends to American citizens on that investment. On the other hand, a great deal of our imagined favorable balance of trade with England was paid for by the transportation of our commerce in British bottoms and by money spent by American tourists in England.

The ideas of the gentleman from Minnesota about the effect of the depreciation of our currency upon tariff is fully as interesting as his apparent conviction that a nation can continue to sell indefinitely and buy nothing. He says:

Before we went off the gold standard the American dollar was worth 100 cents, but today the dollar is worth only 59 cents abroad; and as a result the 14-cent tariff on butter, given under the Republican Hawley-Smoot Act, has been reduced to 8¼ cents per pound, and that is the reason that we are having such tremendous importations of butter.

His remedy, as usual, is to increase the tariff. In the Seventy-second Congress England went off of the gold standard, as did a number of foreign countries. We remained safe and secure on the 100-cent dollar and watched foreign countries take our trade from us. At that time a bill was vigorously debated on the floor of the House as to whether or not we should raise our tariff, radically and quickly, to neutralize the effect of foreign currency depreciation, while our currency remained high. The CONGRESSIONAL RECORD shows that the gentleman from Minnesota was very ardent for an increased tariff, because our high currency had neutralized protective tariffs. Now he tells that because of our low currency we have wiped out tariff benefits. Apparently it does not make much difference what happens to a country, the sole and only remedy is bigger and better tariff.

Possibly a little common sense might be helpful. When both England and the United States were on a gold standard, the British pound was worth $4.84. If an American wanted to buy English woolens to the value of 20 pounds, obviously he would pay $968. When America left the gold standard, our currency depreciated until the pound was worth $5.50. The same American, to buy his 20-pound value of woolens, would have to pay $1,100. Obviously it is much more expensive for Americans to import foreign goods when our currency is depreciated than when it is high. That is, it is obvious to any but a hopeless tariff addict.

Secretary Roper on this point says, and, so far as I know, his statement has never been controverted by any outstanding economist except the gentleman from Minnesota. I quote:

With the recent devaluation of the American dollar to 59 cents, it now takes nearly 69 percent more dollars to pay for any particular foreign import shipment than it did a year ago, assuming that the foreign price has not changed. There has thus been

brought into operation an additional all-around tariff protection or handicap on imports, which has been in only small measure offset by increased costs of production, or prices of produce resulting from the N. R. A. or other recovery measures.

In other words, prices in this country could increase to approximately 70 percent over a year ago before the domestic producer would be under any increased pressure from foreign exports.

Consequently, when we granted to the President the right to lower tariff rates by 50 percent, we have not yet permitted tariff reductions down to the pre-Grundy level.

Speaking of the pre-Grundy days, the State of Minnesota in that happy era had an export trade of $51,000,000. In 1932, the last year of the beneficient regime that fired the tariff shot that was heard around the world, that export trade had dropped to $6,347,000. A reduction of almost 88 percent. One of the greatest percentage losses in the country. Two of her most important exports, pork products, and grain with grain preparations, have received valuable concessions on the part of both Cuba and Belgium. From the results so far achieved, if the reciprocity policy of this administration is allowed to continue, in spite of the activities of the congressional Representative from the State of Minnesota, that State is going to be blessed again with $51,000,000 in exports and more. And we may just as well bear in mind another economic truth, borne out repeatedly throughout our history; as our foreign trade increases, the general economic welfare of the country goes up, and when our foreign trade decreases, the reverse has uniformly been true.

One of the amusing features of all of this tariff discussion is the contention of the tariff advocates that the American wage scale and the American standard of living are due to their policy. About 150 years ago we adopted our first tariff. We had a wage scale in the country at that time. If we can believe the letters of Benjamin Franklin to his friends in England it was an unusually high wage scale. It was utterly useless to try to induce men to go into new manufacturing ventures without paying that scale, and to pay that scale would be impossible with the world price level. Therefore the price had to be raised by a tariff. The wage scale, however, remained the same.

From that day to this there has not been a single industrial lobby asking for tariff that has not demanded this tariff on the ground that it could not pay the wage scale already in existence without increased tariff duties. After the tariff is imposed, then they say, with a straight face, that the wage scale is due to tariff. Labor has been deceived constantly by this argument, in spite of the fact that on every side the American laborer can see more than half of our workers, those in the service industries, in the building trades, and those manufacturing for export, receiving money wages unaffected by the tariff.

Patriotism is another smoke screen that the tariff advocates like to use along with their policy of selling everything, buying nothing, helping agriculture, and protecting the American wage scale. The patriotic angle of the tariff was disclosed in a peculiar way in the speech of the gentleman from Minnesota when he was discussing the tariff on manganese. He made the statement that the Secretary of State had not consulted the War Department when preparing Brazilian treaty provisions as to reducing the tariff on manganese. Investigations disclosed that in the possession of the Secretary of State at the time this treaty was negotiated was a written report from the War Department, of which I quote as follows:

Reports prepared for the War Department in 1924 and revised in 1932 indicate that known domestic reserves of ferro-grade ore are sufficient for only — to — years' requirements, even when the estimate of reserves includes not simply ore in sight but also "probable ore and even possible ore up to the limit of reasonable expectations."

Here we have a natural resource that can never be replaced when exhausted. Absolutely indispensable to us in war, and yet the gentlemen say that we should proceed to exhaust this resource in order to make some immediate profits for the mine owners. Oh, of course, as usual they do not talk about profits; they talk about the number of workingmen that have been deprived of their jobs. In fact, after reading the speech of the gentleman from Minnesota, I was convinced that probably all of the mining population in the United States was engaged in mining manganese. I had formerly thought that coal and copper and iron employed some men.

Investigation, however, on pages 30 and 404 of a separate bulletin of the Census Reports of 1929, entitled "Mines and Quarries", discloses that the figures used by the Secretary of State exactly check. Now this census report was prepared by a Republican administration; it may be just as inaccurate as all of the tariff propaganda, but until something better is shown I believe that it is worth accepting.

The appeal of tariff advocates to patriotism sounds very well when they say that they want the United States to be self-sufficient in time of war. It is completely disrobed, however, when those same advocates insist that we should put a high tariff on one of our most valuable mineral resources. To weaken us for warfare and by tariffs constantly foment commercial war, making military conflicts inevitable, is a peculiar concept of patriotism. Stripped of its false claims of helping labor, of assisting agriculture, and love of country, the tariff reduces itself to the desire on the part of selfish blocs to get their snouts in the trough, regardless of the effect on the country in general.

That is now, always has been, and always will be the basis of tariff no matter what specious arguments are given. [Applause.]

ADJUSTMENT OF TIMBER CONTRACTS, NATIONAL FORESTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read as follows:

An act authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes.

Amendment: Line 8, strike out "May 1, 1933" and insert "June 30, 1934."

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, is this the bill to which I objected, the bill that had the date changed when it was considered in the House before?

Mr. BUCK. This is the same bill, except the Senate has put back the original date.

Mr. ZIONCHECK. The original date of 1934, as against 1933?

Mr. BUCK. June 30, 1934.

Mr. ZIONCHECK. Mr. Speaker, I object. I thought at the time the only justification for this bill was to relieve the contractors from the so-called "depression contracts", and surely the depression did not continue to 1934; at least we do not want to assume so at this time from the standpoint of official contracts.

Mr. BUCK. I hope the gentleman will reserve his objection for a minute.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would like to know just what this bill is going to cost the Government; I would like to hear the bill explained and have some information as to how many contractors are going to come in under it.

Mr. BUCK. I thought that was all discussed on the floor of the House when the bill passed the House. This bill has passed the House and has passed the Senate. The Senate has put back the original date, June 30, 1934.

Mr. McFARLANE. They brought forward the date; they changed the date by 1 year in the Senate.

Mr. BUCK. This is the bill originally introduced and approved by the Committee on Agriculture.

Mr. McFARLANE. How much will the bill, as amended, cost the Government?

Mr. BUCK. It will not cost the Government anything.

Mr. McFARLANE. Then why the bill if it does not cost the Government anything; what is the purpose of this bill?

Mr. BUCK. So that the Government may make adjustment of these contracts with concerns that are unable to carry out their timber purchases; so the Government can free the land for resuming operations with other companies.

Mr. ZIONCHECK. Mr. Speaker, if the gentleman will yield, is not the date June 30, 1934, 1 year longer than that provided in the original bill?

Mr. BUCK. We explained to the House the other day why this change was made. It was put in there to take care of one corporation which went into reorganization in the State of Delaware without the knowledge of the United States Government. Its contracts for timber had to be rewritten and they were rewritten in 1934, but they cover timber contracted for before and on a predepression basis. The Government has requested that to cover these contracts the date be changed from May 31, 1933, to June 30, 1934, as the Government wants to clean the matter up.

Mr. ZIONCHECK. Mr. Speaker, further reserving the right to object, if there is only one case, why not bring in a private bill?

Mr. BUCK. Why not give this general authority to clean up the whole thing at one time? There is nothing crooked, nothing hidden, about this matter; it is all open and aboveboard.

Mr. ZIONCHECK. That one company wants to get out from under the contract; it is reorganizing.

Mr. BUCK. The timber company does not care anything about it; the Government wants to get it. This is a Government bill; it is not a corporation bill at all.

Mr. ZIONCHECK. It seems to me it is a corporation bill, and that the corporation wants to get out from under its liability.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California if this is not different from the original bill they had before the Committee on Agriculture last year, if there is something in it that is objectionable?

Mr. BUCK. Absolutely not. The bill as passed by the Senate is now just as it was reported by your Committee on Agriculture.

Mr. ZIONCHECK. The Senate has amended the bill by advancing the date 1 year, to June 30, 1934. As it passed the House, the date was fixed at June 30, 1933.

Mr. BUCK. The amendment of the Senate makes the bill correspond with the way it was originally introduced.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object for the time being.

COINAGE OF 50-CENT PIECES—OLD SPANISH TRAIL

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of two bills, unanimously reported by the Committee on Coinage, Weights, and Measures, to provide for the coinage of 50-cent pieces for historical celebrations to be held this summer. These are emergency measures, and if they are not passed the mint will not be able to turn out the coins in time. There will be absolutely no expense to the Government. Treasury objections have been taken care of.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6372) to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail.

The Clerk read the title of the bill.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, are not these bills on the Consent Calendar?

Mr. COCHRAN. No; they were just reported yesterday, and are emergency bills.

Mr. ZIONCHECK. Does the gentleman mean to tell the House that the coining of 50-cent pieces is an emergency matter?

Mr. COCHRAN. It is in this instance, because the celebration is going to be held this summer, and it takes time to make the dies and to strike off the coins.

Mr. ZIONCHECK. Why were not the bills reported sooner?

Mr. COCHRAN. Because the Chairman of the Committee on Coinage, Weights, and Measures has been sick. He authorized me, as the ranking member of the committee, to call a meeting to consider these bills; and I called it.

Mr. ZIONCHECK. Is this for St. Louis again?

Mr. COCHRAN. No; this is not for St. Louis.

Mr. MILLARD. Mr. Speaker, reserving the right to object, has the gentleman consulted the minority members of his committee?

Mr. COCHRAN. Absolutely. They are unanimously in favor of it.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, has the gentleman taken care of meeting the expense, so it will not cost the Government anything?

Mr. COCHRAN. Everything is taken care of; it will not cost the Government 5 cents.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That to indicate the interest of the Government of the United States in commemorating the four hundredth anniversary of the expedition of Cabeza de Vaca and the opening of the Old Spanish Trail, there shall be coined by the Director of the Mint silver 50-cent pieces to the number of not more than 10,000, of standard weight and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman of the El Paso Museum Committee.

SEC. 3. Such coins may be disposed of at par or at a premium by said committee, and all proceeds shall be used in furtherance of the El Paso Museum.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

Mr. COCHRAN. Under leave to extend my remarks, I insert the report filed from the committee:

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (H. R. 6372) to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail, having considered the same, report thereon with the recommendation that it do pass.

The expedition of Panfile de Narvaez to the North American Continent has been the source of considerable historical speculation. He sailed from Spain in June 1527, with 5 ships and some 700 men. The winter of 1527–28 was spent in West Indian waters, where storm and disease reduced the expedition to 400 men and 80 horses. In the spring of 1528 De Narvaez divided his forces, the greater portion of the expedition disembarked and under his leadership proceeded to explore the interior of the country.

De Narvaez experienced many hardships on this journey. Food was scarce, the Indians unfriendly, the land marshy and heavily wooded, offering small means of sustenance. Horses were killed for food and the skins used for fresh-water bags to make possible a sea voyage. The remnant of the expedition put out to sea and sailed in rude boats along the shores of the present States of Florida, Alabama, Mississippi, Louisiana, and Texas. Food and water failing, the expedition landed to search for the means of subsistence. At sea many had died from privation and on land others were killed by the Indians.

According to the best information obtainable, all the rude barges were lost at sea or wrecked on the coast. Only 80 men survived, and these came together on an island off the coast of Texas in November 1528. Death from various causes and slavery among the Indians separated and reduced the number of survivors during the succeeding 6 years to four Spaniards and a Negro.

Alvar Nunez Cabeza de Vaca, treasurer of the De Narvaez Expedition, was one of these five survivors, and for the most part, we are indebted to him for the recorded story of the expedition and the adventures of the few who were eventually to reach the Spanish settlements of New Spain. The authenticity of the account of the expedition, the hardships endured, and the fact that these finally reached the settlements in the spring of 1536 have never been questioned.

During the first winter after reaching the Texas coast the surviving Spaniards were parceled out among the Indians as slaves. Cabeza de Vaca began early to plan escape but, according to his narrative, delayed 6 years in the hope he might take with him his friend Lope de Oviedo.

Late in the year 1534 all details were worked out for the escape and De Vaca with two friends and the Negro, all being survivors of the original De Narvaez Expedition, made their way, with the help of friendly Indians whom they encountered, from an island—now generally believed to have been Galveston Island—across the continent to the settlements of New Spain. Some of our most eminent historians lay the route of Cabeza de Vaca through the present city of Alpine, Tex., and through the big bend country of the Rio Grande.

Cabeza de Vaca was the first European to traverse this great wilderness and we believe his expedition should be fittingly commemorated by the issuance of the special coin provided by the bill under consideration.

Assurance was given at the hearing that the museum committee will guarantee the entire issue and no coins will be returned to the Treasury. The enactment of this bill will result in no expense to the United States.

Representative R. EWING THOMASON, of Texas, author of the bill, appeared before the committee and gave the members historical data in reference to the Old Spanish Trail, as well as assured the committee there would be no expense to the Government if the bill was enacted into law.

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.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE FOUNDING OF HUDSON, N. Y.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., there shall be coined by the Director of the Mint 6,000 silver 50-cent pieces of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. The coins herein authorized shall be issued at par and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Hudson, N. Y.

SEC. 3. Such coins may be disposed of at par or at a premium by the committee, person, or persons duly authorized by said mayor of Hudson, N. Y., and all proceeds shall be used in furtherance of the commemoration of the founding of the city of Hudson, N. Y., projects.

SEC. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5. The coins authorized herein shall be issued in such numbers, and at such times as they shall be requested by the committee, person, or persons duly authorized by said mayor of Hudson, N. Y., and upon payment to the United States of the face value of such coins.

With the following committee amendment:

Page 1, line 6, strike out the word "six" and insert in lieu thereof the word "ten."

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.

Mr. COCHRAN. Under leave to extend my remarks I include the report of the committee.

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (H. R. 6457) to authorize the coinage of 50-cent pieces in connection with the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., having considered the same, report favorably thereon and recommend the bill, as amended, do pass.

The amendment is as follows:

In line 5, after the word "mint", strike out "six" and insert the word "ten."

Representative PHILIP A. GOODWIN, of New York, author of the bill, appeared before the committee and assured the members that the city of Hudson or the committee in charge will guarantee the entire issue and no coins will be returned to the Treasury. The enactment of the bill will result in no expense to the United States.

In connection with the bill Mr. GOODWIN submitted the following letter to the acting chairman of the committee:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 30, 1935.

Hon. JOHN J. COCHRAN,
Acting Chairman Committee on
Coinage, Weights, and Measures,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: In line with your conversation with me yesterday regarding a brief résumé of the city of Hudson's history for the information of the Coinage, Weights, and Measures Committee in connection with bill H. R. 6457, I am pleased to give you below the following statement:

A careful perusal of the journal of the voyage in 1609 of Henry Hudson, in his ship *Half Moon*, in his endeavor to find a short route via the Hudson River to the Empire of Cathay, shows that on his first visit, he landed at the site of what is now the city of Hudson, in the State of New York. The city bears his name.

Henry Hudson was an Englishman in the employ of the Dutch East India Co. He was the first white man to enter upon the site of the present city of Hudson. History states, "It is a pleasant thought that his descendants have been residents of our country."

The city of Hudson was orginally embraced within the limits of the town of Claverack and of the county of Columbia formed in 1786, and was known as "Claverack Landing."

At an early period of the Revolution, the whale fisheries of Nantucket were broken up by the English marine. In 1783 a considerable number of the inhabitants, desirious of bettering their fortunes, determined to leave it and make a settlement somewhere upon the Hudson River, and these people entered into a compact with articles of agreement providing for its development. The site of the development was Claverack Landing. On February 17, 1785, it was voted that a petition be drafted to be laid before the legislative authority of the State for the purpose of incorporation, with city privileges.

The General Assembly in session in New York on the 22d of April 1785 granted the petition and the city of Hudson received its charter, becoming the third city in the State of New York. On May 28, 1810, the last meeting of the proprietors of the original company met and delivery of their books and plot of the city was made to the clerk of the city for the passage of a law by the legislature for confirmation of all the divisions made by them. At this time the population of the city was 5,000.

The people of the city of Hudson, descendants of these old Dutch and English families, are particularly proud of their old city and its traditions. A very unusual love and respect for their ancestors is existent, and it is my earnest hope that your Committee on Coinage, Weights, and Measures will grant to the city of Hudson the privilege of a commemorative coin on the anniversary of their one hundred and fiftieth birthday, after a history of loyalty and allegiance to the United States as one of the first cities of this country.

Respectfully submitted.

PHILIP A. GOODWIN, M. C.

MESSAGE FROM THE SENATE

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

H. Con. Res. 19. Concurrent resolution authorizing the Committee on Ways and Means of the House of Representatives to have printed for its use additional copies of the hearings on the Economic Security Act.

WAR PROFITS

Mr. GREENWOOD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 133.

The Clerk read as follows:

Resolved, That immediately upon 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 consideration of H. R. 5529, a bill to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same 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, with or without instructions.

Mr. MILLARD. Mr. Speaker, I think there should be more than 75 Members present during the consideration of this important bill. I make the point of order there is not a quorum present.

Mr. GREENWOOD. Mr. Speaker, will the gentleman withhold his point of order for a moment?

Mr. MILLARD. Mr. Speaker, I withhold the point of order for a moment.

Mr. GREENWOOD. Mr. Speaker, has the gentleman from Pennsylvania any demands for time?

Mr. RANSLEY. There is some demand for time. On this side we would like the usual time on the rule. If we do not use it all, we will yield back the balance.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania.

The SPEAKER. Does the gentleman from New York insist on his point of no quorum?

Mr. MILLARD. Yes, Mr. Speaker. I think on a subject of such importance we should have more than 75 Members present.

Mr. GREENWOOD. Does the gentleman from New York desire a quorum for the consideration of the rule or for the consideration of the bill?

Mr. MILLARD. I make the point of order that we should have a quorum present right now.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 46]

Allen	Driver	Larrabee	Ramspeck
Bacharach	Duncan	Lee, Okla.	Rayburn
Bankhead	Dunn, Miss.	Lehlbach	Romjue
Beam	Englebright	Lewis, Md.	Ryan
Berlin	Ferguson	Lucas	Sadowski
Bland	Fiesinger	McAndrews	Schulte
Bolton	Fish	McClellan	Sears
Brennan	Flannagan	McKeough	Shannon
Brewster	Fulmer	McLeod	Sirovich
Brooks	Gambrill	McMillan	Smith, Va.
Buckbee	Gingery	Maloney	Somers, N. Y.
Bulwinkle	Granfield	Martin, Colo.	Stefan
Casey	Green	Meeks	Sumners, Tex.
Chandler	Griswold	Merritt, Conn.	Taylor, Tenn.
Chapman	Gwynne	Montague	Thomas
Claiborne	Hamlin	Montet	Tinkham
Clark, Idaho	Hartley	Moran	Tobey
Connery	Higgins, Conn.	Norton	Treadway
Cooper, Ohio	Hoffman	O'Brien	Wadsworth
Darrow	Igoe	O'Day	Walter
Dear	Johnson, Tex.	Parsons	West
DeRouen	Kennedy, Md.	Patman	White
Dickstein	Kerr	Perkins	Wigglesworth
Dies	Lambertson	Pettengill	Wilcox
Dietrich	Lambeth	Peyser	Wilson, La.
Disney	Lamneck	Polk	Woodrum
Ditter	Lanham	Ramsay	Zimmerman
Doutrich			

The SPEAKER. Three hundred and twenty-two Members have answered to their names. A quorum is present.

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

Mrs. GREENWAY. Mr. Speaker, the gentleman from Idaho [Mr. WHITE] is not present because he is ill.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conference committee on House Joint Resolution No. 117 may have until 12 o'clock tonight to file a conference report.

Mr. BACON. Mr. Speaker, reserving the right to object, may I ask the gentleman from Texas if he understands the conferees are going to meet this afternoon?

Mr. BUCHANAN. I do.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. LANHAM (at the request of Mr. THOMASON) on account of illness.

WAR PROFITS

Mr. GREENWOOD. Mr. Speaker, House Resolution 133 from the Rules Committee provides for the consideration of H. R. 5529, presented by the Chairman of the Committee on Military Affairs for the purpose of taking profits out of war.

This resolution is an open rule without restriction, providing for 4 hours' general debate in the Committee of the Whole House and allowing amendments to be offered under the 5-minute rule. The Rules Committee believed this was a question of sufficient importance that the Committee on Military Affairs should be given the opportunity to present this bill for the House to consider on its merits.

This is a matter of current interest growing out of the investigation of the Senate committee concerning the profits that were made in the World War and profits that have grown out of all wars because of advantages taken in those particular times of distress. The World War was not different in this particular from other wars. In view of the current interest that has been taken and the discussion that is being had in the public press, and understanding that a bill is pending in the other body similar to this one, we believed that the House at this time might consider the bill under the open rule which is brought in here at this time. We believe that this is an opportune time for the House to take the matter up. There is nothing about the rule that is restrictive, and the merits of the bill may be discussed in the liberal time allowed for general debate.

Mr. Speaker, the Rules Committee has no further explanation to make of the rule unless someone desires to ask questions.

Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, I rise to oppose this rule, not because it is in any way unfair, but because of the fact I believe it is inopportune. It is not a "gag rule." As a member of the Military Affairs Committee I did not oppose the McSwain bill. I believe there is a great deal of merit in the bill. I believe that the purposes of the bill are laudable and proper and should be considered by this House. I also very deeply regret having to oppose a bill offered by the gentleman from South Carolina [Mr. MCSWAIN]. He is an honorable, thoughtful, and courageous gentleman, and we all love him. As I stated, I regret very much having to oppose this bill, but I desire to call attention to certain portions of it.

In the report made by the gentleman from South Carolina [Mr. MCSWAIN] it is stated:

> This bill is a statement of broad policies and is deliberately intended to avoid the mistake of seeking to legislate as to details so far in advance of the possible outbreak of war.

I am not talking about the merits or demerits of that portion of his report, although I will get to the point in a minute. The gentleman says further:

> It may be objected by some that H. R. 5529—
>
> The McSwain bill—
>
> does not provide for the levying of an excess-profits tax during the period of the war. The explanation is simple and complete.

