REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule X XIII.
Mr. HILL of Alabama: Committee on Military Affairs. H. R. 190. A bill granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years; with amendment (Rept. No. 2487). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen; without amendment (Rept. No. 2491). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; without amendment (Rept. No. 2492). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 3581. An act for the relief of Henry Thornton Meriwether; without amendment (Rept. No. 2493). 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. 12383) granting an increase of pension to Virgil O. Adams, 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. EVANS: A bill (H. R. 12443) to authorize the coinage of 50-cent silver pieces in commemoration of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. GREEVER: A bill (H. R. 12444) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes"; approved July 10, 1880; to the Committee on the Territories.

By Mr. MORAN: A bill (H. R. 12445) to provide for the establishment of a Coast Guard station on the coast of Maine, at or near Isle au Haut, Knox County; to the Committee on Merchant Marine and Fisheries.

By Mr. DOXEY: A bill (H. R. 12446) to promote sustained yield forest management, in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion,amelioration of climate, and preservation of wildlife; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 12447) to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes; to the Committee on Banking and Currency.

By Mr. DICKSTEIN: Resolution (H. Res. 492) to provide for the consideration of certain bills reported from the Committee on Immigration and Naturalization; to the Committee on Rules.

By Mr. McLEOD: Resolution (H. Res. 493) requesting the President of the United States to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as New York City Administrator of the Works Progress Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. GILCHRIST: Resolution (H. Res. 494) providing for the consideration of H. R. 10101; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHANDLER: A bill (H. R. 12448) for the relief of Burton P. Cordie; to the Committee on Claims.

By Mr. COOLEY: A bill (H. R. 12449) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12450) for the relief of Lt. David E. Carlson, United States Navy; to the Committee on Naval Affairs.

By Mr. DRIVER: A bill (H. R. 12451) for the relief of the dependents of W. R. Dyess; to the Committee on Claims.

By Mr. SAMUEL B. HILL: A bill (H. R. 12452) granting an increase of pension to Felix Shaser; to the Committee on Pensions.

By Mr. GREEVER: A bill (H. R. 12453) for the relief of Francesco Kovach, alias Frank Kovach, alias Joe Kalister; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

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

10768. By Mr. SISSON: Petition of residents of New York City and vicinity, urging passage of House bill 9216, the National Income and Credit Act; to the Committee on Banking and Currency.

10769. By the SPEAKER: Petition of the Daughters of the American Revolution; to the Committee on Appropriations.

SENATE

FRIDAY, APRIL 24, 1936

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose creative spirit is the source of all our aspirations, the guardian of our destinies: We thank Thee for the glory of this, another day, and as we set our faces toward our work, deepen, we pray Thee, our sense of oneness with Thee, that we may rejoice alike in the richness of our corporate life and in the sternness of our personal responsibility.

Grant unto these, Thy servants, insight, that instrument by which high spirits call the future from its cradle and the past out of its grave, that this day may be fruitful in permanent achievement for the welfare of our country.

Do Thou release all those whom a heavy weight of years hath chained and bound and raise up those who fall upon the thorns of life, that Thy children everywhere may be renewed by joyous thoughts of immortality which sometimes sleep but cannot die, as they are folded within their own eternity.

And when the sun is set at eventide and we go to our long home to meet Thy face, grant that this may be our requiem: "Peace, peace! He is not dead, he doth not sleep. He hath but wakened from the dream of life."

We ask it in the name and for the sake of Him who is the resurrection and the life, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Thursday, April 23, 1936, when, on request of Mr. Robinson, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

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

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;
1936

CONGRESSIONAL RECORD—SENATE 6023

S. 929. An act for the relief of the Southern Products Co.; and
H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

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

On April 17, 1936:
S. 2338. An act granting compensation to Mary Weller; S. 3125. An act for the relief of J. A. Hammond; and S. 3445. An act to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ocuchita National Forest, Ark.

On April 20, 1936:
S. 2942. An act for the relief of Grace Park, a minor, the Westerly Hospital, and Dr. H. M. Scanlon.

On April 21, 1936:
S. J. Res. 230. Joint resolution amending paragraph 4 of subsection (b) of section 12 of the Federal Reserve Act, as amended.

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 Chaves Hayden Pittman
Ashurst Cerny Hayden Holm Pittman
Austin Coolidge Holm Pope Pitman
Bachman Connelly Holcomb Paulson
Bailey Couzens Holness Paulson
Barbour Davis House Pope
Barkley Dickinson La Follette Pope
Benson Dietrich Long Pope
Billo Donahue Longshore Pope
Black Duffy Longshore Pratt
Bone Foster Lonegan Pratt
Borch Frasier McAdoo Prayson
Brown George McCall McCreery
Buley Gerry McNary McCreery
Bunlow Gibson Minter McFadden
Burke Glass Murphy McIver
Byrd Guffey Murray McMechen
Brynes Hale Neely McMechen
Capper Harrison Norris McMechen
Caraway Hughes O'Mahoney McMechen
Carey Hatch Overton McMechen

Mr. ROBINSON. I announce that the Senator from Alabama (Mr. BANKHEAD), the Senator from Colorado (Mr. COSTIGAN), the Senator from Nevada (Mr. MCCARRAN), and the Senator from Florida (Mr. THUMMEL) are absent because of illness; and that the Senator from South Carolina (Mr. SMITH), the Senator from Oklahoma (Mr. GORE), the Senator from Indiana (Mr. VAN NUTS), the Senator from Illinois (Mr. LEWIS), the Senator from New Jersey (Mr. MOORE), and the Senator from Maryland (Mr. TRENCH) are unavoidably detained from the Senate. I further announce that the Senator from Missouri (Mr. CLARK) is detained because of illness in his family.

Mr. AUSTIN. I announce that the Senator from Rhode Island (Mr. MERRILL) is necessarily absent from the Senate.

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

COMMENDATION OF COAST GUARD

Mr. COPELAND. Mr. President, I send to the desk a short letter, which I ask the clerk to read.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

UNITED FRUIT Co.

New York, N. Y., April 23, 1936.

Hon. ROYAL S. COPELAND,
United States Senator from New York,
Senate Building, Washington, D. C.

Dear Sir: We wish to draw your attention to another incident of excellent service rendered by the Coast Guard.

At 11:07 a.m., April 17, when the vessel was about 174 miles from New York City, received a message from the United Mail steamship Veraguas indicating that Second Officer Boyd had a ruptured appendix and required immediate hospitalization. The Coast Guard were notified and their cutter and plane service effected the transfer of the man to the Norfolk Hospital where an operation was performed at 4:50 p. m. the same day.

We sincerely believe that the Coast Guard saved the life of Mr. Boyd, and we wish to express our appreciation of their prompt and efficient service.

Yours very truly,

H. HARRIS ROSSON.

Mr. COPELAND. Mr. President, I think we take pride in the achievements of the Coast Guard and in the bravery of the personnel of that fine organization. So it seems to me proper that a record should be made of the feeling of the steamship line involved in the case referred to in the letter.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

The VICE PRESIDENT appointed the Senator from Utah (Mr. King), the Senator from New York (Mr. COPELAND), and the Senator from Vermont (Mr. AUSTIN) as the members on the part of the Senate of the District of Columbia Airport Commission, created under the act to establish a commercial airport for the District of Columbia, approved April 21, 1936.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Common Council of the City of Detroit, Mich., favoring the enactment of the bill (H. R. 12243) to release political subdivisions of States from the obligation to repay relief funds received under section 1, subsection E, of title I of the Emergency Relief and Construction Act of 1933, and to eliminate discrimination in the case of certain loans made under that act, and for other purposes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Council of the City of Columbus, Ohio, favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Forty-fifth Continental Congress of the National Society of the Daughters of the American Revolution, endorsing the proposed sesquicentennial project to commemorate the one hundred and fiftieth anniversary of the completion of the Constitution of the United States by the Constitutional Convention, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented a resolution adopted by members of the executive committee of the Arizona Peace Officers' Association, protesting against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation of their families from aliens of the noncriminal classes, to provide for legalizing the residence of the United States of certain classes of aliens, and for other purposes, or similar legislation, which was ordered to lie on the table.

Mr. COPELAND presented a resolution of the Bookkeepers', Stenographers', and Accountants' Union, No. 13848, American Federation of Labor, New York City, N. Y., favoring the enactment of legislation creating a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the New York State Board of Housing and the Lower East Side Public House Conference of New York City, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Housing and Labor.

He also presented a petition of members of the New York Adult Blind Aid Association, of New York City, N. Y., praying for the enactment of the bill (H. R. 7122) providing for the granting of pensions by the Federal Government to certain blind persons, imposing duties upon the United States Treasurer in connection therewith, providing penalties, and making an appropriation, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens, being employees of the Kensington (Buffalo), N. Y., post office, praying for the enactment of the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal
employees, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEES

Mr. GEORGE, from the Committee on Finance, to which was referred the joint resolution (S. J. Res. 209) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, reported it with amendments and submitted a report (No. 1940) thereon.

Mr. McCaDOO, from the Committee on Patents, to which was referred the bill (H. R. 11562) to renew patent no. 25909, relating to the badge of the United States Daughters of 1812, reported it without amendment.

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted a report as indicated:

S. 2114. A bill for the relief of D. E. Woodward and Mrs. Murray A. Hints; and
S. 2576. A bill for the relief of Manuel D. A. Otero as administrator of the estate of Teresita S. Otero, deceased (Rept. No. 1941).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4390) to amend the National Defense Act relating to the Medical Administrative Corps, reported it with an amendment and submitted a report (No. 1943) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3879) for the relief of James W. Grist, reported it without amendment and submitted a report (No. 1945) thereon.

ADDITIONAL COPIES OF "ARKANSAS, A STUDY OF ITS GROWTH AND CHARACTERISTICS"

Mr. HAYDEN. From the Committee on Printing I report a resolution, which I ask may be read.

THE VICE PRESIDENT. The clerk will read the resolution.

The resolution (S. Res. 290) was read, as follows:

Resolved, That 10,000 additional copies of Senate Document 191, current session, entitled "Arkansas, a Study of Its Growth and Characteristics", be printed for the use of the Senate document room.

Mr. McNARY. Mr. President, what is the document referred to?

Mr. HAYDEN. The document is being issued because of a centennial celebration being held in the State of Arkansas. The document relates to the history and progress of the State of Arkansas.

I ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution was considered and agreed to.

COMMENMEMORATION OF THREE HUNDREDTH ANNIVERSARY OF HARVARD UNIVERSITY

Mr. BARKLEY. From the Committee on the Library I report back favorably, with amendments, Senate Joint Resolution 247, and ask unanimous consent for its immediate consideration. It merely authorizes the printing of a special stamp in commemoration of the three hundredth anniversary of the establishment of Harvard University.

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

Mr. McNARY. Mr. President, it is always proper to read a proposal before asking unanimous consent for its consideration. I am not familiar with the joint resolution, or its contents or purpose.

Mr. BARKLEY. I have no objection to its being read.

The PRESIDING OFFICER. The joint resolution will be read as follows:

A joint resolution (S. J. Res. 247) authorizing and requesting the President to extend to governments and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the founding of Harvard University, which marked the first formal beginning of higher education in the United States.

The PRESIDING OFFICER. Does the Senator from Oregon desire to have the resolution read at length?

Mr. McNARY. No; the title affords a sufficient outline of its object.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendments of the Committee on the Library were, on page 2, line 3, after the word "That", to strike out "when", in the opinion of the President of the United States, it shall be appropriate for him to do so, the President be, and is hereby, authorized and requested to extend to such governments and individuals as he may determine an invitation to unite with;"; in line 8, after the words "United States", to insert "unite with Harvard University"; in line 9, before the word "founding", to strike out the word "the" and insert quotation mark; and on page 3, line 13, after the word "to", to strike out "such representatives of governments and other persons as may respond to the invitation of the President extended as hereinafter provided" and insert "the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University."

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amended preamble as amended was read as follows and was agreed to:

In the second clause of page 1, in the second line, after the word "Harvard", to strike out "University" and insert "College"; in the third line, after the word "the", to insert "19th"; in line 3, before the word "in", to strike out the quotation mark; and on page 2, after the word "bene­factors", to strike out the quotation mark, and to strike out the following:

"There a tercentenary theater to seat some 15,000 persons is being constructed for the occasion by said university; and

The joint resolution as passed is as follows:

Whereas there are to be held at Cambridge, Mass., and at other places during the year 1816 celebrations commemorating the three hundredth anniversary of the founding of Harvard University, said university being the first college to be established in what are now the United States; and

Whereas, in accordance with resolutions of the president and board of Harvard College, and the joint resolution of Congress (Joint Res. 247) thereon.

Resolved, etc., That the Government and people of the United States unite with Harvard University in a fitting and appropriate observance of the three hundredth anniversary of its founding, which marked the formal beginning of higher education in the United States.

Sec. 2. There is hereby established a commission to be known as the United States Harvard University Tercentenary Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and four persons to be appointed by him, the President of the Senate and four Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and four Members of the House to be appointed by said Speaker.

Sec. 3. The commission, on behalf of the United States, shall cooperate with representatives of Harvard University, the Commonwealth of Massachusetts, and the cities of Cambridge and Boston in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University.

Sec. 4. The members of the commission shall serve without compensation and shall select a chairman from among their number, but the President of the United States shall be designated the "honorary chairman" of the commission.

Sec. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the commission for expenses, including...
actual and necessary travelling and subsistence expenses, incurred with the approval of the Commission under this resolution. The Commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of the functions of the Commission under the provisions of this resolution, applicable to employment or compensation of officers or employees of the United States.

Sec. 4. A vacancy occurring in the membership of the Commission shall be filled by the President of the United States.

The title was amended so as to read: "A joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and of the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary."

CONDITION OF AGRICULTURAL PRODUCERS—EXTENSION OF TIME FOR REPORT

Mr. WHEELER. Mr. President, from the Committee on Agriculture and Forestry, I report back without amendment House Joint Resolution 553, extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The resolution merely provides for an extension of Public Resolution 61 of the last session of Congress, which directed the Commission to make a study and investigation of "agricultural income and the financial and economic condition of agricultural producers generally."

Under that resolution the Commission was directed to make a final report to Congress not later than July 1, 1936. Due to the failure of passage of the deficiency appropriation bill in the last session, the money for the investigation was not actually appropriated until February 11, 1936. It has not been possible for the Commission to assemble this material for a report by July 1 and the resolution merely extends this date to October 1, 3 months. No additional money is appropriated and no additional authority is given the Commission hereunder.

I ask that a letter from the Chairman of the Federal Trade Commission to the chairman of the Senate Committee on Agriculture and Forestry may be printed in the Record at this point.

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

APRIL 2, 1936.

The Honorable ELLISON D. SMITH, Chairman, Senate Committee on Agriculture and Forestry, United States Senate, Washington, D. C.

In the matter of House Joint Resolution 553, Seventy-fourth Congress, an joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

Mr. DEAR Mr. CHAIRMAN: I beg to acknowledge receipt of your letter of April 1, 1936, enclosing copy of House Joint Resolution 553, which passed the House of Representatives March 30, 1936, in which you state that you will welcome a report on the legislation as soon as the Commission has had an opportunity to give it consideration.

In reply to your letter, I beg to state that the resolution is for the purpose of extending the time within which the Commission is directed to complete the investigation and file final report, with recommendations for legislation, from July 1, 1936, to October 1, 1936, and the preamble to the resolution states the reasons for the proposed extension of time. The resolution further provides that any unexpended balance of the appropriation of $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 for the purpose of making the investigation and the report thereof be also made available for like purposes to and including October 1, 1936.

For the reasons stated in the preamble, the Commission recommends the passage of the joint resolution.

I desire to thank you for referring the matter to the Commission for its consideration.

By direction of the Commission.

CHARELS H. MARSH, Chairman.

Mr. WHEELER. I now ask unanimous consent for the immediate consideration of the joint resolution.

Mr. McNARY. Mr. President, I inquire if the joint resolution has passed the House?

Mr. WHEELER. It has passed the House.

Mr. McNARY. Has it been reported favorably by the proper committee of the Senate?

Mr. WHEELER. It has been reported favorably without amendment.

Mr. McNARY. I understand its only purpose is to extend the time within which the Federal Trade Commission may submit a report on the subject matter.

Mr. WHEELER. It extends the time for 3 months, from July to October 1.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the Federal Trade Commission was authorized under the provisions of Public Resolution No. 61, Seventy-fourth Congress, first session, approved August 27, 1935, to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

Whereas the said Commission was directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work under said public resolution, and a final report with recommendations for legislation not later than July 1, 1936; and

Whereas it appears that the appropriation for conducting this investigation carried in the deficiency appropriation bill failed of passage in the first session of the Seventy-fourth Congress, and was not actually made until February 11, 1936, although the resolution authorizing the investigation was introduced some 18 months prior to the date specified for the completion of the investigation and report, and was approved August 27, 1935; and

Whereas the extensive information called for under the terms of the said public resolution has caused frequent and numerous requests for extensions of time upon the part of persons from whom such information has had to be obtained, such extensions amounting to from 1 to 3 months in addition to 30 days' time originally allowed by the Commission; and

Whereas it is learned that much of the necessary information cannot be secured by July 1, 1936; and

Whereas it appears that it will be possible for the Commission to make and present much more comprehensive data and to present a much more thorough and accurate study and report upon the subject of the time within which it is directed to complete its investigation and to submit its final report thereon with recommendations for legislation be extended; Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the public resolution aforesaid and is directed to complete the investigation thereunder, and to submit a final report to the Congress with recommendations for legislation not later than October 1, 1936.

It is hereby further provided that any unexpended balance of the appropriation of the $150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purposes to and including October 1, 1936.

The preamble was agreed to.

BILLS INTRODUCED

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

By Mr. THOMAS of Oklahoma:
A bill (S. 4531) for the relief of Alfred Y. Davenport; to the Committees on Military Affairs.

By Mr. COPELAND (by request):
A bill (S. 4532) to confer jurisdiction on the Court of Claims to hear and determine the claim of New York Harbor Drydock Corporation; to the Committee on Claims.

By Mr. BILBO:
A bill (S. 4533) granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Passacoula River at or near Wilkersons Ferry, Miss.; to the Committee on Commerce.

By Mr. BONE:
A bill (S. 4534) for the relief of Warner Smith; to the Committee on Patents.

By Mr. DAVIS:
A bill (S. 4535) for the relief of Roy S. Kostenbader; to the Committee on Claims.

A bill (S. 4536) to amend section 64 of the Bankruptcy Act of the United States; to the Committee on the Judiciary.

By Mr. RADCLIFFE:
A bill (S. 4537) granting a pension to Joseph Galonska; to the Committee on Pensions.
A bill (S. 4539) providing for an examination and survey for a deep-water channel from New Iberia, Parish of Iberia, La., to the Gulf of Mexico; to the Committee on Commerce.

By Mr. KING:
A bill (S. 4539) to amend the act entitled "An act to regulate the bringing of actions for damages against the District of Columbia and for other purposes", approved February 28, 1933; and
A bill (S. 4540) to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes; to the Committee on the District of Columbia.

Mr. MCKELLAR. Mr. President, I ask permission to have printed in the Record an editorial which was published in the Memphis Commercial Appeal of April 21, 1936, relating to the Ritter impeachment case.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Commercial Appeal, Memphis, Tenn., April 21, 1936]

A WARNING TO JUDGES

Cumbersome though the process may be, the United States Senate, in its Ritter judgment, evidenced by the Ritter judgment. This is a warning to the United States Senate that they will be held to strict accountability in spite of the life term to which they are appointed or of the rare serious as a specific misdemeanor.

Judge Ritter was acquitted of charges setting out particular offenses, but was caught on an article which enabled Senators to weigh his fitness and consider that fitness in connection with its effect upon the administration of justice.

Judge Ritter is the fourth in the history of the country that justice is to be tried. Already there is a movement on foot to simplify the process by providing that testimony may be taken by a select senatorial committee. The bill requests the Secretary of the Interior, and for other purposes; to the Committee on the District of Columbia.

The Vice President. The Chair is advised by the parliamentary clerk that there are no resolutions coming over from a previous day.

Mr. CAREY. Can I not move to have the resolution considered?

Mr. ROBINSON. I make the point of order that under the agreement entered into yesterday the Senate must proceed at this time to the consideration of unobjected bills on the calendar.

Mr. McNARY. Mr. President, I was not present at the close of the session yesterday, but I thought we would have the ordinary routine morning business.

Mr. ROBINSON. We have had it.

The Vice President. The Senate has transacted its routine morning business.

Mr. McNARY. I am not familiar with the position taken by my colleague from Wyoming [Mr. CAREY]. I know his resolution does not come over from a previous day, but is on the table.

The Vice President. The resolution is on the table at the present time.

Mr. McNARY. It would require a motion to proceed to its consideration.

The Vice President. It would.

Mr. McNARY. Is the motion of the Senator from Wyoming excluded by virtue of the unanimous-consent agreement?

The Vice President. Under the unanimous-consent agreement, when the Senate concludes the routine morning business today it was to proceed to consider unobjected bills on the calendar. The clerk will state the first bill in order on the calendar.

BILLS PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, 35 Statutes, 1109 [U. S. C., title 18, sec. 2683], and for other purposes, was announced as next in order.

Mr. McGill. I ask that the bill go over.

The Vice President. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. Vandenberge. I ask that the bill go over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. Mckellar. I ask that the bill go over.

The Vice President. The bill will be passed over.

The bill (S. 580) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. Robinson. Let that bill go over.

The Vice President. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.
Mr. ROBINSON and Mr. McKELLAR asked that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. ROYAL. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round eave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Several Senators. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1123) to liquidate and refund agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees, was announced as next in order.

Mr. NEELY. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States, was announced as next in order.

Mr. NEELY. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation cases not heretofore paid, was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture, was announced as next in order.

Mr. KING. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Several Senators. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. THOMAS of Oklahoma. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 8558) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2870) to amend the Tariff Act of 1930 as amended, by raising the duties on certain foreign manufactures, was announced as next in order.

Mr. ROBINSON. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 266) to provide for the regulation of the transportation of passengers by air in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2441) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

The bill (H. R. 8558) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2620) to prevent the shipment in interstate commerce of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.
The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 19, it is proposed to strike out down to and including line 13, on page 4, being section 4, and in lieu thereof to insert the following:

SEC. 4450. (a) There is hereby created a marine casualty investigation board, which board is authorized and directed, in its discretion, to make written reports on all marine accidents and disasters resulting in loss of life or property, including those which occur in the waters of the United States, or in any ocean-going commercial craft of any sort whether designed to travel in the air or on or in the water, and, in the discretion of the board, any other marine accident or disaster. It is the duty of the board to make an investigation, in order to determine whether any incompetence, misconduct, negligence, or willful violation of law on the part of any licensed officer, pilot, seaman, employee, owner, or agent of such owner of any vessel involved in such accident or disaster, or any inspector, officer of the Coast Guard, or other officer or employee of the United States, or any other person, caused or contributed to the cause of such accident or disaster. The board shall consist of a chairman and two other members; the chairman shall be an officer or employee of the Department of Justice (learned in maritime laws) designated by the Attorney General; one member shall be a supervising inspector of the Bureau of Marine Inspection and Navigation designated by the Secretary of Commerce; and the other member shall be an officer of the United States Coast Guard designated by the Secretary of the Treasury. Neither the chairman nor any of the other members shall receive any salary by reason of their service on the board; their compensation shall be determined by the department to which they are assigned. All reports shall be made to the Secretary of Commerce and such reports shall be public documents, and shall be admissible in evidence in proceedings before the proper local board of inspectors for the revocation or suspension of the license of such officer, pilot, or person.

Mr. KING. Mr. President, I should like an explanation of the amendment, including the reasoning for changing the name, and also an explanation of the amendment which has just been tendered. It seems to me the bill proposes to create an organization within an existing organization which is competent to deal with the subject.

Mr. COPELAND. Mr. President, the purpose of the bill is to provide for a permanent board in the Department instead of one created or appointed for each instance to deal with the accident. The trouble with the old plan was that the very department which was considered responsible for the defects in providing safety devices was the department which was to pass upon the accident and its cause. The amendment of the Senator from Vermont, as presented by the Senator, provides for a permanent board to investigate accidents, which board is to be presided over by a representative of the Department of Justice. That is very wise, because criminal acts are usually involved in these accidents. It is proposed to change the name in order that it may conform more with similar organizations of other countries.

The amendment which has been presented by the Senator from Vermont (Mr. Gimson) is, in my judgment, a wise amendment, because it provides for a permanent board in the Department instead of one created or appointed for each instance to deal with the accident. The trouble with the old plan was that the very department which was considered responsible for the defects in providing safety devices was the department which was to pass upon the accident and its cause. The amendment of the Senator from Vermont, as presented by the Senator, provides for a permanent board to investigate accidents, which board is to be presided over by a representative of the Department of Justice. That is very wise, because criminal acts are usually involved in these accidents.

Another matter which I wish to mention is that as this bill is an appointment of a board, it is not made without regard to the civil-service law. The Senator from Washington (Mr.Bonus) presented an amendment placing them under the civil-service law, and the committee is of the view that that should be done. If the Senator from Utah is satisfied with the amendment as presented by the Senator from Vermont, I shall suggest the other amendment relating to civil service.

Mr. McKellar. Mr. President, are employees to be put under the civil service?

Mr. COPELAND. Yes.

Mr. McKellar. And the members of the board, too?

Mr. COPELAND. No; not the members of the board.

They will be outstanding members of the Government—the Attorney General, the Secretary of Commerce, and the head of the Coast Guard. They are not under the civil service, of course. The other amendment relates to other employees, who should be under the civil service.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont (Mr. Gibson).

The amendment was agreed to.

Mr. COPELAND. I ask that the amendment on page 2, in lines 3 and 4, be disagreed to.

The PRESIDENT pro tempore. Without objection, the amendment is rejected.

Mr. COPELAND. Now, I move, on page 2, in line 3, to strike out the words "without regard to the civil-service rules and regulations."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed to strike out the words "without regard to the civil-service rules and regulations", so as to make the sentence read:

There shall be seven supervising inspectors, who shall be appointed by the Secretary of Commerce.

The amendment was agreed to.

Mr. COPELAND. I ask now that the committee amendment on page 3, lines 3 and 4, be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 3, after the word "commerce", it is proposed to insert the words "without regard to the civil-service clause or the Classification Act of 1925, as amended", so as to read:

SEC. 3. That there shall be in the field service of the Bureau of Marine Inspection and Navigation in the Department of Commerce without regard to the civil-service laws or the Classification Act of 1925, as amended, 10 principal traveling inspectors to be appointed by the Secretary of Commerce, the compensation of such principal traveling inspectors to be fixed by the Secretary of Commerce at not to exceed $4,000 per annum.

The amendment was rejected.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the committee on Commerce was, on page 4, to strike out:

(b) For the purpose of investigating marine casualties not involving loss of life and all acts of incompetency or misconduct or any act in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, and the Secretary of Commerce may classify such marine casualties as dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, and the Secretary of Commerce may classify such marine casualties as dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, and the Secretary of Commerce may classify such marine casualties as dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, and the Secretary of Commerce may classify such marine casualties as dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any acts of incompetency or misconduct or any act in violation of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, and the Secretary of Commerce may classify such marine casualties as dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce.
Navigation. Marine casualties or accidents classified as less serious shall be investigated by a marine board consisting of representatives of the Bureau of Marine Inspection and Navigation designated by the Director thereof.

The amendment was agreed to.

The next amendment was, on page 6, after line 12, to strike out:

(d) Immediately after the occurrence of a marine casualty, the appropriate board shall conduct an investigation into any acts of incompetency or misconduct of any licensed officer acting under authority of his license or by any chief or assistant steward, purser, or radio operator acting under authority of a certificate of service issued to him by the board of local inspectors of steam vessels, or by the Bureau of Navigation, and into all circumstances surrounding such marine casualty, and shall determine, so far as possible, the cause of such casualty, the persons responsible thereof, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

And to insert in lieu thereof:

(1) All acts in violation of any of the provisions of this title or of any of the regulations issued thereunder, whether or not committed in connection with any marine casualty or accident, and all acts of incompetency or misconduct, whether or not committed in connection with any marine casualty or accident, committed by any licensed officer acting under authority of his license or by any chief or assistant steward, purser, radio operator, electrician, able seaman, or any other person acting under authority of a certificate of service issued to him by the Bureau of Marine Inspection and Navigation, and all marine casualties and accidents and the attendant circumstances shall be immediately investigated by the appropriate board as provided in subsection (b) of this section. Such board shall determine, as far as possible, the cause of any such casualty or accident, the persons responsible thereof, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 13, after line 15, to strike out "subsections (a) and (b)" so as to read, "Subsections (a) and (b)."

The amendment to the amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 13, before line 15, to insert the words "except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation", so as to make the proviso read:

Passed plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels, except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation.

The amendment was agreed to.

Mr. COPELAND. Mr. President, in order that the amendment of the Senator from Vermont may be properly referred to, I move to amend, on page 7, in line 18, by striking out "subsection (b)" and inserting "subsections (a) and (b)" so as to read, "Subsections (a) and (b)."

The amendment to the amendment was agreed to

The next amendment of the Committee on Commerce was, on page 13, line 15, after the word "vessels", to insert the word "except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation", so as to make the proviso read:

Passed plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels, except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation.

The amendment was agreed to.

Mr. COPELAND. On page 13, beginning in line 17, the sentence ending with the word "calculations", in line 24, should be struck out in their entirety, as an amendment to the amendment just agreed to.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 13, line 17, it is proposed to strike out the following:

In the case of passenger ships building to class with the American Bureau of Shipping, certificates of the said American Bureau of Shipping certifying to the adequacy of the subdivision arrangement, on the basis of any regulations issued by the Department of Commerce accepted by the Director subject to the submission to the Bureau of Marine Inspection and Navigation and the approval of the Director of all flooding calculations.

The amendment was agreed to.

PASSED OVER. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 17, after line 4, to strike out "the said extra com-
Mr. McKellar. I understand the Department opposed the bill and ascertained that it would be vetoed if passed. However, I do not think Senator's explanation.

Mr. Davis. Mr. President, as I understand, William H. Clinton, an enlisted man in the Navy, was advanced to the rank of gunner during the World War and served on the destroyer Sterrett in the war zone.

He was on leave due to a severe storm at sea and personnel and the vessel itself became endangered due to heavy seas breaking over the ship, smashing lifeboats and other fittings about the ship. Clinton volunteered to clear away this wreckage, while doing so another heavy sea came on board and he was pinned under the wreckage. With great difficulty he was extricated from the wreckage and carried below.

This small vessel carried no doctor, and no mention was made of the injuries received in his health record. However, an entry was made in the ship's log book that he was injured on this occasion. An affidavit to this effect has been furnished by the commanding officer on Navals, to whom was referred the bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy, having considered the same, report it to the Senate without amendment, with the recommendation that the bill do pass.

The House report which explains the merits of the bill and also contains the letter received from the Secretary of the Navy is hereby made a part of this report.

[Rept. No. 603, 74th Cong., 1st sess.]

"The Committee on Naval Affairs of the House of Representatives (H. R. 3604) to place William H. Clinton on the retired list of the United States Navy, having considered the same, report it to the House with the recommendation that it do pass."

A similar bill (H. R. 1845) was reported to the House, and passed the House, in the Seventy-third Congress.

The purpose of this bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability incident to the naval service while on the active list of the Navy.

The records of the Navy Department show that after a period of over 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 23, 1920, when his resignation was accepted at his own request.

It was established to the entire satisfaction of the committee that Mr. Clinton was seriously and probably permanently injured on December 17, 1917, while serving on the U. S. S. Sterrett, during a storm at sea, when the wreckage of a lifeboat and life rafts were thrown overboard. The report of the medical board and the medical report showed that Clinton was seriously and probably permanently injured at the time. These statements are hereeto attached and material part of this report.

3. The circumstances, in few words, are as follows:

(a) A heavy gale was running.

On the morning of December 17, while laying to, running before the gale, a sea came over and carried away the starboard lifeboat, which was properly secured in her cradle on deck. The same sea also carried away two small life rafts which were fastened to the deck. The sea was too rough to be safely worked in and the men were assigned to other fittings and possible safety of the ship. Manifestly, this wreckage was also a danger to the crew, should it become necessary to man down the deck to assist in the work of the fire crew and engine room.

Lieutenant Alexander, Clinton, and I endeavored to clear the wreckage. There were volunteers from the mess engine and the gun crew of the gun's crew, but it was considered the situation was too hazardous to allow too many men to get out of the vessel. At this time the starboard side of the ship was so endangered that, stooped down and held onto the fireroom hatch. A spud locker nearby, which had been partially cast adrift by the first wave, fell on Clinton's leg, pureing him. Another sea came aboard and threw the wreckage of the lifeboat and life rafts on his back.

It was with great difficulty and danger that Clinton was extracted from the wreckage and carried away. At the time he complained of his back, his right leg, and stomach being very sore.

He was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 23, 1920, when his resignation was accepted at his own request.


3:15 a.m. starboard whaleboat carried away.


Clinton was laid up for some time and, in my opinion, unconsciously went back to work before the full effects of this injury. With his high sense of duty, it was characteristic of him not to complain or even to ask medical advice during the continuance of the voyage, fear that he might be laid up and not do what he considered his part.

6. The injury to the spine received on this occasion, not being treated through the following years, naturally became serious and I understand giving him a great amount of trouble at the present time.

"It is true, I trust that the Veterans' Bureau will give Clinton the maximum compensation it can for this very deserving case; anything further I can do I will only be too glad to do so.

"G. W. Simpson."

"United States Fleet,

"Aircraft Squadron's Battle Fleet,

"U. S. S. Saratoga,


"William H. Clinton.

"Roadside, Mass.

"Dear Clinton: I have learned with sincere regret that you have been having trouble from that injury you received while attached to the U. S. S. Sterrett. I also regret that a full and complete record was not made at the time. This was due, of course, to our not having a doctor on board and to the stress of those hctic days which followed.

"The incidents leading up to and following your accident are very vividly stamped on my memory for the reason that, on December 17, 1917, the Sterrett was being punished by seas, the magnitude of which I had never before (or since) seen a ship live in. "I recall during our struggle with the loose gear on deck that morning the wave which smashed you up with the bread box, etc., and smashed me along and after me, as I was always the last feared that you had gone overboard. I was the one who called out "Where is the gunner?" When we got you onto the wardroom cot I was afraid your leg was broken and desired to cut your boot off rather than to compound a fracture.

"During the stress of weather which followed and getting the ship back to port I am afraid we did not give you the attention and sympathy you deserved at the time, but we did the best we could except to log full and complete report, if, as you say, only the fact that you were injured was logged.

"I kept a personal diary all during the war and have an entry therein concerning the wave that hit us and your and my reception of same and a notation of your injury.

"As I recall your departure from the Sterrett, you still had a stiff limb for over a period of 1 week or more (exact time I cannot remember). You received your injury from a sea smashing into the fireroom and you were unconscious. The pharmacist failed to record injury to your back and leg in your medical record.

"As stated above, having you saved from going overboard that morning and due to the fact that you bore your misfortune silently and in a seamanikey manner without complaint are the reasons I can give as accounting for such a brief entry the log.

"I am prepared, if necessary, to furnish an affidavit to the effect that you received a severe injury to your back and leg on December 17, 1917, which caused you pain and severe stiffness of body and limb for over a period of 1 week or more (exact time I cannot recall) this report.

"Having served with you under the acid test of war, I know you to be of the type and caliber of a man who would bear your trials without complaint, but an injury incurred in line of duty, to which I personally assigned you, you are incapacitated, you can be assured that, if advised as to the
proper person to address, I will gladly forward any further information dealing on the subject of your injury or relative to your excellent performance of duty while serving with me on the service.

With my sincere regret to learn of your misfortune, I am,

Yours truly,

J. T. Alexander,
Lieutenant Commander, United States Navy.

Some years ago Clinton applied to the Veterans' Bureau for compensation as a result of being 50 percent disabled, which rating was changed to 60 percent. He is receiving $42.80 per month.

The Veterans' Bureau found that his present condition was service connected.

As a result of these injuries he was operated on at the naval hospital in New York in 1918, and the medical record of the case stated that the cause of the trouble was a strain in line of duty. The operation was for appendicitis and hernia.