One of the main proponents of this bill has been Mr. Barney Baruch. I do not think Mr. Barney Baruch has anything to do with this House. We are thoroughly able to take care of ourselves. But Mr. Baruch, it seems to me, gave different testimony before the Senate committee than he did before the House committee, or at least he added to his testimony.

Senator VANDENBERG asked Mr. Baruch this question:

> I just wanted to raise a point in that connection. I hold great respect for Congressman MCSWAIN, and I know he wants to go the length in any program, but the McSwain bill by itself has been held out as a successful answer to the problem of taking the profit out of war, and I think the McSwain bill by itself is utterly inadequate. Is that so?

Mr. Baruch said:

> Quite so; because it must be accompanied by this tax program, or you do not get anywhere. You are where you were before. You might keep the prices from going up, but you won't keep the profits from going up.

The reason I refer to this proposition is because I do not want to see the House get into a legislative jam. It is my opinion that this bill will not pass the Senate at all; in fairness, I believe the gentleman from South Carolina [Mr. MCSWAIN] differs with me on this point. It has no chance of being passed by the Senate, and I know that the Senate cannot originate the revenue portions of the bill. However, the provisions are in the Senate bill that has been prepared by their Munitions Committee and which will be submitted very soon. If we pass this bill and it is rejected by the Senate, like the relief bill, it will be "confereed" to death. It

will be "confereed" for the rest of the session. Then there will be no bill at all, and we will fail.

Mr. Speaker, I hope this resolution will be voted down. I am not going to indulge in any dilatory tactics. I believe that in a few days our committee could agree with the Senate committee and then bring out a bill that is suitable for our consideration.

Mr. CULKIN. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from New York.

Mr. CULKIN. Assuming that Mr. Barney Baruch had a hand in drafting this bill, he condemned his own bill before the Senate committee?

Mr. MAVERICK. I think that is correct. At least, he gave some additional information. I did not vote against the bill in the committee, being silent, and you may also say that I am condemning myself.

Mr. CULKIN. Before the Senate committee Mr. Baruch said that the McSwain bill is inadequate to take the profits out of war.

Mr. MAVERICK. Yes; he said that.

Mr. Speaker, I now want to call attention to the Senate bill. Title I has "Tax provisions", title II has "Industrial management provisions", title III has "Commodity control provisions", title IV has "Security exchange provisions", title V has "War finance control", and title VI "War resources control." These are not covered, except slightly and in part, by the McSwain bill.

I do not say that the McSwain bill is totally inadequate, but as it appears to me, without the other safeguards that are offered in the Senate bill, it merely guarantees the profits of war.

Of course, this is just my opinion, but the fact that I give this opinion and the fact there is some controversy on this point, it appears to me it would be better that we recommit the bill, and after recommitting it, then the Military Affairs Committee could consider it and quickly come to some agreement. Then we would be assured of final passage by both Houses and of really accomplishing something fundamental.

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

Mr. MAVERICK. I yield.

Mr. ROBSION of Kentucky. Is there anything to prevent amendments being adopted such as my friend from Texas has suggested?

Mr. MAVERICK. Yes; the bill of the Senate is not germane to this issue. In other words, part of the Senate bill concerns revenue and is not germane to the McSwain bill.

I had an amendment which I might have offered, but I do not think I shall offer it, because I do not think we will have adequate time to prepare the bill. The amendment would provide that revenue matters could be brought in as amendments to this bill. In other words, this bill cannot be amended now because the matter that the gentleman suggests is not germane to the bill, and this is the reason I believe it should be recommitted and then brought out on the floor again.

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

Mr. MAVERICK. I yield to the distinguished and able gentleman from Wisconsin.

Mr. BOILEAU. If we vote down the previous question we will then have an opportunity to amend the rule and make such an amendment in order.

Mr. MAVERICK. That is what we ought to do.

Mr. MERRITT of New York. Is the Senate bill the same as the McSwain bill with the exception of additional amendments?

Mr. MAVERICK. It is a much longer bill, and I think it has been very carefully prepared.

Mr. MERRITT of New York. Are there any component parts of the McSwain bill in the Senate bill?

Mr. MAVERICK. Yes; practically in the same words, but essential taxing provisions and various controls are omitted.

I am not condemning the McSwain bill, but I believe there are additional provisions that should be in the bill, such as the revenue feature, heavy taxation on war incomes—in short, the elimination of profits—and I believe the Senate provisions will make it a more adequate bill. If we pass this bill and it is rejected in the Senate, then it will get in a log jam in the closing days and we will go home without having done anything, and I believe the people of the United States want us to do something about this question.

Mr. MERRITT of New York. Is the gentleman satisfied that if we amended the McSwain bill to conform with the language of the Senate bill it could pass this House and the Senate?

Mr. MAVERICK. I do not know whether it could pass or not, but I think the provisions ought to be before us with respect to excess war profits, commodity control, and so forth. It should be done now, not later.

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

Mr. MAVERICK. I yield.

Mr. FADDIS. I just want to ask the gentleman if he ever heard of a piece of legislation that was so complex that it could not be passed?

Mr. MAVERICK. I am a new Member of the Congress and I do not know much yet, but I am learning fast. [Laughter.]

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

Mr. MAVERICK. I yield.

Mr. TRUAX. This is a draft bill, is it not?

Mr. MAVERICK. The gentleman means the Senate bill?

Mr. TRUAX. No; the McSwain bill.

Mr. MAVERICK. I would rather not express an opinion on that; but it looks that way. That is the reason I would like to see the bill recommitted. Certainly that question enters into the matter, but I do not want to discuss the merits of the bill on that point.

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

Mr. MAVERICK. Yes.

Mr. MONAGHAN. The specific language of the bill contained in section 3 makes it constitute a draft measure disguised under the veil of being a conscription-of-profits measure. The specific language of the bill makes it nothing more than a sugar-coated draft measure, and so far as taking the profits out of war is concerned, it will do nothing of the kind, and is likely to guarantee the profits, as the gentleman from Texas [Mr. MAVERICK] so well stated.

Mr. MAVERICK. I think the gentleman is right.

Mr. MONAGHAN. It certainly guarantees a draft of men during war, and because of its broad language, such as "the unorganized militia", which is more of a conscription of labor than anything else.

Mr. MAVERICK. I would rather not go into that, because I believe if the bill is amended, your point will be met, and everybody is going to be satisfied. The bill needs clarification and the provisions of the Nye Senate bill.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. DUNN of Pennsylvania. Does not the bill in its present form, in case of war, conscript labor?

Mr. MAVERICK. Now, we are debating the rule, and I do not want to go into that. That question is for debate on the bill itself. That is the reason I think the rule should be defeated.

I want to make this further appeal to you. I do not pose as a war veteran, because the gentleman from South Carolina [Mr. MCSWAIN] is a war veteran also. I think every Member in this House—on both sides of the House—is thoroughly conscientious about this, but Congress has been in session now for about 3½ months and I have not seen a great deal of fundamental legislation enacted. I am not appealing to, nor catering to, the Republicans when I say a great deal of fundamental legislation has not been passed. I should like to see this measure fundamentally rectified before it comes before the House, and this is the reason I oppose the rule.

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

Mr. MAVERICK. I yield.

Mr. SISSON. The gentleman is a member of the committee?

Mr. MAVERICK. Yes.

Mr. SISSON. I notice in the bill the term "unorganized militia" is used. In the opinion of the gentleman or in the opinion of the committee, does that mean all the people of the United States; that is, all males between the ages of 21 and 31?

Mr. MAVERICK. I believe it could be so interpreted.

Mr. SISSON. Then the bill means the conscription of labor does it not, fairly and squarely?

Mr. MAVERICK. I think it can be interpreted in that way and that was the practical effect during the war.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield the gentleman 1 more minute.

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

Mr. MAVERICK. I yield.

Mr. McSWAIN. If the gentleman will carefully read the language of the measure, the proposal is to draft into the military service of the United States and not to draft for the purpose of laboring at all.

Mr. MAVERICK. I understand the purpose; but it says "unorganized militia."

Mr. SISSON. It does not say simply in time of war, if the gentleman please, but at any time "an emergency" is declared to exist by the President.

Mr. McSWAIN. No; whenever an emergency is declared to exist by the Congress.

Mr. MAVERICK. I want to make this final bipartisan or nonpartisan or multipartisan appeal, that this bill has no connection, so far as I know, with any party; except that Mr. Roosevelt, and I suppose Mr. Hoover, are in favor of taking the profits out of war. As a matter of fact, every person on earth who has the tenth part of decency wants to take the profits out of war. Everybody is in favor of the principle, of course, and I should like to see the bill recommitted for the purpose of rectifying the provisions that are in it now, so that we may make it positive and certain, and do a complete and thorough job of it. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, the gentleman from Texas [Mr. MAVERICK], who just preceded me, made such an excellent summary of my own proposed statement that I do not know that I shall occupy more than a couple of minutes.

In stating my opposition to the rule and to the bill as it is now, I think it only fair to say that the Chairman of the Military Committee [Mr. McSWAIN] should have the gratitude of every Member of Congress interested in this matter for the consistent and persistent educational work that he has done in all these years since the war, to promote this idea of eliminating profits out of war. [Applause.] I feel that we have not the time that should be devoted to this subject since the bill was acted upon in committee.

There were some differences of opinion in the committee—not serious.

I questioned General Johnson—and he answered frankly—whether or not the bill did not practically guarantee a profit, and that contains various elements which have been exploited in the last few days before the Senate committee.

There is not a Member of Congress who does not read one or more daily newspapers, and they must realize that certain admissions have been made that are dangerous, and have been specifically given.

So that if I can convince this House, when the measure is being considered under the rule, if it is adopted as it is now drawn, that its adoption would permit the guaranteeing of profits, upon the level of the high cost of producing material, and would thereby permit low-cost producers with their advantages in the facilities they have to get raw products, in their transportation facilities, and in their closeness to the terminal markets, and the other things that enter into the lost cost of producing advantage, to pile up tremendous profits in time of war, I believe this body will realize that instead of relieving a war-time psychosis we will actually continue a situation which will hold out an incentive to these tremendous, powerful interests, and foster a situation that will give them a Utopia of profit greater than the wildest peace-time prosperity possibly could offer them. That is the situation, and that is why I hope the committee can have more time. I know the chairman of the committee, with his convictions and courage, will gladly accept some of these amendments after we have had an opportunity to study the Senate testimony and recall some of those witnesses, and I hope we can give deliberation to this matter and not act hastily.

Mr. McSWAIN. Is not the purpose of bringing the bill to the House to profit by proposed amendments?

Mr. KVALE. Yes.

Mr. McSWAIN. The gentleman ought not to condemn the measure now.

Mr. KVALE. I do not feel the bill is so drawn that it can be amended successfully in the brief time that we can consider it, and I feel it is due the committee, as a servant of this body, that it be given further opportunity to study this and bring back a perfected bill for action by the House.

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

Mr. KVALE. Yes.

Mr. MARCANTONIO. Is it not a fact that the only way to properly amend this bill is by inserting a tax provision taxing the profits out of war?

Mr. KVALE. That is only one of the amendments.

Mr. MARCANTONIO. And if this rule is adopted, and unless we are permitted to amend the rule so as to make the inclusion of a tax provision germane, we cannot subsequently amend it.

Mr. KVALE. That is only one of the amendments indicated. I think the committee should have further opportunity to study the measure. That is my only plea at this stage.

Mr. MAVERICK. Does not the gentleman think if this is referred back to the committee that within 2 or 3 days, or at most a week, we could complete this in a satisfactory way?

Mr. KVALE. That is my hope and confident belief.

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

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I commend the Military Affairs Committee for bringing forward legislation on this subject. I know that they have given the matter much study, and many of us have during the past 16 years since the last war. However, in the few minutes I have I shall address myself to the rule now pending under which, if it is adopted, it will be possible only to amend the bill before us in a very limited way. I have talked to the Parliamentarian of the House as to whether we could offer tax amendments to this House bill, and he says we cannot. Under the testimony of Mr. Bernard M. Baruch, given before the Senate Munitions Committee, he testified—Senator VANDENBERG asked Mr. Baruch this question:

> I just wanted to raise a point in that connection. I hold great respect for Congressman McSWAIN, and I know he wants to go the length in any program, but the McSwain bill by itself has been held out as a successful answer to the problem of taking the profits out of war, and I think the McSwain bill by itself is utterly inadequate. Is that so?

Mr. Baruch said:

> Quite so; because it must be accompanied by this tax program or you do not get anywhere. You are where you were before. You might keep the prices from going up, but you won't keep the profits from going up.

We do not want to do a futile thing here, and I am sure the House does not want to place itself in such a position that it cannot enact the legislation it wants on this subject. Under these circumstances this legislation now pending is worthless and would be a sham and a farce for us to enact it. There is no use of beating the devil around the stump. If we cannot amend it adequately, we better get ourselves in shape before we tie our hands here so that we cannot

amend it. We had better amend this rule so that we can place adequate amendments upon the bill, so that we, as Democrats and Republicans, and as Americans first, can legislate without our hands being tied. God knows that we in the House the last two Congresses have not done anything but tie our own hands so that we cannot work. [Applause.]

It is time for this House to wake up and realize our responsibilities to our constitutents and assume these responsibilities and stop legislating under gag rules we know will not permit the free and frank consideration of legislation on this floor that should be given to it. That is the whole proposition now pending. I know this great committee has done splendid work on this subject and I congratulate them on the work they have done on the procurement of aircraft and other subjects which they have had before them in investigating the rackets going on down here in a couple of these departments in the matter of the procurement of aircraft and other things. But on this proposition it seems to me my colleague from Texas, Mr. MAVERICK, as a member of this committee, has adequately stated the case now pending. Mr. Baruch was the Chairman of the War Industries Board, and he ought to know more about this subject than any of the rest of us. He says this bill will promote and insure profit.

Mr. ANDREWS of New York. Will the gentleman give us the page in the minutes that will show such a statement?

Mr. McFARLANE. Yes; Mr. MAVERICK has a complete transcript of his testimony before the Senate Munitions Committee and read certain parts of it here on the floor. Earlier in my remarks I quoted part of this testimony.

Mr. TRUAX. Is the Baruch the gentleman refers to the same Baruch referred to by Father Coughlin as Bernard Manassas Baruch?

Mr. McFARLANE. Yes; this is the same Mr. Baruch.

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

Mr. McFARLANE. I decline to yield further. Let us get down to the proposition. I believe I speak the sentiment of the House, as it has been expressed here repeatedly, that we are honest in wanting to take the profits out of war.

We want to put capital on the same basis as man power. [Applause.] That being true, let us not tie our hands before we start into this proposition by adopting a rule that will prohibit any tax amendment that would really make a decent bill out of it. That is all there is to it.

Mr. MONAGHAN. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MONAGHAN. Is not the proper way to handle this problem the method that has been proposed by the Nye bill?

Mr. McFARLANE. There is no doubt about that. I have a copy of the Nye bill before me. It is adequate to meet the situation. This little four-page pamphlet that we now have before us in the House is not adequate to meet it. It contains no tax provision nor any of the many other necessary mandatory provisions to adequately cover this subject matter, and under the rules of the House we cannot offer the Nye bill and make it germane to this bill. If we adopt the rule we cannot amend the bill in that way. We should vote against the previous question and then amend this rule so that we can offer tax and other amendments such as contained in the Nye bill. Then we will have a bill adequate to cover this subject. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. RANSLEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am not opposed to this rule. The bill does not legislate as to detail. It is merely a statement of broad policies. Therefore, for the reasons given, and having no demand for time on this side, I yield back to the gentleman from Indiana the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield myself 5 minutes.

Mr. CELLER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. CELLER. I would like to know whether or not, if the Senate puts in a tax provision, it is within its power to do so.

Mr. McFARLANE. No.

Mr. CELLER. So that if there is a tax provision in the Senate bill it may be out of order, and if there is no taxing provision in the bill before the House, then we will have no legislation of a taxing nature whatsoever.

Mr. GREENWOOD. It could come into the House under a special rule, as I understand it.

Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, there has been considerable argument presented here to defeat this rule. Now, the Rules Committee held a two days' session on this matter when it was presented by the Committee on Military Affairs. Not one of these gentlemen or any member of the committee appeared to object to this rule. I think it is due, as a courtesy to the Committee on Military Affairs, that the House consider this bill upon its merits.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. In just a moment. This is an open rule and any amendment that is desired may be offered.

Mr. McFARLANE. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. McFARLANE. In that regard, I think the gentleman will admit that we could not offer any tax provision on this bill.

Mr. GREENWOOD. I do not know what amendments will be offered.

Mr. McFARLANE. I am asking the gentleman this question: Can we offer a tax provision?

Mr. GREENWOOD. Well, I do not think so, under this bill.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. But this bill was not proposed as a tax measure, and tax measures ordinarily come from a different committee than this committee.

Mr. MARTIN of Massachusetts. I understand; and that is why it is not germane.

Mr. GREENWOOD. At a later date, if a rule is wanted on a tax measure in connection with this matter, it can be presented to the Rules Committee, just as the Military Affairs Committee came and asked for this rule.

Mr. MAVERICK. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MAVERICK. Will the gentleman permit me to offer an amendment to the effect that we may offer that kind of an amendment? I have it already written.

Mr. GREENWOOD. As far as I am concerned, you may offer the amendment.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MARTIN of Massachusetts. I would like to ask the gentleman from Indiana [Mr. GREENWOOD] if this is not the most liberal rule that the Committee on Rules could report, unless we went further and made something germane which the committee did not ask for?

Mr. GREENWOOD. The gentleman is correct. There was no request made by anybody to change this rule or to make any other provision germane. We should hear this bill upon its merits; and then, if you are not satisfied with the bill as amended, you can vote the bill up or down; but do not vote the rule down before the committee has even had an opportunity to present the bill on its merits, or before any amendment has been offered. Neither should we prejudge what the decision on a point of order may be, which the Speaker has the right to decide when the time comes in this connection.

Mr. MONAGHAN. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MONAGHAN. Can the gentleman see any purpose in considering a measure in this House that is merely a vain gesture, or even worse than a vain gesture? It is doing an obnoxious thing under a coating of an admirable principle.

Mr. GREENWOOD. Well, that is the gentleman's own impression, and he undertakes to speak for the House. My

contention is that the House should hear this bill on its merits, and make up its conclusion whether it wants to vote the bill up or down after it has heard the bill on its merits.

Mr. KELLER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. KELLER. This is an attempt, as I understand it, to take the profit out of war, is it not?

Mr. GREENWOOD. That is the way I understand it.

Mr. KELLER. As a matter of fact, this bill does conscript labor, does it not?

Mr. GREENWOOD. I would not say that. Had we not better wait and hear the bill discussed on its merits?

Mr. KELLER. If it does conscript labor and does not conscript capital, then it certainly does not take the profit out of war, does it?

Mr. GREENWOOD. That goes to the point I have raised, that you should consider the bill on its merits, and vote it up or down after those questions have been discussed and settled by debate and consideration of the bill.

Mr. KELLER. Why not permit an amendment to the rule which will permit the amending of the bill along that line?

Mr. GREENWOOD. I have no authority to decide that question.

Mr. KELLER. Would the gentleman permit an amendment of that kind?

Mr. KOPPLEMANN. I am trying to arrive at the parliamentary situation and the attitude of the Committee on Rules. Does it not appear to the gentleman that if the Committee on Rules, after having reported out the rule, discovers that under its rule it is impossible to consider the bill on its merits, and the merits of the pending bill are the taking of the profit out of war, that the rule should be amended? If it is suddenly discovered that an amendment which would do this very thing would not be permissible, is it not the duty of the Committee on Rules to ask that the rule be recommitted to them?

Mr. GREENWOOD. I do not think so. The gentleman assumes one position. Perhaps the House will agree with him and perhaps it will not. We should decide on the rule and then consider the bill on its merits. I have no authority to send this rule back to the Committee on Rules under the assumption the gentleman states.

Mr. KOPPLEMANN. The gentleman's own statement was that an amendment which taxed profits could not be considered under this rule if the rule is adopted.

Mr. GREENWOOD. My contention is that any bill on taxation must come from the Committee on Ways and Means and not from the Committee on Military Affairs; that proposed legislation must come from the committee the rules provide should handle the subject matter of the legislation.

Mr. KOPPLEMANN. That is agreed. I understand that thoroughly; but I now arrive back at the point I started from, the question of parliamentary procedure, the impossibility of getting such a measure out of the Ways and Means Committee. The possibility being so remote, is it not better to start this thing right? Why does the gentleman insist upon this rule when it is not broad enough to meet the situation?

Mr. GREENWOOD. All questions of taxation should come from the Committee on Ways and Means. Germane amendments may be added to the bill, but new legislation in the nature of taxation should not be offered from the floor of the House as an amendment to a bill before the taxing feature has been properly considered; and the Rules Committee does not propose to go that far.

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

Mr. GREENWOOD. I yield.

Mr. MAY. The fact of the matter is this is the ordinary rule which brings the bill before the House for general debate; and, if it is adopted, the usual procedure will be followed where every member of the Committee of the Whole House on the state of the Union may offer any amendment he desires.

Mr. GREENWOOD. That is right; this is an absolutely open rule to consider the bill on its merits. Why should we reject the bill before the committee has even had an opportunity to present the bill?

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

Mr. GREENWOOD. I yield.

Mr. MICHENER. As a matter of fact, it is clear there are different methods being considered by the House which would bring about taking the profits out of war. The gentleman knows that if we consider this bill under this rule, under the general rules of the House then we cannot consider any method except the method here proposed.

Mr. MONAGHAN. That is exactly correct.

Mr. MICHENER. The gentleman has said it is an open rule. It is not an open rule so far as accomplishing the purpose of taking profits out of war is concerned, and we shall find ourselves in the position of having to vote "yes" or "no" without an opportunity to make the bill accomplish its purpose.

Mr. GREENWOOD. Mr. Speaker, I did not yield to the gentleman to make an extended speech. I desire to conclude. As I say, this was not intended as a tax measure, coming from the Committee on Military Affairs. The bill should be considered. Any amendment that is germane, of course, may be offered. Nobody appeared before the Rules Committee asking us to bring out an unusual rule to permit the offering as amendments of any matters that were not germane. Of course, the Rules Committee did not bring out such a rule.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield me time when he has finished to submit a unanimous-consent request to insert in the RECORD a copy of the Senate bill, together with an explanation of it? It should be in the RECORD in order that every Member may have it.

Mr. GREENWOOD. I shall do so; yes.

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

Mr. GREENWOOD. I yield.

Mr. CELLER. I notice a letter in the hearings from the national commander of the American Legion wherein he compliments the Chairman of the Committee on Military Affairs for reporting a bill which will take the profits out of war. In the testimony of Mr. Baruch he spoke of taking the profits out of war. The statements of the President say, "take the profits out of war." Will the gentleman state that this bill that is now before the House will take the profits out of war?

Mr. GREENWOOD. That is for the committee that brings in the bill. This is supposed to be argument on the rule, and these arguments on the merit of the bill came in somewhat irregularly. If the gentleman will propound that question to the chairman of the committee, I am sure it will be answered. I am going to yield him time in which to answer it.

Mr. CELLER. Is the gentleman willing to answer it himself?

Mr. HILL of Alabama. Mr. Speaker, if the gentleman from Indiana is through, may I suggest that he yield the balance of his time to the chairman of the committee? I think the House should hear the chairman of the committee explain this bill. They will then be in a better position to know what to do.

Mr. GREENWOOD. I will be very glad to do that, inasmuch as there is so much difference of opinion as to the effect of the bill; but first I yield 2 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Speaker, I do not expect to consume any time whatsoever. I have here a statement as to the Senate bill, an explanation of it; and I ask unanimous consent to insert this explanation in the RECORD at this point, together with a copy of the Senate bill, in order that all Members may have the bill before them tomorrow.