The following letter from the Secretary of the Navy sets forth the Navy Department's views of the bill, and is hereby made a part of this report:

NAVY DEPARTMENT
OFFICE OF THE SECRETARY.
Washington, D. C., January 26, 1932.

The Chairman, Committee on Naval Affairs.
Washington, D. C.

My Dear Mr. Chairman: The report and recommendations of the Navy Department on the bill now under consideration are as follows:

The records of the Navy Department show that, after a period of 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served in the capacity of a gunner on active duty two years. He was not incapacitated during that period.

The only individuals who have been placed on the retired list in the rank temporarily held are those who contracted physical disability in the line of duty during the World War. The Navy Department is not aware of any permanent disability incurred in the service which would entitle Mr. Clinton to retirement, even if he were on the active list of the Navy.

The bill is to appoint William H. Clinton the rank from September 24, 1917, and served, which rating follows:

H. R. 1604, February 5, 1932.

Sincerely yours,

Claude A. Swanson.

The letter above referred to is as follows:

WASHINGTON, February 5, 1932.

The Chairman, Committee on Naval Affairs.
Washington, D. C.

My Dear Mr. Chairman: Replying further to the committee's letter of December 19, 1931, transmitting the bill (H.R. 1604) to place William H. Clinton on the retired list of the Navy, and requesting the views of the Navy Department thereon, I have the honor to inform the committee as follows:

The purpose of the bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability in the line of duty while on active duty in the service.

The records of the Navy Department show that, after a period of two years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 28, 1920, when his resignation was accepted at his own request.

The only individuals who have been placed on the retired list in the rank temporarily held are those who contracted physical disability in the line of duty during the World War. The Navy Department is not aware of any permanent disability incurred in the service which would entitle Mr. Clinton to retirement, even if he were on the active list of the Navy.

The bill is to place William H. Clinton the rank from September 24, 1917, and served, which rating follows:

H. R. 1604, February 5, 1932.

Sincerely yours,

C. F. Adams, Secretary of the Navy.

The President pro tempore. On objection, the bill will be passed over.

VOCA TIONAL EDUCATION

The bill (S. 2833) to provide for the further development of vocational education in the several States and Territories was announced as next in order.

Mr. George. Mr. President, I shall not ask for consideration of the bill under the present order, but it is expected that a motion will be made to make it a special order at an early date. I ask that it go over at this time.

Mr. McNary. Mr. President, I feel considerable interest in the bill to which the Senator just addressed himself; but, because of comments in the Chamber, I did not understand the remarks of the Senator. Did he ask that it be made a special order at a later date?

Mr. George. I did not ask it, but gave notice that it is expected to ask to have it made a special order at an early date. It could hardly be disposed of under the present order.

The President pro tempore. The bill will be passed over.

GOVERNMENT FOR AMERICAN SAMOA

The Senate proceeded to consider the bill (S. 3113) to provide a government for American Samoa, which was read. Mr. Robinson. Mr. President, similar bills have passed the Senate three times heretofore. The measure was first introduced by the chairman of the Committee on Territories and Insular Affairs, the former Senator from Connecticut, Mr. Bingham, having been prepared by a commission, of which I myself was one of the members. Subsequently, I introduced the bill and it was passed; and I think similar bills have passed this body three times. No action has been taken on them in the House of Representatives. I think the bill might very well be passed again.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. Copeland subsequently said: Mr. President, may I ask what happened to Senate bill 3113?

The President pro tempore. The bill has been passed. Mr. Copeland. I ask unanimous consent that the bill may be returned to the calendar. I was busy with another matter at the time it was reached.

Mr. Robinson. I do not object to that request, Mr. President.

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

Mr. King. Mr. President, I may say—perhaps it is not quite germane—that similar bills have been before the Senate a number of times. I think most of us are familiar with the measure. It has received the approval of the Senate upon three different occasions.

Mr. Copeland. At a future time I desire to present some argument relative to the matter.

The President pro tempore. The bill will be returned to the calendar.

BILLS, ETC., PASSED OVER

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. King. Let that go over.

The President pro tempore. The joint resolution will be passed over.

The bill (S. 3627) for the relief of Francis Gerrity was announced as next in order.

Mr. McKellar. Let that go over.

The President pro tempore. The bill will be passed over.

ALLOCATION OF RADIO FACILITIES

The bill (S. 2243) relating to the allocation of radio facilities was announced as next in order.

Mr. Robinson. Mr. President, there should be an explanation of that bill. It relates to an important subject.

The Senator who reported the bill is not present at this moment; and I ask that it go over for the present.

The President pro tempore. Without objection, the bill will be passed over.

Mr. Wheeler subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 1652, Senate bill 2243, relating to the allocation of radio facilities.

The Presiding Officer (Mr. Truman in the chair). Is there objection to the request of the Senator from Montana to return to Senate bill 2243?

Mr. McNary. Mr. President, personally I have no objection. There are a number of absentees on this side of the Chamber, however.

Mr. Wheeler. Let me say to the Senator that I do not think there is any objection at all to the bill.

Mr. McNary. There must have been objection, or it would have passed.

Mr. Wheeler. Some Senator objected to it and asked for a statement with reference to it.

Mr. McNary. May I inquire of the Chair, if the clerk has the record before him, who asked that the bill go over?

The Presiding Officer. The Senator from Arkansas (Mr. Rossman) asked to have the bill go over.
Mr. WHEELER. I am sure the Senator from Arkansas would have no objection to the bill, because it is a bill which the Communications Commission itself asked to have enacted.

Mr. MCKELLAR. My recollection is, if the Senator will yield, that the Senator from Arkansas asked for an explanation of the bill; and as the Senator from Montana was not here at the time, he then asked to have the bill go over.

Mr. WHEELER. That is correct.

The passage of this bill has been recommended by the Communications Commission. I introduced the bill. It came before the Committee on Interstate Commerce and was unanimously reported to the Senate by the committee.

Mr. MCKELLAR. If it should be mistaken in my recollection, if the bill should pass, the Senator would not object to a reconsideration if the Senator from Arkansas should desire to have it?

Mr. WHEELER. Not at all. If any Senator desires reconsideration of the bill, I shall not object to it.

Mr. FLETCHER. What is the calendar number of the bill?

Mr. WHEELER. It is Calendar No. 1652.

Mr. KING. What is the purpose of the bill?

Mr. WHEELER. The purpose is to restore the provisions of the original act.

The original act contained practically the same provisions as the bill in question. Later there was an agitation to divide the country into various zones, and to provide that the Commission should allocate radio frequencies only to those particular zones. The engineers of the Commission and the Commission itself since that time have found many difficulties in allocating frequencies to particular zones; and they desire to have the matter left to their discretion, because the zone idea has tied them down on account of the contour of the country in some places, and so forth.

Mr. MCKELLAR. Does the Communications Commission recommend the enactment of the bill?

Mr. WHEELER. Yes; the Commission has recommended it in language which I will read. I first read from the report of the committee:

The legislation is recommended for practical reasons of administration by the Communications Commission, which has found that the drawing of artificial zone lines for guides in allocating radio facilities cannot satisfactorily be applied because of the physical laws governing radio transmission. As a consequence, the policy of Congress, to so distribute radio facilities that every section of the country will be adequately supplied, has been very difficult of effectuating.

On May 22, 1935, the Chairman of the Communications Commission, in my presence, said:

"With further reference to S. 2843, which was introduced by you March 13, 1935, I beg to advise that this Commission favors its amendment for the following reasons:

A similar bill was recommended for passage at the last session of Congress, as I recall, by the Communications Commission—

"The existing law, which S. 2843 seeks to repeal, is contrary to natural laws and has resulted in the concentration of the use of frequencies in centers of population, and the restriction of facilities in sparsely populated States, even though interference consideration would permit the operation of one or more additional stations. Because of the size of the zones provided for by the existing law, the distribution required by the Davis amendments has resulted in providing ample broadcast service in small zones and lack of service in large zones. The experience of the Federal Radio Commission and this Commission has proved that the Davis amendments are a very difficult of administration and cannot result in an equality of radio broadcasting service.

"This Commission is, therefore, in hearty accord with and favors the passage of S. 2843."

Let me say to the Senate that when the Davis amendment was adopted, the former Senator from Washington, Mr. Dill, and myself and other Senators from the West were very anxious that the bill should become law. Subsequently, however, we found that the operation of the so-called Davis amendment has discriminated against the West, because of the fact that the zones in the West are so large and the zones in the East are small. Consequently, the big cities of the country, such as those in New York, have found that the law works all right; but in the case of the larger zones in the West and Middle West it has hampered us in securing the facilities we ought to have to meet the demands of that section of the country.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate Commerce with an amendment, on page 1, line 12, after the word "provide", to strike out "an" and insert "a", "fair", "efficient", and", so as to make the bill read:

Be it enacted, etc., That section 302 of the Communications Act of 1934 is hereby repealed.

Sec. 2. Subsection (b) of section 307 of such act is amended to read as follows:

"(b) In considering applications for licenses, and modifications and renewals thereof, where and in such cases as it is expedient for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each of the same."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The bill (H. R. 3940) for the relief of Jezzie S. Post was announced as next in order.

Mr. MCKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3074) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

EDUCATION, MEDICAL ATTENTION, ETC., FOR INDIANS

The Senate proceeded to consider the bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", which had been reported from the Committee on Indian Affairs with amendments.

Mr. ROBINSON. Mr. President, I think there should be an analysis of this bill by its author.

Mr. THOMAS of Oklahoma. Mr. President, the bill provides an amendment to that is known as the Johnson-O'Malley law, passed in 1924. Under the provisions of that law, the Bureau of Indian Affairs, acting through the Secretary of the Interior, is authorized to contract with the States for furnishing certain services to Indians. This bill proposes to modify and extend the provisions of the Johnson-O'Malley Act by making it possible for the Secretary to contract with the States for providing for the medical attention, relief of distress, and social welfare of the Indians.

The bill does one additional thing. The original act provided that the Secretary must contract with some legally authorized institution in the State for these services. Some of the States have not passed an enabling act on the subject, so the bill provides that the Secretary may contract with the Governor, and in some States the Governor may make the contract in the exercise of his inherent powers as Governor.

Those are the two things the bill does.

Mr. ROBINSON. I do not object to the consideration of the bill, Mr. President.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment was, on page 1, line 5, after the word "education", to insert "medical attention, relief of distress, and social welfare of Indians", so as to make the bill read:

Be it enacted, etc., That the act of April 16, 1924 (48 Stat. 566), entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", be, and the same hereby is, amended to read as follows:
“That the Secretary of the Interior be, and hereby is, authorized, in his discretion, to enter into a contract or contracts with any State or Territory, or political subdivision thereof, or with any State university, college, or school, with any public, private, or nonprofit corporation, agency, or institution, for the education, medical assistance, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory, through the agencies of the State or Territory or of the corporations and organizations before named, and to expend under such contracts or agreements, monies appropriated by Congress for the education, medical assistance, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory.”

“Sec. 2. That the Secretary of the Interior, in making any contract herein authorized, may permit, such contracting party to use all existing school buildings, hospitals, and other facilities, and all equipment therein or appertaining thereto, including livestock and personal property owned by the Government, under such terms and conditions as may be agreed upon for their use and maintenance.”

“The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIM OF HEIRS OF JAMES TAYLOR

The Senate proceeded to consider the bill (S. 3501) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, in section 4, page 7, after the words “Courts of Indian claims”, and insert: “said suits” and insert after the words “Court of Claims”, to strike out “is authorized” to allow attorney’s fees not exceeding 10 percent on the amount of the judgment which may be rendered in favor of plaintiff, if any, and the same shall be made a part of the court’s decree” and to insert “shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorney or attorneys employed by said claimant heirs of James Taylor, and the same shall be included in the decree and paid out of any sum or sums found to be due said claimants.”

“Sec. 4. That the Secretary of the Interior shall report annually to the Congress any contract or contracts made under the provisions of this act, and the moneys expended thereunder.”

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF ASSINIBOINE INDIANS

The Senate proceeded to consider the bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and be referred to the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 5, after the word “notwithstanding”, to insert “anything in the Judicial Code of the United States to the contrary, and without regard to”, so as to make the section read:

“Prior to the amendment was agreed to.

The next amendment was, in section 3, page 3, line 18, after the word “sums”, to strike out “herefore”; and in line 19, after the word “Indians”, to insert “prior to March 2, 1927”, so as to read:

“Sec. 2. Any and all claims against the United States within the purview of this act, including any additional evidence, statement, or petition filed as herein provided in the Court of Claims within 8 years from the date of the approval of this act, such suit shall make the Assiniboine Indians party to the suit, and shall be determined under the Act of March 3, 1921, by the Commissioner of Indian Affairs and the Secretary of the Interior.”
Official papers, letters, documents, records, including records of evidence heretofore taken before the Court of Claims pertaining to the subject matter of the suits herein authorized or certified coroners, or other forms of the Government shall give access to the attorney or attorneys of such Indian Nation to such treaties, papers, correspondence, or records, as may be needed by the attorney or attorneys of said Indian Nation.

Sec. 3. That if any claim or claims be submitted to said court it shall be the duty of the court, to the extent of the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation or former adjudication and any payment which may have been made by the United States upon any such claim or claims submitted shall not be deemed as an estoppel, but may be pleaded as a set-off in any suit, and the United States shall be credited subsequent to the date of any Executive order, law, treaty, or agreement under which the claims arise for any sum or sums paid or expended for the benefit of said Indians prior to March 2, 1927, including gratuities: Provided, however, That there shall not be set off or credited any sum or sums of money paid by the United States to or for the benefit of the Assiniboine Indian Nation for lands lying north of the Missouri River; nor any sum or sums of money received by the Assiniboine Nation or members thereof for surplus lands in the Fort Peck or Fort Belknap Reservations; nor any lands, nor the value thereof allotted to the Assiniboine Nation or members thereof in the Fort Peck or Fort Belknap Reservations, nor any lands, nor the value thereof, found to be due said tribe.

The amendment was agreed to.

The next amendment was, in section 7, page 5, line 21, after the word "decrees", to insert "and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians", so as to read:

Sec. 4. That if it be determined by the court that the United States under the terms and provisions of any treaty, order, law, treaty, or agreement, set forth and referred to in section 1, has unlawfully appropriated or disposed of any money or other property, Indian, damages therefor shall be confined to the value of the money or other property at the time of such appropriation or disposal, with a minimum value of lands at $1.25 per acre. With reference to all claims which may be subject matter of the suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States, and shall annul and cancel all claim, right, and title of the said Assiniboine Indians in and to such money or other property.

Sec. 5. Upon final determination of such suit or suits, the Court of Claims shall have jurisdiction to fix and determine a reasonable attorney's fee for services heretofore or hereafter rendered the Assiniboine Nation not to exceed 10 percent of the recovery, together with all necessary and proper expenses heretofore or hereafter incurred and the Assiniboine Nation to be paid out in per-capita payments to said Indians, except the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians. The costs incurred in any suit hereunder, including the costs of all judgments against the United States such costs shall be included in the amount of the judgment or decree, and if against said Indians shall be paid by the Secretary of the Treasury to the funds standing to the credit of the Indians decreed by said court to be entitled to the proceeds of the judgment, and the same shall be paid out of the funds of the Assiniboine Tribe in the Treasury of the United States.

Sec. 6. All laws and parts of law inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, the third time, and passed.

FURNISHING OF INFORMATION BY SECRETARY OF AGRICULTURE

Mr. ROBINSON. Mr. President, I am compelled at this time to leave the Chamber for a few minutes.

There is on the calendar Senate Resolution 265, Calendar No. 1824, a resolution introduced by the Senator from Michigan [Mr. VANDENBERG] which probably will be reached during my absence from the Chamber.

It is desired by a number of Senators that opportunity be afforded to discuss the resolution. If therefore ask that it be passed over for the present, and that on Monday next at 2 o'clock p. m. the Senate proceed to the consideration of the resolution.

Mr. McNARY. Mr. President, is it the purpose of the Senator to propose a unanimous-consent agreement to that effect at this time?

Mr. ROBINSON. Yes; I am asking such an agreement, because I shall probably be absent from the Chamber when the resolution is reached.

Mr. McNARY. At what hour and what date does the Senator desire to have the resolution considered?

Mr. ROBINSON. Next Monday. I suggested the hour of 2 o'clock p. m. I understand that that is satisfactory to the author of the resolution.

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

BILLS, ETC., PASSED OVER

The bill (S. 2041) for the relief of Charles E. Wilson was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ASSISTANT JUDGE ADVOCATE GENERAL OF THE ARMY

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army was announced as next in order.

Mr. KING. Mr. President, I find that there is an adverse report with regard to this bill. Unless there is some explanation of the bill, I ask that it go over.

Mr. LOGAN. Mr. President, I made an explanation of this bill when it was reached on the calendar heretofore. It provides for the establishment of the office of Assistant Judge Advocate General in the Army, with the rank of brigadier general. It does not increase the cost to the Government further than about $20 a month.

The Judge Advocate General's Office think it very important that they have an officer to act in the absence of the Judge Advocate General, to be selected and appointed as provided by law for assistant chiefs of branches, because of the fact that under the present procedure the ranking officer usually acts when the Judge Advocate General is away, and he may or may not be very competent for this particular task. That is the only purpose of the bill.

Mr. KING. Mr. President, the letter of the Secretary of War concludes with this sentence:

This proposed legislation was submitted to the Bureau of the Budget, which reports that it is not in accord with the financial program of the President.

A paragraph before the one I have read from the letter of the Secretary of War says:

In drafting the act of June 4, 1929, careful consideration was given to the number of assistant chiefs required by the various branches. The organization then established has proven most effective and, in the main, adequate.

The next paragraph reads as follows:

Moreover, the War Department feels that the Congress in its last session, by enacting a bill providing accelerated promotion for the commissioned personnel of practically the entire Army, has done all it can reasonably be expected to do in regard to promotion for officers, and that no effort should be made toward the enactment of legislation providing increased promotions, particularly of the higher ranks, in the absence of a pressing need therefor.

Obviously, if the bill should pass, the President would veto it.
Mr. LOGAN. I do not know whether or not the President would veto the bill. I do not know, however, that the Military Affairs Committee had that report before it when it considered all the facts; and the Military Affairs Committee thought, from talking with those who are members of the Judge Advocate General’s Office and others, that the enactment of the bill is necessary. Of course, the Secretary of War recommended against the passage of the bill upon the ground that if it should be passed, perhaps other assistants would be called for; but the bill does not materially increase the cost to the Government, and I can see no particular reason why the Secretary of War should object to it.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

FRANZ J. FEINLER

The Senate proceeded to consider the bill (S. 2158) for the relief of Franz J. Feinler, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President of the United States is authorized to cause a War Department board of officers to review the case of Franz J. Feinler, including such additional evidence as may be submitted, to find whether the said Franz J. Feinler shall hereafter be held and considered an and upon approval of such findings by the President, Franz J. Feinler shall be held and considered to have been honorably discharged from the military service of the United States on April 20, 1918, and, if as a result of such review it is found that it should be so held and considered and upon approval of such findings by the President, Franz J. Feinler shall be held and considered to have been honorably discharged on April 20, 1918: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8583) to authorize the deposit and investment of Indian funds was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, in order that an amendment may be offered to this bill—and I am not now prepared to offer the amendment—I ask that the bill be passed over temporarily.

The PRESIDENT pro tempore. Without objection, that order will be made.

ELIZABETH HALSTEAD

The bill (H. R. 4638) for the relief of Elizabeth Halstead was considered, ordered to a third reading, read the third time, and passed.

CATHARINE I. KLEIN

The bill (S. 4019) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Catharine I. Klein, the widow of Nelson B. Klein, a special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in the line of his official duty at College Corner, Ohio, August 16, 1931: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall have been guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

RODMAN CHEMICAL CO.

The joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States was considered, ordered to a third reading, read the third time, and passed.

PETRA M. BENAVIDES

The bill (H. R. 1363) for the relief of Petra M. Benavides was considered, ordered to a third reading, read the third time, and passed.

BILL INDEFINITELY POSTPONED

The bill (S. 4025) to authorize a preliminary examination of the Republican River, with a view to the control of its floods, was announced as next in order.

Mr. NORRIS. Mr. President, a House bill to the same effect as this Senate bill having been passed by the Senate and House and signed by the President, I ask that this bill be indefinitely postponed.

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

VESSEL FOR RESEARCH WORK IN PACIFIC OCEAN FISHERIES

The bill (S. 3885) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when funds are made available as authorized by section 2 of this act, the Secretary of Commerce is authorized and directed (1) to cause plans and specifications to be prepared for the construction and equipment of a vessel for use in such research work with respect to Pacific Ocean fisheries as the Secretary finds will be useful to persons engaged in the fishing industry; and (2) to contract for the construction and equipment of such vessel. Such vessel shall be maintained and operated under the supervision of the Secretary of Commerce.

COLUMBIA NATIONAL FOREST, WASH.

The bill (S. 3894) to add certain lands to the Columbia National Forest, in the State of Washington, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to any valid existing claim or entry, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Columbia National Forest, in the State of Washington, to be hereafter administered under the laws and regulations relating to national forests; and the provisions of the act approved March 30, 1923 (U. S. C., title 16, sects. 486, 487), as amended, are hereby extended and made applicable to all other lands within the said described area:

Sections 1 to 3, inclusive, and 11 and 12, township 2 north, range 4 east; sections 1 to 9, inclusive, and 11 and 12, township 3 north, range 4 east; sections 1 to 28, inclusive, and 34 to 36, inclusive, township 4 north, range 4 east; all of township 5 north, range 4 east; sections 1, 2, 11 to 15, inclusive, 22 to 27, inclusive, and 33 to 36, inclusive, township 6 north, range 5 east; sections 4 to 9, inclusive, 16 to 21, inclusive, 28 to 33, inclusive, township 6 north, range 5 east, all in the State of Washington, Willamette meridian.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 3890) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. I ask that that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 239) to investigate the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area was announced as next in order.

Mr. KING. Mr. President, in view of the recent developments in the Hagood case, I inquire of the Senator who introduced the resolution whether he desires its consideration?

Mr. McNARY. Mr. President, the Senator from Rhode Island [Mr. McNARLY], who introduced the resolution, is unavoidably absent. Under the circumstances I suggest that it go over for the day.
The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

J. HAROLD ARNOLD

The joint resolution (H. J. Res. 179) authorizing the Presi­dent to present in the name of Congress a Navy Cross to J. Harold Arnold was announced as next in order.

Mr. LOGAN. Let that go over.

Mr. VANDENBERG. Mr. President, may I call attention to the fact that the Navy Department's opposition to this measure was to the granting of a medal of honor? The joint resolution was changed in the House of Representatives so as to provide for granting a Navy Cross, which it seems to be generally agreed the man richly deserves. The Navy Department's second objection was that it would add $2 a month to the service compensation. The sum total of the compensation is $32.

Mr. LOGAN. Mr. President, I should like to confer with the Senator about the joint resolution and explain the situa­tion as I understand it. Perhaps I will have no objection, but I should like to confer with the Senator about it.

The PRESIDENT pro tempore. Under objection, the joint resolution will be passed over.

PENSIONS

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was announced as next in order.

Mr. KING. Mr. President, it would take some time to con­sider this bill, and it could not be explained and presented under the 5-minute rule. Let it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT OF CIVIL AND LEGISLATIVE EMPLOYEES

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. NEELEY subsequently said: Mr. President, during my temporary absence from the Chamber, consideration of Order of Business 1749, which is House bill 3044, was post­poned. I ask unanimous consent to return to that bill in order that I may have read from the clerk's desk a relevant letter which I have received from Mr. Claude Babcock, presi­dent of the American Federation of Government Employees.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, again I may state that I have no personal objection, but the Senator who objected to the bill may not be present in the Senate at this time, and unless the record clearly indicates the name, I do not think it would be fair to recur to the bill.

Mr. NEELEY. Let me inform the Senator from Oregon that the record does not show who objected to the bill. Does the Senator object to a return to it in order that the letter to which I have referred may be read?

Mr. McNARY. I do not object to that being done, but I think the practice that when objection is made to a bill and then later a Senator comes in and asks to recur to the bill, unless the Senator who objected is present, I do not think any action should be taken. In this case the Senator from West Virginia is unable to ascertain from the clerk the name of the Senator who objected. Therefore the record should be completed and the bill ordered to go over for the day.

Mr. NEELEY. Mr. President, let me assure the Senator that it is not my intention to take advantage of the Senator who objected, or of any other Senator present, but I should like to have it put into the Record that I have no objection, and in order to do that, I ask unanimous consent to return temporarily to the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia to return to the bill named by him? The Chair hears none.

Mr. NEELEY. I ask that the clerk read the letter, which I now send to the desk.

The PRESIDING OFFICER. The clerk will read the letter.

The legislative clerk read as follows:


The Honorable Matthew Neeley, United States Senate, Washington, D. C.

My Dear Senators Neeley: There have come to my attention ru­mers to the effect that certain civil servant employees of the executive branch of the United States Government have been quoted as being opposed to the passage of H. R. 3044, which was passed in the House and amended in the Senate by the substitution of your bill, S. 2939.

I have examined the bill with the substitution with consid­eration and care and feel that I am authorized to say for all civil servant employees that they should not have any objection to the passage of the measure as it left the Senate committee.

The employees of the executive branch have expressed them­selves as desirous of favoring a solution of the troublesome prob­lem of retirement for the legislative employees of the Government. They do not presume to express to the Congress that they will take any particular action with respect to such retirement privi­lege. In other words, we feel that the retirement of civil serv­ant employees of the legislative department of the Government should and may well be handled by the legislative authority without the criticism of employees of the executive branch.

My examination of your bill shows further that it did not con­fer upon the legislative employees any extraordinary or even sub­stantial benefit not enjoyed by the executive branch employees.

May I not for a second review the substance of the civil-service retirement law? It provides two things: First, a deferred-pay­ment plan to be financed and paid for by the Government which is not greatly different from the plan contained in your bill for legislative employees.

Secondly, it provides for an additional amount of annuity to be obtained from contributions from the salaries of executive branch employees.

There are serious reasons why it might not be advisable for the Congress to provide for the contributory part of the retirement act for legislative employees. Among these are the general short tenure of most of the employees and the extremely small bookkeeping costs which would result. Also the elimination of the contributory part of the Civil Service Act is not of material interest to the civil-service employees and it is a means of enabling the civil-service employee to obtain a larger annuity for which he pays and since the payment or no payment by legislative employees would not effect the civil-service employee I think it can be said that reasonably the civil-service employee can have no objection to an omission from the retirement law as effecting the legislative branch of the contributory portion.

Now, to return for a moment or two to the deferred-pay feature—your bill provides for deferred payment of these employees, in certain instances, of an amount usually $30 a month. The Civil Service Retirement Act provides for the same payment of the same amount in the usual case.

It is true that there is a slightly increased payment for the last five years of 30 years' service and there is restriction to $1300 but that is compensated for in the Civil Service Retirement Act by Government contribution of the amount of the deficiency between $1300 and $1500 if contributions have not been sufficient to buy a $1300 annuity.

In summary may I say that far from being a Treasury raid I am surprised at the modest requirements of your bill. I presume with all sincerity that there will not be built up under the bill any onerous charges on the Government and I dare assume that the payment per capita per employee-days or years will be less to the United States Government under your bill than under the civil­service retirement bill.

The purpose in forwarding this letter to you is to let you know that although rumors may be afloat concerning the fact that some civil-service privilege is apparently to be given to legislative employees, in fact this is not true and the substitute bill proposed by you will be less expensive per capita and certainly cannot be compared to executive branch employees.

I assure you that this organization will be of what assistance it may in favoring the protection of legislative employees on the pure basis of equity to them and interest in them as other workers for Uncle Sam.

Respectfully,

Claude Babcock, President.
Mr. NEELEY. Mr. President, in view of the fact that objections to the consideration of the bill have been made on both sides of the Chamber I shall not insist upon its being taken up today, but I now give notice that at the earliest appropriate time I shall move that it be passed by the Senate.

The PRESIDING OFFICER. On objection, the bill will be passed over.

FACILITIES FOR RECREATIONAL-AREA PURPOSES

The bill (H. R. 10164) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. ADAMS. Let that go over.

Mr. WAGNER. Mr. President, I hope the Senator will withhold his objection to the bill. It has been amended in such a way as that all of the objections raised when the bill was previously considered have been removed. It now limits the authorization to merely a study of parks, parkways, and recreational-area programs, and authorizes no transfer of property. This is a study which ought to be made, and I make an appeal to the Senator to withdraw his objection so that the bill may be passed today.

Mr. MCKELLAR. Mr. President, may I ask the Senator what the survey would cost?

Mr. WAGNER. No appropriation at all is sought. The bill is limited to a study by the Department of the Interior of the park, parkway, and recreational-area programs. All the objections the Senator made when the bill was considered heretofore have been removed. Can I reach the heart of the Senator from Colorado at all in this matter?

Mr. ADAMS. I think the bill ought to go over, Mr. President.

Mr. WAGNER. Very well. At the first opportunity I shall move that the bill be taken up for consideration by the Senate.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (H. R. 4889) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WASHINGTON GAS LIGHT CO.

The Senate proceeded to consider the bill (S. 3977) to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 6, after the word "Company", to insert the word "may"; in line 6, after the word "purposes", to strike out the words "may, by vote of its directors" and to insert in lieu thereof the words "by a vote of two-thirds in number of the outstanding shares of stock of the company"; on page 1, line 6, after the word "Company", to insert the word "may"; in line 6, after the word "purposes", to strike out the words "may, by vote of its directors" and to insert in lieu thereof the words "by a vote of two-thirds in number of the outstanding shares of stock of the company"; on page 3, line 23, to strike out the word "the" and insert in lieu thereof the word "The"; on page 3, line 1, to strike out "the" and insert in lieu thereof "The"; on line 4, to strike out "the" and insert in lieu thereof "The"; on line 6, to strike out "the" and insert in lieu thereof "The"; on line 8, to strike out "the" and insert in lieu thereof "The"; on line 16, to strike out "the" and insert in lieu thereof "The"; on line 17, strike out "the" and insert in lieu thereof "The"; on line 20, strike out "the" and insert in lieu thereof "The"; on page 4, line 4, after the words "District of Columbia", to insert the following proviso: "Provided, That said work and its incidents, including the replacement of pavement or road surface, and the cost or expense to the District of Columbia or to the United States: Provided further, That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto", so as to make the bill read:

Be it enacted, etc., That, provided the same shall be found by the Public Utilities Commission of the District of Columbia to be in the public interest, the Washington Gas Light Co. may, for lawful corporate purposes, by a vote of two-thirds in number of the outstanding shares of stock of the company, acquire, sell, assign, or convey bonds, stocks, or other securities, with or without par value, and with or without privilege, and any other security the company may issue, and may raise money by the issuance of bonds or other securities for said work and its incidents, including the replacement of said work and its incidents, and the tax for payment of interest and principal thereon, and from time to time issue such additional stock, in such amounts, for such considerations, of such classes, either with or without privilege, and with or without par value, and with such rights, privileges, and conditions, as said Commission may approve.

All shares of capital stock of said company hereafter issued for which the agreed consideration shall have been paid to the company, and all shares of capital stock of the company herefore issued, as well as shares into which such shares herefore issued may be changed, shall be deemed and taken to be fully paid and nonassessable, and there shall be no liability to the company or to creditors of the company on the part of any subscriber to, or holder of, such shares.

Said company may, upon obtaining approval of said Commission, change all of the shares of its capital stock at any time outstanding into the same or a different number of shares issued pursuant to the provisions of this act, by following the same procedure and complying with the same requirements as hereafter prescribed in section 639a of the Code of Law for the District of Columbia, as amended (41 Stat. 1195), in respect of a change of title by a corporation.

Sec. 2. Provided the same shall be found by said Commission to be in the public interest, said company is further authorized to consolidate or merge with The Georgetown Gaslight Co. Without further proceeding, become consolidated with and incorporated into the Washington Gas Light Co., and all property, rights, privileges, and franchises of The Georgetown Gaslight Co. shall, subject to encumbrances or liens thereon to secure the bonds or other securities issued by The Georgetown Gaslight Co., and to any agreement of any valid claim against, or indebtedness of, The Georgetown Gaslight Co. existing at the time of such merger, pass to and be vested in the Washington Gas Light Co. as its property, with all the powers, rights, privileges, and franchises now possessed by either or both of said companies, including the right in the Washington Gas Light Co. to institute and prosecute in its own name any action in connection therewith: Provided, That pending actions against The Georgetown Gaslight Co. may continue against The Georgetown Gaslight Co. until the merger of said companies, and thereafter against the Washington Gas Light Co. Actions or claims against The Georgetown Gaslight Co. filed after the said merger shall be brought against the Washington Gas Light Co.

The Washington Gas Light Co., after such merger, shall have the full power and authority to manufacture, transmit, distribute, and sell gas in all parts of the District of Columbia and adjoining territory, for any purposes for which gas is now or may hereafter be used; and to lay, repair, and replace gas mains and pipes in any of the streets, avenues, and alleys of the District of Columbia: Provided, That said work and its incidents, including the replacement of pavement or road surface, and the cost or expense to the District of Columbia or to the United States: Provided further, That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto.

Sec. 3. All charters, statutes, acts and parts of acts, laws, ordinances, and regulations inconsistent with or repugnant to the provisions of this act, but only so far as inconsistent herewith or repugnant hereto, are hereby repealed.

Sec. 4. The right to alter, amend, or repeal this act is hereby expressly reserved to the Congress.

The amendments were agreed to.

Mr. JOHNSON. Mr. President, will the Senator from Utah state the purpose of this particular measure?

Mr. KING. Mr. President, I will state in brief, the important provisions of the bill. The Washington Gas Light Co. is a rather small capital structure, and has a rather large funded indebtedness, the bonds being held largely by the banks and local people. It needs additional money to meet its recurring obligations, and with such a small capital it finds greater difficulty in negotiating loans to meet its necessary obligations.

The PRESIDENT pro tempore. The question is the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
BILLS PASSED OVER

The bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States" was ordered to be engrossed as next in order.

Mr. McKellar. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, was announced as next in order.

Mr. McNary. Mr. President, there should be some explanation of this bill.

Mr. King. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN THE FOREIGN TRADE

The Senate resumed the consideration of the resolution (S. Res. 260) submitted by Mr. Robinson (for Mr. Truman) on March 19, 1936, and considered and amended on March 27, requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The amendments were agreed to, as follows:

Resolved, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of all the acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American shipowner; (4) whether it is the general practice of American shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American Merchant Marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of Great Britain, Germany, France, Italy, and Japan, on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American and trans-Atlantic cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935, inclusive; (8) the percentage of American ships carrying a new type of vessel or the percentage of trans-Pacific cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935 inclusive; (9) the profit or loss of each of the American lines operating American-flag tonnage for each of the years 1926 to 1935, inclusive; (10) the operating expenses of the same lines for each of the years 1926 to 1935, inclusive; (11) how many of such lines held mail contracts, either on a poundage of per-mile basis or percent, and the aggregate amount of money paid to them under such contracts.

ADMISSIBILITY OF WRITINGS IN EVIDENCE

The Senate proceeded to consider the bill (S. 4197) relating to the admission of evidence of certain writings and records made in the regular course of business, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "That", to insert the words "in any court of the United States and any court established by act of Congress"; in line 7, after the word "admissible", to strike out the words "in evidence in proof" and insert in lieu thereof the words "as evidence"; and to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in any court of the United States and any court established by act of Congress, any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event shall be admissible as evidence of said act, transaction, occurrence, or event, if it shall appear that it was made in the regular course of business, and that it was the regular practice of such business to make such memorandum or record at the time of such act, transaction, occurrence, or event or within a reasonable time thereafter. All other circumstances of the making of such writing or record, including lack of personal knowledge of the maker, are hereby shown to affect its admissibility, but they shall not affect its admissibility. The term "business" shall include business, profession, occupation, and calling of every kind.

Sec. 2. This act shall be prospective only, and not retroactive.

The amendments were agreed to.

BILLS PASSED OVER

The bill (H. R. 11699) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., was announced as next in order.

Mr. Ashurst. This bill should not be considered at this time.

The PRESIDENT pro tempore. The bill is a special order for Wednesday, April 29, and will be passed over.

CONSTRUCTION OF A MODEL BASIN ESTABLISHMENT

The Senate proceeded to consider the bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to acquire a site at a cost not to exceed $150,000 in the vicinity of Washington, D. C., and to construct thereon a model basin establishment, with buildings and appliances, in which the Bureau of Construction and Repair of the Navy Department shall conduct the work of investigating and determining the most suitable and desirable shapes and forms to be adopted for United States vessels, including almost or all the problems of ship design, at a cost not to exceed $3,500,000: Provided, That upon the authorization of the Secretary of the Navy the Senate, as soon as practicable, shall be informed of the progress of such work and shall be furnished with information as to the results of experiments made in the establishment.

Mr. King. Mr. President, may we have an explanation of this bill?

Mr. Walsh. Mr. President, every country which maintains a navy and has a merchant marine has provided a model basin for testing the parts of ships before constructing a naval vessel or a merchant ship. Such basins are long basins, are filled with water, and are in miniature models of naval craft and of merchant ships are placed and tested.

We have one such basin in this country, at the Navy Yard here at Washington. It is obsolete and useless.

The object of the bill is to provide a modern up-to-date model basin establishment where models of new ships, private as well as public, and aircraft may be tested for the purpose of securing the most efficient and economical design.

This establishment will be a highly technical laboratory where exact knowledge of the effects of known and unknown forces in the development of ship, high-speed boat, and seaplane construction.

There are such basins in England, Germany, France, Japan, and all other maritime countries. In the absence of a proper basin here the builder of a merchant ship must hire the use of a foreign basin for the purpose of making the necessary tests.

The Navy Department, the Shipping Board, the Coast Guard, and practically every other branch of the Government having to do with shipping recognize the importance of having a model basin suitable for the purpose of making proper tests in order that we may have the best equipment in the construction of merchant ships and naval craft.

When such basins are used by private individuals or companies that construct merchant ships, they must pay the Government for the use of the basins, so that it is expected that about 50 percent of the cost of maintenance will be paid by the uses private enterprise may make of the proposed basin. It is said that the basin at the Washington Navy Yard was paid for in a few years by reason of the advantages and benefits which came from the scientific experiments that were made there.

We are now building many naval craft and attempting to encourage private shipbuilders. Unless we have a basin of
Mr. KING. Mr. President, what is the status of the Senate bill?
Mr. KING. I desire to ask the Senator whether this basin would be used principally by the Government for war vessels, or by commercial organizations?
Mr. WALKSH. Mostly by the Government. Let me add that it will be used—and it is a very important aid in the construction of naval aircraft. They must be tested in a basin of this kind. The small models first must be built in order to determine the power and strength and scientific value of the completed craft.

The bill is considered of the utmost importance by the Navy Department and by all of the departments of our Government interested in ship construction. It is only an authorization bill, and opportunity will be given later to consider the wisdom of appropriating the money. I hope the bill will be passed.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXTENSION OF BENEFITS OF CERTAIN ACTS TO ALASKA

The Senate proceeded to consider the bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

Mr. SCHWELLENBACH. Mr. President, before that is done, I should like to make an inquiry of the Senator from Washington (Mr. Schwellemenbach) with respect to the statement made by the Secretary of War, as follows:

You are advised, however, that legislation authorizing additional aid in approximately one-half of the amounts proposed in the bill would not be in conflict with the financial program of the President.

From that, I assume that objection would be made to the other half.

Mr. SCHWELLENBACH. Mr. President, the committee amendments are all made to conform to that suggestion. The Secretary said objection would be made if the amounts were more than one-half those proposed; so the committee amendments are made to cover that objection.

Mr. KING. So the amendments are made to conform to this view.

Mr. SCHWELLENBACH. Yes.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The amendments of the Committee on Agriculture and Forestry were, on page 2, line 12, after the name "Alaska," to insert "to the extent herein provided"; in line 16, before the word "for," to strike out "1936, $10,000" and insert "1937, $5,000"; in line 17, before the word "for," to strike out "1927, $15,000" and insert "1938, $7,500"; in line 18, before the word "for," to strike out "1938, $20,000" and insert "1939, $10,000"; in line 19, before the word "for," to strike out "1939, $25,000" and insert "1940, $12,500"; in line 36, after "June 30," to strike out "1940, $30,000" and insert "1941, $15,000"; in line 21, after "June 30," to strike out "1941, $35,000" and insert "1942, $17,500"; in line 22, after "June 30," to strike out "1942, $40,000" and insert "1943, $16,000"; in line 24, before the word "for," to strike out "1944, $45,000" and insert "1945, $22,500"; in line 25, before the word "for," to strike out "1945, $55,000" and insert "1946, $27,500"; on page 3, line 1, before the word "for," to strike out "1946, $65,000" and insert "1948, $35,000"; in line 2, after "June 30," to strike out "1946, $75,000" and insert "1947, $35,000"; in line 3, after the words "equal to," to insert "one-half of"; in line 5, before the words "Purnell Act," to strike out "same" and insert "said"; in line 12, after the name "Alaska," to insert "to the extent herein provided," and after "1946, $5,000," and insert "1937, $2,500," in line 16, after "June 30," to strike out "1937, $10,000," and insert "1938, $5,000," in line 18, before the word "for," to strike out "1938, $15,000," and insert "1939, $7,500," in line 19, before the word "same," to strike out "1939," and insert "1940," and in the same line, after the word "thereof," to strike out "$50,000" and insert "$10,000," so as to make the bill read:

Re its enacted, etc., That the following acts, to wit, an act entitled "An act to provide for an increased annual appropriation for agricultural experiment stations and extension work therefore," approved March 16, 1906, and known as the Adams Act; an act entitled "An act to authorize the more complete enforcement of the experiment stations and extension work thereunder," approved February 24, 1925, and known as the Purnell Act; and an act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefit of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture, approved May 22, 1928, and known as the Capper-Ketcham Act, be, and the same are hereby extended to the Territory of Alaska.

Sec. 2. To carry into effect the above provisions for extending to the Territory of Alaska to the extent herein provided, the benefits of the said Adams Act and the said Purnell Act, the following sums are hereby authorized to be appropriated:

For the fiscal year ending June 30, 1937, $5,000; for the fiscal year ending June 30, 1938, $7,500; for the fiscal year ending June 30, 1939, $10,000; for the fiscal year ending June 30, 1940, $12,500; for the fiscal year ending June 30, 1941, $15,000; for the fiscal year ending June 30, 1942, $17,500; for the fiscal year ending June 30, 1943, $22,500; for the fiscal year ending June 30, 1944, $27,500; for the fiscal year ending June 30, 1945, $35,000; for the fiscal year ending June 30, 1946, $35,000; and thereafter a sum equal to one-half of that provided for each State and Territory under the said Adams Act and the said Purnell Act; Provided, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds in maintaining agricultural experiment stations.

Sec. 3. To carry into effect the above provisions for extending to the Territory of Alaska, to the extent herein provided, the benefits of the said Capper-Ketcham Act the following sums are hereby authorized to be appropriated:

For the fiscal year ending June 30, 1937, $2,500; for the fiscal year ending June 30, 1938, $5,000; for the fiscal year ending June 30, 1939, $7,500; for the fiscal year ending June 30, 1940, and annually thereafter, $10,000; Provided, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds in maintaining agricultural experiment stations.

Be it enacted, etc., That the following acts, to wit, an act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefit of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture, approved May 22, 1928, and known as the Capper-Ketcham Act, be, and the same are hereby extended to the Territory of Alaska.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POSTHUMOUS CONGRESSIONAL MEDAL OF HONOR TO WILLIAM MITCHELL

The Senate proceeded to consider the joint resolution (S. Res. 219) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell, which had been reported from the Committee on Military Affairs with amendments.

Mr. DUFFY. Mr. President, I will say for the information of the Senate that the amendments to the joint resolution as it was passed by the Senate are such (Mr. Robinson) are to make it conform exactly with the bill which has already been reported favorably by the House Military Affairs Committee.

The PRESIDENT pro tempore. The clerk will state the committee amendments.
The amendments were in line 6, after the word "largely", to insert "in the World War"; in line 8, after the word "purposes", to insert "for the defense", and in line 10, after the word "has", to insert "thereby", so as to make the joint resolution read:

Resolved, etc., That the President of the United States is hereby authorized to award, posthumously, in the name of Congress, a Medal of Honor to William Mitchell, who died February 19, 1936, after having contributed so largely in the World War by his energy, his valor, and his vision to the development of aviation and of military air power of the United States; and be it further

Resolved, That the said William Mitchell has thereby deserved well at the hands of our Republic.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

REPEAL OF ACT FOR SALE OF PROPERTY IN NEWARK

The bill (H. R. 10985) to repeal Public Law No. 246 of the Seventy-second Congress was considered, ordered to a third reading, read the third time, and passed.

MEMORIAL DAY SERVICES AT ARLINGTON AND OTHER NATIONAL CEMETERIES

The bill (H. R. 13938) to aid the veteran organizations of the District of Columbia in their Joint Memorial Day Services at Arlington National Cemetery and other cemeteries on and preceding May 30 was considered, ordered to a third reading, read the third time, and passed.

CONTINUATION OF TRADING IN UNLISTED SECURITIES

The bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges was announced as next in order.

Mr. FLETCHER. Mr. President, may we have an explanation of that bill?

Mr. FLETCHER. Senate bill 4023 is a proposed amendment to the Securities Exchange Act of 1934. Senators will recall that the Securities Act of 1933 and the Securities Exchange Act of 1934 were outgrowths of the Banking and Currency Committee's investigation into stock exchange and banking practices.

At the time the Securities Exchange Act of 1934 was being drafted, however, the committee had not definitely decided what should be done with the then existing unlisted trading on the exchanges; hence, it recommended to the Congress a continuation of unlisted trading which would involve that privilege at the time but forbade an extension of this privilege. At the same time it directed that the Securities Exchange Commission make a study of trading in unlisted securities upon exchanges and to report the results of its study and its recommendations to Congress on or before January 3, 1935. At the same time Congress provided, in the event no further amendments were made to the law, that unlisted trading should cease at midnight on May 31, 1936. That time, of course, is very rapidly approaching, and it is very important to pass this measure now.

The report and recommendations of the Commission were submitted on January 3, 1936.

This bill has been drawn by the committee after deliberate consideration has been given to the report of the Commission, and after having held extensive hearings on the original language contained in Senate bill 4023. As a result of these hearings and deliberations the committee has stricken out all of the original language of Senate bill 4023, and recommends the passage of the amendments which are now drawn in the nature of a substitute.

The bill reported by the committee is designed to solve the essential problems presented in the report of the Commission and by witnesses heard in open hearings.

Section 1 would amend subsection (f) of section 12 of the Securities Exchange Act of 1934 to permit certain categories of unlisted trading.

As a matter of fact, if we do not enact this piece of legislation, thereby leaving the present dead line of May 31, 1936, to stand, approximately 2,000,000,000 shares of stock, comprising 1,370 issues, will be driven off the exchanges. Moreover, 584 issues of bonds, having a total face value of approximately $7,000,000,000, will likewise be expelled at midnight of May 31, 1936. That is not desirable.

The first category to which I wish to call attention has to do with a continuation of trading in those unlisted securities which enjoyed the privilege prior to March 1, 1934.

These securities, though deemed to be "registered" for various purposes under the act, are not registered in any true sense; that is, full and continuing information concerning them is not filed with the Commission in the ordinary way of the exchange or of inadequate public trading activity therein on the exchange, or because of the character of trading therein on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

It may be expected, moreover, that the number of securities traded on this basis will gradually diminish through retirement, redemption, liquidation, reorganization, or the transition of seasoned securities to a listed status.

Thus this should lead to a gradual and orderly adjustment of the peculiar problem created by this category of securities.

The second category of securities which could, under this bill, be admitted to unlisted trading privileges on a national securities exchange would comprise securities duly listed and registered on another national securities exchange.

The third category which might qualify under this bill, to be admitted to unlisted trading privileges on a national securities exchange would include any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations of the Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security listed and registered on a national securities exchange.

Among securities which might qualify within this third category would be securities of an issuer any other security of which is listed and registered on a national securities exchange, as well as new issues of securities which fall within the scope of subsection (d) of section 15 of the Securities Exchange Act of 1934, as amended, and trading in unlisted securities exchange activity on, or because of the character of trading therein on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

Any exchange seeking to admit any security in the second or third category to unlisted trading would have to meet the burden of proving to the satisfaction of the Commission that there existed in the vicinity of the exchange sufficiently widespread public distribution of, and sufficient public trading activity in, that security to render the admittance thereof to unlisted trading on that exchange necessary or appropriate in the public interest or for the protection of investors. In a measure, this requirement would make necessary a judgment by the Commission as to a future course of development—that is, as to whether the conditions of adequate public distribution and adequate public trading activity found to exist at the time of application would continue to exist after the admittance of the security to trading on the applicable exchange. Again, save in very exceptional situations in which the public interest appeared to the Commission to demand the creation of an unlisted exchange market for such a security, no such security would be eligible for unlisted trading if the issuer, or its officers, directors, or principal stockholders, would by the admission thereof to such trading, acquire the benefits of an exchange market for the stock without assuming the same obligations, especially in regard to proxies and trading by officers, directors, and principal stockholders, as would arise if the security were listed and registered. Finally even if the foregoing conditions were satisfied, the Commission
would be required to deny an application to admit such a security to unlisted trading unless it found that such admission would be in all other respects necessary or appropriate in the public interest or for the protection of investors. After such a security had been admitted to unlisted trading, the Commission would be under a duty to suspend or terminate such unlisted trading privileges if any such securities were duly listed and registered on a national securities exchange; except that such terms and conditions need not be suspended or terminated if in any case or class of cases the Commission shall establish to the satisfaction of the Commission that the public interest and the protection of investors would be best served by such extension of unlisted trading privileges. In the publication of such approval, a statement shall be made available for publication by any national securities exchange, or by any exchange, directly or indirectly, or upon a solicitation of quotations or transactions in securities made or effected upon such exchange, such exchange or controlled person shall clearly designate whether any such transaction between exchanges as a person directly or indirectly, or upon a solicitation of quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection, is making available for publication of such quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection.

Mr. MCKELLAR. Mr. President, did the Committee on Banking and Currency hold hearings on this bill?

Mr. FLETCHER. It held very extensive hearings on it.

Mr. MCKELLAR. Were there any objections to the measure?

Mr. FLETCHER. I do not know of anyone presenting objections to it. The objections which had been raised were met by the amendments.

Mr. MCKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. MCKELLAR. I have no objection.

The bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That subsection (f) of section 12 of the Securities Exchange Act of 1934 is amended to read as follows:

"(f) Notwithstanding the foregoing provisions of this section, any national securities exchange, upon application to and approved by the Commission, may extend unlisted trading privileges to any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations prescribed by the Commission under this title or the Securities Act of 1933, as amended, information substantially equivalent to that available to exchanges or persons regulated by the Commission in respect of a security duly listed and registered on a national securities exchange, such unlisted trading privileges shall continue in effect only so long as such security shall remain listed and registered on any national securities exchange; or (3) may extend unlisted trading privileges to any security in respect of which there is available from a registration statement and periodic reports or other data contained in such statement and reports.

"No application pursuant to this subsection shall be denied unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency.
registration, which shall contain such information in such detail as to enable the broker or dealer and any person directly or indirectly con­
trolling or controlled by, or under direct or indirect common con­
trol with, such broker or dealer, to know the purchase or sale of any
security or arising out of the conduct of the business of the issuer or of
any person directly or indirectly controlling or controlled by such issuer
or any person occupying a similar status or performing similar
functions, or any person directly or indirectly controlling or con­
trolled by such broker or dealer, whether prior or subsequent to
becoming such, (A) has willfully made or caused to be made in
any proceeding before the Commission or by any broker or dealer for whom
he shall be in lieu of any such rule or regulation thereunder or to any other security which the
Commission may by rules and regulations require as not compre­
hsive of the purposes of this subsection or the following:
Sec. 4. Subsection (a) of section 17 of such act is amended by
striking out “every broker or dealer making or creating a market
for, the purchase and sale, or the offering for purchase or sale, of securities
in the mails or of any means or instrumentality of interstate commerce,” and inserting in lieu thereof “every broker or dealer regis­
tered pursuant to section 15 of this title”.
Sec. 5. Subsection (a) of section 18 of such act is amended by
inserting immediately before the period the following: “or any undepa­
taking contained in a registration statement as provided in subsection (d) of
section 15 of this title.”
Sec. 6. Subsection (c) of section 20 of such act is amended by
inserting immediately before the comma following the phrase “any rule or regulation thereunder” the following:
Sec. 7. Subsection (f) of section 21 of such act is amended by
inserting immediately before the period the following: “or with any undertaking contained in a registration statement as pro­
vided in subsection (d) of section 15 of this title.”
Sec. 8. Subsection (a) of section 22 of such act is amended to
read as follows:
(a) The Commission and the Board of Governors of the Fed­
eral Reserve System shall each have power to make such rules and
regulations as may be necessary for the execution of the functions
vested in them by this title, and may for such purpose classify
issues, securities, and other documents, and reports pursuant to
such classification, be amended or rescinded or be determined by judicial or other
authority to be invalid for any reason.
Sec. 9. Section 32 or any part thereof is amended by striking out
“Sec. 32,” and inserting in lieu thereof “Sec. 32. (a) by inserting
immediately before the comma following the phrase “filed under this title or any rule or regulation thereunder” the follow­
ing: “or any undertaking contained in a registration statement as
provided in subsection (d) of section 15 of this title”; and by
adding thereto a new subsection (b) to read as follows:
(b) Any issuer which fails to file information, documents, or
reports pursuant to an undertaking contained in a registration
statement as provided in subsection (d) of section 15 of this title
shall forfeit to the United States the sum of $100 for each day
such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be de­
creed, shall be recoverable into the Treasury of the United States
and shall be recoverable in a civil suit in the name of the United
States.
Sec. 10. All brokers and dealers for whom registration is in
effect on the date of enactment of this act in accordance with rules and
regulations of the Commission in effect on the date of enact­
ment of the Securities Exchange Act of 1934 shall be deemed to be
registered pursuant to section 15 of such act as amended by
section 3 of this act.
Sec. 11. Nothing in this act shall be deemed to extinguish any liability which may have arisen prior to the effective date of
this act by reason of any violation of section 15 of the Securities
Exchange Act of 1934 or of any rule or regulation thereunder.
Sec. 12. This act shall become effective immediately upon
the enactment thereof; except that clause (2) of subsection (f) of
section 15 of the Securities Exchange Act of 1934, as amended by
section 1 hereof, and subsections (a) and (b) of section 15 of
such act, as amended by section 3 hereof, shall become effective
April 24, 1934.

CONGRESSIONAL RECORD-SENATE

with such rules and regulations as the Commission may prescribe as
necessary or appropriate in the public interest and the protection
of investors, such supplementary and periodic information,
reports, and documents as may be required pursuant to section 13
of this title in respect of a security listed and registered on a
national securities exchange; but such undertaking shall become
operative only if the aggregate value of all outstanding
securities, plus the aggregate value of all other securities of such
issuer of the same class (as hereinafter defined) outstanding,
computed upon the basis of the offering price of the
last issue of securities of said class offered to the public,
is $2,000,000 or more. The issuer shall file such supplementary and
periodic information, documents, and reports pursuant to such
undertaking, except that the following shall be included there­
under.

4602
90 days after the enactment of this act, and that clause (3) of said amendment, as amended hereby, shall become effective 6 months after the enactment of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MCKELLAR. Let that bill be passed over.

REUBEN M. WRIGHT

The Senate proceeded to consider the bill (S. 4207) for the relief of Capt. Percy Wright Foote, United States Navy, was announced as next in order.

Mr. McKellar. That bill will be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The Senate proceeded to consider the bill (S. 3296) for the relief of Reuben M. Wright, which had been reported from the Committee on Military Affairs, with an amendment, as ordered by the Senate, was passed, on Monday, November 10, 1896. Provided, That no pension, bounty, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ENTRY UNDER BOND OF ARTICLES FOR EXPOSITION PURPOSES

The Senate proceeded to consider the bill (S. 3843) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That as used in this Act:

(1) The term "exhibition" means any permanent exhibition or exhibitions, expositions, fairs, or any temporary exhibition or exhi-

bition of the arts, sciences, and industries, and products of the soil, mine, and sea, or of any hobby, or other like pursuits.

(2) By "Authority" means the Port of New York Authority, a municipal corporate instrumentality organised pursuant to a compact entered into on April 30, 1921, between the States of New York and New Jersey, and consented to by the Congress of the United States, (ch. 77, U. S. Stat. L., vol. 42, pt. 1, p. 174), and designated as the municipal corporate instrumentality of the said States for the purpose of effectuating said compact.

Sct. 2. All articles which shall be imported from foreign countries for the purpose of exhibit or display at an exhibition to be held at any time and from time to time by the Port Authority or by its tenants or licensees in the building known as the Port Authority Commerce Building, located on the block bounded by Eighth and Nineteenth Avenues, Fifteenth and Sixteenth Streets, Borough of Manhattan, city and State of New York, upon which articles shall be a tariff, or customs duty, shall be admitted free of such tariff, customs duty, fees, or charges under such reg-

ulations as the Secretary of the Treasury shall prescribe; but it shall be lawful, at any time during or at the close of any exhibition, exposition, or fair held pursuant to this act to sell for delivery at the place of sale, any goods or property imported for and actually displayed at such exhibition, subject to such regulations of the security for the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: Provided, That all such articles, when sold or withdrawn for con-

sumption or use in the United States, shall be subject to the duty, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal and to the requirements of the customs law. Provided further, That the Port Authority shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs, officers, and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this act, shall be reimbursed by the Port Authority to the Government of the United States under regulations to be prescribed by the Sec-

retary of the Treasury, and all such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1913, as provided further, That nothing in this Act contained shall be construed as an invitation, express or implied, by the Government of the United States, or the Government of any foreign government, State, municipality, corporation, partnership, or indi-

vidual, to import any articles for the purpose of exhibition at the said exhibitions.

PRODUCTION COSTS OF CERTAIN PELTS

The Senate proceeded to consider the resolution (S. Res. 250) directing the Tariff Commission to investigate the production costs of certain pelts, which had been reported from the Committee on Finance with an amendment, on page 1, line 6, after "Persian lamb pelts", and the comma, to insert "krimmer pelts, karakul pelts", so as to make the resolution read:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1913, and for the purposes of that section, to investigate the differences in cost of production, among the importers of the articles and of any like or similar foreign articles: Dressed or dyed Persian lamb pelts, krimmer pelts, karakul pelts, Russian pony pelts, squirrel pelts, and mole pelts.

The amendment was agreed to.

The resolution, as amended, was agreed to.

A. J. WATTS

The bill (S. 3067) for the relief of A. J. Watts, was con-

sidered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws con-

ferring rights, privileges, or benefits upon persons who have served in the military forces of the United States, the disabilities of A. J. Watts, formerly a private, Battery B, Georgia Volunteer Light Artillery, shall be held and considered to have been incurred by him in the active military service of the United States during the Spanish-American War: Provided, That no compensation, retire-

ment pay, back pay, or other benefit shall be held to have ac-

cred by reason of this act prior to its enactment.

PAYMENT OF CERTAIN INTEREST TOAMERICAN WAR MOTHERS

The Senate proceeded to consider the bill (S. 3296) to provide for the payment to the American War Mothers of the interest on the fund known as the "Recreation fund, Army", which had been reported from the Committee on Military Affairs with an amendment to strike out all after the ena-

cing clause and to insert in lieu thereof the following:

That the Secretary of the Treasury is authorized and directed to pay from the special fund created under this act to the Amer-

ican War Mothers, Incorporated, the sum of $694,852.97, representing the unexpended balance of the sums trans-

ferred from the "Stars and Stripes fund" and "Other funds" by the act of March 4, 1899, to the fund entitled "Recreation fund, Army." The special fund created pursuant to this act shall be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States for the purpose of effectuating said compact.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay to the American War Mothers, Incorporated, the sum of $200,000, or to be expended by said American War Mothers for such purposes as it sees fit.

Sec. 3. Said American War Mothers shall make a full and complete report to the Congress not later than February 1 of each year as to the purposes for which the sums paid to it under this act have been expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize certain payments to the American War Mothers, Inc."

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 242) authorizing and directing the Commodity Credit Corporation to facilitate the liquidation of loans to cotton producers was announced as

next in order.

Mr. MCKELLAR. Mr. President, I should like to have an explanation of the joint resolution. As the Senator in
charge of the measure is not present, I ask that it be passed over.

The PRESIDENT pro tempore. The Joint resolution will be passed over.

The bill (S. 4165) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of the bill, the Senator from Maryland. The Senator is not present at the moment, I ask that the bill be passed over until we may have an explanation of it.

The PRESIDENT pro tempore. The bill will be passed over.

PAYMENT TO CERTAIN NON-INDIAN CLAIMANTS

The bill (S. 4289) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. HATCH. Mr. President, the Senator from Utah will recall that the pending bill is the final bill relating to this subject. At the last session we passed a similar bill, and the Secretary of the Interior then reported that there were several claims as yet unsettled and which had not been investigated. At some time those claims have been investigated. Some 20 claims were filed; fifteen were approved by the Secretary. The pending bill makes allowances for those 15 claims amounting to about $3,000.

Mr. KING. Do the claims come within the category of the claims which Mr. Harrington was designated a commissioner to consider and pass upon?

Mr. HATCH. They are along the same general lines; yes. They have been fully approved by the Department, and the ones provided for in the bill are the final ones.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., that there is hereby authorized to be appropriated any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation because of errors in the amount of award previously allowed or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows: Within the pueblo of Nambe, $456.40; within the pueblo of San Ildefonso, $414.80; within the pueblo of Cochiti, $666.20; within the pueblo of Sandia, $1,263.21; within the pueblo of San Juan, $544.20; in all, $3,071.24.

PROMOTIONS IN THE MARINE CORPS

The Senate proceeded to consider the bill (H. R. 4016) to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes," approved June 30, 1934, as recommended from the Committee on Naval Affairs with an amendment.

Mr. WALSH. Mr. President, I will explain the bill.

The purpose of this bill is to repeal section 16 of the Marine Corps selection law, which prevents the retirement of majors and lieutenant colonels who were not selected for advancement, and removes the restriction upon those advanced from receiving the pay of their advanced rank. It also provides that every officer of the Marine Corps shall have another opportunity of being selected before being placed upon the retired list. It further provides that officers of the Marine Corps (with certain exceptions) shall not serve on active duty in Marine Corps Headquarters in Washington, D. C., more than 4 out of any 8 consecutive years, unless the President so requires.

Under the present law, section 16 prevents the retirement of majors and lieutenant colonels, who pass the promotion list, and they stay in that rank until they are 64 years of age, unless otherwise retired. This backs up promotion all down the line in the Marine Corps and prevents a reasonable flow of promotion and advancement of all officers below this rank. The repeal of section 16 is necessary for the efficiency and morale of the Marine Corps. The repeal of this section also removes the restriction upon officers properly advanced, from receiving the pay of their advanced rank, which under the present law is an unwarranted discrimination.

Section 10 of the Marine Corps selection law is also amended, and the effects and reasons for these amendments are contained in the House report which is quoted in part:

The primary purpose of this legislation is to remedy a situation brought about by what the committee believes to have been a too drastic application of the act above referred to and which is hereby amended.

The amendments to section 10 of the Marine Corps Personnel Act of May 29, 1934, as indicated in the first section of this bill are:

(a) That until January 1, 1939, officers in the upper three-sevenths of the grades of captain, major, lieutenant colonel, and colonel, will be eligible for consideration for selection by promotion boards without regard to length of service in grade, but that on or after that date, all commissioned officers in the Marine Corps, except those 15 claims as yet unsettled and which had not been investigated, or entitled to awards under said act as supplemented by the act of May 31, 1933, will be eligible for consideration for promotion boards, unless otherwise provided for in the bill.

(b) That no officer of the Marine Corps will become ineligible for consideration for selection for or promotion by reason of length of service in grade or service in the Marine Corps, or by reason of having failed to serve the minimum required to become eligible for consideration by selection boards, as is the case with the line of officers in the Marine Corps.

(c) That officers of the Marine Corps who have been passed over for second lieutenant and above, except the Major General Commandant, the Assistant to the Major General Commandant, the heads of staff departments, and officers on eligible lists for appointment as head of a staff department, a maximum of eight officers, shall not serve on duty in Marine Corps Headquarters. Washington, D. C., more than 4 out of any 8 consecutive years, unless the President shall determine that the public interests so require.

Section 2, repealing section 16 of the Marine Corps Personnel Act of May 29, 1934, provides for:

(a) The involuntary retirement of not more than 6 lieutenant colonels and 11 majors each year, who have been passed over for selection for promotion, and who have completed the designated periods of service prescribed in the basic Navy selection law.

(b) The placing of all grades on the basic selection list at the end of the period of service prescribed in the basic Navy selection law.

(c) A reasonable and regular flow of promotion.

(d) The removal of the unwarranted discrimination against marines who remain in the marine corps on promotion lists.

(e) Greatly increased morale and efficiency.

Mr. President, as the law now stands with respect to the Marine Corps, officers in the grade of colonel, captain, first lieutenant, who become ineligible for promotion by reason of nonselection, retire under the same conditions as officers of corresponding rank in the Navy. Officers in the grades of lieutenant colonel and major who are not selected may remain on the active list until they retire for age at 64 years. This condition is obviously most harmful to the morale and efficiency of the Marine Corps.

The primary purpose of the Marine Corps personnel bill was to provide a reasonable and regular flow of promotion in order that officers might serve in each grade at an age appropriate to the mental and physical requirements of the duties of the grade. Its enactment has already been of great benefit to the Corps, but in repealing section 16, the full benefit, section 16 must be repealed. The harmful effects incident to the retention on the active list of officers in the grades of lieutenant colonel and major who have failed of selection are obvious and cannot be overestimated. In addition, their retention clogs the wheels of the promotion system and impairs the very object of the bill, namely, a steady and uniform rate of advancement of officers of appropriate age through the various grades, thus eliminating stagnation of promotion and overage of officers in their grades. In fact, section 16 so stifies the promotion system as seriously to impair its other beneficial features.
The evil effects of this section are already taking shape, and the danger signal has appeared on the horizon. Theoretically this section, if not removed, will retard the promotion of a second lieutenant entering the corps 10 years in going to the grade of lieutenant colonel, placing him there at the age of 53, when he should be entering the grade at 43. However, practically speaking, as an estimate of the present situation dictated by the actual condition, the new section will be far more serious, and unless this harmful restriction is removed the beneficial results already obtained will be wiped out, and in a short time we will revert to an impossible condition approximating that of the passage of the present act. For example, of the 45 captains selected by the last board, all were 37 or over, and all were 37 years of age, averaging 41 years, and if section 16 is removed, only 3 will become 45 before being promoted, the junior about June 30, 1939. But if section 16 is not repealed, 37 of the 45 will become 45 or over prior to being promoted, the junior, at the age of 59, on or about October 1, 1944, a loss of retardation of promotion of 5 years and 4 months. If the effect of section 16 is thus pronounced on captain no. 73, one can well imagine what the effect will be on captain no. 318 by the time he comes up for promotion. This prediction is no exaggeration, and I feel sure that the members of this committee can appreciate this impossible situation and will lend a helping hand toward its alleviation.

The effect of the passage of this bill would, with certain necessary minor modifications, be to place the Marine Corps on exactly the same footing as the line of the Navy regarding personnel legislation and would permit the Marine Corps to obtain the full benefit of such legislation.

In all other branches of the national defense, officer on promotion to a higher grade becomes entitled to the pay of the higher grade, which is as it should be. In the Marine Corps the pay restriction in section 16 operates to retain them in the lower grade for a considerable time after promotion. It works the greatest hardship, too, on officers promoted from the grade of second lieutenant, whose pay to begin with is the lowest of commissioned officers. Ensigns in the Navy and Coast Guard and second lieutenants in the Army are automatically promoted after 3 years' service and draw the pay of the higher grade. In the Marine Corps second lieutenants are also promoted after 3 years' service, but as long as section 16 remains in the law continue to draw the pay of second lieutenants. At the present time approximately 60 first lieutenants are drawing second lieutenants' pay. On an average, this condition continues for about 2 years in each case, at a loss of approximately $1,000 a year. A similar condition, differing only in degree, obtains in all higher grades.

Mr. President, let me now read from some testimony introduced at the hearing on this bill:

Senator Walsh. What is the average age of those men, of the lieutenant colonels who have not been selected?

Mr. Vinson. Colonel Arthur can testify better as to that.

Colonel Arthur. The average age of the majors is 49.3 years, and the average age of the lieutenant colonels is 53 years and 10 months.

Senator Walsh. What retirement fund would they receive?

Colonel Arthur. The major receives from $2,126 to $3,937. It so happens that these officers who will probably be retired have a great deal of service and they will probably run from $2,500 to $3,937 a year. That is based on longevity. The lieutenant colonels, the minimum is $3,552, and the maximum is $4,312. As it so happens, practically every lieutenant colonel will draw the maximum of $4,312 a year.

Senator Walsh. So this means that those men whom the selection board finds in both groups to be the lowest standard of efficiency selected by the Navy, will be retired if they are lieutenant colonels with $4,000 compensation every year for the rest of their lives.

Mr. Vinson. Yes.

Senator Walsh. What is the average age of the majors of the Navy, as the selection boards are known quite intimately to each other, we have provided here that no officer of the Marine Corps can be stationed in Washington City longer than one tour of duty, or 4 years at one time, and that applies to every officer except the commanders or major general commandant and his assistant, and the four staff officers; in other words, to keep down a little clique from running the Marine Headquarters, and therefore have it said that they are taking care of their particular friends who happen to be stationed in Washington City, and we have put in this bill that he has got to be out of the city 4 years before he can come back 4 years.

Mr. President, this is an important bill. It will tend to greatly increase the morale and efficiency of the Marine Corps.

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

Mr. Walsh. I yield.

Mr. Black. May I ask the Senator what provision is made as to the type of selection board to pass upon the qualifications of the officers?

Mr. Walsh. A selection board is to be set up immediately upon the passage of this bill, and between the time of its passage and the 1st of July another opportunity will be given to the officers passed over to be selected.

Mr. Black. Who will set up the board?

Mr. Walsh. I assume the Secretary of the Navy will do so.

Mr. Black. May I ask what provision is made for preventing the same board that acted upon the other officers from serving on this selection board?

Mr. Walsh. The Senator has in mind the selection board that was created a year ago?

Mr. Black. Yes, sir.

Mr. Walsh. For the selection of brigadier generals and major generals in the Marine Corps?

Mr. Black. Yes.

Mr. Walsh. Not to select officers in the grade of captain and major. The board referred to was selected by the Secretary of the Navy, as the Senator knows, but the Senator supposed that it was not an entirely disinterested board, because the selections were made from officers of the Marine Corps who were located here in Washington at the time of selection.

However, in the case of the Marine Corps, which is a comparatively small organization, it is difficult to select many officers of higher rank, because of the limited number available to serve on the selection boards.

I wish to say to the Senator, however, that this is a compromise measure, and we are doing what we have not done before, in that we are giving an opportunity for reexamination as to those who have not been selected in the grades referred to.

Mr. Black. The point I am interested in is that if the reexamination should be held by the same group of officers that passed upon the officers herebefore, in my judgment, it would not allay the criticism of promotions in the Marine Corps.

Mr. Walsh. I will say to the Senator that, so far as I have any influence as acting chairman of the Committee on Naval Affairs, and I know I may say as much for the chairmen of the House Committee on Military Affairs, Mr. Hoyle, our utmost influence will be used to see that an absolutely impartial board is created and that past criticisms made as to the attitude of selection boards shall be removed.
Mr. BLACK. And that it will not be the same board? Mr. WALSH. I agree with the Senator.
Mr. BYRNES. Mr. President, will the Senator yield?
Mr. WALSH. I yield.
Mr. BYRNES. The only provision in the bill is that the selection board shall be constituted as provided by law. That is the provision in the bill.
Mr. WALSH. Yes; six.
Mr. BYRNES. The effect of the bill, if enacted, would really be to accomplish a saving of from six to seven thousand dollars, would it not?
Mr. WALSH. Yes; the ultimate result would be a saving.
Mr. BYRNES. Over 4 or 5 years? Mr. WALSH. However, its real purpose is to promote the younger officers whose promotion is retarded under existing law.
Let me remind the Senator that while section 6 remains unrepealed, officers who have been promoted from captain to major and from major to lieutenant colonel are not getting the salary which others of their rank receive. The repeal of section 16 of existing law alone will remedy this.
Mr. BYRNES. There is no reason for the discrimination. Mr. WALSH. It is rank discrimination. I do not believe there is any question but that the Senate should pass this bill.