Mr. SISSON. Mr. Speaker, reserving the right to object, is this the Nye bill?

Mr. ZIONCHECK. Yes; it is the Nye bill.

Mr. MERRITT of New York. Mr. Speaker, reserving the right to object, it seems to me this bill can be had by any Member of the House; why put it in the RECORD?

Mr. ZIONCHECK. It cannot be had, because it is just a committee print; copies are not available in the document room.

Mr. KELLER. That is correct; I know, for I tried to get one there, but could not.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, and I shall not, is not that a further argument for the defeat of this rule; in other words, that the House Membership should be given the opportunity to review the testimony taken by the Senate committee in connection with the Senate, which it has not had an opportunity to review?

Mr. ZIONCHECK. I do not take that position. I believe that every Member should have the opportunity to know what has been done heretofore by both the House and Senate committees so that we can all vote in a more intelligent manner on each and every question that is presented on this rule and this bill which is supposed to take the profits out of wars.

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

There was no objection.

The matter referred to by Mr. ZIONCHECK follows:

SPECIAL SENATE COMMITTEE ON MUNITIONS

The Senate Munitions Committee today released the following statement in regard to the bill before it to control war profits, together with a summary of the bill and the committee print of the bill:

STATEMENT

The committee now has before it a full bill intended to pay the costs of any war as it is carried on instead of engaging in huge borrowing operations. The bill intends to prevent the profiteering possible in war-time inflation and the chaos certain to come in post-war deflation.

It starts with a declared intention of Congress that no person shall profit in any manner from the conduct of a war, and proceeds to make that intent effective by the prevention of inflation by industrial mobilization and by high taxes to supplement price fixing.

The committee cannot guarantee that this bill will not be repealed under pressure at the beginning of a war. It cannot honestly guarantee that its administration will remain uninfluenced by the pressure of huge and recalcitrant corporate taxpayers. It can simply state that given the conditions of no repeal and efficient, honest performance, it will do more than any other proposal before Congress to limit profiteering and to avoid the disastrous and possibly catastrophic results of another post-war deflation.

This bill is intended to check profiteers and prevent grasping groups, strategically placed, from using a national disaster to press still further the immense concentration of wealth which oppresses the Nation. It is something more than that. It is a plan to protect our whole economic society—rich and poor—from the economic disturbances which result from war. At the same time, by universal use of all our resources it makes the national defense invincible.

The devices employed in the bill are based upon realization of the fact that war, in addition to being a calamity, is also a vast, big industry. It is an industry which has always been carried on with borrowed billions. These huge borrowings, flooding into our economic society, produce an immense and uncontrollable inflation.

This inflation puts billions of fictitious purchasing power into the hands of employers, employees, Government workers; and this swollen, false purchasing power, pressing upon our economic system, drives up prices, then earnings, then wages, then prices again, and so on in an endless and finally disastrous spiral.

In the end this forces more borrowing, and hence more inflation, and in the end, as the war ends, leaves the nation exhausted economically as well as physically, so that even success in the field of battle may leave only a barren victory, followed by an appalling catastrophe at home as the inflation collapses.

Beyond this is the crushing burden of debt which we ask our children and grandchildren to bear. Already we have passed to the young men and women of this generation sixteen billions in debt from the last war. We have piled on that another twelve and a half billion to pay for this depression. How many more we will add no man can say. If upon this appalling weight we attempt to load on them another mountain of debt for another war, can we suppose that they will accept the burden? There is a danger that such a war, paid for by borrowing, accompanied by the manifest injustices of the last struggle, may bring this Nation to the verge of revolution. It may be expected to lead, at the very least, to a repudiation of all internal debts.

This bill seeks to avert these possible calamities by doing away with the original cause of the inflation. That cause is the creation of a great war debt to pay for munitions and war material. The inflation does not come from high prices. The high prices are the fruit of the inflation. The disaster cannot be prevented by checking the prices. There must be check of inflation, and hence borrowing. We propose that the Nation shall pay for its war while it fights. The armies in the field will fight the Nation's battles. The armies' civilians behind the lines will pay the bills.

This bill is an attempt to carry out that policy—a policy which, we believe, every American of every party and of every economic school will endorse—the policy of paying for the war, as far as possible, out of current taxes.

The bill is drastic because war is a drastic thing. The tax collector who comes for one man's money is not nearly so solemn and forbidding a visitor as the draft officer who knocks upon another man's door for his young son. No individual will be permitted to earn more than the salary of a major general in the field. No corporation will be permitted to retain more than 3 percent of profit on its capital after interest on its bonds have been paid. All the rest will be taken to pay for the war. The war-time taxes on individuals are to be far higher than they ever have been before, and the exemptions are to be lower. It is the intent of this bill clearly and honestly to let every person in the country know that he will be expected to bear a large share of the burden of any war. (A description of the individual tax schedules is contained in the attached summary.)

The plan proposes to remove all commodities from the field of speculation. Commodity exchanges may be closed, while the Government may fix the prices of basic commodities and become, if necessary, the clearing house through which all such commodities will flow to those processors who need them for the most essential purposes.

The Government will have the power to fix prices and to commandeer property where necessary for war purposes.

With such a program, the Government cannot permit those industrialists who are not willing to work because their profits have been curtailed to go on strike. Therefore, when war is declared, immediately every officer of an essential corporation will be subjected to a draft of industrial managers. If their plants are deemed essential to the war, the President may induct them into the Military Establishment at grades not to exceed that of brigadier general, with the pay appropriate to that rank. They will not be taken from their industrial posts. The Government will not interfere in the internal management of the corporations thus affected. But if the industrialist thus deprived of his high salary shows himself unwilling to cooperate in the war effort, if he seeks to circumvent the Government's war ends or its war fiscal policies or laws, then he may be removed from the plant to the combat division, or, if his reluctance is sufficiently culpable, he may be court-martialed and punished.

The committee does not wish to convey the impression that such a law will of itself prevent war. War grows out of many causes. Every student of history knows that. One of the most fruitful in the past has been profit—on occasions profit for a nation, perhaps; on other occasions profit for the powerful individuals who dominate the nation. We must find a way to reach all the causes which may draw this great peace-loving Nation into war. Perhaps we cannot do that. But it is the duty of responsible statesmanship to try. This is an attempt to reach and sterilize at the same time one of the causes of war and one of the destructive consequences of war, the post-war deflation.

This plan is offered only after much study and conference with experts in many fields. It will doubtless have critics. But there will be no place in the discussion which must ensue for the man who says we must not take away from the munition maker during war his sacred profit. Every man who can find a hole in the bill, through which the greedy industrialist with the aid of his patriotic lawyer can crawl, ought to point to that hole. The man who thinks that profit in war is sacred, that money and property are holy and inviolate things, while the lives and bodies of men—young men, too, the flower of our citizenship, who probably have less to do with the causes of war than anyone—may be taken freely and sacrificed without stint—that critic of the bill should have the decency to remain silent and hope secretly that the bill will fail of adoption.

The committee expects to conclude its present hearings on the bill on Monday, April 8. It has invited the Secretary of the Treasury, the Secretary of War, and the Secretary of the Navy to address themselves to the bill. Mr. Flynn, Mr. Paul Kern, and Mr. Harry Rosenfield are also expected to testify on that day.

The bill will then be introduced in the Senate.

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UNITED STATES SENATE SPECIAL COMMITTEE ON MUNITIONS—SUMMARY OF EMERGENCY WAR TIME ACT

TITLE I—TAX PROVISIONS

SECTION 1. The act is to be known as the Emergency War Time Act. It is to be effective only during the period of a war.

SEC. 2. Most of the purely mechanical sections of the Revenue Act of 1934 are adopted to cover administration and technique.

SEC. 3. A normal tax of 6 percent is levied on all individual incomes in excess of the credits against net income provided in section 25 of the Revenue Act of 1934, as modified in the present act.

SEC. 4. Surtaxes on individual incomes in excess of $3,000. These range from 10 percent of the income in excess of $3,000, but not in excess of $5,000 up to $2,800 upon incomes of $8,000 but not in excess of $10,000. On all incomes in excess of $10,000 the surtax is 94 percent of the excess.

SEC. 5. This section levies an income tax upon every corporation income included in the taxable description of section 701 of the Revenue Act of 1934, equal to 50 percent of such portion of its net income as is not in excess of 6 percent of the adjusted declared value of the capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of the business in the United States), plus 100 percent of its net income as in excess of its capital stock. The valuation of corporations for excess-profit tax purposes is that which has been filed by such corporations under section 701 of the Revenue Act of 1934 relating to capital stock taxes.

These income taxes are levied on an annual basis but must be reported quarterly and paid within a month of the quarter in which they are earned. Adjustments can be made in the last quarter.

SEC. 6. Numerous references to the Revenue Act of 1934 are made, and this section defines meaning of cross references.

SEC. 7. This tax act shall become operative immediately upon the declaration of war and remain in force until the emergency is declared at an end by Congress.

SEC. 8. This deals with the subject of deductions permissible under the war time tax act. They are much more severe than deductions in the peace-time revenue acts. Deductions for depletion, exhaustion, and depreciation are strictly limited. No deductions are permitted for amortization until the expiration of the war.

Sections 9 and 10: Provide methods of payment of tax.

Section 11: Provides penalty for taxes for deliberate diminution of tax payments.

Section 12: Provides surtaxes on corporations improperly accumulating surpluses.

The remaining sections, after imposing prohibitive taxes on personal holding companies during the war, outline exemptions, credits, etc.

Unmarried persons will have a credit of $500. Married persons will have an exemption of $1,000 and $100 for each dependent. Husband, wife, and minor children must make a single return.

TITLE II

An industrial management board is set up.

On declaration of war it shall immediately carry out a draft of all persons engaged as officers or directors of a corporation or persons in policy-forming positions in such corporations. They will be registered first by boards set up after the model of the combat draft boards. The President may, when such industry is declared to be essential to the war, cause such officers to be inducted into the armed forces of the United States. They will continue to remain with their respective corporations, but will be prohibited from accepting any other compensation than that paid by the Army, and shall have rank and compensation appropriate thereto, not exceeding that of a brigadier general, and shall be subject to military law and punishable under it, and may be at the will of the Government shifted from the industrial-management corps to the combat corps of the Army, and thus removed from their civilian posts. But the Army and the Government are given no powers over the internal management of the industry.

TITLE III

A Commodities Control Commission is provided for with power to close all commodity exchanges, to fix the prices of all commodities, to prohibit the sale of such commodities to persons other than the Government, to provide for purchasing the whole output of any commodity industry, and to allocate such commodity to processors as the commission may deem necessary for the conduct of the war.

TITLE IV

The President is given power to close all security exchanges and to issue rules covering the sale of securities at private sale for the duration of the emergency. These are in addition to the powers conferred by the Securities Exchange Act.

TITLE V

In the field of war financing, a securities commission is established with power to approve or disapprove all new issues of private securities during war time. The approval of the Securities Commission is a prerequisite to registration of any security for sale under the Securities Act. The Commission has power to take over for itself the financing of war industry, and an additional half-billion-dollar fund is established for that purpose. Commercial transactions for short terms are exempted from the provisions of the act, as are resales and exchanges. All approvals and financing are made public records under the bill. The commission is specifically released from any responsibility for the approval of the value of any security approved for sale.

TITLE VI

The President is empowered to fix prices for any article, on a pre-war or regional parity, to establish priorities in sale and use of articles, and to conscript the use of property deemed essential to the successful prosecution of the war. The bill deals with property of all types, real and personal. Owners who lose property rights through the operation of these provisions are entitled to compensation in a fixed manner after judicial proceedings. As an adjunct to his other war-time powers, the President is authorized to license industries and fix the conditions for issuance of licenses in businesses or industries related to the prosecution of the war. The President is also authorized by Executive order to prevent the waste and hoarding of commodities and goods and to enjoin profiteering.

TITLE VII

Severe penalties, reaching to a maximum sum of $100,000, are imposed for violation of the terms of the bill.

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A bill to provide revenue and facilitate the regulation and control of the economic and industrial structure of the Nation for the successful prosecution of war, and for other purposes

Be it enacted, etc.,

STATEMENT OF INTENTION

It is hereby declared to be the intention of Congress that no person subject to the jurisdiction of the United States shall profit in any manner whatsoever from the conduct of any war to which the United States is or may be a party.

It is the intention of Congress to protect the economic organization of the Nation from the disturbances due to war in order that such economic organization may be enabled to function at the highest efficiency in support of the armed forces and other agencies engaged in the prosecution of war.

It is the intention of Congress to protect the economic organization from the inflation of prices, wages, earnings, profits, and the consequent destructive deflationary collapse which follows the actual ending of military and naval operations.

It is the intention of Congress that the expenditures to the successful conduct of the war and the protection of the economic organization in the emergency shall be made out of current revenues and that any private interest conflicting with the Government's war objectives and operations shall be for the duration of the war subjected to the supervening necessities of the public interest in successful prosecution of war.

It is further declared to be the intention of Congress that in the event of war all technical and industrial resources shall be mobilized for the successful prosecution of such war, and that industrial management shall be subject to enlistment and conscription for the successful prosecution of war in the same general manner as combat man power has been and is subject to enlistment and conscription for the same purposes.

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TABLE OF CONTENTS

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TITLE I

TAX PROVISIONS

SECTION 1. Short title: This title may be cited as the "Emergency War Time Tax Act."

SEC. 2. Incorporation and reenactment of prior act: All provisions of titles I, IA, V, and VI of the Revenue Act of 1934, as in effect on March 15, 1935, are hereby incorporated and made a part of this title, and reenacted as of the effective date of this act, whether or not they may otherwise be in effect as of such date and regardless of any amendments made subsequent to March 15, 1935, except those provisions obtained in the sections and subsections listed in schedule A annexed hereto, which annexed sections and subsections are not herein incorporated nor made a part of this act nor in any respect reenacted hereby, except as expressly provided hereafter, and which annexed sections shall be superseded as of the effective date of this act.

SCHEDULE A

The following sections and subsections of title I of the Revenue Act of 1934: Sections 11, 12, and 13; section 22, subsections (b) and (3); section 23, subsections (a), (b), (j), and (n); section 25, subsections (a) and (1); section 25, subsections (a) and (4); section, 25, subsections (b) and (1); section 47, subsection (d); section 51; section 53, subsections (a) and (1); section 56, subsections (a) and (b); section 63; section 102, subsection (a); section 115, subsection (f); section 185; section 272, subsection (a); section 321.

The following sections and subsections of title IV of the same: Section 351, subsection (a); section 351, subsections (b) and (2) (B).

The following section and subsection of title V of the same: Section 702, subsection (a).

(Where a subsection symbol follows a more general symbol, only such subsection and not the whole of such general symbol is included within the aforesaid schedule.)

SEC. 3. (11) Normal tax on individuals: There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax of 6 percent of the amount of the net income in excess of the credits against net income provided in section 25 of the Revenue Act of 1934, as herein modified.

(12) SURTAX ON INDIVIDUALS

SEC. 4. (a) Definition of "surtax net income": As used in this section the term "surtax net income" means the amount of the net income in excess of the credits against net income provided in section 25 (b) of the Revenue Act of 1934, as herein modified.

(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual in quarterly payments as hereinafter provided, a surtax as follows:

Upon a surtax net income of $3,000 there shall be no surtax; upon surtax net income in excess of $3,000 but not in excess of $5,000, 10 percent of such excess.

$200 upon surtax net incomes of $5,000; and upon surtax net incomes in excess of $5,000 and not in excess of $6,500, 30 percent in addition of such excess.

$650 upon surtax net incomes of $6,500; and upon surtax net incomes in excess of $6,500 and not in excess of $8,000, 50 percent in addition of such excess.

$1,400 upon surtax net incomes of $8,000; and upon surtax net incomes in excess of $8,000 and not in excess of $10,000, 70 percent in addition of such excess.

$2,800 upon surtax net income of $10,000, and upon surtax net incomes in excess of $10,000, 94 percent in addition of such excess.

SEC. 5. (702 (a)) Tax on corporate incomes: (a) There is hereby imposed upon the net income of every corporation included within the taxable description of section 701 of the Revenue Act of 1934, for each income-tax payable year or portion of a year during which this act is in effect, an income tax equal to the following:

Fifty percent of such portion of its net income as is not in excess of 6 percent of the adjusted declared value of its capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States) as at the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year); plus 100 percent of such portion of its net income as is in excess of 6 percent of the adjusted declared value of its capital stock (or in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States) as at the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year).

(b) The maximum of the adjusted declared value of the capital stock of a corporation for the purposes of this section shall be determined as provided in section 701 of the Revenue Act of 1934, if the said section 701 is in full force and effect upon the effective date of this act, and the adjusted declared value therein determined shall be adopted as a maximum for the purposes of this section. If the said section 701 is modified or repealed prior to the effective date of this act, such maximum adjusted declared value of the capital stock of a corporation shall be determined as though the said section 701 is, and has at all times subsequent to March 15, 1935, been and remained, in full force and effect.

(c) If the Commissioner shall determine, upon his own volition, upon notice and hearing to the taxpayer, that the said maximum adjusted declared value of capital stock as herein determined is excessive, he may order an appraisal to be made of such capital stock pursuant to such rules and regulations as he may prescribe, and thereafter, if the Commissioner shall deem such appraised value to be more nearly in accord with fact than the adjusted declared value as otherwise determined hereunder, he shall order a modification of such adjusted declared value to conform with such appraisal and thereupon such appraised value shall be the adjusted declared value of such capital stock for the purposes of this title.

(d) In the case of any corporation newly organized within 1 year prior or at any time subsequent to the effective date of this title, the adjusted declared value of capital stock shall be determined by the Commissioner by appraisal pursuant to such rules and regulations as he may prescribe, notwithstanding any other provision of law or of this title to the contrary.

(e) In the event that any corporation subject to the tax herein imposed shall have been reorganized or party to a reorganization, affiliation, or merger at any time within 1 year of the effective date of this act, or shall be reorganized or party to a reorganization, affiliation, or merger subsequent to the effective date of this act, the maximum of the adjusted declared value of the capital stock of such corporation for the purposes of this section shall be the same as such adjusted declared value as herein set forth prior to such reorganization, affiliation, or merger or the sum of such adjusted declared values in the event that two or more corporations have become one corporation for purposes of this tax as the result of such reorganization, affiliation, or merger, except that cash actually paid in as a result of such reorganization, affiliation, or merger may be added to such adjusted declared value. Adjusted declared values as computed pursuant to this section shall be maximum adjusted declared values and may be reduced by the Commissioner after notice and hearing if in his opinion they are excessive or unrepresentative of the true values involved.

(f) If the income-tax taxable year in respect of which the tax under this section is imposed is a period of less than 12 months, such adjusted declared value shall be reduced to an amount which bears the same ratio thereto as the number of months in the period bears to 12 months.

(g) The tax imposed by this section shall be on an annual basis, but the corporation subject thereto shall file returns upon the dates fixed and for the periods stated in section 9 of this act. Returns for the first three quarters of each year shall be made upon an estimated annual basis except that the total tax due and payable for such quarter shall be returned as a sum equal to one-fourth of the total annual tax as computed upon such estimated annual basis. A return for the fourth quarter shall be made upon an estimated annual basis, except that such return shall also include an actual return for the entire taxable year, and the total tax due and payable for such fourth quarter shall be returned as a sum equal to the total annual tax due and payable for the entire taxable year on the basis of such actual return for the entire taxable year, minus a sum equal to the total amount of payments previously made for or on behalf of taxes due and payable for the first three quarters of such taxable year pursuant to the provisions of this title. The full amount of the tax imposed by this section shall be due and payable upon the date upon which a return is filed pursuant to the provisions of this act, and such payment shall be for the period covered by such return.

(h) For the purpose of this section the net income shall be computed in like manner as provided for income-tax purposes under the provisions of the Revenue Act of 1934 as incorporated herein and modified hereby.

SEC. 6. Cross-references: Cross-reference numbers enclosed in parentheses immediately following section numbers of this act are for convenience only, and shall be given no legal effect, except that where any provision of the Revenue Act of 1934 herein reenacted or of this title refers by number to any section included in schedule A of section 5 of this act, such reference shall be deemed to apply, insofar as may be, to the section of this act bearing the corresponding cross-reference number.

SEC. 7. Effective date; taxes in lieu of income and profits taxes; payment of such taxes for short period: The provisions of this title shall become operative and in full force and effect immediately upon the declaration by Congress that a state of war exists between the United States and any foreign government, and shall remain in full force and effect for the duration of such war and thereafter until the Congress shall declare the emergency created by such war to be at an end, and in any event for at least 1 calendar year. The taxes imposed by this act shall be in lieu of all other corresponding income or profits taxes which are or may be in effect at the time of such declaration of war for the period during which this act shall be in effect.

Regardless of any other statutory provision, taxes under any such law which is superseded by the provisions of this title shall be due and payable and a return shall be filed covering such taxes on the 15th day of the second month following the effective date of this title. Such return and taxes shall be due for any period which may have elapsed between the close of the last preceding taxable year and the effective date of this title. The Commissioner shall make rules and regulations which shall have the force and effect of law in regard to the manner of computing income on the basis of such period of less than 1 taxable year and placing such incomes on an annual basis. The provisions of section 47 of the Revenue Act of 1934 shall apply insofar as may be to such return for such period. Fractions of months shall be disregarded for all purposes in connection with computations made pursuant to the provisions of this section.

SEC. 8. (23 (a)) Deductions from gross income: (a) In computing net income there shall be allowed as deductions all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for the purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity: *Provided, however,* That if any such expenses, salaries, compensation, or other payments hereinbefore referred to shall be made to any officer or director of a corporation, or to any stockholder owning in excess of 1 percent of any class of the stock of the corporation, or to any relative of such officer, director, or stockholder, such expenses, salaries, compensation, or other payments shall only be allowed as deductions from the gross income of such corporation if they shall amount in total to less than $5,000, and if they exceed the amount of $5,000 they shall be allowed as deductions from gross income only to the extent of such $5,000: *And provided further,* That promotional, public relation, and all selling costs and expenses shall in no event be allowed as a deduction in a sum larger than the yearly average of such expenses for the 3 years immediately preceding the effective date of this act, and if such expenses do in fact exceed such preceding 3-year average they shall be allowed as a deduction only to the extent of such average.

(b) (23 (b)) In computing net income there shall be allowed as deductions all interest paid or accrued within the taxable year on indebtedness, except on indebtedness the interest on which is payable solely from income and is secured by and payable from no other property or funds, and except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued between September 24, 1917, and January 1, 1921, and originally subscribed for by the taxpayer) the interest upon which is exempt from the taxes imposed by this title: *Provided,* That in no event shall such deduction for interest paid or accrued be allowed in excess of the yearly average of such interest paid or accrued for the 3 years preceding the effective date of this title, except insofar as such interest is paid or accrued for or on account of moneys borrowed and actually paid to the taxpayer, and if such interest does in fact exceed such preceding 3-year average it shall be allowed as a deduction only to the extent of such average.

(c) (23 (j)) In computing net income there shall be allowed as deductions, losses from sales or exchanges of capital assets only to the extent provided in section 22 of this act.

(d) (23 (n)) In computing net income there shall be allowed as deductions exhaustion, wear and tear, repairs, obsolescence, and depletion; and the basis upon which exhaustion, wear and tear, repairs, obsolescence, and depletion are to be allowed, in respect of any property shall be as provided in section 114 of the Revenue Act of 1934 as herein incorporated: *Provided,* That irrespective of the provisions of either section 23 or section 114 of the said act the total of deductions allowed for exhaustion, wear and tear, repairs, and obsolescence shall not exceed 2 percent of the gross income of the taxpayer during the taxable year: *And provided further,* That irrespective of the provisions of either section 23 or section 114 of the Revenue Act of 1934 as herein incorporated the total of deductions allowed for depletion shall not exceed the following percentages of the gross income from the property during the taxable year:

Two and one-half percent in the case of coal mines.