The PRESIDENT pro tempore. The amendment reported by the Committee on Naval Affairs will be stated.

The amendment was to strike out all after the enacting clause and to insert the following:

That so much of section 10 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes," approved May 29, 1934 (48 Stat. 811), as provided: "and officers in the upper four-sevenths of the grades below brigadier general, subject to selection and for promotion without regard to length of service in grade: Provided, That no officer of the Marine Corps shall be eligible for consideration for promotion by reason of completion of length of commissioned service until he shall have been once considered by a selection board, is hereby amended to read as follows: "and until January 1, 1938, officers in the upper three-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards without regard to length of service in grade: Provided, That the designation of the grade of major general commandant, as major general, sub­ordinate to the major general commandant, as major general, commandant, as member of the staff department, or whose names appear on an eligible list for appointment to the staff department, shall not serve on duty in the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require."

Sec. 2. That section 16 of the said act of May 29, 1934 (48 Stat. 811), be, and the same is hereby, repealed.

Sec. 3. That officers of the Marine Corps in the grades of lieutenant colonel and major, who prior to June 30, 1933, completed the designated periods of service for their respective grades, shall retain their eligibility for consideration for selection as lieutenant colonel and major as the case may be, and any officer of the Marine Corps now on a promotion list shall be eligible for promotion unless removed from said list in accordance with law: Provided, That officers of the Marine Corps of the grade of second lieutenant and above, except those already recommended as major general commandant, as major general, commandant, as member of the staff department, or whose names appear on an eligible list for appointment to the staff department, shall not serve on duty in the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.

The amendment was agreed to.

The amendment was to be engrossed and the bill to be read a third time. The bill was read the third time and passed.

Claims of Klamath, Modoc, and Yahooskin Indians

The Senate proceeded to consider the bill (S. 3797) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes," approved May 26, 1929, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the word "the", to strike out "suites" and insert "suit number E-346"; on the same page, after line 9, to insert "irrespective of any release or settlement, to reinstate and retry said case and"; and, on page 2, line 2, after the word "thereon", to strike out "irrespective of any release or settlement, and"; and, on line 5, after the word "appeal", to insert "rather than by certiorari", so as to make the bill read:

Be it enacted, etc., That in the suit numbered E-346 heretofore instituted in the Court of Claims by the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians under an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes," approved May 26, 1929, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the word "the", to strike out "suites" and insert "suit number E-346"; on the same page, after line 9, to insert "irrespective of any release or settlement, to reinstate and retry said case and"; and, on page 2, line 2, after the word "thereon", to strike out "irrespective of any release or settlement, and"; and, on line 5, after the word "appeal", to insert "rather than by certiorari", so as to make the bill read:

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WALKER RIVER INDIAN RESERVATION, NEV.

The Senate proceeded to consider the bill (S. 3805) to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was to insert, after the word "hereof," to insert the following proviso: "Provided further, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points", so as to make the section read:

That the Secretary of the Interior be, and he is hereby, authorized to set aside not to exceed 171,200 acres, or so much thereof as he may deem advisable, of the public-domain lands in townships 11, 12, 13, 14, and 15 north, ranges 27, 28, 29, 30, and 31 east, Mount Diablo meridian, Nevada, as an addition to the Walker River Indian Reservation: Provided, That the said withdrawal shall not affect any valid rights initiated prior to the approval hereof; Provided further, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points. Executive order of November 26, 1919, temporarily withdrawing public-domain lands for the maintenance of existing stock driveways, or otherwise, under the Taylor Grazing Act of June 28, 1934 (ch. 865, 48 Stat. 1255, 5 U.S.C. 1329), is hereby amended to authorize the withdrawal of the above-described lands as may be designated by the Secretary of the Interior for addition to the said Walker River Indian Reservation.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert a new section, as follows:

Sec. 2. Title to all minerals in said lands is hereby reserved to the United States and shall be subject to all forms of mineral entry or claim under the public land mining laws: Provided, That officers of the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
INDIAN RESERVATIONS IN ALASKA

The bill (S. 4420) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Hoover Act (Public Law No. 383, 73d Cong., 48 Stat. 864), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the House has passed an identical bill, which is now on the calendar, being Order of Business No. 1996. I move that the House bill be substituted for the Senate bill and be considered at this time, after the passage of the House bill, I shall move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, the bill will be substituted for the Senate bill and will be now considered.

Mr. KING. Mr. President, I should like to ask the Senator from Oklahoma whether this bill is approved by the Commissioner of Indian Affairs and by the Secretary of the Interior?

Mr. THOMAS of Oklahoma. It is approved by the Secretary of the Interior and by the Bureau of the Budget.

The bill (H. R. 8966) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Hoover Act (Public Law No. 383, 73d Cong., 48 Stat. 864), to the Territory of Alaska, to provide for the more designation of Indian reservations in Alaska, and for other purposes, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 1, 5, 7, 8, 15, 17, and 19 of the act entitled "To conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant to Indians the rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes", approved June 18, 1934 (48 Stat. 894), shall hereafter apply to the Territory of Alaska.

Sec. 2. That the Secretary of the Interior is hereby authorized to designate as an Indian reservation any area of land which has been reserved for the use and occupancy of Indians or Eskimos by section 9 of the act of May 17, 1884 (20 Stat. 36), or by section 14 or section 15 of the act of March 3, 1887 (24 Stat. 1101), or which has been herefore reserved under any Executive order and placed under the jurisdiction of the Department of the Interior or any bureau thereof, together with additional public lands adjacent thereto, within the Territory of Alaska, or any other public lands which are owned or controlled by the Secretary of the Interior: Provided, That the designation by the Secretary of the Interior of any such area of land as a reservation shall be effective only by secret ballot, by the vote of not less than one-fourth of the Indian or Eskimo residents thereof who vote at a special election duly called by the Secretary of the Interior upon 30 days' notice: Provided, however, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote:

Provided further, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead; mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entrantman to the full use and enjoyment of the land so occupied.

The PRESIDENT pro tempore. Senate bill 4420, being Order of Business 1831, will be indefinitely postponed.

EDWIN B. DAILEY

The bill (S. 3269) providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to appoint, posthumously, Edwin E. Dailey, first class, United States Navy, a warrant radio electrician, United States Navy, and to deliver to the widow of said Edwin E. Dailey the warrant of such appointment. Such appointment shall be effective as of February 11, 1935.

ROSCOE M'KINLEY MEADOWS

The bill (S. 3715) for the relief of Roscoe McKinley Meadows was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Virginia (Mr. Byrd) a question in regard to this case? I call his attention to the fact that the person who is seeking this benefit, namely, Roscoe McKinley Meadows, said at the time of his resignation from the Navy—I quote from the letter of the Secretary of the Navy in the report:

At the time of his resignation on June 30, 1920, he signed the following statement:

"I hereby certify that I have no injury or disability which would entitle me to compensation under the War Risk Insurance Act."

Then there is a further explanation by the Secretary of the Navy. As I understand, the Department does not approve the bill.

Mr. BYRD. Mr. President, let me say the Navy Department does not disapprove it.

Mr. KING. The person who is the applicant for the benefit resigned voluntarily; he stated that he had no disability whatever; and he is now seeking the passage of the bill which, if enacted into law, would result in additional cost to the Government of $1,950 per annum, chargeable to the Federal administration.

Mr. BYRD. I think the Navy Department, Mr. President, interposed no objection to the bill. It simply clears the record and provides that Mr. Meadows shall be considered as having served as an officer of the Navy of the United States during the World War other than as an officer of the Regular Navy.

Mr. KING. It means a pension for this man who resigned voluntarily from the Navy and had no disability whatever. Will the Senator let the bill go over until I may consult the Department regarding it?

Mr. BYRD. Very well.

The PRESIDENT pro tempore. The bill will be passed over.

BERNARD F. HICKEY

The bill (S. 4119) for the relief of Bernard F. Hickey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard F. Hickey, a major, United States Marine Corps, retired, the sum of $1,087.25 in full satisfaction of all his claims against the United States for the loss of certain of his personal property on September 1, 1923, in the earthquakes and fires at Kamakura, Japan, while serving as an assistant attaché of the American Embassy at Tokyo, Japan.

WILLIAM H. BROCKMAN

The Senate proceeded to consider the bill (S. 4233) for the relief of William H. Brockman, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 3, after the word "the", to strike out "Secretary of the Navy" and insert "Secretary of the General of the United States" so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to cancel the charges entered on the pay accounts of William H. Brockman, lieutenant (junior grade), United States Navy, in the amount of $3173, and to pay to said William H. Brockman, out of money appropriated for the pay of Navy personnel, any amount herefor deducted from his pay on account of such charges; such charges having been entered on the account of said William H. Brockman by reason of extra pay received by him for the performance of duty at submarine escape training tanks, and a subsequent ruling that he was not entitled to such extra pay because such duty was not actually performed on board a submarine.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CATHERINE I. KLEIN

The bill (H. R. 10575) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catharine I. Klein, widow of Nelson B. Klein, special agent of the Federal Bureau of Investigation of the Department of Justice, killed in line of his official duty at College Corner, Ohio, on
CONGRESSIONAL RECORD—SENATE

April 24

August 16, 1935: Provided, That no part of the amount appropriated in this act, in excess of 10 percent thereof, shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such judgment or having been unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating any of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BAILEY subsequently said: Mr. President, may I inquire what action was taken with regard to Order of Business 1934, being House bill 10575?

The PRESIDENT pro tempore. The bill was considered, the amendment was agreed to, and the bill was passed as amended.

Mr. BAILEY. There is a difficulty there. That was a House bill, but by reference to Order of Business 1934, on page 10 of the calendar, it will be found that a similar Senate bill was also passed. I think the Senate should reconsider the vote by which the Senate bill was passed and indefinitely postpone it, the House bill, as stated by the Chair, having been passed.

The PRESIDENT pro tempore. Without objection, the vote by which Order of Business 1934, being the bill (S. 1010) for the relief of Catharine L. Klein was passed will be reconsidered, and, without objection, the bill will be indefinitely postponed.

AMENDMENT OF FEDERAL REGISTER ACT

The Senate proceeded to consider the bill (S. 4405) to amend section 11 of the Federal Register Act approved July 26, 1935 (Public No. 220, 74th Cong.), which had been reported from the Committee on the Judiciary, with an amendment. The Senate declared that the amendment was made by inserting a colon for the period at the end of the section and adding the following proviso: Provided, however, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders that are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register, and in lieu thereof to insert “be amended by substituting a colon for the period at the end of the section and adding the following proviso: Provided, however, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders which are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register”, so as to make the bill read:

Be it enacted, etc. That section 11 of the Federal Register Act approved July 26, 1935 (Public No. 220, 74th Cong.), be amended by substituting a colon for the period at the end of the section and adding the following proviso: Provided, however, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders which are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register, so as to make the bill read:

Be it enacted, etc. That the Secretary of the Treasury be, and he hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Barbara Jaeckel, widow of Theodore Jaeckel, late consul general, Victoria, British Columbia, the sum of $8,800, being 1 year's salary of her deceased husband who died while in the Foreign Service; and there is hereby authorized to be appropriated a sufficient sum to carry out the purpose of this act.

COINAGE OF 50-CENT PIECES—GREAT LAKES EXPOSITION

The PRESIDENT pro tempore laid before the Senate the amendments of the Senate of Representatives to the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, which were, on page 1, line 9, after “not”, to insert “less than twenty-five thousand and not”; and on page 2, line 12, after “than”, to strike out “five” and insert “twenty-five”.

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BILL PASSED OVER

The bill (H. R. 2119) for the relief of Mrs. E. L. Babcock, mother and guardian of Nelson Babcock, a minor, was announced as next in order.

Mr. MCKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

N. N. SELF

The bill (H. R. 1255) for the relief of N. N. Self was considered, ordered to a third reading, read the third time, and passed.

ARCHIE P. McLANE AND HANS PETER JENSEN

The bill (H. R. 3513) for the relief of Archie P. McLane and Hans Peter Jensen was considered, ordered to a third reading, read the third time, and passed.

M. M. SMITH

The bill (H. R. 4965) for the relief of M. M. Smith was considered ordered to a third reading, read the third time, and passed.

EDITH H. MILLER

The bill (H. R. 5753) for the relief of Edith H. Miller was considered, ordered to a third reading, read the third time, and passed.

MRS. EARL POYNOR

The bill (H. R. 6699) for the relief of Mrs. Earl Poynor was considered, ordered to a third reading, read the third time, and passed.

DR. J. C. BLAOCK

The bill (H. R. 8094) for the relief of Dr. J. C. Blaock was considered, ordered to a third reading, read the third time, and passed.

JOHN W. HUBBARD

The bill (S. 3080) conferring jurisdiction upon the Court of Claims, to hear, determine, and render judgment upon the claim of John W. Hubbard, of Pittsburgh, Pa., against the United States for damages for injury to the steamboat Senator Cordill, and its cargo, on February 5, 1924, when such steamboat struck a submerged wreck of United States Dam No. 14, on the Ohio River and sank.

Sect. 2. Such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

RASMUS BECH

The bill (H. H. 11231) for the relief of Rasmus Bech was considered, ordered to a third reading, read the third time, and passed.

J. EDWIN HEMPHILL

The bill (H. R. 7963) for the relief of J. Edwin Hemphill was considered, ordered to a third reading, read the third time, and passed.
JOSEPH MOSSW

The bill (H. R. 10524) for the relief of Joseph Mossew was considered, ordered to a third reading, read the third time, and passed.

STATE OF NEVADA

The bill (S. 3907) for the relief of the State of Nevada was announced as next in order.

Mr. McNARY. Mr. President, I think we should have an explanation of the bill. I think it very appropriate that the explanation be made by the Senator now occupying the chair.

Mr. LOCKFORD. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. McNARY subsequently said: Mr. President, when Senate bill 3907 was reached, a bill for the relief of the State of Nevada, I asked for an explanation of it. At the time the able Senator from Nevada [Mr. Pittman] was in the chair, and, of course, he felt some embarrassment and did not make, as he could have made, a statement regarding the bill. Meantime, I have examined the measure and find that it is very meritorious.

At this time, therefore, I ask unanimous consent to recur to Calendar No. 1851, Senate bill 5907.

The PRESIDING OFFICER (Mr. Truman in the chair). Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill (S. 3907) for the relief of the State of Nevada, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the parents of Albert Thesing, Jr., Rochester, N. Y., the sum of $2,500, in full settlement of all claims against the Government of the United States for the death of the said Albert Thesing, resulting from an explosion and fire, caused by agents of the Bureau of Prohibition during a raid in the city of Rochester, July 7, 1933; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The title was amended so as to read, "An act for the relief of the parents of Albert Thesing, Jr."

BILLS PASSED OVER

The bill (H. R. 5587) for the relief of E. C. Willis, father of the late Charles R. Willis, a minor, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8089) for the relief of Joseph J. Baylin was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ANN RAKESTRAW

The Senate proceeded to consider the bill (S. 3932) for the relief of Ann Rakestraw, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out the numerals "$3,500" and insert in lieu thereof the numerals "$4,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,500, in full settlement of all claims against the Government for personal injuries suffered by her when the automobile in which she was riding was struck by a Navy ambulance on September 13, 1935, at the intersection of Twenty-second and M Streets NW, Washington, D. C.; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RANDALL Krauss

The bill (S. 3839) granting a pension to Randall Krauss was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Randall Krauss, a minor child, and pay him a pension at the rate of $100 per month until he becomes 21 years of age, all the other members of the family of the said Randall Krauss having been killed when their automobile was struck by a United States Army airplane at Griffith Park, Calif., on June 30, 1935.

ROBERT C. E. Hedley

The bill (H. R. 4669) for the relief of Robert C. E. Hedley was considered, ordered to a third reading, read the third time, and passed.

ALBERT THEISING, JR.

The bill (H. R. 3833) for the relief of Albert Thesing, Jr., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the parents of Albert Thesing, Jr., Rochester, N. Y., the sum of $2,500, in full settlement of all claims against the Government of the United States for the death of the said Albert Thesing, resulting from an explosion and fire, caused by agents of the Bureau of Prohibition during a raid in the city of Rochester, July 7, 1933; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The title was amended so as to read, "An act for the relief of the parents of Albert Thesing, Jr."
at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George E. Wilson the sum of $3,000, representing the amount paid by him on December 12, 1928, to the United States District Court for the Southern District of Mississippi as surety on the forfeited appearance bond of one of the agents for the United States Government, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, in accordance with the provisions of section 3 of the Act entitled "An Act to provide for the control of the floods of the Sabine and Neches Rivers, and for other purposes", approved March 1, 1913, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for a preliminary examination of the Sabine and Neches Rivers, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes."

CONNECTICUT RIVER BRIDGE, NORTHAMPTON, MASS.

The bill (S. 4326) granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Department of Public Works, Commonwealth of Massachusetts, to construct, maintain, and operate a free highway bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near the city of Northampton, Mass., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

ST. LAWRENCE RIVER BRIDGE, ALEXANDRIA BAY, N. Y.

The bill (H. R. 10631) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y., was considered, ordered to a third reading, read the third time, and passed.

WACCAMAW RIVER BRIDGE, CONWAY, S. C.

The bill (H. R. 11043) to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C., was considered, ordered to a third reading, read the third time, and passed.

CURRENT RIVER BRIDGE, SHANNON COUNTY, MO.

The bill (H. R. 11073) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a toll bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo., was considered, ordered to a third reading, read the third time, and passed.

DELWARE RIVER BRIDGE, DELAWARE WATER GAP

The bill (H. R. 11492) authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 11478) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill., was considered, ordered to a third reading, read the third time, and passed.

TENNESSEE RIVER BRIDGE, ALABAMA

The bill (H. R. 11619) to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala., was considered, ordered to a third reading, read the third time, and passed.
The bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill., was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I should like to ask the Senator from Texas (Mr. Sheppard), in view of the number of measures we are now considering calling for bridge surveys, whether in the bill we passed some time ago carrying $187,000 for flood-control examination of streams with a view to their development, these cases were not included, or whether under that bill these surveys might not be made?

Mr. SHEPPARD. Mr. President, these bills provide only for preliminary examinations and for reports back to Congress as to the desirability and cost of a survey. These will not be included in any measure until the Government engineers report the results of the preliminary examinations.

Mr. MCKELLAR. Mr. President, are all these bridge bills in like form, and do they contain the necessary precautions for the protection of the Government?

Mr. SHEPPARD. Yes; they are in the usual form. They are the usual bridge bills. The interests of the Government are taken care of.

The bill (H. R. 11772) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF COSATOT RIVER, ARK.

The bill (H. R. 9235) to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF RED AND LITTLE RIVERS, ARK.

The bill (H. R. 9236) to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Red River and Little River, and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF LITTLE MISSOURI RIVER, ARK.

The bill (H. R. 9249) to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF PETIT JEAN RIVER, ARK.

The bill (H. R. 9250) to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF BIG MULBERRY CREEK, ARK.

The bill (H. R. 9257) to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvements, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

The bill (H. R. 9874) authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF PASSAIC RIVER, N. J.

The bill (H. R. 11608) to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF THE MATANUSKA RIVER, ALASKA

The bill (H. R. 11042) authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska, was considered, ordered to a third reading, read the third time, and passed.

The bill (H. R. 10487) to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, WELDON SPRING, MO.

The bill (H. R. 9273) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF MARIAS DES CYGNES RIVER, KANS.

The bill (H. R. 8391) to authorize a preliminary examination of the Marias des Cygnes River, in the State of Kansas, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF GREENBRIER RIVER, W. VA.

The bill (H. R. 3383) to provide a preliminary examination of the Greenbrier River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CHEAT RIVER, W. VA.

The bill (H. R. 3384) to provide a preliminary examination of the Cheat River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF POTOMAC RIVER AND TRIBUTARIES

The bill (H. R. 3385) to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CHICKASAWHIA RIVER, MISS.

The bill (H. R. 8694) to provide a preliminary examination of the Chickasawhia River and its tributaries in the State of Mississippi, with a view to the control of their floods was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, LOUISIANA

The bill (S. 4002) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., was announced as next in order.

Mr. OVERTON. Mr. President, the House has passed a similar bill, being House bill 11103, Calendar No. 1933. I ask unanimous consent to substitute the House bill for the Senate bill.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill and will be considered at this time.
The Senate proceeded to consider the bill (H. R. 11103) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., which was read, as follows:

"Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., authorized to be built by George A. Hero and Allen S. Hackett, their successors and assigns, by an act of Congress approved March 2, 1927, hereof extended by acts of Congress approved March 6, 1928, February 19, 1929, June 10, 1930, March 1, 1933, March 5, 1934, and June 3, 1935, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

Mr. OVERTON. Mr. President, I send to the desk an amendment to the House bill, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. OVERTON. Mr. President, I send to the desk an amendment to the House bill, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The Chief Clerk, on page 1, line 12, after the period, it is proposed to add the following:

Provided, That the State of Louisiana, or any agency or authority created by it, may construct the bridge herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. OVERTON. I now move that Senate bill 4002 be indefinitely postponed.

The motion was agreed to.

PEARL RIVER BRIDGE, MONTICELLO, MISS.

The bill (S. 4095) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was announced as next in order.

Mr. McKELLAR. Mr. President, this bill is similar to House bill 11738, Calendar No. 1902. I ask that the House bill be substituted for the Senate bill, and if the House bill shall be passed I will then move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. The Senator from Tennessee asks unanimous consent that the Senate proceed to the consideration of House bill 11738 in lieu of Senate bill 4095.

There being no objection, the bill (H. R. 11738) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I now move that Senate bill 4095 be indefinitely postponed.

The motion was agreed to.

WEST PEARL RIVER BRIDGE, TALLAHASSEE, LA.

The bill (S. 4276) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Tallahassee, La.,” approved June 17, 1930, was considered, ordered to a third reading, read the third time, and passed.

Mr. LOGAN. Mr. President, the House has passed House bill 11476, which is Calendar No. 1900, a similar bill; so I ask unanimous consent that the House bill be substituted for the Senate bill and passed, and if that shall be done I will then move that the Senate bill be indefinitely postponed.

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

The bill (H. R. 11476) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Tallahassee, La.,” approved June 17, 1930, was considered, ordered to a third reading, read the third time, and passed.

Mr. LOGAN. I now move that Senate bill 4276 be indefinitely postponed.

The motion was agreed to.
and carried it outside. The result was that he was severely and permanently burned, and will always suffer disability. The committee believes this to be a very meritorious bill.

Mr. McKellar. Mr. President, I observe that the Secretory of War reports, in part, as follows:

As the National Guard is in the State service, and not in the Federal service, when participating in field training, there is a clause which further provides that the compensation may be paid by the Federal Government in Sergeant Crossman's case, or in similar cases of injury to members of the National Guard. The enactment of this legislation would singe out an individual of a class for preferential treatment not accorded others of that class, to which the War Department is not opposed, and would set up a precedent for the payment of all similar claims.

Mr. Sheppard. This was such an unusual act of heroism that the enactment of the bill could hardly be considered a precedent. Besides, this is the usual objection which the War Department makes to bills of this character.

Mr. McKellar. Well, Mr. President, the Senator from Texas always has an undue influence over me, and I am going to withdraw any objection.

The PRESIDING OFFICER (Mr. Truman in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Claims with amendments, on page 6, line 4, after the word "money," to strike out "in the Treasury not otherwise appropriated" and insert "appropriated for the support of the National Guard for the current fiscal year", so as to make the bill read: Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money appropriated for the support of the National Guard for the current fiscal year, to Sgt. John C. Crossman the sum of $5,000 in full settlement of all claims the Government for injuries sustained by him while in the performance of his duties at Camp Hulen, Palacios, Tex., August 10, 1923, caused by the explosion of a gasoline lantern. Provided, That so part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, the third time, and passed.

PURCHASERS OF LAND IN BROOKLAWN, N. J.

The bill (H. R. 11573) to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey," approved August 19, 1933, was considered, ordered to a third reading, the third time, and passed.

G. T. HIRD

The Senate proceeded to consider the bill (S. 3441) for the relief of C. T. Hird, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the numerals "$389.22," to strike out "together with interest at the rate of 6 per centum per annum from May 1, 1927," and at the end of the bill to add a proviso, so as to make the bill read: Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money appropriated to C. T. Hird, of Dubuque, Iowa, the sum of $389.22, in full satisfaction of the claim of said C. T. Hird against the United States for a refund of Income taxes erroneously assessed against him and paid by him under protest, which claim was disallowed on the ground of failure to file within the statutory period of limitation: Provided, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, the third time, and passed.

WABASH RIVER BRIDGE, INDIANA

The bill (H. R. 11855) to extend the times for completing and completing the construction of the bridge across the Wabash River at or near Merom, Sullivan County, Ind., was considered, ordered to a third reading, the third time, and passed.

SAN DIEGO RIVER, CALIF.

The bill (H. R. 16533) to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of their floods, was considered, ordered to a third reading, the third time, and passed.

EXAMINATION OF CREEKS IN CALIFORNIA

The bill (H. R. 11793) to authorize a preliminary examination of various creeks in the State of California, with a view to the control of their floods, was considered, ordered to a third reading, the third time, and passed.

LOANS SECURED BY NATIONAL FOREST RESERVES RECEIPTS

The Senate proceeded to consider the bill (S. 3762) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 3, line 5, after the word "expended", to strike out the words "as the legislation of such State or Territory may prescribe, for the payment of general expenses, bonds, or other indebtedness of any county, or of any school district, or other political subdivision thereof, to which any such funds may be paid under existing law" and to insert in lieu thereof the words "by any county, school district, or other political subdivision to which any such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act", so as to make the bill read: Be it enacted, etc., That the Reconstruction Finance Corporation is authorized to make loans out of the funds of the Corporation to any county, or to any school district or other political subdivision thereof, in any State or Territory in which is situated national-forest reserves, such loans to be secured by the assign­ments pledge to the Reconstruction Finance Corporation of the future annual receipts of such county, school district, or other political subdivision on account of national-forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts: Provided, That no such loan shall be made unless (1) the county, school district, or political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years: Provided further, That no such loan shall be made in an amount in excess of 10 times the amount of the average future annual share of such county, school district, or other political subdivision, in such receipts during the period of the loan, as estimated by the Department of Agriculture. Each such loan shall bear interest at a rate not to exceed 4 percent per annum. Notwithstanding any other provision of law, in any case in which a loan is made pursuant to the provisions of this act, the Secretary of the Treasury is authorized and directed to pay to the Reconstruction Finance Corporation the amount of all such receipts which are due to the county, school district, or other political subdivision making the loan until the full amount of the principal and interest of such loan is paid.

Sec. 2. In addition to the purposes for which the funds payable under existing law to any State or Territory on account of national-forest reserves situated in such State or Territory may be expended, such funds may hereafter be expended by any county, school district, or other political subdivision of any State or Territory, to which such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act.

Mr. McKe. Mr. President, may we have an explanation of the bill?

Mr. Fletcher rose.

Mr. McNary. Mr. President, is this the bill the Senator from Florida stated earlier he desired to have taken up under a special order?
Mr. FLETCHER. No; that bill has been passed. This is not the same bill.

This bill would authorize the Reconstruction Finance Corporation to make loans to counties, school districts, and political subdivisions of States or Territories in which are situated national forest reserves, such loans to be secured by the assignment or pledge to the Corporation of the future annual receipts on account of national forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts.

The fiscal situation of numerous counties, cities, school districts, and other political subdivisions of States and Territories is somewhat as follows. In some instances, these national forest reserves impose tremendous burdens upon some political subdivisions, for the reason that all of these reserves are tax exempt, thereby throwing a tremendous burden upon other taxable properties.

On the other hand, the Federal Government has pledged a certain percentage of the future income which will be derived from these reserve areas to the local tax district. Under the provisions of this bill, the local taxing unit will be permitted to borrow from the Reconstruction Finance Corporation by pledging those future revenues, thereby making it possible for the local subdivisions to avoid the levying of confiscatory taxes on what little private property remains in the district, and at the same time adequately support its schools and other indispensable public services.

Of course we recommend the adoption of its amendment, which would restrict the use to which these funds, payable under existing law, may be put, and provides that the additional purposes for which such funds might be expended should be limited to the repayment of loans made by the Reconstruction Finance Corporation under the act. Mr. FLETCHER. Not in circumstances like those of this case.

Mr. MCKELLAR. Will not this just open the door to all such loans?

Mr. FLETCHER. Loans are now made to districts, counties, and cities, but under different circumstances.

Mr. MCKELLAR. Loans are authorized now to counties and cities?

Mr. FLETCHER. Yes. Mr. MCKELLAR. I do not know the law provided for such loans. What is the nature of the security in this case?

Mr. FLETCHER. The bill provides—

1. No such loan shall be made unless (1) the county, school district, or other political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years.

There are specific instances to which the measure would apply, which the Senator from Minnesota (Mr. Bresson) can give.

Mr. McNARY. Mr. President, I do not understand clearly the position of the Senator from Florida because of the confusion in the Chamber. Was this bill reported favorably by the committee?

Mr. FLETCHER. Yes, with the amendment I have suggested.

Mr. McNARY. Was it brought here by the Reconstruction Finance Corporation?

Mr. FLETCHER. No; it is not brought here by them. They appeared before the committee and we discussed it with them, and we are agreeable to it. Mr. McNARY. Do they favor the enactment of the bill?

Mr. FLETCHER. Yes; they are favorable to it. They appeared before the committee and we had a hearing on it. The officials of the Reconstruction Finance Corporation are agreeable to it, they raise no objection to it.

The Senator from Minnesota (Mr. Bresson) knows of specific instances where this relief is very much needed and would apply, and I yield to him.

Mr. BENSON. Mr. President, if any of the Senators have questions regarding the operation of the measure, I should be glad to answer, if I can.

Mr. McNARY. I think I am in favor of the general purpose of the bill. I simply desire to know whether the Reconstruction Finance Corporation are asking for an enlargement of their activities. Are the officials of the Reconstruction Finance Corporation bringing the measure here, or who promoted the proposed legislation?

Mr. BENSON. I introduced the bill at the request of county officials in Cook County, Minn., the landed area of which has been more than 60 percent taken over by the National Government for national-forest purposes, and the county now finds itself in an embarrassing position, because land which was formerly taxed is now owned by the Federal Government. Allowing the time when they will receive returns from this forest area, they want to pledge these returns and borrow from the Reconstruction Finance Corporation, if the assets seem sufficient.

Mr. McNARY. Do those unfortunate communities desire and propose to reforest these lands and mortgage the future income from sales of timber?

Mr. BENSON. In the specific case of Cook County, prior to the time when the Federal Government took over a large portion of the county, the county built roads through this wilderness area and erected schools; but during the past few years more than 60 percent of the area has been taken over by the Federal Government, as I have said, and the Federal Government has pledged to the county 25 percent of the returns, as they have in the cases of many other counties and many other States. I think 38 States are similarly situated. How many counties in those States are similarly situated I do not know.

Mr. McNARY. Mr. President, in years past I have made some study of the forest problem, and I know of the conditions that obtain in the Great Lakes States; and I also know that such conditions are not limited to those States, but extend to New England, to the Southern States, and to some of the Western States. I have no objection to the bill. I was only anxious to know the inspiration back of the movement to utilize this security for a loan. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STUDY OF FUTURE NEEDS OF THE PANAMA CANAL.

The Senate proceeded to consider the joint resolution (H. J. Res. 412) to direct and authorize the investigation of the means of increasing the capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes, which was read, as follows:

Resolved, etc. That the Governor of the Panama Canal is hereby authorized and directed to investigate the means of increasing the capacity of the Panama Canal for future needs of interoceanic shipping, and to prepare designs and approximate estimates of cost of such additional locks or other structures and facilities as are needed for the purpose, and to make progress reports from time to time of the results thereof.

Mr. McNARY. Mr. President, I do not wish to assume an attitude of opposition, but I desire some information regarding this measure. We have before us recently a bill affecting Panama Canal tolls. Has this any connection with that measure, or does it provide for a mere study?

Mr. DUFFY. Mr. President, this measure was introduced at the request of the Governor of the Panama Canal Zone, and other authorities in the Canal Zone, but it has no connection whatever with Canal tolls. Our measure provides an authorization so that a study may be made from time to time and suitable drawings prepared, so that when the question comes before Congress as to whether there need be or should be enlargement, for instance, of the Canal, information will be available. There is no objection to it.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.
The joint resolution was ordered to a third reading, read the third time, and passed.

**BILL PASSED OVER**

The bill (H. R. 6719) to amend the Canal Zone Code was announced as next in order. Mr. REYNOLDS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

**DECORATIONS OF OFFICERS AND ENLISTED MEN OF THE ARMY**

The Senate proceeded to consider the bill (S. 4391) authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 9, after the word “Corlett” and the comma, to insert the words “Major John A. Weeks”, so as to make the bill read:

*Be it enacted, etc.* That the following-named officers and enlisted men of the United States Army are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:


The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

**THE AIR CORPS RESERVE**

The bill (S. 4309) to increase the efficiency of the Air Corps Reserve was announced as next in order.

Mr. SHEPPARD. Mr. President, I ask that this bill be recommitted to the Senate Committee on Military Affairs for further study, together with another bill relating to the same subject, being the bill (S. 3974) to amend the act entitled “An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes.”

I also ask that House bill 11820, to increase the efficiency of the Air Corps, now on the Senate calendar, be recommitted to the Senate Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the bills referred to are recommitted to the Committee on Military Affairs.

**NATIONAL CEMETERY AT FORT BLISS, TEX.**

The Senate proceeded to consider the bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.

Mr. MCKELLAR. Mr. President, may I ask the Senator from Texas how much it would cost to carry out the purposes of the bill?

Mr. SHEPPARD. The total cost would be about $35,000. The land will cost nothing, because it is already owned by the Government.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Postmaster General is authorized and directed to adjust the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendents in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended, and to provide for adjusting the compensation of employees in the Railway Mail Service, with the rates adjusted in accordance with the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

**AMENDMENT OF EMERGENCY FARM MORTGAGE ACT OF 1933**

The bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, was announced as next in order.

Mr. MCKELLAR. Mr. President, this seems to be an important bill. I do not see the Senator from Florida [Mr. PLETCHER] in the Chamber at the moment.

Mr. McNARY. Mr. President, I have just obtained the report of the committee, which I think explains the bill, and I ask that the clerk may read it. I think the bill will make a commendable revision of the act.

The PRESIDING OFFICER. Without objection, the clerk will read the report.
The report (No. 1828) was read, as follows:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, having considered the report of the chairman, and the amendments thereto, as amended, recommend that the bill do pass.

The amendment merely restores substantially the language of the original law that the operations under the bill are not intended to bring additional lands into production. The language in the House report that this section shall not permit additional or new land to be brought into production.

The statement as to the purposes of the bill, contained in House Report No. 2288 to accompany H. R. 9484, follows:

"STATEMENT"

"This bill changes section 36 of the Emergency Farm Mortgage Act of 1933, as amended, in the following respects:

"(1) Authorizes the Reconstruction Finance Corporation to make loans to irrigation districts, whether or not they have any indebtedness, for the purpose of purchasing additional water rights, appurtenances, or improve the project. Drainage, levee, and reclamation districts by reason of a technical interpretation of the legal division of the Reconstruction Finance Corporation are barred from securing loans for the above purposes. This amendment will clarify the act and make it possible for drainage, levee, and reclamation districts to secure loans for repair, cleaning, districts, or to make any other improvements that are desirable for the proper functioning of the project.

"(2) Present act also limits loans to districts that have completed projects. There are a few districts in a number of States that have completed projects. This amendment authorizes loans to districts that do not have completed projects and for the purchase of partially completed projects. The present requirements that no additional lands may be brought into production remains intact.

"It will only take a small amount of the $250,000,000 already appropriated to take care of the few projects that will qualify under the Pierce bill."

Mr. McKellar. Mr. President, that seems to be an excellent explanation of the measure. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 20, after the word "Provided" and the comma, to strike out "That the terms of this act shall not permit additional or new land to be brought into production" and insert in lieu thereof "That it is not intended that additional lands will thereby be brought into production", so as to make the bill read:

"Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

The Reconstruction Finance Corporation is authorized and empowered as hereinbefore provided, in an aggregate amount not exceeding $125,000,000, including commitments and disbursements herebefore made, for the benefit of districts, drainage, levee, and reclamation districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations duly organized under the laws of any State or Territory, and to or for the benefit of political subdivisions of States and Territories which have or propose to purchase or otherwise acquire projects or portions thereof duly organized chiefly to the improvement of lands for agricultural purposes.

Such loans shall be made for the purpose of enabling any such district, political subdivision, company, or association (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with projects; or, whether or not it has any such indebtedness, to purchase, acquire, construct, or complete such a project or any part thereof or to acquire additional drainage, levee, irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend, or improve any such project or any part thereof, or any project with which it may have become associated, so as to make the bill read:

"Provided, That it is not intended that additional lands will thereby be brought into production.

Sec. 2. Such section is further amended by striking out the amendment of the House report which was inserted in the bill on August 29, 1914, as amended (39 Stat. 795, 41 Stat. 413; U. S. C. title 34, sec. 292), in its consideration of the act of the 62d Congress, 2d session, as reported from the Committee on Naval Affairs with an amendment, on page 2, line 20, after the word "Provided" and the comma, to strike out "Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade" and to insert in lieu thereof the following:

"Provided, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved:

"Provided further, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

"Provided, That in recognition of his having been wounded in line of duty and of his "exceptionally meritorious service in combat with the enemy during World War when in command of the U. S. S. President Lincoln and when his conduct and bearing were found to have been "in accord with the best traditions of the navy," the President, by a special act of the 62d Congress, 2d session, as reported from the Committee on Naval Affairs, in its consideration of the act of the 62d Congress, 2d session, as reported from the Committee on Naval Affairs with an amendment, on page 2, line 20, after the word "Provided" and the comma, to strike out "Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade" and to insert in lieu thereof the following:

"Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

"Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to read a third time.

The bill was read the third time and passed.

BANKERS' RESERVE LIFE CO. AND WISCONSIN NATIONAL LIFE INSURANCE CO., of Oshkosh, Wis., which was read twice by its title.

Mr. Duffy. Mr. President, I ask the Chair to lay before the Senate House bill 3155, The PRESIDING OFFICER. Is there objection? There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BARGE OF UNITED STATES DAUGHTERS OF 1812

Mr. McAdoo. Mr. President, I ask unanimous consent for the immediate consideration of House bill 11562, which provides for the renewal of patent no. 25909, relating to the badge of the United States Daughters of 1812.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection the Senate proceeded to consider the bill (H. R. 11562) to renew patent no. 25909 relating to the badge of the United States Daughters of 1812, which was ordered to a third reading, read the third time, and passed.

CAPT. PERCY WRIGHT FOOTE, UNITED STATES NAVY

Mr. Byrd. Mr. President, I ask unanimous consent to recur to Calendar No. 1816, being House bill 7092. I understand that the Senator from Tennessee [Mr. McKellar], who objected to the bill when it was reached on the calendar, has withdrawn his objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 20, after the word "Provided" and the comma, to strike out "Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade" and to insert in lieu thereof the following:

"Provided, That he shall remain on the.active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved:

"Provided further, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

"Be it enacted, etc., That in recognition of his having been wounded in line of duty and of his "exceptionally meritorious service in combat with the enemy during World War when in command of the U. S. S. President Lincoln and when his conduct and bearing were found to have been "in accord with the best traditions of the navy," the President, by a special act of the 62d Congress, 2d session, as reported from the Committee on Naval Affairs, in its consideration of the bill (H. R. 3158) to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis., which was read twice by its title.

Mr. Duffy. Mr. President, the Senate sometime ago passed an identical bill, introduced by the Senator from Nebraska and myself. The House has now messaged to the Senate its own bill under its own number, and as I have already dealt with the Senate bill. I ask that the Senate bill be considered and passed at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.
against the United States, or any officer of the United States, have been disbursed and a quitclaim deed has been delivered, conveying and releasing to the United States all the right, title, and interest of such party plaintiff in the said property taken for public use by the United States on June 38, 1917, and September 20, 1918, respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR FURTHER CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, I observe that the Senator from Arkansas [Mr. Borah] has returned to the Chamber, and I am going to suggest to him and others, in connection with the unfinished business, that the unanimous-consent agreement be modified so as to extend the time this afternoon sufficiently to conclude the consideration of the bills on the calendar.

There are only about five more pages of the calendar unconsidered. We have not considered the bills on the calendar for several weeks; and inasmuch as the Senate is in a calendar mood this afternoon, I think it would be well to go forward to complete it. I hope the Senator may arrange to do so.

Mr. ROBINSON. Mr. President, I think it will be convenient to take the action proposed by the Senator from Oregon. I understand some conferences are in progress on the so-called deportation bill; and I ask unanimous consent that the agreement entered into yesterday afternoon be now modified as follows:

That when the hour of 2 o'clock shall arrive, the unfinished business be again temporarily laid aside, and that the Senate proceed with the call of the calendar for unobjected bills until that order of business shall have been completed.

Mr. McNARY. I hope that order may be entered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BILL PASSED OVER

The bill (H. R. 4148) for the relief of the Thomas Marine Railway Co., Inc., was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

M. WARING HARRISON

The bill (H. R. 3622) for the relief of M. Waring Harrison was considered, ordered to a third reading, read the third time, and passed.

PATRICK J. LEAHY

The bill (H. R. 4362) for the relief of Patrick J. Leahy was considered, ordered to a third reading, read the third time, and passed.

THELMA L. EDMUNDS AND OTHERS

The bill (H. R. 9794) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtle E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whittlock, was considered, ordered to a third reading, read the third time, and passed.

MAUD KELLEY THOMAS

The Senate proceeded to consider the bill (S. 3824) for the relief of Maud Kelley Thomas, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Navy be, and he is hereby, authorized and directed to take such action as is necessary to certify to the satisfaction of the Secretary of the Navy that she was actually dependent upon her brother, Maud Kelley Thomas, sister of Orloff Allen Kelley, late chief machinist's mate, United States Navy, an amount equal to 6 months' pay at the rate said Orloff Allen Kelley was receiving at the date of his death:

That the said Maud Kelley Thomas establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her brother, Orloff Allen Kelley, at the time of his death:

And the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
MRS. FOSTER M'LYNN

The Senate proceeded to consider the bill (S. 3859) for the relief of Mrs. Foster M'lynn, which had been reported from the Committee on Claims with amendments.

DEPORTATION OF CRIMINAL ALIENS

Mr. KING. Mr. President, may I make a suggestion with regard to the unfinished business?

Mr. ROBINSON. Mr. President, I have already made an announcement with respect to the matter the Senator has in mind.

Mr. KING. It is understood by the proponents of the so-called deportation bill and those who have been discussing the question on the other side that the bill may go over until Monday, and that meanwhile we shall probably come to an agreement.

Mr. M'NARY. Mr. President, what was the remark of the Senator from Utah?

Mr. KING. I merely suggested that the proponents of the so-called deportation bill and those who have been speaking in opposition to it have agreed that the matter may go over until Monday.

Mr. REYNOLDS. Mr. President, I may say, in line with what my colleague the Senator from Utah has said, that we are going to meet tomorrow and Monday in an endeavor to get the matter straightened out to the satisfaction of the proponents of the bill and those opposed to the bill.

Mr. DAVIS. Mr. President, some parts of the bill are perfectly acceptable to everyone. There are only two sections of the bill on which there is any disagreement. After discussing the matter with the Senator from Utah (Mr. King), the Senator from Massachusetts (Mr. COOLIDGE), and the Senator from North Carolina (Mr. Raynolds), we have decided to hold meetings tomorrow and on Monday morning, and that probably then we shall come to an agreement on the bill and probably end the discussion on it.

Mr. REYNOLDS. It is understood, however, that the bill is to come before the Senate again on Monday.

Mr. KING. Yes, Mr. President.

Mr. DAVIS. That is correct.

Mr. ROBINSON. Mr. President, I will state that that has already been arranged; and when the call of the calendar shall have been completed, it is my intention to move a recess or adjournment until Monday, unless there is objection.

Mr. COPELAND. Mr. President, at the proper time I desire to bring up the conference report on the Army appropriation bill.

Mr. ROBINSON. I understand that. I also understand that the Senator from Georgia wishes to bring something before the Senate. The unfinished business has been temporarily laid aside.

MRS. FOSTER M'LYNN

The PRESIDING OFFICER. The clerk will state the amendments reported by the Committee on Claims.

The amendments were on page 1, line 6, after the words “sum of”, to strike out “$125.77” and insert “$110”, and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the United States Employees’ Compensation Commission be, and it is hereby, authorized and directed to proceed upon its compensation roll the names of John B. Meisinger and Nannie B. Meisinger, who shall be held and considered to be the dependent parents of Dr. Clarence L. Meisinger, who was killed June 2, 1924, by the explosion of a balloon in which he was making a series of observations for the United States Weather Bureau, and pay jointly to them compensation at the rate of $5 per month.

Sec. 2. The compensation of said John B. Meisinger and Nannie B. Meisinger shall cease if either of them dies, marries, or ceases to be dependent; and thereafter the remaining dependent shall be paid at the rate of $25 per month until he dies, marries, or ceases to be dependent.

Sec. 3. This act shall take effect on the 1st day of the calendar month following the date of its enactment.

Mr. KING subsequently said: Mr. President, I tried to obtain recognition when House bill 8039 was being considered. I find that the bill has been reported adversely by the Chairman of the United States Employees’ Compensation Commission. I ask unanimous consent that the vote by which the bill was passed be reconsidered.

The PRESIDING OFFICER. Without objection, the vote whereby the bill was passed will be reconsidered.

Mr. KING. I now ask to bill the go over.

The PRESIDING OFFICER. The bill will be passed over.

HARRY WALLACE

The Senate proceeded to consider the bill (H. R. 10991) for the relief of Harry Wallace, which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Harry Wallace, of Polkadotte, Ohio, in full satisfaction of all claims against the Government of the United States for permanent injuries sustained, and for medical and hospital expenses incurred by him and for the destruction of his automobile on September 29, 1934, when the automobile in which he was riding and which belonged to him was struck and completely demolished by a Government automobile truck operated by one of the employees of and in connection with the Civilian Conservation Corps stationed at Camp Dean, Lawrence County, Ohio, for which said automobile truck was at that time being used on official business and being operated on State Highways No. 11 and 14, both in Lawrence County, Ohio, near Ironton, Ohio. Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delived to or reached by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating any provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
Mr. BULKLEY. Mr. President, the bill was referred to the Department and adversely reported by the Department, but the adverse report was based upon an investigation of the facts made by the commandant of the camp from which the truck that was involved in the accident proceeded. The House Committee on Claims reviewed the whole case and took further evidence, much of it from the same witnesses examined by the captain at the camp, and the House committee came to the conclusion that the fault in this automobile collision was on the side of the driver of the Army truck.

Mr. ROBINSON. Very well.

The bill was ordered to a third reading, read the third time, and passed.

JENS H. LARSEN

The bill (H. R. 3573) for the relief of Jens H. Larsen was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jens H. Larsen the sum of $80.50, in full settlement of all claims against the United States for damages incurred to his automobile from snow and ice falling from the roof of the post-office building in St. Paul, Minn.; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent, attorney, or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, contract for, receive, retain, or account for, any sum not exceeding the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BERNARD V. WOLFE AND THE DIXON IMPLEMENT CO.

The Senate proceeded to consider the bill (H. R. 3573) for the relief of Bernard V. Wolfe and the Dixon Implement Co., which was read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard V. Wolfe the sum of $2,500 for permanent personal injuries, and to the Dixon Implement Co., the sum of $119.83 for damage to its tractor, in full settlement of all claims against the United States for such injuries and damage sustained when said tractor, driven by Bernard V. Wolfe, was struck by an airplane owned by the United States and operated by an employee of the Department of Commerce, at the Dixon (Ill.) Airport on September 17, 1930; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent, attorney, or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, contract for, receive, retain, or account for, any sum not exceeding the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, let us have an explanation of the bill.

Mr. LOGAN. Mr. President, the bill from Arkansas in ques to House bill 3573?

Mr. ROBINSON. Yes.

Mr. LOGAN. As I recall, there is a disagreement in the reports from the several branches of the Department; but I believe, if the Senator had time to examine the reports, he would find that there is no doubt as to the negligence of the airplane pilot. The claimant, Wolfe, was the driver of a tractor at work on the grounds of the airport at Dixon, Ill. The air pilot says that he looked around and did not see the tractor, at work on the grounds of the airport at Dixon, Ill. The air pilot says that he looked around and did not see the tractor, at work on the grounds of the airport at Dixon, Ill.

Mr. ROBINSON. The Senator from Kentucky has examined the claim.

Mr. LOGAN. I have.

Mr. ROBINSON. Notice the Senator submitted a report from the committee. I shall not object to the consideration of the bill.

Mr. KING. Mr. President, I should like to invite the attention of the Senator from Kentucky to a statement made by the Secretary of Commerce. He states:

It would seem, therefore, that the accident was unavoidable, in view of which I am unable to recommend the payment of compensation for the injuries received by Mr. Wolfe.

Mr. LOGAN. Yes. He said that; but may I say to the Senator at the same time the facts which he sets forth clearly show that Wolfe was at work on the ground with a tractor and the pilot of the airplane just ran right into him.

There was nothing unavoidable about it except the pilot says that he looked around and did not see anybody.

Mr. KING. The Chief Engineer of the Airway Division, after reviewing the facts, states:

The view of the fact that the pilot was not responsible for the accident it is recommended that compensation be not granted.

Mr. LOGAN. I may say to the Senator from Utah that, of course, it does not make any difference to me; but if we expect the department that causes damage to correct its errors and if we expect always to rely on what it says we will never get anything done. Here is a case where the facts stated show that deliberately a man was run into and seriously injured and nobody disputes it.

Mr. KING. By whom?

Mr. LOGAN. By the airplane pilot in charge of the airplane. The man was on the ground at work, and he was run into, and the only excuse is that the pilot looked around and did not see anyone, although it was in the broad open daylight.

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

Mr. LOGAN. Yes.

Mr. KING. Was the pilot an employee of the Federal Government?

Mr. LOGAN. That is my information. One or the other of them was employed by the Federal Government, and I think it was the air pilot.

Mr. KING. I was wondering whether the pilot was in the employ of the Federal Government or of some commercial organization.

Mr. LOGAN. I understand he was in the employ of the Federal Government. That is my information.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

STANLEY T. GROSS

The Senate proceeded to consider the bill (H. R. 4031) for the relief of Stanley T. Gross, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley T. Gross the sum of $500, in full settlement of all claims against the Government of the United States for the amount of the United States Treasury bond which he deposited in behalf of Stanislaw Walczek, an alien, who has been deported: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, contract for, receive, retain, or account for, any sum not exceeding the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON. Mr. President, I inquire what is the explanation of this claim?

Mr. LOGAN. It is very easy to explain. I may say to the Senator that Mr. Gross became surety on a bond of an
The alien moved from his address in the city to another address and went to the post office and notified the post office that he was moving, thinking that was notice to the Government. So when the notice was sent out to him he did not receive it. He heard, however, the immigration officers were looking for him, and he went to the office of the immigration agent, said he was there, surrendered himself, and was deported.

The Commissioner of Immigration refused to return the $500 which had been forfeited because the alien did not appear promptly because he did not receive any notice, although as soon as he heard about it he went to the proper office. It seemed to me very unfair that the Government, after he appeared and actually was deported, without the expense of a penny to the Government, should not refund the money to the bondsman.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MARIE LINSENMEYER

The bill (H. R. 4999) for the relief of Marie Linsenmeyer was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to make a personal inspection of all claims against the Government of personal injury sustained by the said Marie Linsenmeyer on the 18th day of December, 1930, at the post-office building at Burlington, Des Moines County, Iowa: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAE C. TIBBETT, ADMINISTRATRIX

The bill (H. R. 6693) for the relief of Mae C. Tibbett, administratrix, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $112.50 in full settlement of all claims against the Government of personal injury sustained by the estate of Leslie L. Tibbett, deceased, in full settlement of all claims against the United States as a result of a United States mail truck running over and killing said Tibbett, while he was attempting to cross South Street at its intersection with Bank Street in the city of Nefrock, Va., on the afternoon of September 19, 1930: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

IZELDA BOISONEAU

The Senate proceeded to consider the bill (H. R. 7468) for the relief of Izelda Boisoneau, which had been reported from the Committee on Claims with an amendment, one line after the words "sum of", to strike out "$5,000" and insert "$4,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 to Izelda Boisoneau, of Mellen, Ashland County, Wis., mother of Eugene Tibbett, in full settlement of all claims against the United States for the death of her son, who was killed because of mistaken identity by Government agents on April 22, 1894, in that county: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to

other than an agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOSEPH JOCHEMCZUK

The bill (H. R. 3152) for the relief of Joseph Jochemczyk was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 in full settlement of all claims against the United States for personal injuries sustained by him through just as soon as he heard about it he went to the vehicle in which they were passengers, near Linden, N. J., on June 8, 1933: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JULIA M. RYDER

The bill (H. R. 2180) for the relief of Julia M. Ryder was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia M. Ryder, of South Wareham, Mass., the sum of $252 in full compensation for personal injuries sustained by her as a result of a United States mail truck running over and killing said Ryder, while she was attempting to cross Street at its intersection with Bank Street in the city of Nefrock, Va., on the afternoon of September 19, 1930: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.
in the Treasury not otherwise appropriated, to Joseph Doctermay's estate, in full satisfaction of all claims against the United States for a bond guaranteeing the departure from the United States of Stanislav Czynski, alien, who was deported from the United States in accordance with the direction of the Department of Labor after said bond had been declared forfeited after due process of law. That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MARY L. MUNRO

The bill (H. R. 4411) for the relief of Mary L. Munro was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Preston Brooks Mason, the sum of $2,000 in full satisfaction of his claim against the Government for damages for personal injuries received by him on September 26, 1910, as the result of direct explosion of a dynamite blast set off by troops of the United States Army near the home of the said Preston Brooks Mason, located in Muscogee County, Ga.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with said claim. It shall be unlawful for any agent or attorney, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

PRESTON BROOKS MASON

The bill (H. R. 6520) for the relief of Preston Brooks Mason was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Preston Brooks Mason, the sum of $2,000 in full satisfaction of his claim against the United States for damages for personal injuries received by him on September 26, 1910, as the result of direct explosion of a dynamite blast set off by troops of the United States Army near the home of the said Preston Brooks Mason, located in Muscogee County, Ga.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with said claim. It shall be unlawful for any agent or attorney, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAE POULAND

The bill (H. R. 8034) for the relief of Mae Pouland was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mae Pouland, the sum of $750 in full satisfaction of all claims against the United States for personal injuries received by her in the private car in which Mae Pouland was a passenger December 8, 1934, on collision with a boulder on the highway:

Be it enacted, etc., That the Secretary of the Treasury be, and be hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Hurston, La Fayette, Ga., the sum of $1,650 in full settlement of all claims against the Government for damages sustained by said John Hurston on account of injuries received when stricken by a truck of the Civilian Conservation Corps being negligently operated near Dayton, Tenn., on May 6, 1935: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JNO. HURSTON

The bill (H. R. 8510) for the relief of John Hurston was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Hurston, La Fayette, Ga., the sum of $1,650 in full settlement of all claims against the Government for damages sustained by said John Hurston on account of injuries received when stricken by a truck of the Civilian Conservation Corps being negligently operated near Dayton, Tenn., on May 6, 1935: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

NAYHISTA CARR BOLK

The bill (H. R. 8088) for the relief of Nayhista Carr Bolk was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Henry H. Carr, deceased, former postmaster at Popejoy, Iowa, with $13,563, which is further credited to the said post office out of any money in the Treasury not otherwise appropriated, the sum of $651.07, $649.20 of which shall be paid to Nahwista Carr, widow of the said Henry Carr, and the remainder, $1.87, to Nahwista Carr, acting postmaster of Popejoy, Iowa, between December 26, 1933, and February 6, 1934, and $17,175, to be credited to the said post office out of any money in the Treasury not otherwise appropriated, in accordance with the instructions of the Comptroller General, covering a balance due the United States from January 1 to February 6, 1934.

JOHN HURSTON

The bill (H. R. 8510) for the relief of John Hurston was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and be hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Hurston, La Fayette, Ga., the sum of $1,650 in full settlement of all claims against the Government for damages sustained by said John Hurston on account of injuries received when stricken by a truck of the Civilian Conservation Corps being negligently operated near Dayton, Tenn., on May 6, 1935: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of servicesrendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

VIRGINIA ENGINEERING CO., INC.

The Senate proceeded to consider the bill (H. R. 396) for the relief of the Virginia Engineering Co., Inc., which had been reported from the Committee on Claims with amendments, after the reading of the bill, with the words “if any”, and on line 7, after the word “requests”, to insert “if any shall be found to have been made and compiled with”, so as to make the bill read:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of the Virginia Engineering Co., Inc., and to award just compensation for extra costs if any incurred in complying with requests, if any shall be found to have been made and compiled with, of the Director of the Veterans' Administration incident to the work performed under contract for the administration and operation of the Aspinwall Hospital at Aspinwall, Pa., and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defenses of lapse of time, or any statute of limitation. Suit may be instituted by the claimant at any time within 4 months from the approval of this act. The Court of Claims in any suit under this act shall be bound by the provisions of this act, and any judgment thereon shall be conclusive upon the parties thereto. This bill, if enacted, shall be considered a report of the Court of Claims in accordance with the provisions of the judicial code: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. BYRD. I would like to make an explanation of this bill.

Mr. King. Would you like to proceed with the explanation?

Mr. BYRD. Yes, sir. This bill gives to the Court of Claims of the United States jurisdiction to consider the case and to award any damages by way of extra cost that may be found to be due.
The PRESIDING OFFICER (Mr. Mirrorn in the chair). The amendments having been agreed to, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DAMPSEKTI AKTIESELSHP ROSKVA

The bill (S. 3645) for the relief of Dampeksh Aktieselskhp Roskva was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,999.38, or so much more or less as might be required to purchase exchange not to exceed the amount $399 17s. 6d., to Dampeksh Aktieselskhp Roskva, of Oslo, Norway, owners of the steamship Roskva, in full and final settlement of all claims whatsoever against the United States for damages to the Roskva arising from the collision between that vessel and the United States Army tug Atkieselshap on January 14, 1919, at Brest, France.

JAMES R. RUSSELL

The bill (H. R. 4377) for the relief of James R. Russell was considered, ordered to a third reading, read the third time, and passed.

WILLIAM W. BARTLETT

The bill (H. R. 4571) for the relief of William W. Bartlett was considered, ordered to a third reading, read the third time, and passed.

CAPT. CHESTER GRACIE

The bill (H. R. 4779) for the relief of Capt. Chester Gracie was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH WYHOWSKI

The bill (H. R. 5827) for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski, was announced as next in order.

Mr. BARKLEY. Mr. President, the bill apparently carries a considerable appropriation for a simple relief. May we have an explanation of it?

The PRESIDING OFFICER. The bill was reported by the Senator from North Carolina (Mr. Bailey), who does not seem to be in the Chamber at the moment.

Mr. BARKLEY. Then I ask that it go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President, a moment ago I suggested that Calendar No. 1949, House bill 5827, go over. In the meantime I have examined the report; and I desire to withdraw any objection, and suggest that the bill pass.

Mr. ROBINSON. Does the Senator ask to recur to the bill?

Mr. BARKLEY. I ask to recur to that bill.

The PRESIDING OFFICER. Is there objection to recurring to House bill 5827?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

HUGH B. CURRY

The bill (H. R. 5874) for the relief of Hugh B. Curry was considered, ordered to a third reading, read the third time, and passed.

FLORENC HELEN KLEIN

The bill (H. R. 6599) for the relief of Florence Helen Klein, a minor, was considered, ordered to a third reading, read the third time, and passed.

ALFRED J. WHITE AND OTHERS

The bill (H. R. 6821) for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc was considered, ordered to a third reading, read the third time, and passed.

GEORGE H. SMITH

The bill (H. R. 6829) for the relief of George H. Smith was considered, ordered to a third reading, read the third time, and passed.

MRS. J. A. JOULIAN

The bill (H. R. 7861) for the relief of Mrs. J. A. Joulian was considered, ordered to a third reading, read the third time, and passed.

GRANT HOSPITAL AND DR. M. H. STRIECHER

The bill (H. R. 7904) for the relief of the Grant Hospital and Dr. M. H. Streicher was considered, ordered to a third reading, read the third time, and passed.

LOUIS GEORGE

The bill (H. R. 8113) for the relief of Louis George was considered, ordered to a third reading, read the third time, and passed.

MRS. JOHN H. WILKE

The bill (H. R. 8320) for the relief of Mrs. John H. Wilke was considered, ordered to a third reading, read the third time, and passed.

JOHN A. BAKER

The bill (H. R. 8485) for the relief of John A. Baker was considered, ordered to a third reading, read the third time, and passed.

J. C. DONNELLY

The bill (H. R. 8551) for the relief of J. C. Donnelly was considered, ordered to a third reading, read the third time, and passed.

EDWIN PICKARD

The bill (H. R. 8655) for the relief of Edwin Pickard was considered, ordered to a third reading, read the third time, and passed.

FRANK POLANSKY

The bill (H. R. 8706) for the relief of Frank Polansky was considered, ordered to a third reading, read the third time, and passed.

W. H. DEAN

The bill (H. R. 9076) for the relief of W. H. Dean was considered, ordered to a third reading, read the third time, and passed.

MYRTLE T. GROOMS

The bill (H. R. 9171) for the relief of Myrtle T. Grooms, was considered, ordered to a third reading, read the third time, and passed.

J. P. MOORE

The bill (H. R. 9190) for the relief of J. P. Moore, was considered, ordered to a third reading, read the third time, and passed.

FOOT'S TRANSFER & STORAGE CO., LTD.

The bill (H. R. 9208) for the relief of Foot's Transfer & Storage Co., Ltd., was considered, ordered to a third reading, read the third time, and passed.

EDGAR M. BARBER

The bill (H. R. 9336) for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 8262) for the relief of Tom Rogers et al. was announced as next in order.

Mr. ROBINSON. Mr. President, this bill is in somewhat unusual form. It apparently carries a large aggregate amount. I think the bill had better go over.

The PRESIDING OFFICER. The bill will be passed over.

DR. F. U. PAINTER AND OTHERS

The bill (H. R. 9125) for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeeger, Dr. W. C. Barnard, Mrs.
The Senate proceeded to consider the bill (S. 3769) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "sum of," to strike out "$20,735.50" and insert "$13,552.50"; in line 8, after the word "their," to strike out "claim" and insert "claims"; and at the end of the bill to insert a proviso, so as to make the bill read:

"Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., associate architects, of Richmond, Va., the sum of $13,552.50 in full settlement of their claim, against the Government of the United States as architects for engineering services rendered during the year 1938 and up to and including December 31, 1934, in connection with the erection of the Parcel Post Building at Richmond, Va.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or for the benefit of any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The Senate proceeded to consider the bill (S. 4111) for the relief of Charles D. Birkhead was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

"Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to consider the application of Charles D. Birkhead, for a certificate of eligibility for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War," approved May 24, 1928: Provided, That the application of the said Charles D. Birkhead shall be filed with the Veterans Administration within 6 months from the date of the approval of this act.

The Senate proceeded to consider the bill (S. 3769) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "sum of," to strike out "$20,735.50" and insert "$13,552.50"; in line 8, after the word "their," to strike out "claim" and insert "claims"; and at the end of the bill to insert a proviso, so as to make the bill read:

"Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., associate architects, of Richmond, Va., the sum of $13,552.50 in full settlement of their claim, against the Government of the United States as architects for engineering services rendered during the year 1938 and up to and including December 31, 1934, in connection with the erection of the Parcel Post Building at Richmond, Va.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or for the benefit of any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The Senate proceeded to consider the bill (S. 1435) for the relief of Elizabeth Kurau, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

"That jurisdiction is hereby conferred upon the United States District Court for the District of Columbia, to determine, and render judgment, as if the United States were liable in tort, upon the claim of Elizabeth Kurau, of Tarranton, Conn., for damages resulting from injuries received by her on April 2, 1954, near Tarranton, Conn., by reason of an automobile collision in which Mrs. Kurau was a passenger, while a vehicle operated and driven by another person was involved: Provided, That the judgment, if any, shall not exceed the sum of $5,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau."

**Tampico Marine Iron Works**

The Senate proceeded to consider the joint resolution (S. J. Res. 61) to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. Robinson, Mr. President, I observe that this joint resolution was introduced by the Senator from Texas (Mr. Sheppard). I should like to have him make a statement to the Senate regarding the measure.

Mr. Sheppard. Mr. President, a bill has heretofore been enacted for the relief of the Tampico Marine Iron Works, a Mexican concern, for work done on a United States Shipping Board vessel. The bill authorized payment to an American concern, the Beaumont (Tex.) Export & Import Co., a creditor of the Mexican concern, on presentation of proper authority from the latter to the Secretary of the Treasury. This authority was obtained, but was in some way misplaced, and when an attempt was made to secure a duplicate, it was found that the Tampico Marine Iron Works was no longer in existence. The purpose of this resolution is to repeal the bill above mentioned and to provide for payment to William Saenger, chairman of the liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. Robinson. The bill provides for payment to an individual rather than to a corporation.

Mr. Sheppard. To an individual who is the legal representative of the Beaumont Export & Import Co.

Mr. Robinson. The evidence establishes to the satisfaction of the Senate from Texas the right of Mr. Saenger to recover this money.

Mr. Sheppard. It does.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", being Private Act No. 209, Seventy-second Congress, be, and the same is hereby, repealed; and be it further Resolved, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., for the Tampico Marine Iron Works, a foreign corporation, the sum of $1,500 in full settlement of all claims due the Tampico Marine Iron Works by the Government of the United States for work on, repairing, raising, and furnishing material for the United States Shipping Board vessel Latham, during the year 1929: Provided, That the amount appropriated in this act shall be deemed sufficient to pay all claims due the Tampico Marine Iron Works, and the amounts so ascertained and determined to be due the claimants to the Congress for payment as legal claims out of appropriations that may be made by Congress therefor.

**Harry L. Parker**

The bill (S. 4358) for the relief of Harry L. Parker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (46 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Harry L. Parker, of the Department of Agriculture, in a sum not in excess of $174.64, representing the amount paid him by his shipper, the Victoria, on a vessel of foreign registry and per diem in lieu of subsistence while traveling on said vessel during the period September 7 to 11, 1934.

**W. D. Reed**

The bill (S. 4359) for the relief of W. D. Reed was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (46 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle, out of the available balance in the appropriation "34373.27-Salaries and expenses, U. S. Fish and Wildlife Service, or vessels in the service of the Coast Guard or the Public Health Service, or vessels in the service of the Coast Guard or the Public Health Service," the claim of W. D. Reed, of the Department of Agriculture, in a sum not in excess of $220, representing the amount paid him by the Department of Agriculture, in settlement for transportation accomplished on a vessel of foreign registry and per diem in lieu of subsistence while traveling on said vessel during the period July 14 to July 30, 1933.

**Arthur W. Bradshaw**

The bill (H. R. 1440) for the relief of Arthur W. Bradshaw was considered, ordered to a third reading, read the third time, and passed.

**Moffat Coal Co.**

The bill (H. R. 4861) for the relief of the Moffat Coal Co. was considered, ordered to a third reading, read the third time, and passed.

**Mary Hemke**

The bill (H. R. 11488) for the relief of Mary Hemke was considered, ordered to a third reading, read the third time, and passed.

**S. C. Eastvold**

The Senate proceeded to consider the bill (S. 3900) for the relief of S. C. Eastvold, which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That in full and complete settlement of said claim, he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. C. Eastvold, otherwise appropriated, the sum of $1,440.75, or so much thereof as may be necessary to pay said claim: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered, except recovered by any agent or attorney, on account of services rendered in connection with said claim. It shall be unlawful for any agent or attorney, or any officer or attorney, or any officer or attorney, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

**Claims Against Coast Guard and Public Health Service Vessels**

The bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to consider, ascertain, adjust, and determine the amount due on all claims for damages occasioned after the date of the enactment of this act where the amount of the claim does not exceed the sum of $3,000, occasioned by collision, fire, damage incident to the operation of vessels for which collisions or other damage vessels of the Coast Guard or the Public Health Service, or vessels in the service of the Coast Guard or the Public Health Service, shall be found to be responsible, and report the amounts so ascertained and determined to be due the claimants to the Congress for payment as legal claims out of appropriations that may be made by Congress therefor.
pastor of the First Lutheran Church, of Eau Claire, Wis., the sum of $100, in full satisfaction of his claim against the United States for the refusal of a deposit made by him upon application for the entry and classification of a parcel of paper as second-class mail matter, such application having been denied: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALASKA COMMERCIAL CO., OF SAN FRANCISCO, CALIF.

The Senate proceeded to consider the bill (S. 3861) for the relief of the Alaska Commercial Co., of San Francisco, Calif., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Alaska Commercial Co., of San Francisco, Calif., the sum of $4,608.21 percent thereof and final settlement of any and all claims against the United States for damages caused to the wharf of said company at Dutch Harbor, Alaska, by the United States Coast Guard cutter "Tahoe," on May 20, 1934: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANT ANDERSON

The Senate proceeded to consider the bill (S. 4116) for the relief of Grant Anderson, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grant Anderson, Crow Creek Reservation, S. Dak., the sum of $226.67, such sum representing the remainder of the refund due the estate of Julia White Cloud or Julia Voice, deceased heir of Philip His Day, on account of a certain canceled contract entered into with Grant Anderson and the Department of the Interior on December 11, 1920, relating to the purchase of 160 acres of land owned by the heirs of Philip His Day, deceased, the said Grant Anderson shall execute and deliver to the Secretary of the Interior an assignment, satisfactory to the Secretary, assigning to the United States all his right, title, and interest in and to the remainder of such refund. All sums recovered from the estate of Julia White Cloud or Julia Voice by the United States under such assignment shall be covered into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIANA LIMESTONE CORPORATION

The Senate proceeded to consider the bill (S. 4270) for the relief of the Indiana Limestone Corporation, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Indiana Limestone Corporation the sum of $5,576.38. Such sum represents actual costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38. Such sum represents additional costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38. Such sum represents additional costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38. Such sum represents additional costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38. Such sum represents additional costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38. Such sum represents additional costs incurred by such corporation as a subcontractor for the United States Corps of Engineers to the Indiana Limestone Corporation the sum of $5,576.38.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

L. G. VINSON

The Senate proceeded to consider the bill (S. 3868) for the relief of L. G. Vinson, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$500" and insert "$273", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. G. Vinson and insert "Vinson & Pringle"; in line 7, after the word "of", to strike out "his" and insert "their"; in line 9, after the word "to", to strike out "him" and insert "them"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vinson & Pringle, the sum of $100, in full satisfaction of their claim against the United States for damages caused by dynamite blast set off by members of the Civilian Conservation Corps at Lake Mary, near Flagstaff, Ariz., on August 26, 1935: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.
The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Vinson & Pringle."

MELBA KUEHL

The Senate proceeded to consider the bill (S. 4369) for the relief of Melba Kuelk, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$100.30" and insert "$163.97"; in line 10, after the word "officially", to strike out "defaulted or "commissioned"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Melba Kuehl, postmaster at Beld, Wis., the sum of $163.97, in full satisfaction of her claim for compensation for services rendered while acting as such postmaster between the dates of April 24, 1933, and August 14, 1933, after the death of the former postmaster and before she was officially commissioned as such postmaster: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the control thereof shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

W. D. GANN

The Senate proceeded to consider the bill (S. 4052) for the relief of W. D. Gann, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$4,000" and insert "$2,180", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. D. Gann, the amount disallowed on voucher 11557 in the June 1934 cash account of said disbursing clerk.

The Senate proceeded to consider the bill (S. 4184) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the last paragraph, as amended, of the Act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", as amended by striking out the following: "and in no event to be more than $25,000 in any one claim."