Five percent in the case of metal mines.

Seven and one-half percent in the case of sulphur mines or deposits.

Seven and one-half percent in the case of all other mines or wells.

Nine percent in the case of oil or gas wells.

(e) Notwithstanding any other provision of law or interpretation made thereunder, no deduction from gross income shall be allowed or allowable under any circumstances for—

(A) Any sums paid to foreign corporations, individuals, or other persons either as dividends or other distribution of earnings, or profits;

(B) Any sum received as distribution or disbursement of reserves against depletion, depreciation, or other capital charge or account or as distribution in complete or partial liquidation as defined in section 115 (i) of the Revenue Act of 1934; or

(C) Any sum accounted or paid or reserved for payment as an interest or amortization charge upon any obligation, bonded debt, or security created or accruing as the result of an exchange or transference of securities of the same corporation of any other character for such obligation, bonded debt, or security, in the event that such exchange or transference occurred after or within 1 year prior to the effective date of this title.

SEC. 9. (53 (a)) Times and place for filing returns: (a) All taxes levied, collected, and paid pursuant to this act shall be on an annual basis, and all rates, deductions, exemptions, credits, and other accounting computations of all kinds whatsoever shall likewise be on an annual basis, but individuals and corporations required to file returns under this act shall file such returns quarterly, and if on the basis of the calendar year, on or before the 1st day of May following for the first quarter, on or before the 1st day of August following for the second quarter, on or before the 1st day of November following for the third quarter, and on or before the 1st day of March following for the fourth quarter. If made on the basis of the fiscal year, such returns shall be filed on or before the 1st day of the second month following the close of the first three quarters of any fiscal year, and on or before the 1st day of the third month following the close of the fourth quarter of such fiscal year. As used in this section, the term "quarter" shall mean 3 calendar months.

Returns for the first three quarters of each year shall be made on an estimated annual basis, except that the total tax due and payable for such quarter shall be returned as a sum equal to one-fourth of the total annual tax as computed upon such estimated annual basis. A return for the fourth quarter shall be made on an estimated annual basis, except that such return shall also include an actual return for the entire taxable year, and the total tax due and payable for such fourth quarter shall be returned as a sum equal to the total annual tax due and payable for the entire taxable year on the basis of such actual return for the entire taxable year, minus a sum equal to the total amount of payments previously made for or on behalf of taxes due and payable for the first three quarters of such taxable year pursuant to the provisions of this act.

(b) If the effective date of this title is other than the first day of any quarter for which returns are due pursuant to the provisions of this title, no return shall be due until the date fixed herein for the filing of same at the expiration of the first full quarter for which returns are due as hereinbefore provided. Such return shall be made for the full quarter for which such return is legally due, and in addition to such full quarter shall include a return for the period commencing at the effective date of this title and expiring at midnight of the last day preceding the first day of such full quarter. The Commissioner shall make rules and regulations which shall have the force and effect of law in regard to the manner of computing income on the basis of such period of less than one full quarter. The provisions of section 47 of the Revenue Act of 1934 shall not apply to such return for such period. Fractions of months shall be disregarded for all purposes in connection with computations made pursuant to the provisions of this section.

(c) Immediately upon the effective date of this act, the President shall make public, upon such terms and conditions as he may see fit, the returns of all taxpayers for the year prior to such effective date, notwithstanding and in addition to any other terms or provisions of law relating to such publicity.

SEC. 10. (56 (a)) Time of payment of tax: The full amount of the tax imposed by this act shall be paid upon the date upon which a return is filed pursuant to the provisions of this act, and such payment shall be for the period covered by such return.

SEC. 11. Penalty: In addition to the tax imposed by this act, there shall be imposed a penalty to be added to the tax and collected as a part thereof, equal to 5 percent of the amount by which the tax due and payable for the fourth quarter of any taxable year, pursuant to the return filed in accordance with section 9 of this act, exceeds one-fourth of the total amount of such tax for the entire taxable year, unless it shall appear to the satisfaction of the Commissioner that such excess is not due to the withholding of amounts properly apportionable to the first three quarters of the taxable year.

SEC. 12. (102 (a)) Surtax on corporations improperly accumulating surplus: There shall be levied, collected, and paid for each taxable year upon the adjusted net income of every corporation (other than a personal holding company as defined in section 351 of the Revenue Act of 1934) if such corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders or the shareholders of any other corporation, through the medium of permitting gains and profits to accumulate instead of being divided or distributed, a surtax equal to the sum of the following:

(1) 98 percent of the amount of the adjusted net income not in excess of $100,000; plus

(2) 100 percent of the amount of the adjusted net income in excess of $100,000.

SEC. 13. Overpayment of installments: If the taxpayer has paid, on the basis of returns filed for the first three quarters of any taxable year, an amount which exceeds his tax liability pursuant to this act for the entire year, such overpayment shall be credited against the tax due from such taxpayer under the terms of this or any previous or subsequent act for the next ensuing quarter or quarters, as the case may be; or shall be refunded at the option of the taxpayer. Section 322 (a) of the Revenue Act of 1934, as herein incorporated, is superseded only to the extent necessary to give effect to this section.

SEC. 14. (351 (a)) Imposition of surtax on personal holding companies: There shall be levied, collected, and paid, for each taxable

year upon the undistributed, adjusted net income of every personal holding company a surtax equal to the sum of the following:

(1) 98 percent of the amount thereof not in excess of $100,000; plus

(2) 100 percent of the amount thereof in excess of $100,000.

SEC. 15. Board of Tax Appeals; jurisdiction; rule of evidence: If the operation of any rule, standard, or limitation established by any subsection of section 8 or by section 20, or by section 22 of this title, shall result in a gross and unconscionable factual disparity or error, or if the operation of such section or subsection shall entail an unconstitutional result as against any taxpayer, such taxpayer may file a claim for adjustment or refund with the Board of Tax Appeals, or its successor in law or in fact. Such Board, in addition to all other powers and duties, is hereby authorized and empowered to hear and determine claims filed pursuant to this section, and if such determination is in favor of the claimant, such adjustment or refund as is allowed shall be a legal claim against the United States. No such claim shall be heard or determined unless the full sum in dispute has been paid into the Treasury of the United States, as though actually due; nor shall any such claim be heard or determined until a date subsequent to the expiration of this title, but such delay shall not prejudice in any respect, by limitation or otherwise, the rights of the claimant. In any such proceeding there shall be a presumption that the sum in dispute was validly collected and paid, and the burden shall be upon the claimant to show the contrary. All other rules, regulations, and statutory provisions relating to tax refunds shall apply to proceedings brought under this title, so far as applicable, except that the remedy herein provided for gross or unconscionable factual disparity or error or unconstitutional result under sections 8, 20, and 22 of this title shall be an exclusive remedy.

SEC. 16. Additional penalties: In addition to all other penalties provided by law, any person who willfully violates any provision of this title or who willfully fails to pay such tax, make such return, keep such records, supply such information as required by this title, or who willfully attempts in any manner to evade or defeat any tax imposed by this title or the payment thereof, shall be liable to a penalty of three times the amount of such tax withheld or evaded on the basis or as a result thereof, and the failure to pay such penalty within 30 days of its determination shall constitute a misdemeanor punishable by a fine of not more than $10,000 or imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 17. General auditor: There shall be appointed by the Chairman of the Senate Finance Committee, with the advice and consent of the Senate, a general auditor, who shall at all times have access to all records, files, and documents in the possession of the Treasury Department or any other department, bureau, or agency of the United States relating to the tax imposed by this title. Such general auditor shall hold office for the duration of the effectiveness of this title and shall not be removable except for misconduct. He shall have the power to subpena witnesses and administer oaths. He shall, upon request by any Member of Congress, produce for the official use of such Member all details of any record, file, or document relating to the tax imposed by this title.

SEC. 18. Credits for both normal tax and surtax; personal exemptions: There shall be allowed for the purposes of the normal tax and the surtax the following credits against net income:

(a) (25 (b) (1)) In the case of a single person or a married person not living with husband or wife, a personal exemption of $500; or in the case of married persons living with husband or wife, an exemption of $1,000. A husband and wife living together shall receive but one personal exemption.

(b) (25 (b) (2)) $100 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

(c) Notwithstanding any other provision of this section or other provision of law, no personal exemption shall be allowed to any minor child whose parent or parents are alive, but such minor child shall make a joint return with such parent or parents, and only such personal exemption as is applicable to such parent or parents shall apply to the aggregate income included in such joint return.

(51) INDIVIDUAL RETURNS

SEC. 19. (a) Requirements: The following individuals shall each make under oath a return stating specifically the items of his gross income and the deductions and credits allowed under this title:

(1) Every individual having a net income for the taxable year of $500 or over, if single, or if married and not living with husband or wife;

(2) Every husband and wife having a net income for the taxable year of $1,000 or over, if living together; and

(3) Every individual having a gross income for the taxable year of $5,000 or over, regardless of the amount of his net income.

(b) Husband and wife: If a husband and wife living together have an aggregate net income for the taxable year of $1,000 or over, or an aggregate gross income of $5,000 or over, the income of both shall be included in a single joint return, and the tax shall be computed on the aggregate income.

(c) Minor children: If a minor child whose parent or parents are alive has a net income of $100 or more, his income shall be included in a single joint return with his parent or parents, and the tax shall be computed on the aggregate income. If such parents file separate returns, such joint return shall be with the parent with which the minor child resides; and if such parents file separate returns and the minor child resides with neither, such return may be filed with either such parent at the option of the child.

(d) Persons under disability: If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

SEC. 20. Loans to be treated as dividends: For all purposes under this title, and notwithstanding any other provisions of law to the contrary, any loan or advance made by any corporation to a stockholder or officer or for the benefit or on behalf of any stockholder or officer shall be treated as a dividend of such corporation for all purposes in connection with any tax imposed upon such officer or stockholder, but such loan or advance shall not be treated as a dividend of such corporation for any purpose in connection with any tax imposed upon such corporation.

SEC. 21. (272 (a)) Deficiency: Petition to Board of Tax Appeals: If in the case of any taxpayer the Commissioner determines that there is a deficiency in respect of the tax imposed by this title, the Commissioner is authorized to send notice of such deficiency to the taxpayer by registered mail. Within 30 days after such notice is mailed (not counting Sunday or a legal holiday within the District of Columbia as the thirtieth day) the taxpayer may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Assessment of a deficiency in respect of the tax imposed by this title and distraint or proceeding in court for its collection may be made, begun, or prosecuted after such notice has been mailed to the taxpayer, but in the event that the decision of the Board subsequently becomes final in favor of the taxpayer, he shall be entitled to a refund of such amount as has been collected on the basis of such deficiency. In any proceeding relative to a deficiency in respect of the tax imposed by this title, there shall be a presumption that the finding of such deficiency by the Commissioner is correct and the burden shall be upon the taxpayer to show the contrary to the satisfaction of the tribunal before which such proceeding is brought.

SEC. 22. (117 (d)) Limitation on capital losses: Losses from sales or exchanges of capital assets shall be allowed only to the extent of $2,000. In no event and under no circumstances shall such limitation be extended on account or to the extent of capital gains. If a bank or trust company incorporated under the laws of the United States or of any State or Territory, a substantial part of whose business is the receipt of deposits, sells any bond, debenture, note, or certificate or other evidence of indebtedness issued by any corporation (including one issued by a government or political subdivision thereof), with interest coupons or in registered form, any loss resulting from such sale (except such portion of the loss as does not exceed the amount, if any, by which the adjusted basis of such instrument exceeds the par or face value thereof) shall not be subject to the foregoing limitation, and shall not be included in determining the applicability of such limitation to other losses.

SEC. 23. Jurisdiction of courts: No suit for the purpose of restraining the assessment or collection of any tax, tax penalty, or tax deficiency as determined by the Commissioner shall be maintained in any court. Nor shall any action by any party to restrain either the voluntary or involuntary payment of any such tax, tax penalty, or tax deficiency be maintained in any court irrespective of the character of the party defendant, and irrespective of the circumstances.

TITLE II

INDUSTRIAL MANAGEMENT PROVISIONS

SECTION 101. Short title: This title may be cited as the "Industrial Management Draft Act."

SEC. 102. Creation of industrial management board and industrial management corps; power and duties: There is hereby created as an independent office a board to be known as the "Industrial Management Board" to consist of five members appointed by the President, by and with the advice and consent of the Senate. At least three of such members shall be civilians. Such board shall be officered and staffed in such manner as the President may designate, and shall exercise the powers conferred upon it by this title and such additional powers as the President may from time to time confer upon it. Such board shall have jurisdiction and control over the Industrial Management Corps, which is hereby created and which shall be a military corps; but in addition to all powers conferred upon such board, the Secretary of War, through such officers as he may designate, shall have disciplinary powers in like manner and to like extent as over any corps of the Regular Army, including the power of court martial for any offense cognizable under the law by military authority, and shall also have power of court martial or other military process for violation of any rule or regulation of the Industrial Management Board. It shall be the duty of the Industrial Management Board to cooperate to the utmost possible extent with all commissions, boards, or other authorities created or existing for the purpose of successfully prosecuting such war. In the event of any jurisdictional dispute or difficulty with any other Government department, board, or agency the President may decide such dispute or difficulty by Executive order. The Industrial Management Board shall have power to make rules and regulations for the government and control of such Industrial Management Corps, and such rules and regulations shall have the force and effect of law.

SEC. 103. Creation of local and district boards: The President is authorized and directed, immediately upon the declaration by Congress that a state of war exists between the United States and any foreign government, to create and establish throughout the several

States and subdivisions thereof and in the Territories and the District of Columbia local boards, and where, in his discretion practicable, there shall be one such local board in each county or similar subdivision in each State, and additional boards may be created within counties at his discretion. Such boards shall be appointed by the President, and shall consist of three or more members, to be chosen from among the local authorities of such subdivisions or from other citizens residing in the subdivision or area over which the respective boards will have jurisdiction, under rules and regulations to be prescribed by the President. Such boards shall have power within their respective jurisdiction to hear and determine, subject to review as hereinafter provided, all questions of exemption under this act and all questions of or claims for including or discharging individuals or classes of individuals from the draft as provided in this act.

The President is hereby authorized and directed to establish additional boards, one or more in each State, in his discretion, to be called "district boards", consisting of such number of citizens as he may determine, who shall be appointed by the President. Such district boards may, in their discretion, review on appeal and affirm, modify, or reverse any decision of any local board having jurisdiction in the area in which such district board has jurisdiction under the rules and regulations prescribed by the President. The decisions of such district boards shall be final, except that if the President shall later modify any rule, regulation, or order upon which such decision was based, such decision may be reconsidered by the said district board.

Any vacancy in any such local board or district board shall be filled by the President, and any member of such local board or district board may be removed by the President whenever he considers that the public interest requires such removal.

SEC. 104. Powers of President; rules and regulations: The President shall make rules and regulations governing the organization and procedure of such local boards and district boards, and providing for and governing appeals from such local boards to such district boards, and reviews of the decisions of any local board by the district board having jurisdiction, and determining and prescribing the several areas in which the respective local boards and district boards shall have jurisdiction, and all other rules and regulations necessary to carry out the terms and provisions of this title, and shall provide for the issuance of certificates of exemption, or partial or limited exemptions, to such persons as may be exempted from the terms and provisions of this act.

SEC. 105. Registration of persons: All persons engaged, wholly or partially, in any executive, supervisory, administrative, or policy-forming position with or in connection with any technical, industrial, or manufacturing plant or establishment of any kind whatsoever, whatever the form of ownership thereof, corporate or otherwise, or who have been engaged within 3 years of any declaration of war as heretofore referred to, shall register in accordance with regulations to be prescribed by the President, and upon proclamation by the President or other public notice to be given by him, which proclamation or public notice shall be as nearly contemporaneous with any declaration of war as may be. All such registration shall be conducted and recorded by local boards, as herein established, and shall be at such times and places as the President, or in the event of his failure to do so the local board, shall designate. Every such person shall be deemed to have notice of the requirement of this act upon the publication or other notice as aforesaid given by the President or by his direction, and it shall be the duty of all persons of the aforesaid engagements to present themselves to the local board having jurisdiction over the areas in which they reside and submit thereat for registration as herein provided. Any person who shall willfully fail or refuse to present himself for registration or submit thereto as herein provided, shall be guilty of a misdemeanor, and shall, upon conviction in the District Court of the United States having jurisdiction thereof, be punished by imprisonment of not less than 1 nor more than 5 years or by a fine of not less than $1,000 nor more than $10,000, or by both such fine and imprisonment, and shall thereupon be duly registered: *Provided*, That in the call of the docket precedence shall be given, in courts trying the same, to the trial of criminal proceeding under this act. In the case of temporary absence from actual place of legal residence, any person subject to this act may register by mail pursuant to regulations to be made by the President. For the purposes of criminal prosecution under this act a person shall be deemed prima facie to be engaged in executive, supervisory, administrative, or policy-forming position within the terms of this act if his salary, compensation, or other emoluments shall equal or exceed during any previous year within a 3-year period of the declaration of war herein referred to the sum of $4,000: *Provided further*, That the President may at such intervals as he may desire from time to time require any person who has become engaged in any position of which the occupant has or would have been subject to registration pursuant to this title since the last preceding date of registration and on or before the next date set for registration by proclamation by the President, except such persons as are exempt from such registration hereunder, to register in the same manner and subject to the same requirements and liabilities as those previously registered under the terms hereof: *Provided further*, That all such persons when registered shall be liable to combat military service and to draft under the terms of any other act of Congress and under such regulations as may be prescribed thereunder: *And provided further*, That in the event that any member of the Industrial Management Corps shall be removed from the position which he occupied prior to declaration of war pursuant to the provisions of section 107 of this title and be not immediately transferred to some other position or status under the Industrial Management Board, he shall forthwith be transferred to such other branch of the Military Establishment as the Secretary of War may direct, provided that he is otherwise qualified for such service.

SEC. 106. Exemptions: The following classes of persons shall be exempt from registration under the terms of this act:

(a) Officers and enlisted men of the Regular Army, the Navy, the National Guard, Naval Militia, and all other persons in the military and naval services of the United States.

(b) Persons found by local boards to be morally deficient for service in the military forces of the United States, or insane.

(c) Aliens who have not declared their intention to become citizens.

(d) Persons who may be exempted by unanimous vote of a local board, confirmed by a unanimous vote of a district board for unique, exceptional, extraordinary, and unforeseen reasons which make satisfactory service in the military forces of the United States impossible, but in no case shall mere physical disability be sufficient cause for exemption under this section.

SEC. 107. Power of the President; status and powers of registration: Whenever the President shall, in his discretion, deem any technical, industrial, or manufacturing plant or establishment or any group of such comprised in an industry to be necessary to the maintenance of the Military Establishment or the effective operation of the military forces or the maintenance of the national interest during the emergency, he may proclaim such plant, establishment, or industry so to be. Upon making such proclamation the President shall determine and state in the said proclamation either that—

(a) Any person registered pursuant to the provisions of this title engaged or employed wholly or partially in such plant, establishment, or industry; or

(b) Any person registered pursuant to the provisions of this title engaged in a capacity which involves the determination, or a part in the determination, of the business and industrial policy of such plant, establishment, or industry, including in the case of corporations the president, directors, vice presidents, and general manager or those occupying corresponding positions among others—

shall be drafted for service in the Industrial Management Corps. Thereupon each person so drafted shall become a member of the United States Army and of the Industrial Management Corps thereof, and subject to military discipline through such officers as the Secretary of War may designate pursuant to section 102 of this title. Such person shall receive a commission from the said Army of a rank not superior to brigadier general, and if possible such rank shall correspond approximately to the Regular Army rank of an officer in charge of a like number of men. Such corps shall be maintained, organized, and equipped in such manner as the Industrial Management Board may direct. Members of the Industrial Management Corps shall receive from their employers only such compensation and allowances as are received by officers of the Regular Army of even rank and grade, and in no case and under no circumstances shall such compensation and allowances exceed the amount paid to officers of the Regular Army of even rank and grade. All members of the Industrial Management Corps of the Army of the United States shall, from the date of enrollment therein, be subject to the laws and regulations governing the Regular Army, except as to promotions, so far as such laws and regulations are applicable to persons whose permanent retention in the military service on the active or retired list is not contemplated by existing law, and the duration of military service of such members of the Industrial Management Corps shall be for the duration of the war and for such time thereafter as the President may declare to be a period of national emergency. Each member of the Industrial Management Corps shall continue to occupy such position, in his normal status, except as otherwise provided by this title in any technical, manufacturing, or industrial plant or establishment as he occupied prior to the effective date of this title, unless promoted or demoted by the management thereof with the consent of the Industrial Management Board. If at any time, however, the Industrial Management Board shall find the services of such member of the Industrial Management Corps to be inefficient, unsatisfactory, or contrary to the public interest, such Board may order his removal therefrom and thereupon he shall be assigned to such other branch of the Military Establishment as provided in section 105 of this title. Upon such removal or in the event of any vacancy for any cause, the owners or managers of such plant or establishment shall replace such removed person in the normal manner; thereupon the person chosen as such replacement shall be enrolled forthwith as a member of the Industrial Management Corps.

SEC. 108. Limitation on income of members of Industrial Management Corps; penalties: No member of the Industrial Management Corps shall at any time receive any salary, gift, compensation, or any other emolument whatsoever for services rendered during war time from any partnership, association, trust, corporation, or other person interested in or connected with any technical, industrial, or manufacturing plant or establishment for or in which such member may render services during time of war. Such member shall receive for services rendered during time of war only such compensation and allowances as shall equal the amount paid to officers of the Regular Army of even rank and grade, and no other person shall receive on his behalf or account nor shall any person receive in trust or by other means any additional compensation or allowance. If any member of the Industrial Management Corps does receive such additional salary, gift, compensation,

or emolument he shall be forthwith dishonorably discharged from the United States Army, and such dismissal shall be in addition to other penalties. Neither shall any such person be permitted to escape such service or to be discharged therefrom prior to the expiration of his term of service by the payment of money or any other valuable thing whatsoever as consideration for his release from such service or liability thereto. Any violation of the terms of this section shall constitute a felony and shall be punishable by a fine of not exceeding $10,000 or by imprisonment for not more than 10 years, or by both such fine and imprisonment.

SEC. 109. Definition: Where used in this title the phrase "technical, industrial, or manufacturing plant or establishment" shall include, among others, gas and electric-power plants, mines and wells, railroads, pipe lines, and other public utilities, as well as all other plants or establishments of consequence to the successful prosecution of war.

SEC. 110. Emergency power; requisition of industrial resources: In the event of emergency, or in the event that inefficiency, labor dispute, or inability to agree on rates or terms of public contracts or any other cause has impaired or delayed the usefulness of any technical, industrial, or manufacturing plant or establishment to the successful prosecution of any war, the Industrial Management Board may upon a finding of such fact, and shall upon the request of the President, requisition the physical establishment or any part thereof and resources of such plant or establishment and operate it under such rules and regulations as it may deem proper in the circumstances, and with such personnel as it may provide. If the President designates any other governmental agency to operate such plant or establishment, the jurisdiction of the Industrial Management Board under this section shall be superseded. The owner of such plant or establishment shall be entitled to a return of such plant or establishment at the termination of the effectiveness of this title, together with just compensation for such loss as he may have suffered as a result of such requisition. Such loss shall be determined by the Industrial Management Board upon application made within 30 days of the return of such plant or establishment to the owner, and when so determined shall be a legal claim against the United States. The jurisdiction of the Industrial Management Board is extended for a period of 1 year beyond the expiration of this act for determination of claims filed hereunder, and such extension of time for such purpose shall be an exception to any inconsistent provision of this act.