BILL PASSED OVER

The bill (S. 3143) for the relief of the Passaic Valley Sewerage Commissioners was announced as next in order.

Mr. ROBINSON. Mr. President, this bill involves a relatively large amount. I should like to have an explanation of the bill.

In the absence of the Senator introducing the bill and of the Senator who reported it, I think it had better go over.

DORES LIPSCOMB

The bill (H. R. 4933) for the relief of Doris Lipscomb was considered, ordered to a third reading, read the third time, and passed.

JOSEPH A. THERRY

The bill (H. R. 6578) for the relief of Joseph A. Therri was considered, ordered to a third reading, read the third time, and passed.

FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, SHAWNEE, OKLA.

The bill (H. R. 6846) for the relief of the First Federal Savings & Loan Association of Shawnee, Okla., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government, the sum of $186.72 to the First Federal Savings & Loan Association of Shawnee, Okla., successors to the Fidelity Building & Loan Association, for damages to real-estate property at 606 West Dewey Street, in the city of Shawnee, Okla., caused by slugs from firearms discharged by duly authorized agents of the United States of America on December 31, 1938, during the capture and death of certain outlaws sought by the Government for violation of its laws: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney, on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOSEPH A. THERRY

The bill (H. R. 6699) for the relief of Frank Rottkamp was considered, ordered to a third reading, read the third time, and passed.

MARIANO BIONDI

The bill (H. R. 7329) for the relief of Mariano Biondi was considered, ordered to a third reading, read the third time, and passed.
RELBIEF OF THE STATE OF NEW JERSEY

The Senate proceeded to consider the bill (S. 4395) for the relief of the State of New Jersey, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the numerals "1934," to strike out the words "and providing for replacement, without cost to the State of New Jersey, of like articles for resale to and the use of the National Guard of New Jersey", so as to make the bill read:

Be it enacted, etc., That the State of New Jersey and David S. Hill, United States property and disbursing officer for New Jersey, are hereby relieved from accountability for certain property belonging to the State of New Jersey, the value of which being $4,461.41, the property was loaned to such State for use by the New Jersey National Guard and was unavoidably lost or destroyed when issued for use in connection with the Monro Castle disaster on September 8, 1934.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIFTIETH ANNIVERSARY OF CINCINNATI AS A CENTER OF MUSIC

The Senate proceeded to consider the bill (S. 4470) to authorize the issuance of additional coins in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years," approved March 31, 1936, is amended to read as follows:

"That in commemoration of the fiftieth anniversary in 1936 of the city of Cincinnati, Ohio, as a center of music, and to commemorate Cincinnati's contribution to the art of music in the United States for the past 50 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint, not to exceed 65,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single 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 necessary dies and other preparations for this coinage.

"Sec. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Cincinnati Musical Center Commemorative Association, of Cincinnati, Ohio, upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association, and the net proceeds shall be used by it in defraying the expenses incident to and appropriate to the commemoration of such event.

"Sec. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coinage or striking of the same, regulating and authorizing the process of coinage, providing for the purchase of materials, and to be used by the New Jersey State Government and that the lessee shall have no claim against the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause.

Be it enacted, etc., That the Secretary of War is authorized and directed to lease for a period of 20 years to the owners of the six cottages erected on land reclaimed from the ocean and now determined to be part of the military reservation of Fort Moultrie, S. C., the land upon which such homes were erected by the owners in the belief that title was vested in them and the buildings thereon was owned by the owners; Provided, however, That such leases shall contain the provision that if at any time said property is needed for military purposes the buildings thereon must, upon notice, be immediately removed and the lessees canceled, and the further provision that such buildings shall be removed without expense to the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANCHORAGE COMMERICAL CO., INC.

The Senate proceeded to consider the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "any moneys in the Treasury not otherwise appropriated" and to insert in lieu thereof "balances of the appropriations, 'Education of natives of Alaska, 1927-28' and 'Education of natives of Alaska, 1928-29.'"
1928-33", which balances have heretofore been carried to the surplus fund of the Treasury, so as to make the bill read: 

Be it enacted, etc., that the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anchorage Commercial Co., Inc., a corporation organized and existing under the laws of the Territory of Alaska, out of balances of the appropriations, "Education of natives of Alaska, 1927-28" and "Education of natives of Alaska, 1928-29", which balances have heretofore been carried to the surplus fund of the Treasury, the sum of $5,077.21 in full satisfaction of all claims against the United States on account of compensation for materials and supplies furnished by the United States Indian Industrial School situated at Eklutna, Alaska, between August 11, 1927, and June 30, 1928; Provided, That no part of the amount appropriated for the purchase of the land shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

**BILL PASSED OVER**

The bill (H. R. 2147) for the relief of Holy Cross Mission Hospital was announced as next in order.

Mr. McKELLAR. Let that go over.

**THE PRESIDING OFFICER.** The bill will be passed over.

**J. H. TAYLOR & SON**

The Senate proceeded to consider the bill (H. R. 2936) for the relief of J. H. Taylor & Son, which was read, as follows:

**Be it enacted, etc.** That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,500, in full settlement of all claims against the Government of the United States of J. H. Taylor & Son, said sum representing a deduction by the Comptroller General of the United States from the contract price for the purchase of the Atlanta (Ga.) post-office building site; Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Let the bill go over.

Mr. GEORGE. Mr. President, I hope the Senator will withdraw his objection.

Mr. McKELLAR. If the Senator desires, I will withdraw the objection until he can explain the bill.

Mr. GEORGE. I think it should be explained, briefly, for the reason that several years ago, when Mr. Ogden Mills was Secretary of the Treasury, an adverse report on this claim was made. The adverse report grew out of a misapprehension of the facts of the case.

Some years ago a bill was passed authorizing the construction of the Atlanta, Ga., post office at an upset price, more than $3,000,000. Eight hundred and eighty thousand dollars was set aside for the purchase of the land. There were some 12 parcels of land at the site where the Government desired to locate the Federal building. The Government declined to enter into negotiations with the several owners, and insisted that they procure someone to represent all of the property owners.

To this end, J. H. Taylor & Son, a reputable firm of Atlanta, who had no interest in any of the land, was selected for that purpose. I speak from knowledge, because I was interested in the bill which led to the construction of the Atlanta post office.

Practically all the parcels of land were procured, by consent, at prices that were agreeable. Two tracts had to be condemned. One tract of land was secured under a friendly condemnation proceeding, an out of practice, but friendly. Another tract had to be procured, both for the purpose of settling the title and eliminating questions of ownership, and because there was a failure to agree upon the price.

With reference to one of these tracts of land the condemnation proceedings were had, and the finding was against the property owner, but the property owner immediately filed an appeal. Taylor & Son were in constant communication with the Treasury Department. While the appeal was pending, it appeared that by bringing the award up to the original allotment made for the purchase of the land the title could be procured; that is, the appeal would be dismissed, and the district attorney, who had charge of the condemnation proceedings, was agreeable to that method of handling and closing the case.

It turned out, however, that for some reason Mr. Heath, who was then Assistant Secretary of the Treasury, and who wished to proceed with the construction of the post office, desired that the title be cleared at once, and Taylor was instructed to pay the difference between the award and the amount actually originally set aside for the purchase of the real estate.

According to Mr. Taylor's contention, and according to the contention of the district attorney, these are the true facts in the case. At any rate, the appeal was dismissed, Taylor paid the money out of his own pocket, and the Comptroller General conceived of the case as one that amounted simply to a transaction of a broker, and said that the Government had no authority to make that sort of contract.

The Department at Washington, as I recall the facts, after the long lapse of time, went so far as to advise Mr. Taylor that it had submitted a claim to the Comptroller for $3,500, which was the difference between the award and the price which the property owner had agreed to take and dismiss his appeal, and pending the determination of that claim by the Comptroller, Mr. Taylor paid the money out of his pocket, and then the Comptroller disallowed the claim.

Mr. McKELLAR. This is for a return of money which Taylor had actually paid out?

Mr. GEORGE. Yes, the return of money which Taylor actually paid. He had not one cent of interest in the property.

Mr. McKELLAR. It was not a brokerage transaction at all?

Mr. GEORGE. Not at all.

Mr. McKELLAR. But is for reimbursement of money actually paid out?

Mr. GEORGE. That is correct.

**THE PRESIDING OFFICER.** The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

**BETHLEHEM FABRICATORS, INC.**

The bill (H. R. 5491) for the relief of the Bethlehem Fabricators, Inc., was considered, ordered to a third reading, read the third time, and passed.

**SPERRY GYROSCOPE CO., INC., OF NEW YORK**

The bill (H. R. 5625) for the relief of Sperry Gyroscope Co., Inc., of New York, was considered, ordered to a third reading, read the third time, and passed.

**ADOLPH MICEK**

The bill (H. R. 7867) for the relief of Adolph Micek, a minor, was considered, ordered to a third reading, read the third time, and passed.

**EVELYN HARRETT B. JOHNSTONE**

The Senate proceeded to consider the bill (H. R. 9153) for the relief of Evelyn Harrett B. Johnstone, which had been reported from the Committee on Claims with an amend-
The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JACOB KAISER

The Senate proceeded to consider the bill (S. 3956) for the relief of Jacob Kaiser, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jacob Kaiser the sum of $500, in full settlement against the Government, the sum of $500 in full and final settlement of any and all claims against the Government of the United States for injuries suffered by him as a result of an accident involving a Government vehicle operated in connection with the Civilian Conservation Corps, on United States Highway No. 10, at a point approximately 12 miles east of Billings, Mont., on October 3, 1934: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. D. STEPHENS AND VERA STEPHENS

The bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens was announced as next in order.

Mr. DUFFY. Mr. President, that measure is opposed if any member of the committee is present, I wish to ask why it was that actuated the committee in cutting down the amount to the sum which the committee suggests should be allowed to the two persons who were injured by the admitted negligence of the driver of a Government-operated truck.

A jury in the Federal Court for the Western District of Wisconsin set the damages to the man at $2,250, and the damages to the wife at $5,000. The wife had her back broken and her nose crooked as the result of the accident, and her knee was badly hurt.

I desire to know if there was some reason why the committee made a rather considerable reduction in the amount of damages that should be awarded in this case.

Mr. ROBINSON. Mr. President, what is the number of the bill?

Mr. DUFFY. It is Senate bill 3808, Calendar No. 2027, at the bottom of page 31. The case was one where the driver of a Civilian Conservation Corps truck was admittedly negligent, and smashed into the claimants; and the jury, in the case brought against the driver to determine the amount of damages in the Federal court, awarded the amount which I incorporated in the bill.

Mr. McKELLAR. The chairman of the committee is not here to make the explanation. Why not let it go over until the Senator can hear from him?
Mr. DUFFY. I believe it would be better to have the bill go over, because I really think there is no justification for the reduction of the amount of damages.

The PRESIDING OFFICER. The bill will be passed over.

WHITMAN NATIONAL MONUMENT

The bill (H. R. 7736) to provide for the establishment of the Whitman National Monument was announced as next in order.

Mr. MCKELLAR. Mr. President, will the author of the bill explain it?

Mr. SCHWELLENBACK. Mr. President, the bill provides that the Government may accept, as a part of its national monument program, a certain piece of property which is being donated by the people of the city of Walla Walla, Wash., in commemoration of Marcus Whitman. In 1838 Whitman went to the Pacific Northwest, and a centennial celebration of the event is now being held. In connection therewith, a donation of this land is being made for the establishment of the Whitman National Monument.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been referred from the Committee on Public Lands and Surveys with an amendment, on page 2, to strike out the last section, as follows:

Sec. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RUTH EDNA REAVIS (NOW HORSLEY).

The Senate proceeded to consider the bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley), which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc. That the statute of limitation in the case of Buffalo, Wyo., 036423, Ruth Edna Reavis (now Horsley), is extended from the date thereof the following new section, and provision should be made in the revenue act, and to enable the people of the State of Arizona to carry out the provisions of this act:

AMENDMENT OF ENABLING ACT FOR ARIZONA

The bill (S. 4320) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc. That section 28 of the act entitled "An act to enable the Government of New Mexico to be admitted into the Union as a State government and be admitted into the Union on an equal footing with the original States," is amended (1) by striking out the proviso in the third paragraph thereof and inserting in lieu thereof the following:

"Provided, That nothing herein contained shall prevent said State of Arizona from leasing in a manner as the State legislature may direct, any of said lands referred to in this section for grazing and agricultural purposes for a term of 10 years or less, or from leasing any of said lands for mineral purposes (including leases for exploration of oil and gas and extraction thereof) for a term of 20 years or less, (2) by striking out in the fourth paragraph thereof "or in any case less than the minimum price hereinafter fixed" (3) by striking out in the fifth paragraph thereof "$3 per acre" and inserting in lieu thereof "$5 per acre", (4) by striking out the sixth paragraph thereof and inserting in lieu thereof the following:

"The State of Arizona is authorized to exchange any lands owned by it for other lands, public or private, under such regulations as the legislature thereof may prescribe: Provided, That such exchange shall not be made only as authorized by acts of Congress and regulations thereunder."
range and its conservation to the West and to the entire United States: He is

Resolved, That the Secretary of Agriculture be, and he hereby is, requested to transmit to the Senate at his earliest convenience a report embodying this information, together with recommendations as to constructive measures.

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was considered and agreed to.

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. COPELAND. Mr. President, I submit the conference report of the War Department appropriation bill and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) "making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 0, 7, 23, 24, 26, 31, 32, 33, 34, 41, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 17, 19, 21, 22, 28, 30, 36, 37, 38, 39, 40, and 45, and agree to the same.

Amendment 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "settlement of claims (not exceeding $500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when payment thereof will be accepted by the owners of the property in full satisfaction of such damages, and each note is substantiated by a report of a board of officers appointed by the commanding officer of the troops engaged, and is approved by the Secretary of War, whose action thereon shall be conclusive"; and the Senate agree to the same.

Amendment 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter named in said amendment, insert: "one hundred and twenty-five"; and the Senate agree to the same.

Amendment 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$8,382,574"; and the Senate agree to the same.

Amendment 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with amendments, as follows: In lieu of the sum proposed, insert: "$8,956,042"; and the Senate agree to the same.

Amendment 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$14,508,560"; and the Senate agree to the same.

Amendment 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$18,523,560"; and the Senate agree to the same.

Amendment 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with amendments, as follows: In lieu of the sum proposed, insert: "$18,523,560"; and the Senate agree to the same.

Amendment 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "$26,887,384, and, in addition, $501,714 of the appropriation "Pay of the Army, 1938" which shall remain available until June 30, 1938;" and the Senate agree to the same.

Amendment 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$12,675,619"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,476,588"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$316,966"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 9, 20, 26, 29, 33, 42, and 44.

Mr. MCNARY. Mr. President, I should like to ask the Senator from New York about some of the amendments. What was done in the conference in regard to Senate amendment numbered 46?

Mr. COPELAND. That amendment was approved in the conference; I am very glad it was; and the authorship of the amendment had much to do with the conclusion of the matter in conference.

Mr. President, let me say that, strange as it may seem, because it is so unusual, the appropriations contained in this bill as it is now written are $25,481 below the estimates. It is such an unusual thing to have this happen that I think it ought to be made a matter of record.

There are a few amendments which, under the rules of the House, must be voted upon by that body, but the conference was harmonious and we found ourselves in full agreement.

Mr. MCNARY. Mr. President.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oregon?

Mr. COPELAND. I yield.

Mr. MCNARY. I recall that when the bill was before the Senate a very considerable increase was made in the appropriation for the improvement of rivers and harbors. May I ask the Senator what action was taken as a result of the conference?

Mr. COPELAND. The Senate added $50,000,000, and, besides that, it added $8,000,000 for certain projects which were contested here—the Sardis Dam in Mississippi, the Conchas Reservoir in New Mexico, and the Bluestone Reservoir in West Virginia. The conferences decided that the Bluestone Reservoir had no standing because it had not been approved by either House of Congress; but as to the other items, one involving two and a half million dollars, another three and a half million dollars, one or the other of the Houses having approved the measures, they were eligible, and therefore the conferences decided that the $6,000,000 should be included in the bill.

Then we figured up and found we had some money left, so the conferences agreed to increase the river and harbor items over the bill as it came to the Senate from the House by $15,000,000. So the appropriations for river and harbor items under the bill as agreed to in conference will be $31,000,000 against the larger sum which we had hoped for here, but that particular item under the rules of the House must be approved by that body.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.
I quote first the New York Sun editorial:

Among New Mexico's more important cities there is Clayton, population 2,212. It is served by two railroads, has an express agency, a post office, a bank, a telegraph station, and even an airport. It is also a focal point at which a number of excellent highways converge. A main national highway links it to the East and the West; two all-weather, gravel-surfaced roads connect it with towns to the north, south, and southwest; while railroad and state highway communication with the outlying villages of the mountainous hinterland to the northwest.

Yet President Roosevelt has approved the following W. P. A. projects for Clayton:

I call attention to the statement of the items which the President is said to have approved for projects in Clayton.

The editorial continues:

**Construct farm-to-market road, $121,408;** construct farm-to-market road to Hayden (a road linking Hayden and Clayton already exists), $15,837; construct road, $42,215; construct farm-to-market road, $26,768; improve three farm-to-market roads, $142,594; improve roadway and move fence, $26,486; improve State road no. 58, $29,435; improve streets, $15,783; construct culverts, spillways, and drains, $30,628; move bridge, $6,705; replace water service lines, $34,800; improve distribution system, $24,387; improve park, $1,680; construct five school buildings, $12,262; and construct community center, $12,583.

The editorial concludes as follows:

The total authorized expenditure is $522,689, or $200 per inhabitant.

---

Mr. NORRIS. Mr. President—

THE PRESIDING OFFICER (Mr. CHAVES in the chair).—Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. HATCH. Certainly.

Mr. NORRIS. Is the Senator still reading from the New York Sun editorial?

Mr. HATCH. Yes; I am reading from the editorial which appeared in the New York Sun and which concluded as follows:

The total authorized expenditure is $522,689, or $200 per inhabitant.

Mr. President, in fairness to the writer of the editorial, I should say that it does not make the statement that this money has actually been expended. It does infer, however, that all these projects have been approved and this vast sum of money, amounting to $209 per inhabitant of the town of Clayton, is being spent today.

First, I desire to call attention to the fact that Clayton itself is the county seat of Union County. It is more than 100 miles to the next county seat to the west—Raton. It is something like 75 miles to the next county seat to the south. Clayton is in the northeast corner of New Mexico, in the midst of what has been termed the "dust bowl" area, a section which has suffered the most severe drought for the last 3 years of any section of the country unless it be the county of Las Animas, in Colorado, just across the line in Colorado. I see the Senator from Colorado [Mr. Adams] is present and honoring me with his attention.

The implication of this editorial is that all this money has been spent in the "little village of Clayton," as it is called. I want to show just exactly what has been done under these projects and just what they mean. I now quote from the News, a newspaper published at Clayton, N. Mex.:

Now let us take up each project mentioned in turn. Construction, farm-to-market roads, $121,408.

That was the statement in the Sun editorial.

This road made possible a saving of about 75 miles to the residents of that section of the county going and coming to Des Moines.

That saving is made not alone to the city of Clayton but to that entire area, a saving of 75 miles of distance going and coming, and not even to Clayton but to Des Moines, another town in the county.

It is a hard-surfaced, all-weather road, a needed and permanent improvement, and the money allotted was only $2,272.
Instead of being $121,000 as stated in the New York Sun editorial, the amount of the Presidential approval and the actual amount allotted was $12,372. That was the enormous sum allotted to be spent on that highway.

The news article continues:

The Hayden Road, $18,337.

That is the figure according to the Sun editorial.

This road connects one of the better agricultural sections with State Road 18 and serves a large community; another needed and lasting project, with money allowed amounting to $2,987.43.

In other words, the money actually allotted was not $16,337, as stated in the Sun editorial, but was $2,887.

The news item continues:

Highway 18 at Alamogordo, $42,218. This construction is a link in the north-to-south main highway, one of the important State highways, and a continuation of work started some 3 years ago. It consists of grading and caliche surfacing, and there was allotted $17,218.

There was allotted $17,218, and not $42,218, as stated by the New York Sun.

Improvement to streets, $26,486. This project has never been started because no funds were allotted for it.

Not at Clayton at all, but near Grenville, N. Mex., in another part of the county on State Road 120. The money actually allotted was not $28,798, as stated in the Sun editorial, but was $16,788.

That is one of those terrible boondoggling projects. The Hayden Road is a continuation of the water project to which I referred, but the allotted money was $18,899, not $24,037; improve park, $1,000.

It is a terrible thing, I suppose, that the residents of Clayton, N. Mex., might desire a city park, and might expend thereon the mighty, tremendous sum of $1,050. That money was spent for the improvement of the city park in Clayton, providing a better system of drainage, and throwing the surplus water to the trees of the park. Those who have never lived in the arid regions of the West perhaps may not appreciate or understand what throwing excess water supply to trees and the cultivation and growing of trees means to a city such as Clayton, in northeastern New Mexico.

Construction of school buildings, $12,592.

We are censured for having constructed school buildings in Clayton, N. Mex.—this town which the New York Sun says has a population of 3,500 and is a city, and is peripheral, merely trying to make the citizens of the East suffer and is instances as a waste of Federal funds. My one regret is that the money was not allotted, and it has not been spent. The county did not have the money with which to make the necessary repairs. All of that money $12,592—has been spent, Mr. President, in this wasteful and extravagant manner of repairing school buildings in four rural communities in Union County, N. Mex. It may be waste and extravagance, but I say that the Works Progress Administration is to be complimented and commended for spending $12,000 for such a useful and worthwhile purpose.

Community center, $12,555.

This project was to be used as a high-school gymnasium and community center for rural-school athletic tournaments; but the money was not allotted, and the work was never started. Yet, Mr. President, that sum is included in an editorial in the New York Sun as having been spent for "boondoggling," and is instanced as a waste of Federal funds. My one regret is that the money was not allotted, and it has not been spent. I think tomorrow morning I shall go to see Mr. Hopkins and see if that $12,000 cannot still be allotted for the purpose of building a community center for rural-school athletic tournaments and a high-school gymnasium.

The Clayton newspaper goes on to say:

It will be seen that every project was one that will serve some community interest. For 3 years an unprecedented drought has existed in Union County. Strictly a farming and stock-raising district, lack of crops and grass has reduced a large majority of the farmers and stockmen to dire straits. More than 1,000 of them have worked on these W. P. A. projects, and from their small wages have managed to exist, waiting for the rains that will mean financial independence again. Had they not had employment on these projects, they could not have remained, I would have had to move on, leaving behind them a lifetime of effort. This fact was taken into consideration by the heads of the political subdivisions before they agreed to sponsor the projects.

The Sun is merely trying to make the citizens of the East believe that the citizens of the West, and Union County in particular, at least in this one editorial, are trying to profit at Government expense, when the truth is that the very projects they are deploiring are not only worth while but are the only means of feeding more than a thousand families, suffering not from depression, but drought.

Another unfair thing is to arrive at the per-inhabitant cost by dividing the population of Clayton into the application cost, when it should be on a county-population and money-allotted basis. Our county has approximately 3,700 square miles, more than many of the eastern States. On that basis it is nearer $30 per inhabitant than $200, the figure at which the Sun so erroneously arrived.

That is, Mr. President, the newspaper article says that computing the money actually allotted to the population of
the county, the great, tremendous sum which has been al­
lowed to Union County in this extremely "wasteful and ex­
travagant" effort of the Works Progress Administration has
made possible for us repairs to our roads, schoolhouses, and wa­
ter-distributing systems; repairs we could not have thought of starting
without their aid. The large majority of farmers have not
harvested enough of their farms the last 2 years to pay taxes.
When such a condition exists with the taxpayers it is reflected in public
funds.

We women on projects have turned in a fair day's work for the
wages they were paid. It may mean boodle to the Sun, but in
Union County it means a small wage that will keep the chil­
dren of the family from having to go supperless to bed; it means
an opportunity to stay when there is no place to go.

Be fair, Mr. Editorial Writer for the Sun. We have the fa­
ing spirit out here in the West. The depression that nearly floored
you we brushed aside as of no consequence, but try fighting a
drought; that takes real courage, and sometimes help. Do not
bewruggle the small aid the W. P. A. granted us, please.

Mr. President, I shall not add more to what has been said
by the newspaper writer in Clayton, N. Mex. He has well
and ably stated the case for Union County and the Works
Progress Administration. We have no apologies to offer.

The work has been done. The money allotted has been spent
on projects which are of real value, and which will be of
lasting benefit and improvement.

APPROPRIATIONS FOR THE STATE, JUSTICE, ETC., DEPARTMENTS

The PRESIDING OFFICER laid before the Senate the
action of the House of Representatives disagreeing to the
amendments of the Senate to the bill (H. R. 12089) making
appropriations for the Departments of State and Justice
and for the Judiciary, and for the Departments of Commerce
and Labor, for the fiscal year ending June 30, 1897, and for
other purposes, and requesting a conference with the Senate
on the disagreeing votes of the two Houses thereon.

Mr. MCKELLAR. I move that the Senate insist upon its
amendments, agree to the conference requested by the House,
and that the Chair appoint the conferees on the part
of the Senate.

The motion was agreed to; and the Presiding Officer ap­
pointed Mr. MCKELLAR, Mr. ROSS, Mr. FITZGERALD, Mr. HALE,
and Mr. NYE conferees on the part of the Senate.

WORKS PROGRESS ADMINISTRATION

Mr. WAGNER. Mr. President, on April 20, in the course
of his remarks, the Senator from Pennsylvania [Mr. Davis]
criticized some of the activities of the W. P. A. Among
other things, he criticized the so-called Federal theater proj­
ects and introduced into the Record letters from some of
theatre people that were critical of them. The impression was created
that it was a generally accepted criticism by those who were
informed as to the activities of the W. P. A. with reference
on the disagreeing votes of the W. P. A. projects and expansion of Federal theater into a
permanent national theater.

There is another telegram, from some veterans. It was
alleged that the World War veterans are also critical of these
projects. This telegram reads:

NEW YORK, N. Y., April 24, 1936.

ROBERT F. WAGNER,
Senate Office Building:

Veterans from Federal to
State administration. Such change in­
volves the W. P. A. projects and expansion of Federal theater into a
permanent national theater.

SIXTY-FIVE MEMBERS, CHILDREN'S THEATER

NEW YORK, N. Y., April 23, 1936.

ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.:

In view of splendid achievement in providing cultural entertain­
ment for masses and employment for workers, we urge you to see that Federal theater is continued permanently
on national basis under Federal control.

LUCY HOFPAKER,
25 East Thirty-seventh Street.
Senator ROBERT WAGNER, Senate Office Building, Washington, D. C.: In view of success in providing employment for many workers and furnishing cultural entertainment at low prices, urge you to see Federal theater is continued permanently on national basis under Federal control.

HITA LENNON, 32 East Sixty-first Street.


NEW YORK, N. Y., April 22, 1936.

Senator ROBERT F. WAGNER, Senate Office Building, Washington, D. C.: Federal theater has successfully provided reemployment for capable theater people and produced worthwhile plays at popular prices. Good work must not stop. I urge you to be sure Federal theater is continued permanently on national basis under Federal control.

MRS. GERTRUDE SMITH, 470 West End Avenue.

Senator ROBERT F. WAGNER, Senate Office Building, Washington, D. C.: Now that Federal Theater has successfully provided excellent plays at popular prices, and employment for artists of theater, urge you to oppose the change which would hammer and curtail these projects and reduce them from present high state of efficiency and worth.

NEW YORK, N. Y., April 22, 1936.

Because Federal Theater has succeeded in furnishing high-class entertainment at low prices and given work and hope to many workers urge you to see Federal Theater continues permanently on national basis under Federal control.

ELIZABETH LENNON, 32 West Sixty-fifth Street, New York City.

Senator ROBERT WAGNER, Senate Office Building, Washington, D. C.: I urge continuance of Federal Theater projects on national basis to prevent practical destination among stage employees.

J. A. DELANEY, Local 52, J. A. T. S. E.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT WAGNER, Senate Office Building, Washington, D. C.: Considering remarkably successful recent Federal theater to be made permanent Federal Theater on national basis under Federal control.

KURT BRUCKNER, HUGO WILKENS, WM. O. DITTMER, KLAUS WANDMACHER, NEW YORK, N. Y., April 24, 1936.

Senator ROBERT F. WAGNER, Senate Office Building, Washington, D. C.: Federal Theater has been eminently successful in supplying public with entertainment of high quality at low prices and artists of ability with employment. Urge you to see change of administration would ruin everything.

WALTER F. MITCHELL, 470 West End Avenue.

Senator ROBERT WAGNER, Senate Office Building, Washington, D. C.: As American citizen and voter for you I ask you to vote appropriations for the continuance of the dance music, art, and theater projects under Federal control after June 30, 1936. These must remain as Federal projects. Pass the Macaranto bill.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT F. WAGNER, Senate Office Building, Washington, D. C.: Federal Theater has successfully provided reemployment for capable theater people and produced worthwhile plays at popular prices. Good work must not stop. I urge you to be sure Federal theater is continued permanently on national basis under Federal control.

Mrs. JOHN J. FAUST, 235 West Seventy-fifth Street.

Senator WAGNER, United States Senate, Washington, D. C.: Please support any action for the renewal of the Federal theater project of the W. P. A. in its complete set-up for another year under Government control.

NEW YORK, N. Y., April 22, 1936.

Hon. ROBERT WAGNER, Senate Office Building, Washington, D. C.: If you support this renewal of the Federal theater project urge you to vote appropriations for the continuance of the dance music, art, and theater projects under Federal control after June 30, 1936. These must remain as Federal projects. Pass the Macaranto bill.

NEW YORK, N. Y., April 23, 1936.

Because Federal Theater has succeeded in furnishing high-class entertainment at low prices and given work and hope to many workers urge you to see Federal Theater continues permanently on national basis under Federal control.

Elizabeth LENNON, 352 West Sixty-fifth Street, New York City.

Senator ROBERT WAGNER, United States Senate: Urge continuance of Federal theater projects on national basis to prevent practical destination among stage employees.

J. A. DELANEY, Local 52, J. A. T. S. E.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT WAGNER, Senate Office Building, Washington, D. C.: Considering remarkably successful recent Federal theater to be made permanent Federal Theater on national basis under Federal control.

MRS. OTTIS SMITH, 6075 West Avenue.

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 SESSION

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

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. CHAVEZ in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(Por nominations this day received, see the end of Senate proceedings.)

EXECUTIVE SESSION

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and the Marine Corps.

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

THE PRESIDING OFFICER. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Asst. Surg. Edward C. Lutton to be passed assistant surgeon.

THE PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMasters

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MCKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

THE PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.
LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to, and the Senate resumed legislative session.

DEATH OF REPRESENTATIVE JOHN T. BUCKEES, OF ILLINOIS

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 495), as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES, April 23, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. John T. Buckee, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of the said resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the House and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. ROBINSON. Mr. President, both Senators from Illinois are necessarily absent. It was my privilege to know intimately the late Hon. John T. Buckee, who represented the Twelfth District of Illinois. With the expression of my deep regret that he has passed away, I present the resolutions, which I send to the desk, and I ask for their immediate consideration.

The resolutions (S. Res. 291) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. John T. Buckee, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. Under the second resolution the Chair appoints the senior Senator from Illinois [Mr. Lawrs] and the junior Senator from Illinois [Mr. Dieterich] as the committee on the part of the Senate.

RECESS

Mr. ROBINSON. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until 12 o'clock noon on Monday next.

The motion was unanimously agreed to and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, April 27, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 24, 1936

PUBLIC WORKS ADMINISTRATION

Alexander Allaire, of Arkansas, to be State director of the Public Works Administration in Arkansas.

Henry S. Geismar, of Alabama, to be State director of the Public Works Administration in Alabama.

WORKS PROGRESS ADMINISTRATION

Joseph E. Parker, of Montana, to be State administrator in the Works Progress Administration for Montana, vice Ray Hart.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. James Truman Menlle, Cavalry, with rank from August 1, 1935.

TO CAVALRY

Capt. Harry William Miller, Ordnance Department, with rank from August 1, 1935, effective June 20, 1936.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Lt. Col. George Burgess Foster, Jr., Medical Corps, from April 19, 1936.


To be captains

First Lt. Gordon G. Bulla, Medical Corps, from April 19, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1936

PUBLIC HEALTH SERVICE

Edward C. Lutton to be passed assistant surgeon in United States Public Health Service.

POSTMASTERS

LOUISIANA

Veronica J. Lambert, Goodhope.

Missild F. Prescott, Litcher.

MISSOURI

Ray R. Webb, Miller.

Marcus J. Heathman, Paris.

Cora Hibbard Peter, St. Clair.

Fred Blattner, Jr., Wellsville.

NEW HAMPSHIRE

Eli J. King, Berlin.

William P. Nolin, Claremont.

J. Edward Damour, Henniker.

Georgia Du Devoir, Hooksett.

Arthur A. Croteau, Marlboro.

James E. Shepard, 2d, New London.

Albert F. Priest, Newmarket.

Edward A. Davis, North Conway.

Martin J. Keenan, Peterborough.

Patrick J. Duffy, Salmon Falls.

William H. Pascoe, West Ossipee.

NORTH CAROLINA

Walling D. Vreeland, Fort Bragg.

Fred H. Holcombe, Mars Hill.

Perla H. Bray, Reper.

Charles O. Cooper, Saluda.

James Russell Wiggins, Wake Forest.

William M. Sutton, Windsor.

Selvin N. Blanchard, Woodland.

TEXAS

Arvel O. Pickens, Whittenburg.

ARTHUR J. LITTLETON

John R. Plattenburg, New Cumberland.

Claude E. Mills, Newell.

Denville D. Dillion, Whitesville.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 24, 1936

The House met at 11 o'clock a.m.

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

Our Father of everlasting love, we thank Thee for the merciful privilege of coming to Thee in prayer. May it be
in the spirit of Him who taught us to say, "Our Father." We beseech Thee that His presence may come mightily upon us to strengthen, encourage, and guide us that we may retain the service we have pledged our country. Do Thou guard us in our contact with our fellow men, lest we be unmindful of the admonition, "Judge not that ye be not judged, for with what judgment ye judge, it shall be measured to you again." Heavenly Father, help us to heed the injunction, "Whatsoever ye would that men should do to you, do ye even so to them." Once more in the dispensation of Thy providence our hearts are bowed; another Member has left us. The angel of death has borne him to a higher sphere of comfort, we beseech Thee, all members of his fireside; may they go forward with strong faith and quickened hopes to the larger life that awaits the children of God. Amen.

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

MESSAGE FROM THE PRESIDENT

A message from the President of the United States announced that on the following dates the President approved and signed bills and a joint resolution of the House of Representatives to make rehabilitation loans to the District of Columbia.

On April 17, 1936:
H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Todd, British Navy, and the Navy Cross to Lt. Comdr. Charles A. DeW. Kitcat, British Navy; and signed bills and a joint resolution of the House of Representatives.

On April 21, 1936:
H. R. 11327. An act to exempt from taxation receipts from the operation of the Danville and Lexington Railway Company, for the fiscal year 1936.
H. R. 12098. An act relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans to the District of Columbia.

The SPEAKER. Two hundred and eighty-three Members are present, a quorum.

Mr. COOPER of Tennessee. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

LET'S FACE THE TAX PROBLEM

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by inserting speeches made last night at Town Hall, New York, by the gentleman from California (Mr. Buck), and the gentleman from Massachusetts (Mr. Treadway).

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the Record I include the following addresses delivered by the gentleman from California (Mr. Buck) and the gentleman from Massachusetts (Mr. Treadway) before the Town Hall, New York, on April 22:

RADIO ADDRESS BY HON. FRANK H. BUCK, OF CALIFORNIA

Mr. Moderator, ladies and gentlemen of the Town Hall, taxation must always be faced. Civilized nations having come to the conclusion that governments must exist for the protection of property, of liberty, life, and the well-being of the people, realize that governmental functions which are called into existence must be paid for. They must be paid for in the form of taxes, but new taxes are always objected to, and changes in tax rates made necessary by changing conditions, including increasing governmental activities demanded by the people themselves, are always the object of criticism. Present tax consciousness, so far as the Federal Government is concerned, has arisen from certain events that have taken place since January 1933.

In his Budget message of January 3, 1936, the President stated that the increase in revenues, then evident, would ultimately meet and pass the declining cost of relief outside of which, for the general expenses of the Government, sufficient income was already available. Legislation involving new expenditures, he warned, would require new taxation. As this message was sent to Congress, the decision of the Supreme Court invalidated the processes taxes levied under the Agricultural Adjustment Act, which had been included as income in the 1936 and 1937 budgets, and Congress notwithstanding decided to make full payment of the
Congressional Record—House

April 24

6078

benefits which had accrued to farmers under existing agricultural-adjustment contracts. These two decisions imposed the necessity of raising an additional $157,000,000, to be spread over 3 years. At the same time, the program of the Land Loss Prevention and Improvement Act, under the leadership of the Soil Conservation Act, which, when carried out fully, will require a permanent reduction of over $2,000,000,000, or a deduction of the Adjusted Compensation Payment Act, which will add an annual charge of $120,000,000 for the next 9 years.

Large shareholders, or those who invest. Moreover, Large shareholders, or those who invest. Moreover, Large shareholders, or those who invest. Moreover, the procedure under the field of tax-exempt securities will also be changed. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small. The major purposes of the revised corporation tax are to prevent the waste of money, to yield 1s uncommonly small.
this policy was leading the country into bankruptcy. At this time we are 3 years closer to that condition and are traveling at a faster pace.

There are three ways by which the Nation's credit can be saved:
First. By the imposition of sufficient new taxes to balance the budget.
Second. By the reduction of expenditures to meet existing revenues.
Third. By a combination of increased taxes and reduced expenditures.

Which course shall we follow?
Before attempting to answer this question, let us analyze the present financial situation. We find that expenditures have increased from five and a third billions in 1928 to about eight billions this year, an increase of over three billions. Not only the income, but the revenue of the past year will be even greater than that. I call particular attention to the fact that this increase is not wholly due to emergency outlays, but is in part caused by largely those governmental functions which are the result of a more or less scientific administration of the taxpayers.

While this deficit has been piling up Federal taxes have been increased several times, but collections have lagged far behind. The increase in expenditures. Estimated receipts for the current year are three billion nine hundred million, as compared with one billion six hundred million in 1928. Our Budget-balancing efforts have been very much like a dog chasing its own tail.

Not only is it a hopeless task to try to balance the Budget until expenditures have been curtailed, but I am certain that business and the people cannot understand the burden of taxation necessary to meet present expenditures. We would have to raise four thousand per cent of new money, and that revenue has to be earned from the pockets of the great masses of our people—those with small and moderate means. The rich were "soaked" to the point of confiscation under last year's tax bill, and even after that it was found that only two hundred and fifty million could be squeezed out of them in addition. The average citizen was already paying the highest taxes which he could.

Now it is proposed that personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration as well as the members of Santa Claus Claus knows what would happen if it tried to collect the whole bill. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration as well as the members of Santa Claus Claus knows what would happen if it tried to collect the whole bill. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration as well as the members of Santa Claus Claus knows what would happen if it tried to collect the whole bill. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration as well as the members of Santa Claus Claus knows what would happen if it tried to collect the whole bill. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration as well as the members of Santa Claus Claus knows what would happen if it tried to collect the whole bill. Not only would the present personal exemptions have to be reduced to a minimum—say $500 and $750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is to be feared.
The CHAIRMAN. The Chair does not think that is a proper parliamentary inquiry. The gentleman from New York (Mr. Reed) will proceed in order, of course.

Mr. REED of New York. Leadership in government that points the finger of scorn and contempt at the tribunal that has performed its sworn duty under the Constitution will never direct the thoughts of a people along those lines that make for liberty and freedom. Under such leadership this Nation can never attain to that exalted destiny which Washington envisioned for the United States of America.

It is easy to agitate the hopes and fears of the people in the time of distress. It is not difficult to sway society by an appeal to prejudice and passion. To array class against class and then through the arts of demagoguery direct the generated fury of disappointed groups to unworthy ends requires the lowest, not the highest type of political leadership. It is in times of distress and excitement that the spirit of destruction is easily stirred and unleashed. Every nostrum, proposed at such a period of unrest as a cure for economic ailments, is received with credulity by masses of people who in normal times would ignore such proposals.

As a panacea for existing ills, the unscrupulous do not hesitate to suggest legislation known by them to be beyond the power of Congress to legally enact. This is done with the assurance of a political following.

When the courts hold such legislation illegal, the authors of these unsound proposals endeavor to fix the blame upon the courts, which leads the thoughtless to condemn the latter instead of the former.

The President, in his message of March 3, 1936, endeavored to justify the experimental tax bill now before the House by attributing the necessity for such legislation to the decision of the Supreme Court, which declared the A. A. A. unconstitutional. Deprived of the revenue, illegally collected from American taxpayers as a result of unconstitutional legislation, Congress, unaided by the administration and passed by a servile Congress, the President now seeks to blame the Court for performing its sworn duty.

The other excuse the President offers for demanding at this time the enactment of this drastic, coercive, experimental tax measure is the payment required under the Adjusted Compensation Act. The President makes much of this item, although, as every person conversant with the facts knows, the payment of this just obligation will require no additional 1½ per cent of the annual expenditures. The President ignores the fact that he has spent billions of dollars upon a program having as its chief effect of which is to create new debts, while the Government spent less than that on the operation of its central office. The President ignores the fact that he has spent billions of dollars upon boondoggling projects, the chief effect of which will penalize the accumulation of reserves without which the vast majority of American business and private individuals could not have survived the depression. It arbitrarily discriminates against the small stockholder whose savings are invested in corporations with larger earnings and favors the larger stockholder in the corporation of smaller earnings. It will discourage the organization of new enterprises. It will tend to freeze existing surplus and discourage the expansion of older industry. It will tend to squeeze out of business any form of business that is to create new debts, while the adjusted compensation, which he disapproved, is to pay off an existing debt.

The spectacle of another fantastic, experimental proposal such as the one with which we are confronted today is an experience to which the Congress is becoming gradually hardened.

An existing system of producing revenue is to be scrapped for an experimental method considered and rejected by both the Treasury and the Congress at various times during the past 16 years. An administrative process to which the country has become gradually adjusted through literally thousands of Treasury decisions is to be replaced by a proposal so vague, indefinite, and inchoate in its definitions that I venture the assertion that not 5 percent of the House nor half the majority of the committee could agree among themselves as to the administrative application of its major provisions. Imagine the manager of any one of our national corporations with a net income below $10,000 being told, in response to the question, "What is the tax on our undisbursed net income?"—that it is—

A percentage of the adjusted net income which is more than 10 and less than 20, the tax shall be a percentage of the adjusted net income equal to the sum of 6, plus one-half of the amount by which the percentage which the undisbursed net income is of the adjusted net income exceeds 10.

The unfortunate inquirer will discover that this measure is written with the lucidity that characterizes every explanation of why Mr. Farley is at once the Postmaster General and the chairman of the Democratic National Committee. A revolution in corporate taxation is precipitated on this House overnight. Its amendment to existing law is scattered through 250 pages of the pending bill. The ambiguous explanation of its theory and effect are made available to this membership 24 hours before it is to be jammed through this uninformed body, after 16 hours of debate. Remember, the public hearings upon this measure were never addressed to a bill. Never before in our legislative history has the country or the committee been invited to discuss Presidential messages or the abstractions of a subcommittee as the basis for amendments that shall be made to methods of business taxation. The only public support given to the vague proposals pending before our committee was offered by the representative of the Communist Party, who, having identified the outlines of his creed under the rhetorical drapery of the Presidential message, did not hesitate to give a Communist blessing to the amorphous proposals of the subcommittee. This inchoate conception is now to be baptized in the ritual of the Executive message of March 3 as—

such a revision of our corporate taxes as would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the United States.

It shall be my endeavor to paraphrase the Executive suggestion and clarify "the understanding of the whole subject" before us "by the citizens of the Nation."

It is my strong conviction that, as the pending measure is analyzed, it will become clear:

First. That its alleged beneficiaries are its victims. For, as the majority has carefully refrained from stating in its report, it is a method of taxation which no nation, except possibly Norway, has even attempted in the form here suggested and which, in principle, has been consistently rejected since first called to congressional attention. It will operate to penalize forethought and corporate savings. It will penalize the accumulation of reserves without which the vast majority of American business and private individuals could not have survived the depression. It arbitrarily discriminates against the small stockholder whose savings are invested in corporations with larger earnings and favors the larger stockholder in the corporation of smaller earnings. It will discourage the organization of new enterprises. It will tend to freeze existing surplus and discourage the expansion of older industry. It will tend to squeeze out of business any form of business that is to create new debts, while the adjusted compensation, which he disapproved, is to pay off an existing debt.

Second. The pending proposal will not assure a reliable flow of revenue. On the contrary, it is a final step in the drastic regulation of American business rather than a workable proposal to produce revenue.

Let me first direct your attention to the fact that we are not legislating in a vacuum but in a world of practical realities. Nearly one-third of our national income is consumed by public expenditure—National, State, and local. Approximately one-fourth of our national income is taken by direct taxation. The remainder of the third represents the issuance of public securities or outgo in excess of income. This is merely deferred taxation. The chief business of American banks in recent years has been the financing of our national deficit. American business, between 1930-34, has expended $27,000,000,000 in excess of its income from the savings of former years, while the Government spent less than half that sum on direct relief in 1933-34.

And this was done while business was receiving about half its net income and that of the Government about one-half of that, about 116 percent. We have, moreover, established a Federal social-security system imposing on employers and employees a volume of excise and income taxes without precedent in this country and which will progressively increase without any change in existing law over the next 20 years.

The legislative history of the next 3 years will be recorded in the Federal unemployment compensation...
sation tax will levy upon the pay rolls of the country a 3-percent tax, which it is conservatively estimated will approximate more than 10 percent of the earnings of business.

Our people not only confront the burden of an unprecedented national debt but unparalleled State and local indebtedness. Our Federal Budget is not only unbalanced but no estimate of probable expenditure, from the highest to the lowest, and authority, has been within a short period, been approximately accurate. Worst of all, no rational limitation of expenditure or any reform and improvement in wasteful administration, daily becoming more apparent, is in sight.

Never in the history of the Nation was it more essential that we approach the subject of taxation with more caution and greater opportunity for thoughtful discussion. Both are denied. We are legislating in haste, with inadequate information and little regard for the effect of what we here do upon those activities which not only provide our revenue but support and animate the life of our people. The majority is sailing over an economic sea as unconscious of the depths below it as a chip upon its surface.

It is, of course, obvious to the membership of the House that the devastating depression sweeping the world fell with unusual force upon our own country and impaired the strength of even our strongest enterprises. To rebuild an impaired capital structure is, of course, the first concern of management; but the assistance of the government is needed. The Federal Reserve System, already devoted to the ex-

national interest, is, it is obvious, the body best able to provide the peculiar type of assistance needed. We are justified in asking and entitled to demand that the Federal Reserve System shall not only be impartially respected but shall be actively supported in the vital work of revitalizing the economic system of the Nation. The Government, in a word, must do its duty where business fails. The Government, in a word, must do its duty where business fails.

The majority propose to abolish progressively, within a few short years ago no one dissented from the proposition that any and every enterprise has the obligation to sustain itself, or the effect it may have upon contracting or expanding to its capacity. Every enterprise, it is well known, is dependent upon the capacity of its operations. To rebuild impaired capital structure is, of course, a matter of prime importance. The Federal Reserve System, already devoted to the ex-

a bank, an insurance policy, or some other form of investment. Such savings find their way back into business. Corporate savings are employed to maintain old business or to work its way out of a devastating depression and bear heavy taxation. The majority propose to do it? I put aside the proposed tax on corporate issues, which is our usual method, and force the corporation to do so, unless your contract was made before the President made public the revelation which we propose to make public. If you have struggled under a great debt burden and refinanced it, after this apocalyptical delivery, you are the victim of legislative misfortune. You should have read Tugwell and divined what was to occur. Failure to do so, you must pay the graduated penalty.

Never before has the lawmaking body of a great nation, working its way out of a devastating depression and burdened with debt, threatened its citizens with an Oregon boot of taxation as the price of reviving their capacity for employment.

We take it that no Member of this House denies that a tax on a corporation is a tax on the stockholder. It is he who, under the strange paradox of this bill, is at once the subject of the committee's solicitude and chastisement. Every tax levied upon a corporation is assessed against the beneficial interest of the shareholder. By this measure he may be taxed three times—the normal tax; by surtax, which, you must remember, begins to attach itself to an income in excess of $4,000; and, thirdly, he will carry the tax levied against the undistributed income. That, in accordance with its effect upon the corporation, whose condition is as variable as that of the individual, may result in the decline of the share value of the stock in accordance with the capacity of the corporation to sustain itself, or the effect it may have upon contracting or denying expansion to its operations. Perhaps even more seriously, it stops new enterprise. This bill is in reality an industrial birth-control measure.

Until a few short years ago no one dissented from the view that it was the business of Government to promote, protect, and encourage every form of business. Now let the gentlemen of the majority examine without a blush their proposed hardwork. Let them rechristen this child of their leader's speculation "A bill to penalize saving, to discourage
enterprise, to prevent the restoration of impaired capital, to obstruct expansion, and to lessen opportunity for employment.

Who is the beneficiary of this plan? Is it the small shareholder? The majority apparently imagines, from the statements made throughout its report, that the chief function of the citizen is to pay taxes. Incidentally he may seek a livelihood, build a fortune, or enterprise. But the risk of preventing him from building up essential savings, which alone insure the security of his enterprise, the privilege of saving must be made the subject of an excuse. Since the days of the Psalmist saving has been a stimulated virtue. It has remained for the majority, under the whip of their distinguished leader, to penalize it as a vice. They have, moreover, lost all sense of distinction between the position of the small stockholder in the enterprise of large earnings and the large stockholder in the enterprise of small earnings. In the diffusion of ownership, which is the marked characteristic of modern American business, the small stockholder has more frequently invested his savings in the enterprise with higher earnings, because it appealed to him as having better management and assuring the likelihood of a larger return. I notice, for example, that our largest corporation, the American Telephone & Telegraph Co., started with 7,500 stockholders and now has 750,000. I hold no brief for it, but I point to the fact that the average stockholding is about 28 shares and nobody owns more than 1 percent of the stock. If that corporation, for example, is carried, as it undoubtedly will be, into that class of corporations whose earnings are in excess of $40,000 per year, it may, in the rebuilding of its capital, feel it necessary to reserve a considerable portion of its earnings. If it does, the high rate which it pays for that privilege will be assessed against the beneficial interest of the holders of an average of 28 shares of stock, while in what are described as "closely held corporations", with a low rate of earnings, the privilege of nondistribution is denied.

I am concerned about the serious effect of this proposal upon the small shareholder and upon the employing capacity of business enterprise threatened with the enervating effects of this punitive measure. If I turn to the declaration of purpose made by the majority, I find it stated:

The major purposes of the change in the method of taxing corporate incomes are (1) to prevent avoidance of taxation by individuals through the accumulation of income by corporations; (2) to remove serious inequalities and inequalities between corporate, partnership, and individual forms of business organizations; and (3) to remove the inequity as between large and small shareholders, the present corporate rates.

It is related that a French scientist, insisting upon a theory, was confronted with destructive facts. Undeterred by the evidence, he retorted, "So much the worse for the facts." That alone, it seems to me, can be the position of the majority in the face of the information which has been developed in response to the declaration I have quoted.

Before our committee hearings it was iterated and reiterated that dividend distribution, broadly speaking, was niggardly. The opinion was sedulously created that in comparison with earnings there was a vast current fund which ought, in the interest of the stockholder and the Government, be forced into distribution. It is not the possession of the corporation which has to be preserved but that of those subject to the higher surtaxes. The facts completely refute the assertion. The undisputed evidence before our committee discloses that over a 14-year period, between 1921 and 1934, taking the total dividend distribution of all corporations, the figures being supplied by the Internal Revenue Department, it is shown that dividends paid were 25 percent in excess of the earnings over the same period. In the field of manufacture the same sources reveal a distribution of over two hundred millions in excess of earnings covering the same period. The significance during the period of depression, distribution from previous accumulations were made during that period of deficit. Dividend payments that otherwise could not have been paid were made during that period as a steady contribution to purchasing power. The majority is now here recommending the abandonment of the proposal which it made 2 short years ago to be corporated an accumulation of unreasonable surplus. The efficient collectors of the Treasury have been unable to locate the unreasonable accumulations that were said to exist; therefore, a rumor has been dissipated.

Moreover, not only upon the majority which started this effort destroyed by the facts but they proceed upon a further untenable theory. The only way in which they could insure that a forced distribution of earnings would increase surtax collections would be to possess the gift of prophecy, through hypothetical determination of the income-tax bracket into which the forced distribution would fall. They assume that can be definitely determined in advance. They overlook the fact that National and State governments have provided more than thirty billions of wholly or partially tax-exempt securities in which the large investor, if many such remain, may find refuge. In the public interest, it is the last place to which he ought to be driven. For economic recovery and business development and progress rest upon creating innumerable new temptations which will seduce the investor into placing his funds in active enterprise. There alone they continually multiply employment. Three years of experience have demonstrated that Government may provide relief and employment. But unless we accept the tenets of a socialistic state, it cannot take up the employment slack. That must be done by thousands of vigorous minds continually attempting and actively engaged in the efficient development of their own resources and the creation of new services in response to the demands of the people, who look determinately forward in the improvement of their own condition as uncertainties are removed and commitments to the future constantly multiplied. I challenge the majority to produce any substantial evidence before this House that we have found evidence of either serious or of undue accumulation of income by corporations.

The majority further declares that it wants to remove the serious inequities and inequalities between corporate, partnership, and individual forms of business organization. In the first place, to the extent that that inequity may be shown to exist, it does not require an increase in the tax rate on the corporate shareholder. The remedy could be modified as was suggested long ago by Dr. Adams, noted expert, by providing an exemption for the individual and the partnership which invested undistributed income in taxables. Again, there is nothing which prevents the individual or the partnership from incorporating if it is to the advantage of the business to do so.

Finally, I desire to produce a witness whose qualification as an expert the majority cannot question, who will testify that the overwhelming majority of individual and partnership business pays less taxes, operating as do individuals, than it would if incorporated. My witness is the Honorable Robert H. Jackson, now Assistant Attorney General of the United States in charge of the Tax Division of the Department of Justice and formerly General Counsel of the Bureau of Internal Revenue in the Treasury Department. He addressed the Young Democratic Club of New York City, March 18 last, in support of the President's tax plan. In the course of that address he declared:

A business of small profit costs less tax if done by the individual without incorporation. If the net profit of a business is under about $18,000, it now costs more in taxes to be incorporated than to operate as an individual. A partnership is cheaper in taxes than a corporation, if the share of profits of each partner is less than $18,000 a year.

The income statistics of the Bureau of Internal Revenue disclose that the overwhelming number of those engaged in business in the individual or partnership form show a profit below the maximum stated by Mr. Jackson. From the evidence supplied by this qualified witness, it must be clear that individuals and partnerships are in the position of the individual form for the obvious advantages which Mr. Jackson describes. In view of this testimony the preponderant body
business done in these forms must be praying to be saved from its friends in the majority.

But I think I have clearly pointed out that this bill will not remove any alleged inequity between large and small shareholders resulting from the present flat corporate rates. The trouble with the majority is that it fails to distinguish between the small shareholder in the corporations of large earnings and either the small or large shareholder in the corporation of comparatively smaller earnings. It continually reasons on the gratuitous and insupportable hypothesis that its plan will catch a few large payers of surtax. It overlooks the fact that in the endeavor to do so it is levying its highest rates on the man who has saved and invested in the shares of the corporation of high earning power that pursues the wise policy of not distributing too great a proportion of its earnings. He is its appointed victim.

The revenue-producing capacity of this proposal is hypothetical and conjectural. It assumes a condition predicated upon so many variables of human nature that it tends against the most fundamental tenet of sound taxation—the assurance of reliable revenue. The reason for that must be partly found in the second fundamental objection I have raised to this measure. It is a regulatory rather than a revenue measure. It is the final step in subverting the business structure of the United States and the livelihood of its citizens to drastic Federal regulation in all their major operations. This becomes evident as we examine the successive steps of which this is the ultimate.

The first act of corporate life is the issuance of a security. We have now our Security and Exchange Acts regulating in minute detail under continuing administrative control the issuance of securities and the conditions under which they may be marketed and dealt. Through proposals to enlarge the powers and investigative authority of the Federal Trade Commission all competition and the conduct, policies, and operations of every form of business in the United States are subjected, the majority goes a step further, and in that direction, I presume, the majority will receive its instructions to march, if not now, probably at Philadelphia; for Mr. Tugwell declares that it is essential to carrying these controls beyond merely the seizure of undistributed earnings by "capital allocation", which, he says, "would depend on knowledge from some planning agency of how much for an unearned future period ought to be put to one use rather than to other." Then he continues:

There is not only the problem of knowing what the industry's output will be or ought to be, but also of knowing how much of the business will go to each firm involved. The functions of another sort of administration. * * * Some principle of apportionment would have to be adopted (p. 208).

Thus we perceive the tax on undistributed earnings clearly presented as a plan of industrial control contemporaneous with the inauguration of the present administration and to be carried forward into capital allocation itself. A logical step from which the majority may now shrink, but like other things which they formerly regarded with a shudder, they may soon habitually suffer themselves to embrace.

What is presented for your approval today is a hasty, superficial, undigested substitute for the present corporate method of taxation which, with all its defects, is not the final answer of a plan of industrial control contemporaneous with the inauguration of the present administration and to be carried forward into capital allocation itself. A logical step from which the majority may now shrink, but like other things which they formerly regarded with a shudder, they may soon habitually suffer themselves to embrace.

You are to do this in pursuit of an unidentified surtax avoider and you are asked, like a drunkard entering into a room and with but one thought to reach his bed, to give no attention to the furniture you may wreck in the effort. Every business witness before our committee has raised a warning voice. Every authoritative economist in the country has added his caution. You are creating obviously a host of new administrative difficulties. A whole pathway of enforcement will be lined with new question marks. You ask the business of the Nation, shaken by 5 years of continuous demand to pay penalty premiums in order to do that which you ought to be begging them to do—to deny themselves the privilege of beneficial distribution in order to rebuild shattered reserves and maintain and expand employment. Unless one man can employ another at profit he cannot longer afford to employ him at all. That is equally true of men engaging in an enterprise together and forming what is termed a corporation, be it large or small.

If you were determined to discourage investment, to counsel against the maintenance of employment, to prohibit its expansion, to multiply uncertainty, and to make more difficult every form of future commitment to promote business development, it is difficult to conceive a more certain method of going about it. To the few whose business enterprises have accumulated ample surplus in their maturity, this plan may be a boon. To the vast majority of corporations struggling with their daily problem in varying degrees new burdens and anxiety creating discouragements. To new enterprise it is a deliberate obstruction to the establishment of essential reserves. To new enterprise in contemplation, it is a warning of excessive cost not likely to be disregarded. Taken as a whole it is final evidence, if more evidence were needed, of the practical incapacity of the present administration to charged with the administration of Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.
Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Mr. Chairman, I yield.

Mr. KNUTSON. Right in that connection I should like to call the gentleman’s attention to the testimony of Mr. Sargent, on page 218 of the hearings, where he said:

Sweden had a tax on undistributed profits in 1924, which was subsequently abandoned. In 1923 a “compensation tax” was enacted which applies a flat-rate tax of 25 percent in certain cases on undistributed earnings of Swedish companies engaged solely in the real estate and marketable securities business.

Mr. Sargent also testified to the fact that Holland has a law just the opposite to what we are proposing here. If the gentleman will indulge me, the Members of the Committee may be interested in the fact that Holland has exactly the reverse of the undistributable tax, namely, a tax levied on profits distributed by companies to those entitled to a share of them, with no tax at all levied on undistributed profits.

This may be an example of the Dutch idea of inculcating thrift in industrial companies as well as in the home.

Mr. BIERMANN. Mr. Chairman, I understand Members speaking have the right to revise and extend their remarks.

The CHAIRMAN. That privilege has already been given.

Mr. BIERMANN. Mr. Chairman, a point of order.

Mr. KNUTSON. The gentleman will state it.

Mr. BIERMANN. As I recall it, the rule under which this bill is being considered provides that general debate must be confined to the bill.

I call the attention of the Chair to the fact that the first several pages of the statement read by the gentleman from New York was confined not to the bill but constituted a partisan attack on some of the high officials of this Government. One of them was the distinguished gentleman from Iowa, Secretary Wallace, who was represented as a reprehensible citizen for speaking against the morality, not the legality, of the Supreme Court’s decision which resulted in the return of large taxes to processors.

Mr. KNUTSON. Mr. Chairman, I make the point of order the gentleman is not stating a point of order.

Mr. BIERMANN. In Iowa for generations we have had the highest regard for the Wallace family as citizens and as patriotic people. I want the Rascals to show at this point that this gentleman from New York in his remarks was not only violating the rule and proceeding out of order but he was doing unwarranted violence to the plain facts.

The CHAIRMAN. Does the gentleman from Iowa insist upon his point of order?

Mr. BIERMANN. Mr. Chairman, I withdraw the point of order.

Mr. MICHENER. Mr. Chairman, a point of order.

The CHAIRMAN. Mr. Chairman.

Mr. MICHENER. If the gentleman withdraws his point of order, he concedes it has no merit. I therefore ask that his remarks be expunged from the Record.

Mr. BIERMANN. Mr. Chairman, for what purpose does the gentleman from Iowa rise?

Mr. BIERMANN. I made a point of order that involved the reference I just repeated that the gentleman from New York was not proceeding in order in the first several pages of his written statement.

Mr. Chairman, I renew my point of order.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I believe the gentleman from New York was doing the best he could under the circumstances.

Mr. KNUTSON. He was just following the salutary example set for us yesterday.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Iowa makes the point of order that the gentleman from New York (Mr. Reed), who has just spoken, was out of order in that he referred to a member of the Cabinet in the discussion of this bill and in his speech. Members of the Cabinet and, indeed, even the President of the United States, are not sacrosanct from discussion on the floor of the House provided the Member speaking observes the rules of the House in not dealing in personalities and conducts himself while speaking with proper decorum.

The CHAIRMAN. The gentleman will state it.

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio (Mr. Lambeck).

The CHAIRMAN. The gentleman from Ohio (Mr. Lambeck) is recognized for 20 minutes.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Pennsylvania for a parliamentary inquiry?

Mr. LAMBECK. I yield, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RICH. Mr. Chairman, the question that came into my mind when the gentleman from Iowa objected to criticism of a Cabinet officer was whether a Member on the Democratic side could criticize members of the Ways and Means Committee in the drafting of this bill; if a Member on the Democratic side of the House has the right to criticize Members on the Republican side who make remarks in regard to this bill; and if Republicans are not permitted to say something about Democrats whether they are Members of the House or members of the Cabinet when they are doing things absolutely contrary to good common sense and American principles?

The CHAIRMAN. The Chair does not think the gentleman from Pennsylvania has stated a parliamentary inquiry.

Mr. LAMBECK. Mr. Chairman, the remarks I shall make today will not be made from a political angle whatsoever; I am going to express my firm convictions in regard to this bill.

First, Mr. Chairman, I register a protest against the chairman of the committee, who has refused to grant a member of the committee in opposition to the bill time on the floor.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LAMBECK. Mr. Chairman, I decline to yield at this time.

Mr. DOUGHTON. I dispute the gentleman’s charge.

Mr. LAMBECK. Mr. Chairman, I do not think it is proper procedure. I think it is just as important, I would say more important, to hear a member of the committee, whether he belongs to the Democratic side or the Republican side, who is in opposition to a bill.

Mr. Chairman, how can we determine the merits of a bill unless we hear both sides of the question? Now, when a Republican opposes this bill the claim is immediately made that he is opposing the bill for partisan reasons. As a Democratic member of the Ways and Means Committee, I am telling you my opposition is based upon a firm conviction that the bill is no good. [Applause.]

Mr. Chairman, I wrote my chairman a letter, and in order not to mislead him I said, "Mr. Douvrroz, I want 30 minutes to present my views," and I said further, "I am going to present views in opposition to this bill." I did not want him to get the idea that I was going to say, I received no reply to that letter, but I did have a personal conversation with the gentleman, and he advised me if I
wanted to be heard. I should go to the opposition for time—
meaning the Republican side.
Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?
Mr. LAMNECK. I refuse to yield.
Mr. Chairman, I want to ask Mr. TRAWEY for being
considerate enough to give me time to present my views.
I represent in this Congress the greatest district in America,
consisting of 400,000 people, and they expect me to pre-
sent my views here whenever the opportunity presents itself.
I know when a man is not a member of the committee many
times he has no opportunity to be heard, but, Mr. Chairman,
seriously I claim that any member of a committee—and I
do not care who he is—who wants time to present his views
either in favor of or in opposition to a bill ought to be per-
mitt ed to do so. [Applause.]
Mr. Chairman, this tax bill, in my judgment, is a Chinese
puzzle. I should like to see the man in this House who can
determine now what this bill really will do or what the final
effect will be. I do not think the man is living who can do it,
and I will bet there are not 25 Members of the House who
know anything about this bill. If you do not know about it,
you should not vote on it, but if you do not want to vote on it,
you should not be here. If we debated this bill for 6 months,
there would still be a lot to find out about it. The committee was in session con-
sidering this bill 8 or 9 weeks. I attended many sessions of
the committee. Why, they did not know from one day to
the next what the result of the bill was. The tax experts
do not care who he is—who wants time to present his views
and the other to collect from processors the windfall tax.
We have a right to tax for the purpose of paying
the expenses of the Government as provided for under the
law. How would you like to be tried by a prejudiced jury that
refuse to yield.
Mr. Chairman, we hear a lot about Jefferson these days.
Jefferson once said that when the people are well informed
and they are engaged in serious business. I dare say that
if the new tax bill becomes a law it will shock the very foun-
dation of the business structure of this country.
On March 30, in addressing the House, I was not certain as
to what the real objectives of the bill were and asked the
question, Whom are we trying to reach? I have the answer
to that now, and for your information will say, on my own
responsibility, that the principal aim of this bill is to compel
the distribution of earnings of the closely held corporation,
the most striking example of which is the Ford Motor Co.
There is no escape, because if the earnings are retained in
this company in their entirety a tax of 42 1/4 percent will be
assessed. If they are distributed to the small group owning
this company, they will be compelled to pay the individual
income tax amounting to 75 percent.
If Henry Ford should pass to the Great Beyond to receive
his reward, his estate would be assessed a tax of 70 percent
under existing law.
If he gave his property away before he passed on, he
would be assessed a tax of 52 1/4 percent under existing law. Why
not wait until the grim reaper settles the Ford question and other
business institutions similarly situated and permit them to
go forward furnishing employment for men and women and
providing an income, the families of those individuals, because at best Mr. Ford cannot stay with us very much
longer and the results that will be accomplished under this
bill will be accomplished anyway under existing law?
Who is there among us that would say that Henry Ford
has not rendered a great public service for the people of this
country and the world?
To-day, ladies and gentlemen, he is employing 180,000 men
and women directly and about a million people depend upon
him for their daily bread, and yet we are advocating a tax
plan that tends to destroy such a business institution.
I have no brief for Henry Ford whatsoever, but I am simply
pointing out the effect of the tax bill we are proposing.
I have no quarrel with the thought that taxes should be
assessed for the expenses of government based upon the
ability to pay, but I seriously object to any program that
tends to destroy not only the group at which this bill is
aimed but also to the thousands and hundreds of thousands
of small business institutions of this country, most of whom
are now in distress.
Chief Justice Marshall, in rendering the majority opinion
in the case of McCulloch against The State of Maryland,
February term of Court in 1819, said—
That the power to tax involves the power to destroy; that the
power to destroy involves the power to create; * * * are propositions not to be denied.
The Congress of the United States has refrained up to
this time from passing any tax legislation that would tend
to destroy, but I charge that this bill will destroy absolutely
thousands of business concerns of this country, and in the
resultants to follow I expect to illustrate strikingly this effect.
There is another principle involved in this tax bill to which
I want to call your attention, and that is that we attempt by
taxing methods to compel business institutions to follow our
bidding.
No such power is vested in the Constitution of the United
States. We have a right to tax for the purpose of paying
the expenses of the Government as provided for under the
Constitution but we have no right to use the taxing power to
direct the activities of legitimate business. [Applause.]
There is another result probably not intended by the
sponsors of this legislation, and that is in many cases this
tax measure will result in a capital levy. I expect to illus-
trate later on in my remarks how this will happen.
Business institutions throughout the country are greatly
concerned as to the final effects of this legislation, and I be-
lieve their fears are well founded.
I just came back from my district, and I talked to hun-
dreds of men in the last 2 or 3 days who are scared to death
because a tax bill is being proposed here.
Some of the proponents of this bill are probably proceed-
ing on the theory that all business is in a prosperous con-
dition and that when this law goes into effect they will di-
tribute no more earnings than they are now distributing.
You will hear the argument used, I am sure, that the cor-
porations will not be required to pay any more taxes under
this bill than they do under existing law.
Who have been the advocates of this legislation? The
only persons I have heard advocating it are the experts from
the Treasury Department, none of whom, I dare say, have
ever had any business experience.
I am wondering how many Members of the House of Rep-
resentatives have ever owned a business, have ever operated
a business, have ever been responsible for a pay roll on
Saturday, and who have worried from Monday until Satur-
day to see where the next pay roll is coming. Unless
you have, ladies and gentlemen, you do not know what
business is.
Business is a tough game, for it has many hazards, and
at the best requires self-denial, close application, long hours,
and every other trait that goes with thrust and initiative.
How would you like to be tried by a prejudiced jury that
could not see your side of the case at all, and, if they did
listen to the testimony, absolutely ignore the effect upon
you? This, ladies and gentlemen, is exactly the situation
that prevailed during the consideration of this bill.
One commentator said that the hearings before the Ways and Means Committee were a legislative farce and that the bill would be entirely rewritten in the Senate. I believe this will be the case. Why not heed that warning and write our own tax bill and not have our eyes and ears closed to all other proposals except those that were suggested by someone else?

Mr. Chairman, I am told that the man who is really responsible for this bill is a man by the name of David C. Coyte. Who heard of him? Whose duty is it to write a tax bill? Whoever heard of Coyte? I never did.

Mr. VINSON of Kentucky. I am going to say that the Ways and Means Committee should write a tax bill, and, when we go into session to consider a tax bill, I claim that every proposition that will tend to raise revenue and not hurt the taxpayer should be considered by us, and the best tax bill possible should be passed.

The proposed tax bill is unfair in many of its provisions. It plays favorites. It penalizes business institutions that are prevented by law from paying dividends. It penalizes businesses who have contractual obligations. It penalizes certain lines of industry to a greater extent who do not have State laws to prevent their paying dividends and who have many of the obligations not to pay them. It will seriously interfere with the credit of corporations now in existence. Banks will be compelled to be more strict in extending credit to corporations whose financial standing is not of the best, because of the severe penalties provided under this plan.

It will tend toward monopoly. It will prevent weak corporations and those with impaired capital from rebuilding their capital structure which has been terribly depleted during the depression. It will prevent the accumulation of the necessary surplus for the rainy day to pay dividends during the depression, to tax the men employed during the depression years; it will prevent business from accumulating earnings for plant improvement and for developments generally. It will tend toward overcapitalization; it advocates a policy exactly opposite to our past history of saving and paying our debts.

The bill will not produce the revenue its sponsors claim. It will have a tendency to make corporations pay dividends in the year following the time they are earned and I actually believe in the year 1926 the revenue will be less than under existing law.

This point has been very strikingly illustrated in the testimony of the distinguished gentleman from Indiana [Mr. Pettengill].

Here is a company, and I do not think there is any secret about this, the American Can Co.—you have all heard of it—in 1935 they made a profit of $11,509,020 and paid out $3,268,604, or 28.4 percent, and the reason they did not pay more was because they had a funded debt of $98,000,000.

Here is Armour & Co., which made $9,000,000 and paid $7,000,000, or nearly 75 percent of their earnings in dividends, and they would not have been fit for the insane asylum. Yet, we say, according to your own statement, if the earnings in the succeeding 5 years should equal their losses in the last 5 years, it would take this company approximately 10 years to have the same financial standing as they had in 1931, and they would still be behind with interest of over $600,101.64, the amount to which I referred above.