TITLE III

COMMODITY CONTROL PROVISIONS

SECTION 201. Short title: This title may be cited as the "War Commodity Control Act."

SEC. 202. Definitions: For the purposes of this title the term "commodity" shall mean any article of commerce sold or offered for sale upon a commodity exchange; the term "commodity exchange" shall mean any central market place where articles of commerce are sold on a short, long, future, or marginal basis, or where common articles of commerce are continuously sold without being present or in view of either the buyer or seller, or whether "bid and asked" quotations are commonly furnished on demand for articles of commerce, or any place commonly known as a "commodity exchange."

SEC. 203. Commodity Control Commission: There is hereby created the Commodity Control Commission, hereinafter in this title called the "Commission", to consist of five members appointed by the President, with the advice and consent of the Senate, for a term of office to expire at the expiration date of this title, unless sooner removed by the President in his discretion. Such members shall receive the same compensation and allowances as are paid to officers of the Regular Army of the rank of colonel. No such member, so appointed, shall refuse to serve as a member of such Commission. Neither during his term of office nor thereafter, on account of services rendered during such term, shall any such member receive, nor shall any other person receive on his behalf, any reward, compensation, or emolument whatsoever from any source directly or indirectly regulated or affected by the provisions of this title, nor shall any member, attorney, agent, or employee of the Commission in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interests of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 204. Powers of Commission: The Commission shall have power, in its discretion, if it deem the public interest and the successful prosecution of the war to so require or render advisable:

(a) To close any commodity exchange.

(b) To publish rules and regulations with the force and effect of law for the government of such commodity exchanges as are not closed, which rules and regulations may include, among other things, the regulation of the prices or parities at which commodities may be sold; the establishment of priorities and rationing in favor of purchasers or users most vitally linked with the successful prosecution of the war; the limitation or fixation of fees, commissions, or other charges collected by such commodity exchanges or their agents for any service whatsoever; the elimination or limitation of short, long, future, and marginal selling and hedging and speculation of all types and varieties whatsoever.

(c) To prohibit the publication of prices quoted on commodities sold or formerly sold on such commodity exchanges and to proscribe and prohibit the delivery or transmission for delivery through the mails or by telegraph, telephone, wireless, or other form of communication of such prices or of any quotation or report of the price of or contracts or sales made of commodities sold or formerly sold on such exchanges.

SEC. 205. Additional powers of Commission: If the Commission shall close all or any commodity exchanges, it shall have power, in its discretion, if it deem the public interest and the successful prosecution of the war so require or render advisable—

(a) To requisition the physical plant of or place occupied by any commodity exchange or such part of such plant or place, together with such elevators, warehouses, and other marketing facilities wherever located, including private telegraph and telephone wires, as it may require; and to requisition all stores or supplies of any such commodities held by any person.

(b) To fix the price at which any commodity may be sold and to limit sale of such commodity to itself; and to establish allocations, quotas, and priorities for sales to itself and others, either at the time of such sale or in advance of such sale.

(c) To resell any commodity purchased by itself at cost, plus such differential as shall equal the cost of handling and other expenses; and to establish allocations, quotas, and priorities among purchasers and users in favor of those most vitally linked with the successful prosecution of the war.

(d) To conserve or limit to war purposes the use of any commodity.

SEC. 206. Fees and commissions prohibited: At no time and under no circumstances shall any fee, commission, or other emolument be paid as or in lieu of brokerage on any transaction in which the Commission is either buyer or seller of a commodity.

SEC. 207. Standard for fixing of prices: In fixing any price pursuant to the provisions of this title for any agricultural commodity within the purview of this title, the Commission shall be guided but not bound by such level as will give such agricultural commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period, and shall be guided, further, by the necessities of the Government and the public interest in successful prosecution of the war. The base period shall be all or any period of 5 consecutive years or more, in the discretion of the Commission, of the period commencing on January 1 of the twentieth year preceding the effective date of this title and ending on January 1 of the second year preceding such effective date.

SEC. 208. Control of other agencies: In the event that any other governmental authority or agency is actually engaged in the control, management, operation, or government of any industrial establishment connected with or necessary to the successful prosecution of the war, any request for priority in the allocation of commodities to such industrial establishment by such authority or agency shall be binding upon the Commission.

SEC. 209. Appropriation: There is hereby authorized to be appropriated for the creation of a revolving fund to enable the Commission to make purchases of commodities as herein authorized the sum of $500,000,000. All moneys received by the Commission in the exercise of its powers under this title shall revert to such revolving fund.

SEC. 210. Compensation to owners: The owner of any physical plant or place or elevator, warehouse, other marketing facilities, or private telephone or telegraph wires subjected to requisition pursuant to the provisions of this title shall be entitled to the return of such property at the termination of the effectiveness of this title, together with compensation for such loss as he may have suffered as a result of such requisition. Such loss shall be determined by the Commission upon application made within 30 days of the return of such property to the owner, and when so determined shall be a legal claim against the United States. The jurisdiction of the Commission is extended for a period of 1 year beyond the termination of this title for determination of claims filed hereunder, and such extension of term for such purpose shall be an exception to any inconsistent provision of this act.

SEC. 211. Illegal exchange and traffic: Where, under the authority of this title, the Commission has closed all exchanges in the United States dealing in the purchase or sale of any commodity, it shall be unlawful for any person to establish an exchange or to deal or traffic in the purchase or sale of such commodity in any extemporized market or over-the-counter trade or in any other manner.

SEC. 212. Effective date: Notwithstanding the provisions of any other section of this act, the effective date of this title shall be upon the declaration of any war between the United States and any foreign power or upon the declaration by the President that an emergency has arisen due to the possible future declaration of war or due to the existence of a state of war between two foreign powers. The effectiveness of this title shall cease upon a declaration by Congress that the emergency herein referred to has ceased to exist.

TITLE IV

SECURITIES EXCHANGE PROVISIONS

SECTION 301. Short title: This act may be cited as the "War Securities Exchange Control Act."

SEC. 302. Powers of the President: In addition to all other powers possessed by the President by law as of the effective date of this title, and not in substitution therefor, the President may by proclamation close any or all exchanges where securities are bought, sold, or offered for sale and by rules or regulations prevent any public or private sale of any such securities. Such rules and regulations shall have the force and effect of law. Such proclamation shall remain effective, if so intended by the President, for the duration of the effectiveness of this title. For the purposes

of this section the word "security" shall be defined in like manner as the same is defined by section 2 of the Securities Act of 1933, as amended by act approved June 6, 1934, as in effect on March 15, 1935.

TITLE V

WAR FINANCE CONTROL

SECTION 401. Short title: This title may be cited as the "War Finance Control Act."

SEC. 402. Finance Control Commission: There is hereby created the War Finance Control Commission, hereinafter in this title called the "Commission", to consist of five members appointed by the President, with the advice and consent of the Senate, for a term of office to expire at the expiration date of this act, unless sooner removed by the President in his discretion. Such members shall receive the same compensation and allowances as are paid to officers of the Regular Army of the rank of colonel. No such member, so appointed, shall refuse to serve as a member of such Commission. Neither during his term of office, nor thereafter on account of services rendered during such term, shall any such member receive, nor shall any person receive on his behalf, any reward, compensation, or emolument whatsoever from any source directly or indirectly regulated or affected by the provisions of this title, nor shall any member, attorney, agent, or employee of the Commission in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interest of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 403. Powers of Commission; approval of securities: No security may be registered with the Securities and Exchange Commission, as provided in the Securities Act of 1933, as amended, and as in effect March 15, 1935, or its successor in law or in fact, unless it shall have been approved previously by the Finance Control Commission pursuant to the provisions of this title. No security the total or aggregate par, face, or actual value of which plus the aggregate par, face, or actual value of any other securities issued by the same person since the effective date of this title, is in excess of $100,000, shall be sold or offered for sale or for subscription either publicly or privately unless such security shall have been approved previously by the Finance Control Commission pursuant to the provisions of this title. Such approval shall be granted if the Commission find, after hearing held upon notice to any applicant for such approval, if such hearing is requested, that either—

(a) The security is part of a current transaction maturing in less than 9 months;

(b) The security is issued solely in exchange for an outstanding security and that no money or other property consideration is involved in the transaction;

(c) The security is offered for resale, having been originally sold prior to the effective date of this act or pursuant to its provisions; or

(d) The sale of such security is compatible with the public interest in the successful prosecution of war, and that the proceeds from the sale of such security will be applied to the extension or improvement of the capital plant or efficiency of an industry, establishment, or agency necessary or desirable to the successful prosecution of war.

Under no circumstances shall the Commission grant approval under this section if it shall find none of the preceding conditions to exist, nor shall it grant such approval if it shall find that the proceeds from the sale of such securities will or may be applied to purposes not connected with the successful prosecution of war or that the sale of such securities may attract or absorb funds potentially more useful to the successful prosecution of war.

SEC. 404. Powers of Commission; financing: The Commission may, upon application to the Commission by any officer or agent of the United States or upon application of any officer or agent of any industry, establishment, or agency, after finding that, due to inadequate capital plant or other inadequate financial resources, the efficiency or usefulness of any such industry, establishment, or agency for the successful prosecution of war is impaired or impeded, loan or advance such sums as may in its judgment be necessary to eliminate such impaired or impeded usefulness or efficiency, upon such security, if any, as it deems necessary. If such loan or advance is made upon application of any officer or agent of the United States, no reimbursement except interest, at a rate to be fixed by the Commission, shall be required during the effective date of this act, but the United States shall have a lien superior to all other liens for the repayment of such loan or advance upon all real assets or fixtures constructed or purchased with such funds.

SEC. 405. Tax credits and allowances: No depreciation, amortization, exhaustion, wear and tear, obsolescence, or other deduction shall be allowed or credited against gross income under any tax act, including title I of this act, for any part or portion of the construction or purchase cost of any real asset or fixture constructed or purchased with funds provided by the Commission pursuant to section 404 of this title for any war or taxable period during which this act is in effect.

SEC. 406. Revolving fund; appropriation: There is hereby authorized to be appropriated the sum of $500,000,000 to be used by the Commission as a revolving fund for the purposes of making loans and advances pursuant to the provisions of section 404 of this title.

SEC. 407. Definitions: Unless the context otherwise requires, the definitions established by section 2 of the Security Act of 1933, as amended by act approved June 6, 1934, as in effect March 15, 1935, are hereby adopted as applicable to this title.

SEC. 408. Publicity: All approvals of securities made by the Commission pursuant to section 403 and all loans or advances made pursuant to section 404 of this title shall be public records and shall be available for public inspection in such detail and under such reasonable rules and regulations as the Commission may prescribe.

SEC. 409. Time limitations on action: Wherever in this title provision is made for an application to the Commission for any purpose, and such application is made, the Commission shall act upon such application within 30 days of the filing of same, or state publicly the reason for failing to do so.

SEC. 410. Limitation on powers of Commission: Nothing contained in this title shall be deemed to limit or control the power of the United States Government or any agency thereof to issue securities.

SEC. 411. Limitation of effect of approval: No action taken by the Commission pursuant to the provision of section 403 of this title shall be construed as approving the legality, validity, worth, or safety of any security.

TITLE VI

WAR RESOURCES CONTROL

SECTION 501. Short title: This may be cited as "The War Resources Control Act."

SEC. 502. Prices: The President is hereby authorized, with respect to any product, foodstuff, material, real property, right, or service, declared by him essential for the national security and defense in the prosecution of the war, to fix and establish just and reasonable, maximum, minimum, or absolute prices or rates or rentals at which such product, foodstuff, material, commodity, real property, right, or service may be bought, sold, rented, or otherwise contracted for, whether such transaction be with the Government or between persons of the civilian population, on the basis of differentials established on the basis of pre-war parities as of any year or period of years, as the President may designate, prior to the declaration of war but not more than 20 years prior to such declaration. Prices fixed pursuant to the provisions of title II of this act are not subject to the provisions of this section. Any such differential may be altered or modified from time to time as the President may direct. The President may also prescribe differentials based either on primary market or markets or upon zones or districts or may prescribe different prices or rates for different localities or for different uses in the same locality. The President is further authorized to fix and establish just and reasonable rates of profit, compensation, wage, or commission which shall be allowed for the production, the manufacture, the sale, the marketing, or the distribution of any such product, foodstuff, material, commodity, real property, right, or service. Any such rate, compensation, wage, or commission may be altered or modified from time to time as the President may direct.

SEC. 503. Priorities: The President is hereby authorized, whenever he deems it necessary or advisable to the successful prosecution of the war, to—

(a) Fix and establish the order of preference to be observed (hereinafter called "priority") by any manufacturer, producer, dealer, distributor, carrier, public utility, or other person whatsoever, in manufacturing, producing, filling existing or future contracts for, complying with requisitions or orders for, transporting, distributing, or delivering of, or

(b) Regulate, limit, or prohibit the purchase, sale, use, transportation, manufacture, or distribution of any product, foodstuff, material, commodity, real estate, right, or service.

SEC. 504. Requisitions: The President is authorized, whenever he deems it necessary or advisable to the successful prosecution of war, to requisition and take possession of any product, foodstuff, materials, commodity, real property, or right, and on such terms as he may deem desirable to sell or otherwise dispose of such product, foodstuff, material, commodity, real property, or right. For compliance with any such requisition the United States shall make just compensation, to be determined by the President. If the compensation so determined be unsatisfactory to the person entitled to receive the same, such person shall be paid 75 percent thereof, and shall be entitled to sue the United States immediately upon the close of war to recover such further sum as added to said 75 percent will make up such amount as will be just compensation therefor, and jurisdiction is hereby conferred, regardless of the amount in controversy, on the United States District Court for the district in which such product, foodstuff, material, commodity, real property, or right is situated to hear and determine all such controversies in the manner provided for by section 24, paragraph 20, of the Judicial Code: *Provided*, That no court shall have jurisdiction to entertain suit, whatever the character, of either party, plaintiff or defendant, to restrain or enjoin requisition, by the Government of the United States, under this section.

Any moneys received by the United States for or in connection with the sale or disposition of any product, foodstuff, material, commodity, real property, right, or service pursuant to this title may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this title.

SEC. 505. Licenses: (a) From time to time whenever the President shall find it essential to license the production, manufacture, sale, storage, distribution, or transportation of any product, foodstuff, material, commodity, real property, right, or service, in order to carry into effect any of the purposes of this title to and in the successful prosecution of war, and shall publicly so announce, it shall be unlawful for any person, after a date fixed in the announcement, to engage in or carry on any such business enumerated

in this section, unless he shall secure and hold a license pursuant to this section.

(b) The President is authorized to issue such licenses, to fix the conditions of such licenses, and to prescribe requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees. The President may order the revocation of the licenses of any licensee who fails to comply with any condition of or in a license, or who fails to observe any price, rate, wage, or priority fixed or established pursuant to this title, or who fails to perform or comply with any contract, requisition, or requirement of the United States, or otherwise fails to comply with the provisions contained in such license.

SEC. 506. Conservation of resources: The President is authorized, whenever he deems it necessary or advisable to the successful prosecution of the war, to promulgate and enforce rules and regulations against waste, destruction, hoarding, speculation, and profiteering with respect to any product, foodstuff, material, commodity, real property, right, or service.

SEC. 507. Administration of title: The authority and power conferred by this title may be exercised under the direction and during the pleasure of the President, through any department, establishment, service, agency, or officer of the United States, or any person designated by the President for the purpose, and to that end he is authorized to create or provide for such additional agencies of the Government and prescribe such rules and regulations as he may deem necessary; and for the duration of the emergency only, the President is authorized to regroup, redistribute, or reassign duties and functions of procurement of war supplies for the Military and Naval Establishments: *Provided*, That no one appointed or designated by the President hereunder shall in any manner, directly or indirectly, participate in the determination of any questions affecting his personal interests, or the interests of any corporation, partnership, association, or trust in which he is directly or indirectly interested.

SEC. 508. Rules and regulations: Rules and regulations made by the President under this title shall have the force and effect of law.

TITLE VII

GENERAL PROVISIONS

SECTION 601. Short title: This act may be cited as the "War Emergency Act."

SEC. 602. General powers of board or commissions: Any board or commission created pursuant to the provisions shall be a body corporate in name and deed and shall establish and maintain a general office in the District of Columbia. Such board or commission may rent suitable offices for its use, and purchase such furniture, equipment, and supplies as may be necessary. Such board or commission is authorized to appoint and dismiss at pleasure such officers and employees as are necessary to execute its functions under this act, and fix their salaries and compensation, and may delegate to such officers and employees by designation in writing such part of its authority as may be necessary to the efficient execution of its powers and functions. Such board or commission shall have power to make all rules and regulations appropriate and necessary to the execution of its functions, duties, and powers under this act and such rules and regulations shall have the force and effect of law. Such board or commission may make such expenditures as are necessary to execute its functions under this act, which shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the committee. Such board or commission shall make a report to Congress on the first day of each regular session, which shall include the names and compensation of all of its officers and employees. There is hereby authorized to be appropriated such amounts as may be necessary to the proper execution of the purposes of this act.

SEC. 603. Suspension of conflicting and inconsistent acts: All acts or parts of acts conflicting or inconsistent with the provisions of this act are to the extent of such conflict or inconsistency suspended during the effectiveness of this act.

SEC. 604. Criminal penalties: Any person who willfully violates any provisions of this act or any of the rules and regulations made thereunder shall, unless other criminal penalties be provided herein for such violation, be guilty of a misdemeanor, and shall upon conviction thereof, be fined not more than $100,000 or imprisoned for not more than 1 year, or both, together with the costs of prosecution.

SEC. 605. Succession to rights and duties: On the expiration of this act the United States of America shall be successor to the rights and duties acquired or incurred by any board or commission created by this act.

SEC. 606. Separability clause: If any provisions of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 607. Effective date: Except as otherwise specifically provided herein, the provisions of this act shall take effect immediately upon any declaration of war by the United States and shall continue in full force and effect until the termination of such war and the declaration by Congress that the emergency created by such war has ceased to exist.

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

Mr. WITHROW. Mr. Speaker, I want to effectively and actually take the profits out of war. The McSwain bill, the rule on which we are now considering, does not, in my opinion, effectively take the profit out of war but rather freezes profits at a high level during time of war. In my opinion, the only effective way of eliminating war profits is by the system of drastic income taxation in time of war which is included in Senator NYE's program.

This McSwain bill, under the rule proposed, is being brought in under a parliamentary strait-jacket which prevents the consideration of the Nye taxation method of eliminating war profits. If this rule is adopted, I, and other Members of Congress, if we want to be on record as being against war profits, will have to vote for a fraud and a farce, a bill which will not, in effect, take the profit out of war.

I ask that you vote down the previous question on the rule so that I may have the opportunity to amend the rule as follows: It shall be in order to consider as a substitute amendment for the bill any amendment that relates to the regulation and control of the economic and industrial structure of the Nation for the successful prosecution of war, notwithstanding the fact that said amendment may impose taxes. [Applause.]

I ask that you vote down the previous question on this rule so that we may have the opportunity to vote on legislation which will actually and effectively take the profit out of war. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I had not intended to say anything on the rule; but, being a member of the Military Affairs Committee and knowing something about the history of this legislation for the past 4 years, I undertake to say that some of the arguments used on this floor in the last 30 minutes have been the most unfair and unjust of any I have heard during the years I have been a Member of this body. This is not a revenue-raising measure. If it were, it would have to come from the Committee on Ways and Means. I am in hearty sympathy with some of the statements in reference to a tax on excess profits, and I will heartily support such legislation. This is a bill clothing the President of the United States with full authority in war time to put a ceiling on prices, on commissions, fees, and profits, and in the event there is a violation of his orders and regulations a severe penalty is imposed.

I am a little bit shocked and surprised at some of my very close and esteemed friends who are members of the committee. They were present during the many hearings on this bill before the Military Affairs Committee during the last 3 months. I do not say they voted for the bill, but they did not vote against it and manifested no opposition to it. The chairman made a public announcement that the rule would be asked for, and there was no opposition to that.

This is a wide-open rule that makes germane any amendment which is pertinent to the provisions of this bill.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. ANDREWS of New York. As I recall it, neither of these two gentlemen made any suggestion to the committee with reference to the institution of taxes in this bill?

Mr. THOMASON. Not a word did they say. Not the slightest objection was offered.

We have heard a lot of talk about Mr. Baruch. There also appeared before that committee representatives of the American Legion, Veterans of Foreign Wars, American Federation of Labor, various patriotic societies, and representatives of the War Department. I undertake to say at this time that the hearings will show there was not a single witness before that committee who did not approve of the principle of this bill.

This looks to me like a rap at the chairman, as well as the committee. No objection will be made to offering germane amendments. Some of those opposing this rule are the ones who have talked the loudest about gag rules. Now

here is a rule brought out with all the light of day thrown on it. You may amend as you want to. I am one of those who voted against the discharge and other gag rules. I am one of those who voted against the 218 petition rule. Here is a rule that has come out that is perfectly fair, yet those who have spoken the strongest against gag rules would now send it back. I thought you wanted a chance to discuss, amend, and vote on bills. There is the opportunity given under this rule to debate the matter for 4 hours. The opportunity is given to amend it in any manner, shape, or fashion you see fit, that is germane.

If the Senate wants to pass it, all right. If not, they will pass another bill, then let the bill be sent to conference, like 90 percent of the bills are.

In addition to that, if you want to follow this bill up with a tax measure, you will have the opportunity. Every witness before the committee, so far as I can recall, favored the bill. No opposition appeared. I undertake to say that there is not a man in the United States who has given this question more patriotic and devoted study than JOHN McSWAIN. In addition to having a distinguished military career, he is one of the most able, fair, and just men in this House. I expect to back him up in his effort to take the profits out of war. [Applause.]

Now, then, some of you propose, by saying this is a gag rule, to send it back to committee. Why are you afraid to face the music here? Let the bill be read. It is in your power to amend it. If you do not like the bill, kill it, but do not slap the Military Affairs Committee and its distinguished, unselfish chairman in the face by any such action. There is no use for a committee to have hearings for weeks and months if you are going to send it back without reading and debating it. Come on and let us fight it out. If you do not like the bill as it passes the Committee of the Whole, you can then move to recommit.

Mr. SHORT. In fact, our committee unanimously reported the bill.

Mr. THOMASON. This bill came out on a unanimous report of the committee. There was not a vote against it. There was a lot of publicity given to it. Everybody had a chance to be heard. All of these different organizations appeared before this committee, and not one single witness, that I can recall, appeared who did not express hearty approval of the bill. This is a fine opportunity to start some needed legislation on this question.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, I desire to make a very calm, and, if possible, judicial statement concerning the situation that now confronts the House. There is no surprise in this matter. This bill was reported on February 12 after long hearings, which were reported in the press every day.

The Rules Committee on two separate occasions, and publicly, heard the unanimous request of the Committee on Military Affairs to give us a rule. And the reason we asked a rule was in order that we might bring it up at an early date and not wait for Calendar Wednesday. We asked only for a wide-open rule, with all the general debate possible, confined to the bill itself. The bill has been reported and on the Union Calendar ever since February 27, month before last. House Resolution 133 has been on the House Calendar all that time.

Nobody can claim to be taken by surprise as to the provisions of this rule or of the measure proposed to be considered under the rule.

The House of Representatives is asked by my distinguished friend from Texas, a member of the committee (not the gentleman from Texas who last addressed us), however, to withdraw the bill and go into conference with the Senate and agree with them on the provisions of a bill. I should like to know who is authorized to speak for the Senate. When has the Senate ever agreed on anything in advance or even afterward? [Laughter.]

Why, Mr. Speaker, this is a simple proposal that has been in the hearts of the 4,000,000 men who followed the flag during the World War, when they realized that excessive and unreasonable profits were being made, and as soon as I came to Congress or very soon thereafter, to wit, on December 6, 1922, I started this agitation in the form of a resolution to set up a commission to study the matter, which ultimately resulted in the War Policies Commission, and on that Commission we had 14 members, 6 members of President Hoover's Cabinet, 4 members of this House, and 4 Members of the Senate, and this is an effort to effectuate in legislation the reports and recommendations of the War Policies Commission.

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

Mr. McSWAIN. In a moment. Let me first finish my statement.

So far as this taxing provision is concerned, the Committee on Military Affairs by its report recommends to you and to the Congress that may be sitting in the event of war, which we hope may never come, that instead of the 95-percent tax upon excess war profits, that the tax then be 100 percent.

The Committee on Military Affairs has no taxing power; and if there had been in the bill which I introduced a provision authorizing the levying of taxes, it might have gone to the Committee on Ways and Means. I offered in that bill only provisions that the Committee on Military Affairs had jurisdiction of. There are 435 Members of this House, and every one of them, every day since we met here in January, could have introduced a bill that would be before the Ways and Means Committee, authorizing the levy of a tax of 100 percent on war profits; and if that has not been called to their attention, any Member who has been today finding some fault with this bill because it does not contain a provision taxing the excess profits out of war today can introduce such a bill, or can introduce such a bill tomorrow, or can introduce such a bill any day that this House may be in session, and it will be referred to the Committee on Ways and Means, and will there be considered; and I will guarantee that the American Legion and every patriotic American who believes that the war profiteers should not be permitted to make their millions while the boys suffer will be behind the proposal before the Ways and Means Committee.

Mr. MAY and Mr. MONAGHAN rose.

Mr. McSWAIN. I yield first to my colleague the gentleman from Kentucky.

Mr. MAY. I call the attention of the gentleman and the House to the fact that this is a bill reported without even the offering of an amendment by any member of the committee, and reported by a unanimous vote, and then the matter was taken up with the Rules Committee and presented without objection.

Mr. McSWAIN. There is a slight misstatement in that the first bill on this subject was introduced by me the very first day of the session in January, and bore no. 3. It was bill no. 3, and has been before the House ever since the first day of the session. No. 3 was amended after consideration by the committee and receiving suggestions as a result of hearings, until it finally became no. 5529. However, in substance, it is the same bill that has been continuously before the Congress and before the committee since the very first day of the session, and nobody need be taken by surprise as to any particular matter.

Mr. MAY. And notwithstanding the fact that the hearings are full of evidence on the question of taxes and what amount of taxes ought to be levied and when they should be levied, nobody offered any amendment in committee proposing a tax, because we all felt that the Military Affairs Committee had no jurisdiction with respect to taxes.

Mr. McSWAIN. That was my view—that the committee could not take such jurisdiction.

It is now in the power of this body to take away jurisdiction from any committee, if it wants to. Every committee is the creature of this body, and I am not so much of a parliamentarian as to say that, to a bill to take the profits out of war, an amendment to authorize the levying of an

excess-profits tax as a result of the war would not be in order. I am not prepared to say this, but I am saying we want this bill brought before the House, and if any Member has a constructive suggestion he will not find this committee hostile to it. We have no special pride in it. We are trying to bring something before the country that the country has been demanding ever since the 11th of November 1918.

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

Mr. McSWAIN. I yield to the gentleman from Indiana.

Mr. GREENWOOD. In connection with this rule, some have suggested that the rule should have been made wide open so as to have permitted amendments concerning taxation. It would be setting aside all the precedents of the House to ask the Rules Committee to make germane provisions offered from the floor of the House on matters of taxation that have never even been submitted to the Committee on Ways and Means. This would be a very unusual procedure, and when the chairman of the legislative committee appeared before the Rules Committee it was not suggested that we set aside or thwart the action of the Committee on Ways and Means by making an amendment germane that might be offered from the floor of the House which would set aside all precedents of the House.

Mr. McSWAIN. In response to the statement, I will say that if this bill is passed and becomes a law, if I am alive I shall sponsor a bill before the Ways and Means Committee to authorize the tax which they are now suggesting. I shall sponsor it, if no one else does, if I am alive and a Member of this House, because I am dedicated, body and soul, to the proposition that the burdens of war shall be equalized among the citizens of the United States just as far as is morally possible.

Mr. SWEENEY. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman.

Mr. SWEENEY. If I understood the gentleman correctly, he stated that if war was declared we would have plenty of time to pass a resolution providing for the taxation.

Mr. McSWAIN. No; I said nothing of the kind. A bill can be introduced now and at any time to provide for taxation to take the excess war profits.

Mr. SWEENEY. We are not at war now. Why not provide the taxation now, and not leave it simply a draft bill?

Mr. McSWAIN. If the gentleman will read the bill carefully, he will see that it is not a draft bill.

Mr. MONAGHAN. Is not that the sole purpose of the bill?

Mr. McSWAIN. No. The gentleman ought to know that that is limited so that if you become a soldier you will have a fair chance with the fellow who stays at home.

Mr. SWEENEY. Will the gentleman yield again? Are not all the powers given to the Executive by this bill within his power now?

Mr. McSWAIN. No; he has not the power at all. You have got to confer that power on him by statute. The President has not any power except what is given him by the Constitution and by statute.

Now, let us vote this up, give consideration to this measure, and everybody remain calm and cool. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

Mr. BOILEAU. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. If the House votes down the previous question, will it be in order to offer an amendment embodying taxation?

The SPEAKER. The rule can be amended if the House votes down the previous question. The question is on the previous question.

The question was taken, and on a division (demanded by Mr. BOILEAU, Mr. MAVERICK and others) there were 106 ayes and 34 noes.

Mr. WITHROW. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point that no quorum is present. Evidently there is no quorum present.

The Doorkeeper will close the doors, and the Clerk will call the roll.

The question was taken; and there were—yeas 258, nays 71, not voting 102, as follows:

[Roll No. 47]

YEAS—258

Adair	Dickstein	Kahn	Rich
Andresen	Dingell	Kee	Richardson
Andrew, Mass.	Disney	Kennedy, N. Y.	Robertson
Andrews, N. Y.	Dobbins	Kenney	Robinson, Utah
Arends	Dockweiler	Kimball	Rogers, Mass.
Arnold	Dondero	Kinzer	Rogers, N. H.
Ashbrook	Dorsey	Kleberg	Rogers, Okla.
Bacon	Doughton	Kloeb	Rudd
Barden	Doxey	Kocialkowski	Russell
Beiter	Drewry	Kramer	Ryan
Bell	Driscoll	Lambertson	Sabath
Blackney	Driver	Lambeth	Sanders, La.
Bland	Duffey, Ohio	Larrabee	Sanders, Tex.
Blanton	Duffy, N. Y.	Lea, Calif.	Sandlin
Bloom	Dunn, Miss.	Lewis, Colo.	Schaefer
Boland	Eaton	Lord	Schuetz
Boylan	Eckert	McClellan	Sears
Brennan	Eicher	McGehee	Seger
Brewster	Ekwall	McGrath	Shanley
Brown, Ga.	Engel	McLaughlin	Short
Brown, Mich.	Evans	McLean	Sirovich
Brunner	Faddis	McReynolds	Smith, Conn.
Buchanan	Farley	McSwain	Snell
Buck	Fenerty	Mahon	Snyder
Buckley, N. Y.	Fernandez	Mansfield	South
Bulwinkle	Fitzpatrick	Mapes	Spence
Caldwell	Fletcher	Marshall	Stack
Cannon, Mo.	Focht	Martin, Colo.	Starnes
Carden	Ford, Calif.	Martin, Mass.	Stefan
Carlson	Ford, Miss.	Mason	Stewart
Carmichael	Frey	Massingale	Sullivan
Carpenter	Fulmer	May	Sumners, Tex.
Carter	Gasque	Mead	Sutphin
Cartwright	Gassaway	Merritt, N. Y.	Taber
Cary	Gavagan	Michener	Tarver
Castellow	Gifford	Millard	Taylor, Colo.
Cavicchia	Gillette	Miller	Taylor, S. C.
Chapman	Goodwin	Mitchell, Ill.	Terry
Church	Gray, Pa.	Mitchell, Tenn.	Thom
Clark, N. C.	Greenway	Nelson	Thomason
Cochran	Greenwood	O'Connell	Thompson
Coffee	Greever	O'Connor	Thurston
Colden	Gregory	O'Leary	Tolan
Cole, Md.	Guyer	Oliver	Tonry
Cole, N. Y.	Haines	O'Neal	Turner
Collins	Halleck	Owen	Turpin
Colmer	Hancock, N. Y.	Parks	Umstead
Cooley	Harlan	Patton	Underwood
Cooper, Ohio	Hart	Pearson	Utterback
Cooper, Tenn.	Hess	Peterson, Fla.	Vinson, Ga.
Corning	Hill, Ala.	Peterson, Ga.	Vinson, Ky.
Costello	Hill, Samuel B.	Pettengill	Warren
Cox	Hobbs	Pfeifer	Wearin
Cravens	Hollister	Pittenger	Weaver
Crosby	Holmes	Plumley	West
Cross, Tex.	Hook	Powers	Whelchel
Crowe	Houston	Quinn	Whittington
Culkin	Igoe	Rabaut	Williams
Cullen	Imhoff	Ramsay	Wilson, La.
Daly	Jacobsen	Randolph	Wolcott
Darrow	Jenckes, Ind.	Rankin	Wolfenden
Dear	Jenkins, Ohio	Ransley	Wolverton
Deen	Johnson, Okla	Rayburn	Zimmerman
Dempsey	Johnson, W. Va.	Reece	
DeRouen	Jones	Reilly	

NAYS—71

Amlie	Gearhart	Luckey	Schneider
Ayers	Gehrmann	Ludlow	Scott
Biermann	Gilchrist	Lundeen	Secrest
Binderup	Goldsborough	McFarlane	Sisson
Boileau	Gray, Ind.	McGroarty	Smith, Wash.
Buckler, Minn.	Hancock, N. C.	McLeod	Stubbs
Burdick	Healey	Maas	Sweeney
Cannon, Wis.	Higgins, Mass.	Maverick	Truax
Celler	Hildebrandt	Merritt, Conn.	Wallgren
Christianson	Hill, Knute	Monaghan	Welch
Citron	Hoeppel	Moritz	Werner
Connery	Huddleston	Mott	Wilson, Pa.
Crawford	Hull	Murdock	Withrow
Crosser, Ohio	Keller	O'Malley	Wood
Dirksen	Kniffin	Patterson	Woodruff
Dunn, Pa.	Knutson	Reed, Ill.	Young
Eagle	Kopplemann	Robsion, Ky.	Zioncheck
Ellenbogen	Lemke	Sauthoff	

NOT VOTING—102

Allen	Berlin	Buckbee	Chandler
Bacharach	Boehne	Burch	Claiborne
Bankhead	Bolton	Burnham	Clark, Idaho
Beam	Brooks	Casey	Crowther

Cummings	Hamlin	McKeough	Romjue
Darden	Harter	McMillan	Sadowski
Delaney	Hartley	Maloney	Schulte
Dies	Hennings	Marcantonio	Scrugham
Dietrich	Higgins, Conn.	Meeks	Shannon
Ditter	Hoffman	Montague	Smith, Va.
Doutrich	Hope	Montet	Smith, W. Va.
Duncan	Johnson, Tex.	Moran	Somers, N. Y.
Edmiston	Kelly	Nichols	Steagall
Englebright	Kennedy, Md.	Norton	Taylor, Tenn.
Ferguson	Kerr	O'Brien	Thomas
Fiesinger	Kvale	O'Day	Tinkham
Fish	Lamneck	Palmisano	Tobey
Flannagan	Lanham	Parsons	Treadway
Fuller	Lee, Okla.	Patman	Wadsworth
Gambrill	Lehlbach	Perkins	Walter
Gildea	Lesinski	Peyser	White
Gingery	Lewis, Md.	Pierce	Wigglesworth
Granfield	Lloyd	Polk	Wilcox
Green	Lucas	Ramspeck	Woodrum
Griswold	McAndrews	Reed, N. Y.	
Gwynne	McCormack	Richards	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Granfield (for) with Mr. Kvale (against).
Mr. Parsons (for) with Mr. Marcantonio (against).

General pairs:

Mr. Bankhead with Mr. Ditter.
Mr. McAndrews with Mr. Lehlbach.
Mr. Delaney with Mr. Burnham.
Mr. Boehne with Mr. Allen.
Mr. Lamneck with Mr. Cooper of Ohio.
Mr. Darden with Mr. Hoffman.
Mr. McKeough with Mr. Bacharach.
Mr. O'Brien with Mr. Crowther.
Mrs. Norton with Mr. Hartley.
Mr. Griswold with Mr. Reed of New York.
Mr. Fuller with Mr. Tobey.
Mr. Dies with Mr. Treadway.
Mr. Beam with Mr. Bolton.
Mr. Johnson of Texas with Mr. Gwynne.
Mr. Kerr with Mr. Perkins.
Mr. Somers of New York with Mr. Thomas.
Mr. Lanham with Mr. Hope.
Mr. McCormack with Mr. Buckbee.
Mr. Montague with Mr. Doutrich.
Mr. Wilcox with Mr. Wigglesworth.
Mr. Steagall with Mr. Higgins of Connecticut.
Mr. McMillan with Mr. Tinkham.
Mr. Smith of West Virginia with Mr. Fish.
Mr. Patman with Mr. Taylor of Tennessee.
Mr. Smith of Virginia with Mr. Englebright.
Mr. Maloney with Mr. Hamlin.
Mr. Gambrill with Mr. Moran.
Mr. Fiesinger with Mr. Walter.
Mr. Chandler with Mr. Lee of Oklahoma.
Mr. Pierce with Mr. Berlin.
Mr. Claiborne with Mr. Polk.
Mr. Harter with Mr. Lloyd.
Mr. Scrugham with Mr. Meeks.
Mr. Lewis of Maryland with Mr. Shannon.
Mr. White with Mr. Nichols.
Mr. Hennings with Mr. Gingery.
Mr. Brooks with Mr. Lesinski.
Mr. Ramspeck with Mr. Duncan.
Mr. Flannagan with Mr. Cummings.
Mr. Green with Mr. Casey.
Mr. Kelly with Mr. Lucas.
Mr. Romjue with Mr. Montet.
Mrs. O'Day with Mr. Edmiston.
Mr. Kennedy of Maryland with Mr. Richards.
Mr. Clark of Idaho with Mr. Dietrich.
Mr. Peyser with Mr. Ferguson.

Mr. CRAWFORD changed his vote from "aye" to "no."

Mr. HILDEBRANDT changed his vote from "aye" to "no."

Mr. BINDERUP changed his vote from "aye" to "no."

Mr. FLETCHER changed his vote from "no" to "aye."

Mr. HEALEY. Mr. Speaker, my colleague, Mr. McCORMACK, is unavoidably absent. I wish to announce that if present he would have voted "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 193, noes 39.

Mr. CROSSER. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. Those who favor taking this vote by the yeas and nays will stand and remain standing until counted. [After counting.] Fourteen Members have arisen; not a sufficient number.

The yeas and nays were refused.

So the resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in connection with H. R. 3662.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, in the CONGRESSIONAL RECORD for April 1, on page 4768, I discussed with my colleagues one of the alleged objections to H. R. 3662, which is the bill for the relief of claimants who were burned out in the great fire of October 1918 in Minnesota. I briefly called attention to the lack of any foundation for one alleged objection to the bill—namely, that it is an old bill and has never had serious consideration. I pointed out that this measure has been seriously brought to the attention of Congress but that it has been impossible to get action on it due to the fact that one objector could prevent consideration.

Today I want to discuss another alleged objection to the bill. I was talking to a colleague, who said to me, "Well, these people were treated very liberally and really received full pay for their losses, did they not?" I took occasion right there to point out to my friend that the contrary was true. The Government "chiseled" on its own citizens, and instead of being generous, deliberately broke its agreement to fulfill its obligation, and told them that they would have to take 40 or 50 percent of their actual loss or get nothing. The Government was anything else but generous, and, as I have heretofore pointed out, a great wrong was done by a bureaucratic official. This proposition of the alleged fairness of the settlement was fully considered by the committee, which conducted extensive hearings in March 1930. One of the witnesses who appeared before the committee was the Honorable H. A. Dancer, who was one of the trial judges when these cases were in the courts. Judge Dancer was recognized for years as a jurist of high standing and ability. He resigned his position of judge some 2 or 3 years before the hearings on this bill were held in 1930. In presenting this bill to Congress it was desired to have one of the trial judges testify, and Judge Dancer was the only one available in March 1930. At my request he appeared and gave testimony before the Claims Committee. I want to quote his testimony dealing with the question of alleged liberality of the settlements. On page 97 of the hearings Judge Dancer uses this language:

> Thousands of these people who were entitled to payment of 100 cents on the dollar for their claims were faced with the necessity of accepting 50 cents on the dollar unless they cared to go to court individually and fight out each individual case. They did not know how long it would be before the Government would get around to pay their judgments. They were entitled to relief promptly. They were faced with the necessity of waiting years and years for that relief they were entitled to, and so, under the circumstances, I think they accepted and executed those releases under compulsion. They were under more compulsion which has been likened to that of a man at the point of a gun. A man at the point of a gun might have a fair show if he could knock the gun out of the hands of the other man. But against the Government that would not pay over 50 cents on the dollar—well, they had to take what they could get.

The above language is significant and comes from a man who was in a position to know absolutely what took place. I again quote from Judge Dancer on page 102 of the hearings where he uses this language:

> I realize that it will be urged strenuously that these cases were compromised, that the Government never admitted liability, and that when the fire sufferers accepted 50 or 40 cents on the dollar of their loss, and executed a full release, they became bound thereby, and have no legal, moral, or equitable claim to further relief at this time. I disagree with such argument. If, in the beginning, without 5 years delay and litigation, and before the liability of the Government had been finally adjudicated and established, the Government had settled the cases as of doubtful liability and on a compromised basis, a different situation

entirely would have been now presented to Congress; but the Government declined to compromise any claim until after its liability in hundreds of claims had been definitely and finally established. I do not have in mind any act evidencing more charity and brotherly love than the act of 278 fire claimants in the city of Cloquet who had, by the judgment of the Supreme Court, become entitled to recover of the Government in full for their loss from the fire. They voluntarily accepted 50 cents on the dollar on their loss in order that the Government might be persuaded to pay 50 cents on the dollar of the loss of large numbers of other fire sufferers whose claims had not been so adjudicated and established.

Virtually the same situation existed with regard to a very large proportion of all persons with whom settlements were made. Either they had thus secured findings from the court that they were entitled to recover from the Government in full for their losses or else their neighbors who were burned out by the same fire which burned them out had secured such adjudication. To thousands of these claimants the Government, in making settlement, yielded nothing except its right to compel each claimant to try his case separately, and that at a cost to him of more than the amount of his loss, to say nothing of the possible years of delay which faced him in securing such redress. The settlements were clearly under compulsion as far as the fire sufferers were concerned. It was up to them to take what the Government was willing to pay or suffer interminable delays and prohibitive costs, even though their right to full compensation had been definitely established by the courts. As I view it, the only debatable questions then were as to the exact boundary lines of the district where liability had been so established, and the amounts of the losses of the various persons involved, and the presumption is that after years of litigation the boundary lines as disclosed by a preponderance of evidence must have been fairly well established and known to the negotiating parties.

THE CHILD-LABOR AMENDMENT

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

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, for a hundred years we have been trying to abolish child labor. The child-labor amendment, endorsed by the finest and most sincere champions of humanitarian legislation from Mrs. Roosevelt down, has been assailed by those who want to perpetuate exploitation of the young and the helpless. It has been defended by the noblest and the best of our citizenship, regardless of party lines.

Our President declared:

> One of the accomplishments under the National Recovery Act which has given me the greatest gratification is the outlawing of child labor. It shows how simple a long-desired reform, which no individual or State could accomplish alone, may be brought about when people work together. It is my desire that the advances attained through the National Recovery Act be made permanent. In the child-labor field the obvious method of maintaining the present gains is through ratification of the child-labor amendment. I hope this may be achieved.

Just the other day I heard an illuminating address by the able attorney, Arthur Garfield Hays, over broadcasting station WEVD, in which, discussing this child-labor amendment, he said:

> At the beginning of the factory system we heard of the God-given right even of babies to work. We heard of the God-given right of parents to use their children to add to the family income. Yet everyone knows that this God-given right is a curse of poverty. It is wrong to designate a necessity as a right. Sometimes the right of the child to work is a correlative of the right of the adult to starve.

Without going into the intricate legalism that generally accompanies objections to humane and decent laws, I want to call the attention of my colleagues to the fact that more and more the combat over new statutes resolves itself into a question as to whether these statutes would benefit the average man and woman or not. If the ordinary person would benefit, the letters and telegrams in commendation usually come from farmers, workers, and small business men who are on the edge of bankruptcy. If the legislation is of profit to the exploiting class, plenty of communications, typed on expensive bond paper and handsomely gotten up, reach the Members of the National Legislature. I have received thousands of communications of this character. I have always tried to answer them and to extend the proper courtesy to those who wrote me, regardless of their motives or their status in life. But I have never been deceived as to their background, interests, and motives.

Repeatedly I have emphasized that the Democratic Party, if it is to adhere to the principles of Thomas Jefferson and Andrew Jackson, must stand for a government maintained in the interest of those who produce. Such a government means real democracy. A party consecrated to that philosophy is a party of real democracy. If our party is to sell itself to beneficiaries of privilege, it should discard its name and call itself a party of Hamiltonian federalism, of Bourbon toryism, of Wall Street capitalism, and waste no more time in pretty protestations about its progressive tendencies.

I appeal to believers in fundamental democracy to stand solidly together. Only yesterday the gentleman from Pennsylvania, Congressman GILDEA, issued a clarion call to party members who recognize the priority of the right of man. Never in American history has democracy had so magnificent an opportunity. And never will its defeat be more ignominious if it fails to utilize that opportunity.

PROFITS OF WAR

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, it is my firm conviction that every man has a right to form his own opinion according to the dictates of his own conscience. It is likewise my opinion that having formed that opinion, he is entitled to cast his vote as he sees fit, no matter what others may have to say on the subject.

I am one of those who would be willing to go to any extreme in the form of legislation to eliminate the possibility of profit from war or the production of machinery for war. It is my solemn conviction that this is the only way that it will ever be possible to eliminate warfare. I think that fundamental to the destruction of profit from warfare and the manufacturing of war materials is a law to restrict the individual income of any person during the course of the war to as small an amount as possible. I believe that the profit from the war trade should be restricted to the minimum. I know that it is impossible to accomplish this purpose without making use of the power to tax. Any proposal to accomplish the result by any other means is futile. The bill under consideration does not contain a tax proposal.

I am voting against ordering the previous question because I want to have an opportunity to vote for an amendment to the rule which will make a taxing provision germane so that I may finally vote for a bill that will tax every vestige of profit from the manufacturing of war machines both during peace time and war time.

It is not pleasant to have to vote against the Rules Committee and the Committee on Military Affairs, but my convictions force me to do it. I believe that the people whom I represent will approve of my action.

WORKERS' UNEMPLOYMENT, OLD-AGE, AND SOCIAL INSURANCE BILL—HISTORY AND STATUS OF H. R. 2827

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

The SPEAKER. Is there objection?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, on February 2, 1934, during the Seventy-third Congress, I first introduced the Lundeen unemployment, old-age, and social-insurance bill, then known as H. R. 7598. Hearings were held on the measure by the House Committee on Labor. After H. R. 7598 had been in committee for 30 legislative days, I filed a motion to discharge the committee from further consideration of the measure. This motion received the signatures of about 30 Members of the House.

On January 3, 1935, I reintroduced the bill in the Seventy-fourth Congress. It is now known as H. R. 2827.

PROVISIONS OF LUNDEEN BILL

The Lundeen unemployment, old-age, and social-insurance bill provides in section 1 that the—

> Bill shall be known by the title "The workers' unemployment, old-age, and social-insurance act."

SECTION 2

Section 2 provides that—

The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own. Such compensation shall be equal to average local wages, but shall in no case be less than $10 per week plus $3 for each dependent. Workers willing and able to do full-time work but unable to secure full-time employment shall be entitled to receive the difference between their earnings and the average local wages for full-time employment. The minimum compensation guaranteed by this act shall be increased in conformity with rises in the cost of living. Such unemployment insurance shall be administered and controlled, and the minimum compensation shall be adjusted by workers and farmers under rules and regulations which shall be prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act through unemployment-insurance commissions directly elected by members of workers' and farmers' organizations.

SECTION 3

Section 3 provides that—

The Secretary of Labor is hereby further authorized and directed to provide for the immediate establishment of other forms of social insurance for the purpose of providing compensation for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability. Such compensation shall be the same as provided by section 2 of this act for unemployment insurance and shall be administered in like manner. Compensation for disability because of maternity shall be paid to women during the period of 8 weeks previous and 8 weeks following childbirth.

SECTION 4

Section 4 provides that—

All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby appropriated out of all funds in the Treasury of the United States not otherwise appropriated. Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year and over. The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, office, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religion, or political opinion or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers, or at less than average local or trade-union wages, or under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards of a particular trade or locality, or at an unreasonable distance from home.

HEARINGS HELD

From February 4 to February 15, 1933, inclusive, hearings were held on the Lundeen bill by the House Subcommittee on Labor, with Congressman MATTHEW A. DUNN, of Pennsylvania, as chairman. The subcommittee reported the bill favorably to the House Committee on Labor, and on March 15, 1935, Congressman CONNERY, of Massachusetts, Chairman of the House Committee on Labor, submitted to the House of Representatives the favorable report of the Labor Committee. This committee report (No. 418), submitted by Congressman CONNERY, states that the Committee on Labor, to whom was referred the bill H. R. 2827, introduced by Mr. LUNDEEN, to provide for workers' unemployment, old-age, and social insurance, having had the bill under consideration, report favorably thereon without amendment and recommends that the bill do pass.

The hearings commenced on February 4, 1935, and concluded on February 15, 1935, during which time testimony was heard as follows: 80 witnesses appeared to speak in favor of the bill—7 economists, specialists in the law, social service and relief; women in industry, maternity care, and medical service; 12 representatives of American Federation of Labor local unions, most of whom were delegated by district committees of American Federation of Labor locals representing hundreds of locals; farmers, veterans, unemployed workers, small home and land owners; a representative of the railroad brotherhoods; representatives of professional workers, including writers, teachers, physicians, architects, engineers, chemists, and technicians, dentists, and many others. All of the above-mentioned witnesses testified as to the wide-spread necessity for genuine unemployment and social insurance and testified in favor of this bill, H. R. 2827.

FEATURES OF THE BILL

The bill provides for the immediate establishment of a system of social insurance to compensate all workers and farmers, 18 years of age and over, in all industries, occupations, and professions, who are unemployed through no fault of their own, and for the entire period of this involuntary unemployment. To prevent the lowering of minimum standards of living, insurance benefits are to be equal to full average wages in the locality; and in no case less than $10 a week, plus $3 for each dependent. Those employed part time who are unable to find full-time employment are to be paid the difference between their earnings and the prescribed insurance benefit. As a further safeguard of the minimum standards of living, stability of the purchasing power of the insurance payments is to be maintained by requiring the minimum compensation for unemployment to be increased with increases in the cost of living. Administration of the insurance and adjustment of the minimum compensation shall be controlled by unemployment insurance commissions directly elected by workers' and farmers' organizations under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of the act.

Similar social insurance shall be established by the Secretary of Labor for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability.

Moneys necessary to pay the compensation and to administer the act shall be paid by the Government of the United States out of funds in the Treasury not otherwise appropriated, increased if necessary by levying additional taxation on inheritances, gifts, and individual, and corporation incomes of $5,000 a year and over.

DIFFERENCES FROM OTHER PROPOSALS

This bill differs from other proposals in that (1) it covers all the unemployed for the entire period of their unemployment, whereas other systems limit the occupations covered and the duration of benefits so that numbers of the unemployed who are outside its scope or who have exhausted benefit payments are left dependent upon private charity or public relief; (2) it derives its funds from current taxation instead of from reserves built up through taxation on pay rolls, which inevitably raises prices to the consumers, taxes, wages, and salaries, directly or indirectly, and by the "reserve" features complicates the debt-credit structure of the monetary system, thus tending to prolong depression and to create further maladjustment between funds available for investment and money available for consumers' purchasing power; (3) it provides democratic administration by workers' representatives.

WHY SOCIAL INSURANCE IS NEEDED

Testimony summarizing the need for this new form of social insurance was as follows:

(1) The continuation of extensive mass unemployment demands comprehensive action to provide insurance for all workers, in lieu of income from earnings now cut off through long-continued depression. Estimates of present unemployment placed before the committee ranged from 14,000,000 to 17,000,000. Indices of employment and earnings were cited showing that both are still considerably below the level of 1923–33 or 1925–27, but that total earnings are disproportionately low as compared even with the continued low level of employment, thus indicating a lowering of the purchasing power of the masses. At the same time, output per man per hour has considerably and disproportionately increased, thus indicating the probability of increase in permanent technological unemployment.

(2) The great and vital need of the unemployed for means with which to buy the necessities of life for themselves and their families is not and cannot be met by the uncertain and inadequate provision for relief. It is pointed out that the new proposed work-relief program will at best, if enacted, provide relief for approximately one-third of the jobless in the United States who are seeking employment. Yet there are at least 20,000,000 persons in this country whose sole or chief source of subsistence is obtained through the program of the Federal Emergency Relief Administration. For these only an assured and immediate social-insurance program can prevent appalling destitution which will permanently undermine standards of living.

(3) Mass unemployment, though unusually long continued and wide-spread in the present depression is not an unusual emergency, but has recurred at frequent intervals in this country. Between 1793 and 1925 the number of depressions was 32 with an average period of 4 years from panic to panic. For every year of depression there was only one and a half years of prosperity. The time has come for definite recognition of the obligation of government and the economic system to insure continuity of income.

(4) This is a practical proposal. Technicians and scientists agree that the productive capacity of the United States is equal to a far greater measure of security and to far higher standards of living than have yet been established; and science and invention promise to expand this productivity to a higher level if the productive system can be freed from the recurrent burden of industrial depression.

(5) This, however, cannot be achieved merely by rearranging workers' earnings by taxing pay rolls for reserves for future unemployment. The first step is compensation for insecurity by taxing higher incomes, not pay rolls.

(6) As a continuing problem, mass unemployment requires congressional action because of the mandate laid upon Congress by the Constitution to provide for the general welfare. The general welfare is undermined at all points by mass unemployment.

ESTIMATES OF COST OF THE BILL

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no

current basis for ascertaining accurately the number of the unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower-income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have calculated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and, therefore, in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be $8,235,000,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, $6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to $3,375,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to $4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be $5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1935, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income	$52,700	$48,400	$40,700	$31,500	$29,300
Loss from 1929		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to $60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, this report has already pointed out the inadequacy of present relief measures, and it must therefore be realized that the cost of truly adequate relief would be the cost of this bill.

SOURCES OF FUNDS

It has been pointed out that an important difference between H. R. 2827 and other proposals is in the source of funds. Other proposals, including H. R. 4120 (the Wagner-Lewis-Doughton bill) depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935 (by Elgin Groseclose, professor of economics, University of Oklahoma), under the title "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

"The Wagner bill as introduced in Congress sets up in the Federal Treasury an 'unemployment trust fund' in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is not required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States."

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

"(1) Financial reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power cannot be stored up en masse under our money system, which is a system of debt rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions."

Testimony before the Committee on Labor on H. R. 2827 brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. Thus it tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of consumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover, these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER (in radio addresses on Mar. 7) have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of $10,000,000,000; yet the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost $60,000,000,000 of wages and salaries. Thus, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

(1) Income taxes of individuals: If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of $5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis $1,128,000,000 as against the actual receipts of $324,000,000.

(2) Corporation income tax: Compared with other countries also our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of $2,600,000,000 instead of $1,200,000,000.

(3) Inheritance or estates: Here again the United States is very lenient. In 1928 on a total declared gross estate of 3½ billion dollars, the total collected by Federal and State taxes was only $42,000,000, or a little over 1 percent. If an average of 25 percent were taken this would have been raised in 1928 to $888,000,000.

(4) Tax-exempt securities: Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

(5) Tax on corporate surplus: In 1928, the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital amounted to $47,000,000,000, and even in 1932 it was over 36 billions. Made possible as it is by the cooperation of labor and capital, thus surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percent of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." Thus it is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

THIS BILL IS UNQUESTIONABLY CONSTITUTIONAL

This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is thus simply an exercise of the appropriating power, the power of Congress to spend money. The bill does, indeed, do more than provide for appropriations; it provides for the setting up of the administrative machinery. But the appropriating power of Congress necessarily carries with it the incidental power to provide administrative machinery for disbursing the moneys appropriated and for insuring their proper application to the purposes sought to be achieved by Congress.

One of the enumerated powers set forth in the Constitution is the power of Congress to "lay and collect taxes, pay debts, and provide for the common defense and the general welfare of the United States." To limit this power to spend moneys for the "general welfare", the power to spend money for the execution of other enumerated powers, is to rob the "general welfare" clause of its meaning, and thus to violate an elementary principle of constitutional construction. Such distinguished constitutional authorities as Washington, Madison, Monroe, Hamilton, Calhoun, and Justice Storey have repudiated the conception of an appropriating power limited by the other powers. Our highest authority, the United States Supreme Court, has, in the famous Sugar Bounty Case, definitely upheld appropriations by the Government in payment of purely moral obligations, entirely beyond the scope of the other specifically enumerated powers. Congress itself has uniformly and consistently exercised its appropriating power for any purpose which it deems for the general welfare and irrespective of whether the purpose came within the specifically enumerated powers or not. Surely it could not be said that a bill which will provide a system of unemployment and social insurance for millions of unemployed, sick, disabled, and aged, is less for the "general welfare" than other bills such as the one above. If Congress passes the bill, it will thereby declare that, in its judgment, the bill is for the "general welfare" and no court has the power to substitute its judgment on this question for that of Congress.

While the bill does indeed invest the Secretary of Labor with large discretion this does not render the bill unconstitutional. The United States Supreme Court has again and again sustained

delegations of power to the President, Cabinet, officers, and commissions. Thus, the Tariff Act of 1922 was held constitutional, although it vested the President with the power to raise or lower the tariff upon any important article whenever it found that American products were at a competitive disadvantage with those imported from abroad. Again an act of Congress which gave the Secretary of the Treasury, on the recommendation of experts, the power to fix an established standard of purity, quality, and fitness for consumption of certain commodities imported into the United States, was held constitutional.

In H. R. 2827 the discretion vested in the Secretary of Labor is narrow, for the beneficiaries who are to receive the compensation are named, the minimum compensation is prescribed, the maximum compensation is ascertainable, and the nature of the compensation is fixed. Certainly the discretion here vested in the Secretary of Labor is far less wide than that vested in the Secretary of Agriculture by the Agricultural Adjustment Act of 1933, wherein the Secretary of Agriculture was granted the power "to provide for rental or benefit payments in connection with crop reduction in such amounts as the Secretary deems fair and reasonable."

No specific amount is appropriated by this bill but this does not render the bill unconstitutional, for general indefinite appropriations are common. The first of such general indefinite appropriations was passed when Congress directed that all expenses accruing and necessary for the maintenance of lighthouses should be paid out of the Treasury of the United States. Since then hundreds of statutes containing similar indefinite appropriations have been passed.

This bill deprives no one of his property without the "due process of law" guaranteed by the Constitution. Unlike all other unemployment and social-insurance plans, this bill does not involve the setting up of "reserves" created by enforced contributions by employers or employees. The only way that any person could regard himself as in any wise deprived of property for the purpose of financing this bill would be by regarding this bill as a taxing measure. The bill provides that "further taxation necessary to provide funds for the purposes of this act, shall be levied on inheritances, gifts, and individual and corporation incomes of $5,000 a year or over." But even if it can be argued that this is a taxing measure, the bill is a proper exercise of the taxing power of Congress since Congress has the power under the Constitution to lay taxes for the "general welfare" subject to two limitations only. In the case of duties, imports, and excises "this must be uniform." In the case of direct taxes, they must be apportioned according to the census. Neither limitation, however, applies to incomes, gifts, or inheritances since the sixteenth amendment. Once Congress has levied such a tax, the tax cannot be assailed by a taxpayer since the courts will not review the exercise of the congressional discretion involved. The decision of Congress is thus final.

This bill in no way involves a question of usurpation of the rights of the States. While the power of Congress to regulate commerce and industry is limited to the "interstate-commerce power" and any regulation by the Federal Government of intrastate business and of matters "not commerce" is unconstitutional, this argument is wholly inapplicable to the present bill. This bill is not an exercise of the interstate-commerce power; it is an exercise of the appropriating power. This bill does not involve any regulation of intrastate commerce of matters "not commerce." It does not involve the setting up of "reserves." It does not set up such business relationships as might possibly be involved in the creation of special accounts with employers or employees based on their contributions to a reserve fund. The Supreme Court has explicitly declared that no State will be heard to complain that the Federal Government is invading State's rights when it simply exercises its appropriating power.

The Congress which passed the Agricultural Adjustment Act of 1933 declared that the loss of the purchasing power of the farmers endangered the entire economic structure of the Nation. The mechanism set up by that act was conceived as a device to restore purchasing power. Similarly this bill is an effort to restore purchasing power, and may be therefore conceived to remove obstacles to the free flow of interstate commerce, by creating purchasing power for the masses who must spend the money for these necessities of life and who, in spending the money for these necessities, will thereby remove obstructions to the free flow of interstate commerce.

Since this bill is merely an exercise of the appropriating power, it rests upon the same constitutional basis as do the Reconstruction Finance Corporation Act and Home Owners' Loan Corporation Act, which involve merely an exercise of the power of Congress to spend Federal moneys. The Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and, indeed, the bulk of the national emergency legislation which has been enacted during the Hoover and Roosevelt administrations involve recognition of the national character of our problems. Furthermore, they indicate an appreciation of the inadequacy and the cumbersomeness of the Federal subsidy system. These acts all provide for direct aid to persons, firms, and corporations in the States. The Reconstruction Finance Corporation Act supplies Federal moneys directly to banks throughout the country. Unemployment and social-insurance problems are even more clearly Federal problems. They require a similar national solution.

The Congress which passed the Reconstruction Finance Corporation Act, the Home Owner's Loan Corporation Act, and the bulk of the national emergency legislation clearly conceived that it was for the "general welfare" that individuals, corporations, and banks should be given money out of the Treasury of the United States. When Congress passes this bill, it will have realized that it is for the "general welfare" that all human beings in the United States who, through no fault of their own, are unable to earn the necessities of life, should receive money representing their contribution to production so that they may purchase the necessities of life and, in so doing, maintain not only their lives but the economic life of the United States.

In view of the foregoing considerations, this bill is clearly constitutional.

SUMMARY

The committee recommends the passage of this bill as necessary to prevent and relieve wide-spread destitution; as practical in view of the great productive capacity of the Nation and its surpluses available for taxation; as sound in its probable effects upon purchasing power and the monetary system; and as constitutional under the obligation of Congress to legislate for the general welfare.

CONNERY ASKS FOR RULE ON LUNDEEN BILL

On March 18, 1935, Congressman WILLIAM P. CONNERY, Chairman of the House Committee on Labor, filed House Resolution 166, which was referred to the Committee on Rules. House Resolution 166 provides that upon 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. 2827, a bill to provide for the establishment of unemployment, old-age, and social insurance, 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 shall continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

MOTION NOW ON SPEAKER'S DESK FOR SIGNATURE

On March 28, 1935, immediately upon expiration of the necessary 7 legislative days, I filed a motion to discharge the Rules Committee from House Resolution 166 and in this way bring the Lundeen unemployment, old-age, and social-insurance bill before the House.

Many able and distinguished Members of Congress have already signed my motion on House Resolution 166. I call attention to this motion, which now lies on the Speaker's desk, and urge Members of the House who favor an adequate social-security program to sign the motion to discharge the Rules Committee from further consideration of House Resolution 166.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. IMHOFF, for 3 days, on account of illness in his family.

SENATE BILLS REFERRED

Bills and resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and material men for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.; to the Committee on Public Buildings and Grounds.

S. 93. An act to authorize certain officers of the Navy and Marine Corps to administer oaths; to the Committee on Naval Affairs.

S. 95. An act to provide for the carrying at reduced rates of officers and enlisted men of the military and naval forces while on leave of absence or furlough at their own expense; to the Committee on Interstate and Foreign Commerce.

S. 170. An act for the relief of Alva A. Murphy; to the Committee on Claims.

S. 208. An act for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn.; to the Committee on Claims.

S. 276. An act for the relief of Harry Layman; to the Committee on Claims.

S. 380. An act to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah; to the Committee on Indian Affairs.

S. 395. An act relative to the qualifications of practitioners of law in the District of Columbia; to the Committee on the District of Columbia.

S. 438. An act for the relief of Roy Chandler; to the Committee on Military Affairs.

S. 538. An act for the relief of H. Kaminski & Co., Kaminski Hardware Co., and the Carolina Hardware Co.; to the Committee on Claims.

S. 560. An act for the relief of the Western Electric Co., Inc.; to the Committee on Claims.

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands; to the Committee on Indian Affairs.

S. 659. An act for the relief of Walter J. Bryson Paving Co.; to the Committee on Claims.

S. 780. An act for the relief of the Standard Dredging Co.; to the Committee on Claims.

S. 794. An act for the relief of the Bowers Southern Dredging Co.; to Committee on War Claims.

S. 814. An act for the relief of John Mulhern; to the Committee on Claims.

S. 865. An act authorizing a preliminary examination of the Willamette River and its tributaries in the State of Oregon, with a view to controlling floods; to the Committee on Flood Control.

S. 881. An act for the relief of Leo James McCoy; to the Committee on Naval Affairs.

S. 883. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years; to the Committee on Naval Affairs.

S. 884. An act for the relief of Lt. Comdr. G. C. Manning; to the Committee on Claims.

S. 908. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.; to the Committee on Claims.

S. 933. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture; to the Committee on Agriculture.

S. 951. An act for the relief of Mrs. Guy A. McConoha; to the Committee on Claims.

S. 952. An act for the relief of Zelma Halverson; to the Committee on Claims.

S. 983. An act for the relief of Grady D. Coleman; to the Committee on Military Affairs.

S. 1024. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.; to the Committee on Claims.

S. 1041. An act for the relief of Choen, Goldman & Co., Inc.; to the Committee on Claims.

S. 1051. An act for the relief of the Western Union Telegraph Co.; to the Committee on Claims.

S. 1065. An act to further extend the period of time during which final proof may be offered by homestead and desert-land entrymen; to the Committee on the Public Lands.

S. 1073. An act for the relief of Louis Finger; to the Committee on Claims.

S. 1077. An act to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries; to the Committee on Irrigation and Reclamation.

S. 1099. An act for the relief of Ethel G. Remington; to the Committee on Claims.

S. 1210. An act authorizing certain officials under the Naval Establishment to administer oaths; to the Committee on Naval Affairs.

S. 1290. An act for the relief of Walter Motor Truck Co., Inc.; to the Committee on Claims.

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.; to the Committee on the Public Lands.

S. 1410. An act for the relief of Thomas G. Carlin; to the Committee on Military Affairs.

S. 1431. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; to the Committee on Claims.

S. 1494. An act to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555); to the Committee on Indian Affairs.

S. 1498. An act for the relief of Robert D. Baldwin; to the Committee on Claims.

S. 1499. An act for the relief of Robert J. Enochs; to the Committee on Claims.

S. 1513. An act to add certain lands to the Siskiyou National Forest, in the State of Oregon; to the Committee on the Public Lands.

S. 1566. An act for the relief of Carl C. Christensen; to the Committee on Claims.

S. 1571. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River; to the Committee on Irrigation and Reclamation.

S. 1606. An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges issued by the Navy Department; to the Committee on Naval Affairs.

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; to the Committee on the Public Lands.

S. 1713. An act to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes; to the Committee on Military Affairs.

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina; to the Committee on Agriculture.

S. 1821. An act for the relief of Frank White and others; to the Committee on Claims.

S. 1855. 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; to the Committee on Interstate and Foreign Commerce.

S. 1864. An act for the relief of the State of Nebraska; to the Committee on the Judiciary.

S. 1872. An act for the relief of Guy Clatterbuck; to the Committee on Claims.

S. 1885. An act to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws; to the Committee on Indian Affairs.

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended; to the Committee on Interstate and Foreign Commerce.

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.; to the Committee on Interstate and Foreign Commerce.

S. 2205. An act for the relief of Thomas F. Cooney; to the Committee on Claims.

S. 2218. An act for the relief of Elsie Segar; to the Committee on Claims.

S. 2333. An act for the relief of John W. Dady; to the Committee on Claims.

S. Con. Res. 3. Concurrent resolution favoring the designation and appropriate observance of American Conservation Week; to the Committee on the Judiciary.

S. Con. Res. 13. Concurrent resolution to recognize April 6, 1935, as Army Day; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 255. An act for the relief of Margaret L. Carleton.

S. 274. An act for the relief of Charles C. Floyd.

S. 906. An act for the relief of Chellis T. Mooers.

S. 1391. An act for the relief of William Lyons.

S. 1520. An act for the relief of Charles E. Dagenett.

S. 1621. An act for the relief of Mrs. Charles L. Reed.

S. 1694. An act for the relief of C. B. Dickinson.

S. J. Res. 21. Joint resolution authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Thursday, April 4, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Thursday, Apr. 4, 10:30 a. m.)

Subcommittee will hold hearings on bill (H. R. 5370) pertaining to obscene matter in the mails, and on bill (H. R. 5728) relative to straw ballots.

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Apr. 4, 10:30 a. m.)

Committee will hold hearings to consider various bills pertaining to historic sites, etc.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

288. A letter from the Secretary of State, transmitting receipt of a despatch from the Honorable Laurence A. Steinhardt, American Minister to Sweden, reporting that this year marks the five hundredth anniversary of the Swedish Riksdag and that a celebration to mark this event will be held from May 27 to May 30, 1935; to the Committee on Foreign Affairs.

289. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend paragraph (a) of section 602½ of the Revenue Act of 1934, relating to the processing tax on certain oils imported from the Philippine Islands or other possession of the United States, so as to provide uniform treatment for Guam, American Samoa, and the Philippine Islands; to the Committee on Ways and Means.

290. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, fiscal year 1936, under the Library of Congress in the sum of $3,660, and under the Government Printing Office, increasing the estimate contained in the Budget for the fiscal year 1936 for the working capital of the Government Printing Office from $2,700,000 to $4,200,000 (H. Doc. No. 147); to the Committee on Appropriations and ordered to be printed.

291. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the fiscal years 1933 and 1935 for the Department of the Interior in the amount of $853,589.52 (H. Doc. No. 148); to the Committee on Appropriations and ordered to be printed.

292. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Lighthouse Service, Department of Commerce, for the fiscal year 1935 (H. Doc. No. 149); to the Committee on Appropriations and ordered to be printed.

293. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of $1,200 (H. Doc. No. 150); to the Committee on Appropriations and ordered to be printed.

294. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1935, in the sum of $2,500 (H. Doc. No. 151); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. YOUNG: Committee on Naval Affairs. H. R. 6629. A bill to amend section 12 of the act approved May 18, 1920 (41 Stat. 604; U. S. C., title 34, sec. 896), as amended; with amendment (Rept. No. 578). Referred to the Committee of the Whole House on the state of the Union.

Mr. ASHBROOK: Committee on the Post Office and Post Roads. H. R. 5049. A bill providing punishment for forging or counterfeiting any postmarking stamp; with amendment (Rept. No. 580). Referred to the House Calendar.

Mr. ASHBROOK: Committee on the Post Office and Post Roads. H. R. 5162. A bill providing for punishment for attempts to obtain mail by fraud or by deception; with amendment (Rept. No. 581). Referred to the House Calendar.

Mr. ASHBROOK: Committee on the Post Office and Post Roads: H. R. 5360. A bill providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property; with amendment (Rept. No. 582). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Claims. S. 1809. An act for the relief of Germaine M. Finley; without amendment (Rept. No. 579). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 4259. A bill for the relief of George R. Slate; without amendment (Rept. No. 583). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 431) granting a pension to William A. Symington, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. COCHRAN: A bill (H. R. 7220) to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

By Mr. DICKSTEIN: A bill (H. R. 7221) to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, to authorize the deportation of certain aliens admitted for permanent residence, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. ENGEL: A bill (H. R. 7222) to amend the act of February 10, 1920, as amended, relating to the loaning of Army rifles to organizations of former soldiers, sailors, or marines; to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 7223) to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Com-

munists, to relieve meritorious cases of deportation hardships, to further restrict immigration into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: A bill (H. R. 7224) to conserve the water resources and to encourage reforestation of the watersheds of Fresno County by the withdrawal of certain public lands included within the Sequoia National Forest from location and entry under the mining laws; to the Committee on the Public Lands.

By Mr. GEHRMANN: A bill (H. R. 7225) authorizing a revolving reimbursable fund for the Lac du Flambeau Band of Chippewa Indians in Wisconsin; to the Committee on Indian Affairs.

By Mr. HARLAN: A bill (H. R. 7226) to provide a tax on the transfers of estates of decedents; to the Committee on the District of Columbia.

By Mr. HOEPPEL: A bill (H. R. 7227) to protect American industry, labor, and agriculture by providing immediate changes in tariff rates on importations in accordance with the exchange quotation of the currency of the country of export; to the Committee on Ways and Means.

By Mr. McLAUGHLIN: A bill (H. R. 7228) to establish the Lewis and Clark National Park and the Lewis and Clark Game and Bird Sanctuary; to the Committee on the Public Lands.

By Mr. SCRUGHAM: A bill (H. R. 7229) authorizing the Western Bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; to the Committee on Indian Affairs.

By Mr. STACK: A bill (H. R. 7230) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. TURPIN: A bill (H. R. 7231) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. WEST: A bill (H. R. 7232) to authorize the erection of a Veterans' Administration hospital in the State of Texas; to the Committee on World War Veterans' Legislation.

By Mr. ZIMMERMAN: A bill (H. R. 7233) granting the consent of Congress to the Missouri State Highway Commission to construct, maintain, and operate a free highway bridge across Black River on United States Highway No. 60 in the town of Poplar Bluff, Butler County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. CHRISTIANSON (by request): A bill (H. R. 7234) to authorize the erection of an addition to the existing Veterans' Administration facility, Minneapolis, Minn.; to the Committee on World War Veterans' Legislation.

By Mr. THOMASON: A bill (H. R. 7235) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. UNDERWOOD: A bill (H. R. 7236) to authorize the erection of additional facilities to the existing Veterans' Administration facility at Chillicothe, Ohio; to the Committee on World War Veterans' Administration.

By Mr. HEALEY: Resolution (H. Res. 191) to create a congressional committee to study the present condition of the textile industry and the cotton industry in the United States; to the Committee on Rules.

By Mr. REILLY: Resolution (H. Res. 192) for the investigation of businesses engaged in the manufacture and distribution of farm implements; to the Committee on Rules.

By Mr. SCHULTE: Joint resolution (H. J. Res. 236) to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SUMNERS of Texas: Joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the "Oliver Wendell Holmes Memorial Fund"; to the Committee on the Library.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, regarding the possibilities for development of the Missouri River in North and South Dakota; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BLOOM: A bill (H. R. 7237) for the relief of the State of New York Insurance Department as liquidator; to the Committee on Claims.

By Mr. BRUNNER: A bill (H. R. 7238) for the relief of Abraham Cohen; to the Committee on Claims.

By Mr. CANNON of Missouri: A bill (H. R. 7239) for the relief of Harry Warren Halterman; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H. R. 7240) for the relief of Richard Burrill; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 7241) for the relief of Earl J. Thomas; to the Committee on Merchant Marine and Fisheries.

By Mr. ELLENBOGEN: A bill (H. R. 7242) for the relief of Alfred J. Buka; to the Committee on Military Affairs.

Also, a bill (H. R. 7243) to correct the military record of Joseph A. Roland; to the Committee on Military Affairs.

By Mr. GASSAWAY: A bill (H. R. 7244) for the relief of John E. T. Clark; to the Committee on Claims.

By Mr. GAVAGAN: A bill (H. R. 7245) for the relief of the city of New York; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 7246) for the relief of Edward M. Steffenson; to the Committee on Claims.

Also, a bill (H. R. 7247) for the relief of Roy O. Steffenson; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 7248) granting a pension to Sarah E. Goine; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 7249) for the relief of K. E. Parker Co.; to the Committee on Claims.

By Mr. KRAMER: A bill (H. R. 7250) granting a pension to Laura C. Gipple; to the Committee on Pensions.

By Mr. LUNDEEN: A bill (H. R. 7251) for the relief of F. C. Gangloff; to the Committee on Military Affairs.

By Mr. McKEOUGH: A bill (H. R. 7252) to extend the benefits of the United States Employees' Compensation Act to Frederick L. Lothrop; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H. R. 7253) for the relief of James Murphy Morgan; to the Committee on Claims.

By Mr. MILLARD: A bill (H. R. 7254) for the relief of Lily M. Miller; to the Committee on Foreign Affairs.

By Mr. MURDOCK: A bill (H. R. 7255) for the relief of Frederic R. Leland; to the Committee on Military Affairs.

By Mr. PEARSON: A bill (H. R. 7256) granting compensation to Perry H. Callahan and Malcolm W. Callahan for damages to building; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 7257) to correct the military record of William T. Leshin; to the Committee on Military Affairs.

Also, a bill (H. R. 7258) for the relief of Francis J. Duffy; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN: A bill (H. R. 7259) granting a pension to Sophia Springer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

6213. By Mr. ROGERS of Oklahoma: Petition headed by J. H. McEwen, of Coosa County, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6214. Also, petition headed by N. E. McClearen, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6215. Also, petition headed by Henry Smith, of Trenton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6216. Also, petition headed by S. Oenbry, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6217. Also, petition headed by A. J. Norwood, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6218. Also, petition headed by Dock Alexander, of Greenfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6219. Also, petition headed by A. J. Tucker, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6220. Also, petition headed by W. H. Griswell, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6221. Also, petition headed by W. E. McClothin, of Ripley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6222. Also, petition headed by W. S. Darnell, of Phillippy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6223. Also, petition headed by G. T. Braggs, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6224. Also, petition headed by J. W. Dunaway, of Fayetteville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6225. Also, petition headed by J. W. Osborne, of Gantts Quarry, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6226. Also, petition headed by D. Hilyer, of Bon Air, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6227. Also, petition headed by S. Hughley, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6228. Also, petition headed by W. M. Brooks, of De Armanville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6229. Also, petition headed by M. C. Hawkins, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6230. Also, petition headed by M. K. Higgins, of Simpsonville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6231. Also, petition headed by H. G. Fennell, of Travelers Rest, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6232. Also, petition headed by J. W. Fisher, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6233. Also, petition headed by C. L. Morgan, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6234. Also, petition headed by E. McElrath, of Greer, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6235. Also, petition headed by S. Turner, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6236. Also, petition headed by F. K. Hill, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6237. Also, petition headed by K. M. C. Aldrich, of Wellford, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6238. Also, petition headed by Mr. Shutt, of Rock, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6239. Also, petition headed by M. Williams, of Dallas, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6240. Also, petition headed by J. L. Cooper, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6241. Also, petition headed by R. B. Wright, of Cullman, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pople plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6242. Also, petition headed by C. F. Badgett, of Choccolocco, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6243. Also, petition headed by Albert Burnett, of Anniston, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6244. Also, petition headed by A. White, of Choccolocco, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6245. Also, petition headed by S. J. Goodgame, of Cropwell, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6246. Also, petition headed by Sam McMillian, of Berlin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6247. Also, petition headed by R. L. Cooper, of Lincoln, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6248. Also, petition headed by W. M. Canada, of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6249. Also, petition headed by W. J. Tipton, of Pell City, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6250. Also, petition headed by K. Banks, of Atoka, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6251. Also, petition headed by W. B. Roberts, of Como, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6252. Also, petition headed by C. N. Emmons, of Cottagegrove, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6253. Also, petition headed by J. Long, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6254. Also, petition headed by L. M. Powell, of Miston, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6255. Also, petition headed by B. E. Seabey, of Newbern, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6256. Also, petition headed by W. Burns, of Mengelwood, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6257. Also, petition headed by E. Jones, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6258. Also, petition headed by Mr. Moore, of Spartanburg, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6259. Also, petition headed by S. Davis, of Greenville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6260. Also, petition headed by W. C. Billings, of Buffalo, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6261. Also, petition headed by M. Hall, of Union, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6262. Also, petition headed by J. B. Nelson, of Cabot, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6263. Also, petition headed by H. C. Gore, of Irondale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6264. Also, petition headed by J. Ferrel, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6265. Also, petition headed by C. C. Phipps, of Rosetta, Miss., favoring House bill 2856, by Congress WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6266. Also, petition headed by J. H. Williams, of Ensley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6267. Also, petition headed by W. L. Garrett, of Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6268. Also, petition headed by P. Banister, of Tarry, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

6269. By Mr. BACHARACH: Resolution of Atlantic City Council, No. 405, Atlantic City, N. J., urging the enactment of legislation for the issuance of a commemorative postage stamp in honor of one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary forces; to the Committee on the Post Office and Post Roads.

6270. By Mr. BRUNNER: Concurrent resolution by New York State Senator Frank B. Hendel, urging that Congress be respectfully memorialized to enact legislation establishing a sea-food distributing and market bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry, and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6271. By Mr. BOYLAN: Resolution unanimously adopted at a meeting of the representatives of 30 set-up paper-box manufacturers at Troy, N. Y., favoring the continuance of the National Recovery Administration, etc.; to the Committee on Appropriations.

6272. By Mr. CRAWFORD: Petition of William H. Huber and a number of other residents of Saginaw, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6273. Also, petition of Lloyd Janes and a number of other residents of Clinton County, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6274. Also, petition of a number of residents of Saginaw County, Mich., urging the enactment into a law of the Frazier-Lemke bill; to the Committee on Agriculture.

6275. Also, petition of J. A. Robinson and a number of residents of Shaftsburg and Owosso, Mich., urging the passage of the McGroarty bill; to the Committee on Labor.

6276. By Mr. GAVAGAN: Memorial of the Legislature of the State of New York to Congress, concerning establishment of a sea-food distributing and marketing bureau for purpose of protecting and encouraging the fisheries of the Atlantic coast, etc.; to the Committee on Merchant Marine and Fisheries.

6277. Also, memorial of the Legislature of the State of New York, relating to General Pulaski's Memorial Day; to the Committee on the Judiciary.

6278. By Mr. GOLDSBOROUGH: Resolution of the City Wide Democratic Woman's Club of Baltimore, favoring the equal rights amendment; to the Committee on the Judiciary.

6279. Also, resolution of the City-Wide Democratic Woman's Club of Baltimore, opposing section 213 of the Economy Act and urging its repeal; to the Committee on Appropriations.

6280. By Mr. HANCOCK of New York: Petitions of Rev. Walter V. Watson, members of the Billy Sunday Club, and First Ward Presbyterian Church, of Syracuse, N. Y., urging legislation to curb the activities of individuals and organizations which advocate the overthrow by force and violence the United States Government; to the Committee on the Judiciary.

6281. By Mr. HOUSTON: Memorial of the Southern Kansas Mills, Wichita, Kans., opposing any change in the present fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

6282. By Mr. HULL: Resolution by the Common Council of the City of River Falls, Wis., urging the enactment of the Townsend old-age pension plan; to the Committee on Ways and Means.

6283. By Mr. KVALE: Petition of the Minnesota division of the Farmers' Educational and Cooperative Union of America, urging enactment of House bills 2066 and 4298; to the Committee on Agriculture.

6284. Also, petition of the Farmers Union, Local No. 244, Fountain Prairie, Pipestone County, Minn., urging passage

of House bills 2066 and 4298; to the Committee on Agriculture.

6285. Also, resolution of the county board, Lincoln County, Minn., urging legislation permitting the farmer to refinance on a basis that will enable him to retain his farm home; to the Committee on Agriculture.

6286. By Mr. LUNDEEN: Petition of the National Grange Lodge, No. 671, Wyanett, Ill., urging Government ownership, control, and operation of banks; to the Committee on Banking and Currency.

6287. Also, petition of Minnesota State Legislature, urging Congress to authorize the States to tax sales and gross income and/or gross receipts arising from transactions in interstate commerce; to the Committee on the Judiciary.

6288. Also, petition of the Minnesota State Federation of Labor, urging that steps be taken to discontinue the importation, duty free, of newsprint paper; to the Committee on Ways and Means.

6289. Also, petition of the Joint Legislative Committee of District Granges, Braham, Minn., urging that the import duty on butter imported into this country be increased to 20 cents per pound; to the Committee on Ways and Means.

6290. Also, petition of Canisteo Chapter, Izaak Walton League of America, Coleraine, Minn., urging that the administration of the Alaska game law not be transferred to the Territorial legislature, and that House bill 163 not be passed by the Congress of the United States; to the Committee on the Territories.

6291. Also, petition of the Minneapolis board of education, asking that education be placed on a parity with roads and road building, and that the Board of Education of Minneapolis be granted Federal appropriations on a 100-percent grant basis to finance the construction of certain schools and additions to schools; to the Committee on Appropriations.

6292. Also, petition of the Minnesota Congress of Parents and Teachers, Inc., of Minneapolis, Minn., urging regulation of trade practices of the motion-picture industry as provided in House bill 2999; to the Committee on Interstate and Foreign Commerce.

6293. By Mr. McCORMACK: Resolution of Gov. James M. Curley, the executive council, representatives of the fisheries and allied interests, and citizens of the Commonwealth of Massachusetts, urging the adoption of tariff schedules and other limitations as will exclude fish products of other countries where health, wage, and other standards are disregarded thereby rendering it impossible for Americans to compete; to the Committee on Ways and Means.

6294. By Mr. MAPES: Petition of the residents of Ottawa County, Mich., transmitted by Carl Hutchins, recording secretary, Polkton Local No. 225, F. E. and C. U. of A., Coopersville, Mich., recommending the passage of the Frazier-Lemke refinance bill; to the Committee on Agriculture.

6295. By Mr. MERRITT of New York: Petition of Ray Swanson and approximately 125 additional residents of the Bronx and New York City, urging Congress to defeat House bill 5585, as conferring unlimited powers upon the Secretary of Agriculture in the matter of continuous price fixing; to the Committee on Agriculture.

6296. Also, petition of T. W. Appleton, of 88 Oak Street, Floral Park, N. Y., and 18 other residents of that vicinity, protesting against the passage of the Rayburn-Wheeler public-utility bills; to the Committee on Interstate and Foreign Commerce.

6297. By Mr. MILLARD: Petition of the retail monument industry of New York City and metropolitan area, opposing the continuance of the National Recovery Administration; to the Committee on Appropriations.

6298. By Mr. PFEIFER: Petition of the Malt-Diastase Co., Brooklyn, N. Y., concerning the Wagner labor disputes bill; to the Committee on Labor.

6299. Also, petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Wheeler-Rayburn bills; to the Committee on Interstate and Foreign Commerce.

6300. Also, petition of the Association of Employees, longlines department, American Telephone & Telegraph Co., Branch No. 1, New York, concerning the National Labor Relations Act; to the Committee on Labor.

6301. Also, petition of the Rockwood & Co., Brooklyn, N. Y., concerning the Wheeler-Rayburn bills; to the Committee on Interstate and Foreign Commerce.

6302. Also, petition of the Warner Publications, Inc., New York City, concerning the Wagner labor bill (S. 1958); to the Committee on Labor.

6303. Also, petition of Harold W. Rambusch, of New York City, urging continuation of the Code for Stained and Leaded Glass Industry; to the Committee on Appropriations.

6304. Also, petition of the Topics Publishing Co., New York City, concerning the Wagner bill; to the Committee on Labor.

6305. Also, petition of the National Handbag & Accessories Salesmen's Association, New York, favoring the request of the President to continue the National Recovery Act; to the Committee on Appropriations.

6306. Also, Concurrent Resolution No. 100, of the Senate of the State of New York, urging enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6307. Also, Concurrent Resolution No. 103, of the Senate of the State of New York, urging the proclamation of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6308. By Mr. RUDD: Petition of the Senate, Legislature of the State of New York, concerning the enactment of legislation establishing a sea-food distributing and marketing bureau for the purpose of protecting and encouraging the fisheries of the Atlantic coast, subsidizing the sea-food industry and promoting the sale and consumption of sea food; to the Committee on Merchant Marine and Fisheries.

6309. Also, petition of the senate, Legislature of the State of New York, favoring the resolution providing for the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

6310. Also, petition of the Malt-Diastase Co., Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

6311. Also, petition of the Mutual Paper Box Manufacturers' Association of Central and Eastern New York, concerning the continuation of the National Recovery Administration; to the Committee on Appropriations.

6312. Also, petition of the National Handbag & Accessories Salesmen's Association, New York City, concerning the continuation of the National Recovery Administration, as requested by the President of the United States; to the Committee on Appropriations.

6313. By Mr. SADOWSKI: Petition of S. E. U. of America, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

6314. Also, petition of the Michigan State Legislature, for Congress to provide for the relief of unemployed women and girls in the various States of the Union; to the Committee on Labor.

6315. Also, petition of the Slovak Democratic League of Michigan, endorsing House bill 2827; to the Committee on Labor.

6316. Also, petition of National S. S., endorsing House bill 2827; to the Committee on Labor.

6317. Also, petition of Roumanian American Democratic Club of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

6318. Also, petition of Lodge No. 711 of the Slovene National Benefit Society of Detroit, endorsing House bill 2827; to the Committee on Labor.

6319. By Mr. TONRY: Resolution of the Thomas Dongan Council, No. 1251, Knights of Columbus, Brooklyn, N. Y., calling for a favorable report by the Senate committee con-

sidering the Borah resolution relative to the religious situation in Mexico; to the Committee on Foreign Affairs.

6320. By the SPEAKER: Petition of the board of aldermen of the city of Derby, Conn.; to the Committee on the Judiciary.

6321. By Mr. TURNER: Petition of H. B. Evans et al., citizens of Lynnville, Giles County, Tenn., asking that Congress pass a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

6322. Also, petition of the Third Ward Democratic Club of Camden County, N. J.; to the Committee on Ways nad Means.

6323. By Mr. KEE: Petition of members of the Railway Employees and Taxpayers Association of Bluefield, W. Va., urging the passage of Senate bill 1629 and House bill 5262; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 4, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, April 3, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; and

S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail; and

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Costigan	Lewis	Reynolds
Ashurst	Couzens	Logan	Robinson
Austin	Cutting	Lonergan	Russell
Bachman	Dickinson	Long	Schall
Bailey	Dieterich	McAdoo	Schwellenbach
Bankhead	Donahey	McCarran	Sheppard
Barbour	Duffy	McGill	Steiwer
Barkley	Fletcher	McKellar	Thomas, Okla.
Bilbo	Frazier	McNary	Thomas, Utah
Black	George	Maloney	Townsend
Bone	Gerry	Metcalf	Trammell
Borah	Gibson	Minton	Truman
Brown	Glass	Moore	Tydings
Bulkley	Gore	Murphy	Vandenberg
Bulow	Guffey	Murray	Van Nuys
Burke	Hale	Neely	Wagner
Byrnes	Harrison	Norris	Walsh
Capper	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White
Connally	Keyes	Pittman	
Coolidge	King	Pope	
Copeland	La Follette	Radcliffe	

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Virginia [Mr. BYRD] and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Wyoming [Mr. CAREY], the senior Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Delaware [Mr. HASTINGS] are absent on official business; and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate. I will let this announcement stand for the day.

Mr. McNARY. The Senator from California [Mr. JOHNSON] is absent on account of illness.

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

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Commerce:

Investigation Missouri River possibilities in North and South Dakota

Whereas it is necessary to check the flow of the Missouri River in North Dakota and South Dakota by means of a large manually controlled diversion dam; and to release the stored water as needed to maintain an average flow to the mouth of the Missouri River and to divert part of aforesaid stored water to furnish surface water for cities and villages in North Dakota and South Dakota; also part of aforesaid diverted water to be used in replenishing receding ground-water tables in North Dakota and South Dakota; and

Whereas many of the shelter belts now owned by farmers are dying from lack of ground-water supply; and

Whereas it would be necessary to restore ground-water tables before a shelter belt of such large proportions as proposed by the Government could be expected to survive; and

Whereas the control of the Missouri River between limits would make it entirely possible to afford the great Northwestern territory a less expensive transportation of agricultural products; and

Whereas the Missouri River forms a part of one of the most dangerous flood basins, namely, the Mississippi-Missouri Basin, which annually causes millions of dollars of property damage and loss of life; and

Whereas the Missouri River having caused local floods by excessive water and ice jams causes thousands of dollars of property damage and loss of life; aforesaid losses could be averted by complete Missouri River control; and

Whereas North Dakota and South Dakota were at one time one of the largest Northwest breeding areas for fowl in the United States, and with the receding water table causing water holes, sloughs, ponds, etc., to dry up, thus forcing aforementioned fowl to leave the aforesaid areas; and

Whereas with the development of the Missouri River a large amount of cheap electrical energy could be produced which would act as an incentive for industrial expansion within the States of North Dakota and South Dakota; and

Whereas every year thousands of acres of North Dakota's and South Dakota's most productive land is washed away by the Missouri River at its high stages; and

Whereas in view of the fact that proper development of the Missouri River very naturally comes under several different departments and/or commissions of the Federal Government, it is respectfully suggested that a commission of five engineers be created to properly investigate the obvious possibilities for development of the Missouri River in North Dakota and South Dakota: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the senate concurring therein), That we petition the United States Congress, now assembled, and the President of the United States, the Honorable Franklin D. Roosevelt, to appoint and instruct the aforesaid commission of five engineers; and be it further

Resolved, That aforesaid commission be selected from civil engineers in private life, one engineer to be chosen from the States of North Dakota and/or South Dakota; and be it further

Resolved, That the secretary of state of the State of North Dakota be and is hereby instructed to forward an authenticated copy of this resolution to the President of the United States, the Honorable Franklin D. Roosevelt, to the President of the United States Senate, to the Speaker of the House of Representatives at Washington, D. C., to the two United States Senators and the two Representatives from North Dakota in Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of San Fernando, Calif., favoring the adoption of the so-called "Townsend