I want to call this case to the particular attention of the Democratic chairman of the Rules Committee and the other Members from New York City because this company is located in that city.

My next illustration is a concern in Cleveland, Ohio. I call this to the particular attention of my Democratic colleagues, the Honorable Martin L. Sweeney, Robert Crosser, and also my distinguished colleague, the Honorable Chester Bolton.

This company lost in 1931, $3,770,712.24; and in 1932, $2,771,147.29; in 1933, $1,163,147.10; and in 1934, $1,163,147.10; and in 1935, $2,911,735.61.

It goes without saying that any executive who would advocate the distribution of dividends running this company would be fit for the insane asylum. Yet, we say, if you attempt to rebuild your capital structure by applying all your earnings your penalty is 42 1/2 percent; and, again, if the earnings in the succeeding 5 years were equal to the losses in the last 5 years, it would take 10 years before this company would have the same financial status as in 1931.

I want to call this case to the particular attention of the Democratic chairman of the Rules Committee and the other Members from New York City because this company is located in that city.

I know competitors of this particular company who have plenty of surplus which distribute more than 70 percent of

Mr. VINSON of Kentucky. If you have a surplus of $48,000,000 and owe $83,000,000, you have a deficit there of $35,000,000 according to your own statement.

Mr. LAMNECK. I am not talking about the assets. I am stating that the funded debt of this company is $83,000,000 and you have a surplus of $48,000,000.

Mr. VINSON of Kentucky. If you have a funded debt of $83,000,000 and a surplus of $48,000,000, 48 from 83 would be $35,000,000, and if you would amortize that over a period of 5 years you could put $7,000,000 of your $11,000,000 in net income to the payment of that debt at a rate of 22.5 percent and then the other $4,000,000 would be distributed under this plan.

Mr. LAMNECK. You could do that under certain conditions, but it would not apply to this company.

Mr. VINSON of Kentucky. How old is your debt? It is certainly more than 3 years old.

Mr. LAMNECK. I refuse to yield any further.

Now, here is another company, B. F. Goodrich Co., which in 1935 made $3,429,000 and did not pay any dividends, and they were wise in not paying them, because they owed $37,000,000.

You are another company, Bethlehem Steel Corporation, which made $11,699,020 and paid out $3,268,604, or 28.4 percent, and the reason they did not pay more was because they had a funded debt of $98,000,000.

Here is Armstrong & Co., which made $9,000,000 and paid $7,000,000, or nearly 75 percent of their earnings in dividends, and the reason they could do that was because they had a surplus of $49,000,000.

Now, I presume I have called attention to enough of these concerns to illustrate my point.

I want to call to your attention the actual conditions in which certain business institutions find themselves. Here is a company that in 1931 lost $496,521; in 1932, $830,447; in 1933, $742,340; in 1934, $138,840; and in 1935, $549,716. In addition to this, they owe in back interest on their bonds $695,101.64. Any sound executive running this company when earnings are again made would not pay a dividend and if that policy were pursued the tax bill now under consideration would assess a penalty of 42 1/2 percent against such corporation; and if their earnings in the succeeding 5 years should equal their losses in the last 5 years, it would take this company approximately 10 years to have the same financial standing as they had in 1931, and they would still be behind with interest of over $600,101.64, the amount to which I referred above.

I want to call this case to the particular attention of the Democratic chairman of the Rules Committee and the other Members from New York City because this company is located in that city.

I know competitors of this particular company who have plenty of surplus which distribute more than 70 percent of
their earnings, and will continue to do so, who are delighted that Congress, by legislation, will force into bankruptcy a substantial corporation.

I wish I had the time to go over this list I have here of companies that have distributed more than 70 percent of their earnings and will continue to do it. They are delighted that the Congress of the United States is passing a tax bill which will put these sick corporations out of business.

The next company I want to call to your attention is a company located in Michigan 40 or 50 miles from Toledo, Ohio. In 1929 they lost $155,875; in 1930, $332,548; in 1931, $283,492; in 1932, $293,349.

If this company attempted to rebuild their losses for the 4 years mentioned they would be taxed 42 1/2 percent, and, again, if the profits for the succeeding 4 years were equal to the losses in the last 4 years, it would take approximately 8 years to rebuild its capital structure.

Another company in Philadelphia in 1929 lost $351,046; in 1930, $732,843; in 1931, $663,353; in 1932, $317,616; and in 1933, $204,967.

If this company attempted to rebuild its capital structure they would be taxed 42 1/2 percent, and, again, if the profits for the succeeding 4 years were equal to the losses in the last 4 years, it would take approximately 8 years to rebuild its capital structure.

Another corporation in Ohio in 1931 lost $300,000; in 1932, $400,000; in 1933, $80,000; in 1934, $400,000; and in 1935, $300,000.

This company, in addition to the losses from their operation, have preferred-stock dividends not paid of $31.50 a share. The number of shares outstanding is 18,589.

Here is a large construction industry in Philadelphia that lost in 1932, $1,019,875; in 1933, $1,362,111; in 1934, $517,219; and in 1935, $223,732.

10 percent, or if we should use the lowest percentage, the company would either have to borrow $21,250 or take it out of its capital, if it had any.

I claim that instead of passing a law increasing the tax rate on these sick corporations, as we do under this measure, we should at the worst leave it as it is and possibly reduce the tax rate.

Another feature of this legislation I want to discuss for a moment or two is the so-called "windfall" proposal. This provides for a levy against the taxes assessed against corporations not paid when the Triple A was declared unconstitutional, the rate to be 80 percent. Some processors passed the tax on to the consumers and others did not. The group that were not able to pass it on are the small independent pork packers who process about half of the pork in the United States. They have lost money from the day the processing tax was assessed, caused by the processing tax, the drought, and the decreased consumption of the American people.

If this bill, as proposed, is passed, it will put out of business a great majority of over 1,100 pork processors and will leave the packing industry practically in the hands of the large monopolistic group.

Should we not know how you feel about it, but I cannot go along on a bill that may put out of business over 1,100 business concerns and destroy the possibility of employment for the group now employed in this industry.

I have quite a number of these packing houses in my congressional district, the largest one owing in processing taxes $930,565.29; their total available quick assets, including cash, accounts renewable, and product on hand and

1936 CONGRESSIONAL RECORD—HOUSE 6087

I think I have illustrated the effect that this tax bill will have upon corporations whose financial standing is not the best, and I dare say that this will apply to at least 75 percent of the business institutions in this country. It will mean more receiverships than we have had at any time within our history, if for no other reason than the fact that our tax bill provides that a corporation in receivership shall pay a tax of 15 percent, while a corporation, probably in just as bad a shape not wanting to go into receivership, would have to pay 22 1/2 percent, or 42 1/2 percent, as the case might be.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman 10 minutes more, but I suggest that he yield to the gentleman from New Hampshire (Mr. Tosey) for a statement.

Mr. LAMINICK. I yield.

Mr. TOBEY. Mr. Chairman, the gentleman made the statement a few moments ago that David Cushman Coyle was the real author of this new tax bill, and he asked who ever heard of him. I, a Republican, have heard of him, and I will tell the House who he is. He has been one of the leading members of the "brain trust" of this administration for the last 3 years and associated with Mr. Tugwell. He is the same man who made the statement to 4,000 trained nurses in convention assembled in the Auditorium in Washington 2 years ago that saving for a rainy day and thrift are out of date; that saving for a rainy day only makes it rain all the harder. He is the same man who wrote a book published last November, in which he said that what this country needs to bring it back to prosperity is to raise and spend annually $50,900,000,000, this huge sum to be raised not by inflation but by taxation of income. In consideration of the fact that the total income of the country was only 45 billions in 1934 this statement may be cited as part of the asinine philosophy of the theorists now advising the present administration—unsound philosophies and theories which make thoughtful men and women cry out, "How long, O Lord, how long?" (Laughter and applause.)
my recollection, before the bill was reported out of the committee, I received a letter from the gentleman from Ohio requesting that I give him 30 minutes’ time to speak in opposition to the bill. At that time, as I stated, no agreement had been reached as to the time for general debate. Of course, I was not in position to say to anyone how much time he could have if not knowing how much time I could even have myself. When the time was fixed, I thought I would answer his letter, after I had ascertained how much time would be allowed by the House. Later the time was arranged. After the time had been fixed by the House, I saw the gentleman on the floor of the House, and I forget the name of the letter he spoke from; but I will not say anything more about it, except to think I approached him about the matter, about his writing to me requesting time. It was known then that there were to be 16 hours of general debate in which to discuss the bill, with the understanding, when the permission was obtained, that one-half of the time was to be occupied by those favoring the bill and one-half the time by those opposed to the bill, the time of those favoring the bill to be under my control and the time for those opposed to the bill to be in the control of the gentleman from Massachusetts [Mr. Tweedway]. We have 18 majority members on this committee; and if we divide the 18 hours by 18 the 18 hours we have and, if I am correct, it will give 25 minutes to each. How would I have been justified in giving any one member of the committee, especially not a member of the subcommittee, more than the average member of the committee, until I know what requests other members of the committee would make? I stated to the gentleman from Ohio in our conversation, because I was very careful to know what I was saying, when we talked about the time on the floor of the House, that inasmuch as there were only 8 hours on a side, I thought it would be better for him to get his time, if he was going to oppose the bill as he had written he was, from those who controlled the time in opposition to the bill. I did not refuse to let him have the time. I said I thought it would be better for him to get it from the gentleman from Massachusetts. I further stated to him that if there were Members on the minority side who desired to speak for the bill, if Mr. Tweedway would give them time, then I would give him time.

That was the last I heard about it and the last said about it. In the view of the fact that there are almost three times as many members on the majority as on the minority side of the committee, if anyone desires that I should give him more than his proportionate share and given him 30 minutes, then I suggest that that would have left only 24 minutes each to the other 17 members of the committee. Does any fair-minded man on this side or on the other side of the House believe that I have done anything wrong? If he does, I will be glad to have him stand up and say so. Mr. Chairman, I have been chairman of this committee almost 4 years, and up to this time this is the first, so far as I know, that any member of the committee, majority or minority, has intimated that I have not been perfectly fair to every member of the committee and granted each every courtesy to which members were entitled.

Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. Cooper].

The CHAIRMAN. The gentleman from Tennessee is recognized for 30 minutes.

Mr. BIERMANN. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. COOPER of Tennessee. Yes.

Mr. BIERMANN. The gentleman from Ohio [Mr. Lammeek] made the statement, if I heard him correctly, that if a corporation borrowed $50,000 now and during the year made a profit of $50,000, then in order to pay back $50,000 to the bank it would have to borrow $21,250 to pay the taxes under this bill. Is that correct?

Mr. COOPER of Tennessee. No, I do not think so.

Mr. BIERMANN. What would be the situation of a company borrowing $50,000 and making a profit of $50,000 during the current year? What would that company have to pay in taxes?
Mr. COOPER of Tennessee. Of course, I cannot at the moment answer the question without having opportunity to dig into it; but I know what other factors would enter into it, but I feel reasonably sure that no situation similar to that would result.

Mr. Chairman, it has been rather interesting to observe the line of attack made by the opponents of this bill. These attacks have consisted of meaningless generalities. Nobody who has thus far spoken in opposition to the bill has undertaken to analyze the real purposes to be accomplished by the bill, or has in any sense shown wherein these are not worthy and desirable purposes.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ANDREWS of New York. Has anyone who has spoken for the bill analyzed more specifically and more correctly the bill than the gentleman from Ohio [Mr. LAMANCE], who has just concluded?

Mr. COOPER of Tennessee. Yes. Of course, every man is entitled to his own opinion; but I think the analysis made of the bill yesterday by the chairman of the committee, and certainly by the chairman of the subcommittee, is far superior to any analysis or any consideration given by the gentleman from Ohio or any other Member who has spoken on the bill. [Applause.]

Mr. COOPER. I might observe that I do not think our distinguished friend from Ohio [Mr. LAMANCE] is in any sense justified in the remarks he made or the position he took toward the chairman of the Committee on Ways and Means.

I feel that I voice the true sentiment and feeling of every member of that committee, both the majority and the minority sides, when I say there could not be found a man who has been fairer or more considerate of all members of that committee than our distinguished chairman the gentleman from North Carolina [Mr. DOUGHERTY]. [Applause.]

The gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member, invited a comparison of the two reports filed on this bill—the majority and the minority reports. I cheerfully join with him in that invitation. Any fair-minded or reasonable person who will analyze the majority report and then analyze the minority report cannot fail to reach the conclusion that the majority report is far superior to the minority report, or that there is not any basis for comparison at all. The majority report on this bill undertakes to give an analysis of the bill itself for the convenience of the Members of the House who are to study the measure in determining their position on it. The minority report is simply a statement of meaningless generalities, and for all practical purposes is nothing more than a partisan polemical speech.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. JOHNSON of Texas. The distinguished gentleman from Massachusetts [Mr. TREADWAY] who criticized the committee for not permitting the Republicans to write the bill was short-sighted in his recollection with reference to his own party, when the tariff bill was written, when they not only excluded Democratic members from writing the bill, but brought it in under a closed rule, whereby no amendments could be offered to the bill on the floor of the House. The present bill is brought in under an open rule and is open to amendment.

Mr. COOPER of Tennessee. This bill is here under the general rules of the House. No rule was applied for by the Ways and Means Committee.

Since the gentleman has mentioned that point, it might be worthly of some note to remind ourselves of the situation that existed during the consideration of the so-called Hawley-Smoot tariff bill. That was my first experience as a Member of Congress. I had just arrived as a Member of this body, serving in the special session called shortly after the inauguration of President Hoover. I shall never forget the pressure that was made on me by the consideration given that bill. In the corridors of the old House Office Building, for a block in each direction from the old Ways and Means Committee room, you could not go along the hallway for the lobbyists swarming there to write a high protective-tariff bill in their own interests and for their own welfare.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. That condition existed throughout the consideration of that bill.

I yield to the gentleman from New Jersey.

Mr. BACHARACH. Was the gentleman a member of the Ways and Means Committee at that time?

Mr. COOPER of Tennessee. I was not a member of the Ways and Means Committee.

Mr. BACHARACH. I rather thought the gentleman was not, because the gentleman is not stating the facts, as a matter of fact.

Mr. COOPER of Tennessee. Well, I beg the gentleman's pardon, but I know it is a fact.

Mr. BACHARACH. I happened to be a member of that committee at that time.

Mr. COOPER of Tennessee. I happened to be a Member of Congress, and I passed there every day going to my office. I had to wind my way through those lobbyists swarming in the hall around the Ways and Means Committee room while you were preparing that bill. [Applause.]

Mr. BACHARACH. I am very sorry, because I have a great regard for the gentleman from Tennessee, but I want to say that, insofar as either the Democratic or Republican members of that committee were concerned, they were just exactly the same standard as they are today, and I do not think any member, be he Republican or Democrat, could have been influenced by a lobbyist, and I know that with Mr. Garner on that committee, no lobbyist would be allowed to go around near the Ways and Means Committee room or any other.

Mr. BACHARACH. I am entitled to my own opinion; but the fact remains the lobbyists were there in numbers, and everybody who was here then knows this to be a fact.

Mr. COOPER of Tennessee. Has the gentleman forgotten the fact that it was a matter of common knowledge and charged on every hand.

Mr. BACHARACH. Just the same as you are being charged today.

Mr. COOPER of Tennessee. That Joe Grundy, of Pennsylvania, and his cohorts controlled the writing of that bill. Has it also been forgotten that it was shown without doubt that a Republican Member of the Senate carried a lobbyist into the committee room with him when the bill was under consideration in the Senate?

Mr. BACHARACH. I wish the gentleman would name the lobbyist.

Mr. COOPER of Tennessee. It is a matter of common knowledge that former Senator Bingham, of Connecticut, was criticized generally for having done that. The gentleman's memory is far too short.

Mr. BACHARACH. No; no. My memory happens to be perfect, because I happened to be a member of that committee and the gentleman from Tennessee was not.

Mr. COOPER of Tennessee. But I happened to be a Member of Congress, and I am stating the impression that was made upon me.

Mr. BACHARACH. I think it is a serious reflection on the Democratic members of the Ways and Means Committee at that time, just the same as it is a serious reflection on the Republican members of the Ways and Means Committee. I am in earnest about this bill. I do not believe any member of the Ways and Means Committee at any time during the 22 years I have been a Member of Congress could be influenced by any lobbyist or anyone else.

Mr. COOPER of Tennessee. The gentleman is entitled to his opinion, but the fact remains the lobbyists were there in numbers, and everybody who was here then knows this to be true.

We have heard criticism of the method of drafting this bill, criticism because the majority members wrote the bill. The Republicans did the same thing on the tariff bill. The Democratic members were locked out, not allowed to participate at all. The Republicans wrote the bill.
The gentleman from New York criticized the bill because he said it was not fairly considered in the committee. The statement was made here yesterday by the distinguished gentleman from Washington, who was a member of the Ways and Means Committee during the consideration of the Smoot-Hawley tariff bill, that that bill was brought in and laid down on the table, and without reading a line or examining a word of it the Republican members voted it out. That is the situation.

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

Mr. COOPER of Tennessee. I yield.

Mr. REED of New York. Does the gentleman dispute the fact there never was a hearing on this bill until it was laid before the committee 2 days before it came to the floor of the House?

Mr. COOPER of Tennessee. I have not made any such statement as that.

Mr. REED of New York. The only hearings were upon a subcommittee report, a subcommittee unable to agree upon a bill.

Mr. COOPER of Tennessee. The hearings were before the full committee.

Mr. REED of New York. Then the full committee came in and testimony was taken on a subcommittee report.

Mr. VINSON of Kentucky. The gentleman's statement about the committee being unable to agree upon the report is not borne out by the subcommittee's report itself.

Mr. COOPER of Tennessee. The gentleman's memory is too short, much shorter than I ever thought it was. The real truth is that the President's message was referred to the Ways and Means Committee. Within an hour after the committee received that message the chairman called a meeting, and the full committee met. After free and open discussion the matter was referred to the usual standing subcommittee on taxation. This subcommittee immediately began work and continued for 3 weeks, day after day and sometimes at night, and then formulated a report, made a written report to the full committee, covering nine-tenths of this bill as it appears here today. On that report hearings were held before the full committee, all members having free opportunity to participate in the hearings. Everybody was given an opportunity to appear and make any statement they saw fit as to their attitude on the proposals contained in this report.

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

Mr. COOPER of Tennessee. In a moment. On the tariff bill the gentleman talks about there was not any bill, there was not any report, there was not anything upon which hearings were held; and after the hearings were closed, the Republican members assembled behind closed doors and wrote the bill.

Mr. REED of New York. I accept the gentleman's apology, because he has stated exactly what I stated, that there was no public hearings held on this bill and nobody ever saw this bill until the day before it was introduced.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. What revenue bill has ever been prepared by Congress where the bill preceded the hearings?

Mr. COOPER of Tennessee. Directing my remarks to the gentleman from New York, this revenue bill was drawn in the way all revenue bills are drawn; it is the only way a revenue bill ever has been drafted.

Mr. REED of New York. I am talking about this particular bill. The only statement I made which has been challenged I stated here, that no hearings were held upon this bill, that the bill was not introduced until just before it came to this House.

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from New York will state the point of order.
me of the old saying that we have heard repeated so many
times with reference to the experience of lawyers around the
country—"When the law is against you, talk about the
facts. When the facts are against you, talk about the law.
When both the law and the facts are against you, just raise
hell in general." [Applause.]

That just exactly describes the attitude of the opponents
of this bill. In their minority report they make a more
persuasive argument than I have been able to present
in private speech, and that is all there is in it.

Mr. Chairman, this bill, as has already been indicated
here, is in response to the message of the President of the
United States sent to Congress on March 3. In that message
the President stated:

On January 3, 1936, in my annual Budget message to the
Congress, I pointed out that without the item for relief the Budget
was in balance. Since that time an important item of revenue
has been eliminated through a decision of the Supreme Court, and
an additional annual charge has been placed on the Treasury
through the enactment of the Adjusted Compensation Payment
Act.

I simply invite attention to the fact that all of the addi-
tional revenue provided by this bill for the purpose of pay-
ing the farmers and the soldiers of this country. That is
the entire situation that we have here today.

Mr. Chairman, there are $500,000,000 needed for the new
farm program and $120,000,000 a year for payment of the
adjusted-service certificates of the veterans. This makes
$620,000,000, which is the permanent revenue provided for
in this bill. In addition there are $317,000,000 needed for the
outstanding contracts and obligations that the Gover-
ment now owes to the farmers under the old A. A. A.
Divided up into 3 years this would be $172,000,000 a year
which is necessary to pay these farmers what the Govern-
ment has contracted and agreed to pay.

In this bill we provide a windfall tax which is estimated
to yield $100,000,000 and a capital stock tax which is esti-
mated to yield $83,000,000. This makes a total of $183,-
000,000 to take care of the $172,000,000. The President says
this revenue is needed. The opponents of this bill come along and in one breath argue that the bill will not produce
any revenue, and then in the next breath they argue that
it will destroy and ruin the business of the country. How
in the world is it going to do both things at the same time?
If it does not produce any revenue it cannot hurt anybody.
If it does produce the revenue, why, of course, it will pro-
vide the funds that are needed as indicated in the Presi-
dent's message. Our distinguished friend from Ohio who
preceded me in the discussion of this bill had much to say
in general terms about the bill. My very warm personal
feeling for him precludes me from saying anything further
than to point out the fact that in this instance he is fol-
lowing the consistent course of opposing practically
all measures proposed by this administration as well as most
other measures that come along.

Now, let us bear in mind that the President said addi-
tional revenue was needed. Where should we look for this
revenue? That occurs to me to be the first question that
we should ask ourselves. I want to mention a few points
in this connection. Does anybody think that the personal
income-tax rates should be raised if by merely making the
present rates effective, which means stopping their evasion,
the additional revenues required may be obtained?

If the Government is going to get more revenue it has to
come out of somebody's pocket. Unless Congress takes a
part of his capital, no taxpayer can pay taxes except out of
somebody's pocket.

It will be borne in mind that this is not disturbed in any sense
if the income-tax rates should be raised

\[\text{during the third quarter of 1935, 58 percent in excess of those}\]
\[\text{for the like quarter of 1934, and then to get more; their}\]
\[\text{earnings during the fourth quarter of 1935 show an}\]
\[\text{increase of more than 123 percent over their earnings}\]
\[\text{for the fourth quarter of 1934. When corrected for seasonal}\]
\[\text{variations, the corresponding percentages of increase are}\]
\[69\text{ percent and 117 percent. These figures indicate that the}\]
\[\text{rise in the business profits is rather consistent course of opposing practically}\]
\[\text{increase in wages and salaries, interest, and rent};\]
\[\text{and that is so, would it not be premature to impose a heavier burden on}\]
\[\text{personal incomes generally as opposed to a heavier tax on}\]
\[\text{business profits as such? I would therefore submit that the}\]
\[\text{plan presented by the President is the plan that should be}\]
\[\text{adopted and it is to that source we should look for additional}\]

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

Mr. COOPER of Tennessee. I yield.

Mr. McCORMACK. It must be borne in mind also that
this measure is predicated upon statutory net income as dis-
tinguished from gross income.

Mr. COOPER of Tennessee. That is true.

Mr. McCORMACK. And in no way disturbs the statutory
deductions for depreciation, obsolescence, depletion, interest,
and the other statutory deductions which in the case of one
 corporation with a gross Income of $60,000,000 had $47,000,-
000 of statutory deductions, and after the payment of taxes
and other expenses had a statutory net income of $1,000,000
plus. They had a gross income of $60,000,000, which did not
include the operating expenses, wages of employees, and so
forth, for the year, indicating the liberality of the statutory
deductions which are permitted under the present law and
would continue under the proposed law.

Mr. COOPER of Tennessee. The gentleman is correct. I
cannot, in the time allotted to me, cover all the points that
might be of interest, based on the observation made by the
gentleman from Massachusetts, but I would invite the atten-
tion of the members of the Committee to page 22 of the hear-
ings, which gives a rather comprehensive statement of the
situation now existing with reference to corporations taking
deductions for depletion, depreciation, and obsolescence; and
if it is borne in mind that this is not disturbed in any sense
by this bill. The corporation continues to enjoy all of the
advantages and opportunities that exist under present law,
so far as these deductible items are concerned.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentle-
man yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. On that point, between the
period 1928 and 1929 there was 16.2 billion dollars written
off in depreciation and depletion; between 1930 and 1933
there was 16.4 billion dollars written off in depreciation and
derpletion; and in the last period, 1938 to 1933, the amount
allowed for depreciation and depletion was 49.9 percent of
the net income for that period.

Mr. COOPER of Tennessee. That is true, and they are the
facts that are shown by this statement in the hearings to
which I invited attention a moment ago.

Mr. FORD of California. Mr. Chairman, will the gentle-
man yield for a question?

Mr. COOPER of Tennessee. I yield to the gentleman from
California.

Mr. FORD of California. Has it not been stated by the oppo-
sition repeatedly that this measure will not produce any more
than the revenue that we are getting at the present time?

Mr. COOPER of Tennessee. That is true.

Mr. FORD of California. Then why are they opposing it?

Mr. COOPER of Tennessee. I made the observation a few
moments ago that I did not see how it could do both things
at the same time.
Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. With reference to the statement just made with respect to credits and deductions, is there anything in the bill that prevents an individual from deducting all of his taxes on any of the units of government, such as State, county, and city taxes?

Mr. COOPER of Tennessee. Oh, there is no change from existing law on that point in this measure.

Mr. CRAWFORD. There has been some discussion of that in the newspapers, and I was just wondering if anything of that has been concluded.

Mr. COOPER of Tennessee. No; there is no such change in this bill. The present law is not affected in any sense in that respect.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman from Tennessee 15 additional minutes.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. MICHENER. Did I understand the gentleman to say that this new bill would not raise any more revenue than existing law?

Mr. COOPER of Tennessee. Certainly the gentleman could not have understood me to say that.

Mr. MICHENER. I thought in answer to the question of the gentleman from California [Mr. Forb] the gentleman made that statement.

Mr. COOPER of Tennessee. No; the gentleman from California asked me if that statement had not been repeatedly made by the opponents of the bill, and I answered that it had. I have heard it repeatedly said here that the bill will not produce any revenue—in fact, it is so stated in the minority views—and at the same time they say it will wreck and ruin the business of the country. I am unable to see that, if it does not produce any revenue, it is going to place such a burden upon people that they will be wrecked and ruined.

Mr. MICHENER. If you put them out of business entirely, regardless of tax, that would be the effect. However, my question was based on the fact that I got from what the gentleman stated that the real purpose of this bill is to change the system; that the reform or change of the system is the primary purpose of the bill, and secondary to that comes the matter of revenue.

Mr. COOPER of Tennessee. I hope the gentleman will not take any more of my time.

Mr. MICHENER. Am I right or wrong?

Mr. COOPER of Tennessee. I will answer the gentleman in this way: The title of this bill reads "A bill to provide revenue, equalize taxation, and for other purposes." If there ever was a true statement in the title of any bill, it is the statement here that the object is to raise revenue and equalize taxation. That is the purpose of it.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. LUCAS. Some reference was made in the previous discussion by the gentleman from Ohio about the tax that the Ford Motor Co. might or might not pay. Am I correct in my understanding that in the event the Ford Motor Co. next year should make $15,000,000 as a net profit and pay out that sum in dividends, the corporation itself would pay no tax under the present bill?

Mr. COOPER of Tennessee. That is true.

Mr. VINSON of Kentucky. It should be stated there that the tax under existing law—the maximum rate—is 15 percent, and there is the capital-stock tax and the excess-profits tax, and of course, the rate upon the money in the hands of the individual. If the Ford Motor Co. would reach the high surtax brackets and much more money would come into the Treasury than under the existing corporate tax.

Mr. COOPER of Tennessee. Now, the gentleman from Ohio to whom reference has been made also said something about a man by the name of David Coyle who pressed this measure. With all due deference to the gentleman, as one member of the subcommittee who, I think, has been as attentive as any man could be in an effort to discharge the duties imposed, one who has been in every conference, I think, that has been held on this bill, and who has participated as freely as anybody else who has had a part in the consideration of this bill, I want to say to the gentleman that I never heard of the man Coyle before in my life until the gentleman mentioned him here today.

I can say that he had nothing to do with this bill. The gentleman says that we ought to write our own bill. If there was ever a bill presented to this House for consideration that was completely written in every detail, every question of policy determined by the committee in charge, it is this. In this instance, this House has been laboring for 8 weeks, day and night, and has brought this bill here as a product of the committee. We present it to you as the best we could accomplish under our efforts.

Now, I want to touch briefly upon some of the provisions of this bill and again remind you of the principle upon which this bill rests.

As was stated by the chairman of the committee, the bill is based upon justice and equality, and certainly a sounder principle cannot be found for any bill than that.

There are two important points that should be borne in mind in connection with this bill. The first is that all existing surpluses and reserves of corporations are not taxed; they remain in the future as they exist now. It should be borne in mind that under this plan all existing corporation taxes are repealed. That is, the corporation income tax from 12 1/2 to 15 percent. Capital-stock tax, 1 1/2 percent, and the present excess-profit taxes are repealed, and this new system is inaugurated in place of them.

Mr. CRAWFORD. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. Am I confused in this? Is it not true that the accumulated surplus prior to 1935 which enter into this tax picture insofar as dividends paid from excess earnings in 1924 first and in 1933 second?

Mr. COOPER of Tennessee. The gentleman is not exactly accurate.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. The difference carried over looks to the future and does not look back into the past years.

Mr. CRAWFORD. The word "preceding" refers to the future?

Mr. VINSON of Kentucky. You are dealing with the taxable year next before. For instance, running along until in 1938, you have a dividend distributed in 1937. The excess-profits tax for 1936 and the difference between the dividend declared and your adjusted income is a credit for 1937 and 1938. If you are dealing with 1938, you take 1936 first.

Mr. CRAWFORD. I was referring to 1933 and 1934.

Mr. COOPER of Tennessee. Mr. Chairman, the gentleman from Ohio [Mr. Laxton] made the statement, as I got it, that under existing law there is no tax avoidance, no tax evasion of any consequence by reason of enormous surpluses being piled up. Of course, he is just mistaken in that. The real fact is that $1,500,000,000 in taxes yearly are being evaded through that method, and that is just the amount of the tax, which means something like four or five billion dollars a year that are being piled up in enormous surpluses in corporations throughout the country. This bill simply presents this situation. In the future, as in the past, a corporation may have all the surplus and all the reserves that it thinks it has to have. It can conduct its business affairs as its business judgment dictates to it, and this tax plan simply provides that whatever net income the corporation has, its earnings and profits shall go through the tax mill just like your money and mine. I am unable to see that there is anything unfair or unreasonable about that. Instead of allowing enormous surpluses to be piled up in corporations, in order to keep the individual shareholders in closely held corporations from having to pay individual income tax, that
would force them up into the high surtax brackets, they just keep piling it up in surpluses in the corporation—a pure tax evasion, purely for the purpose of avoiding the payment of individual income tax. That is what this bill meets; that is the situation that is corrected by it. I am unable to see how there is anything unfair or unreasonable about that. On the contrary, I think it is the very essence of fairness and science, and it is just as fair to provide that the corporations of the country, which are artificial persons, recognized in law as such, with the right to sue and be sued, when they have earnings and profits, clear money, shall pay a tax on it as you and I do.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FITZPATRICK. This will simply close up the loopholes so they cannot evade the payment of a tax.

Mr. COOPER of Tennessee. That is the purpose. Mr. Chairman, a great deal has been said about complications presented here. Of course, any tax bill has to be complicated in its phraseology. There never has been one presented here that was not complicated. I invite any fair person to compare this bill in its terms and phraseology with the existing income-tax law, especially the surtax brackets. It is not, as I say, anything like as complicated as that is. You simply ask the corporations two questions at the end of the year under this plan. The first is, What was your net income; what did you make? If they answer that, then the next question is, What did you do with it; did you pay it out in dividends to your stockholders? If you did, you do not owe us a dime; but if you did not pay it out to your stockholders, then you owe us a tax on it. That is all it means. It is based on the principle of fairness and equality to all.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes more.

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

Mr. COOPER of Tennessee. Yes.

Mr. McCORMACK. Some reference has been made to the 248 pages of the bill. In connection with that, is it not a fact that most of the contents of this bill are the present law which was necessary to incorporate in there?

Mr. COOPER of Tennessee. That is true. This bill is prepared just like every other tax bill has been prepared since 1922. The new law is superimposed upon existing law.

This bill neither repeals nor amends the 1934 Revenue Act. It is made effective, as is shown right here in the beginning of the bill:

The provisions of this bill shall apply only to taxable years beginning after December 31, 1935.

Of course, the former law applies to former tax years.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FULLER. The statement has been made here, especially by the gentleman from New Hampshire [Mr. Toomy], describing a man named Coyle as one who drew this bill. Is it not a fact that this bill was drawn absolutely solely and entirely by the gentlemen who sit in back of the committee, the legal experts of our committee, together with the legal experts from the Treasury Department, in conjunction with the Democratic members of the committee?

Mr. COOPER of Tennessee. That is correct. I ask your indulgence again just for a moment to point out a few illustrations of the real situation we have here so far as this new system is concerned. Take, for instance, the treatment that is given here to the corporations of the country. They are divided into two groups—corporations with an adjusted net income of $10,000 or less, and corporations with an adjusted net income of $10,000 a year or more. For the corporations with $10,000 a year or less in adjusted net income, schedule no. 1 of rates applies. The statement has been made here by the opponents of the bill that a tax is levied upon a surplus of the corporation. That is not the situation at all. The tax rate applies to the adjusted net income of the corporation for the taxable year.

The rate is measured by the amount of surplus they retain. Just as an illustration, refer on page 15 of the bill to schedule no. 1. For instance, a corporation which makes $10,000 in statutory net income wants to retain 10 percent of that in surplus; that would be $1,000. Then if you look at the schedule you will see that corporation would pay a tax on its net income of $10,000 of 1 percent. That is $100 tax. Under existing law it pays $1,500 tax. That is just $1,400 saving to that corporation.

Now, go on down and take a corporation, for instance, that wants to retain 30 percent of its net income; it would pay a tax of 7 1/2 percent on the $10,000 net income, whereas under existing law it pays a tax of 15 percent. That is just one-half, under this bill, that it has to pay under existing law. If you go on down through, it shows the effect that the treatment provided here gives to the various corporations of the country.

It should be remembered that of the 257,000 corporations of this country showing statutory net income, 214,000 of them come under schedule I, the smaller schedule of rates, and only 43,000 of the corporations of the country come under the other schedule. That gives you some indication of the fairness that prevails throughout the treatment of this entire subject.

Just a moment to briefly touch upon the so-called unjust enrichment tax.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER of Tennessee. The distinguished gentleman from Ohio [Mr. Lawrenck] is opposed to that. Certain Members of the minority are opposed to that. How any man can justify a position in opposition to that is more than I can understand. The principle involved is simply this: Where the processors throughout the country collected a tax from their customers and failed to pay it to the Government, we simply provide here that an income tax of 80 percent shall be levied against that. There was $180,000,000 impounded in the courts under the processing tax, and the whole amount is about $253,000,000 of this unjust enrichment, the processors throughout the country passing the tax on and the consumers having to pay, and still they did not pay it to the Government. We took the position that if anybody collected a tax and passed it on to the consumer, they should be held responsible to the Government. Of course, the consumer is the one who is really entitled to it, but obviously we could not give it to him. We think the next best thing is to give it to the consumers' government, the General Government. The General Government should receive 80 percent of this money. Some of them took the position that we should not even try to get that money. It should be borne in mind if the processor did not pass the tax on and collect it from his customers, he does not owe a dime.

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

Mr. COOPER of Tennessee. I yield.

Mr. HARLAN. In the event of a pork packer, for example, who did not pass the tax on but who is nevertheless hopelessly in the red as a result of the whole proceeding, is there anything to protect that man? I am seeking information.

Mr. COOPER of Tennessee. I think he is amply protected.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. If he is in the red and does not make a net profit on the business, if he does not make any income on the transactions involved, there is no tax. If you multiply nothing by 80 percent, of course the tax is nothing.

Mr. HARLAN. Is the tax based on 80 percent of the unjust profits, or is it on the income? Mr. VINSON of Kentucky. It is the unjust profits counted in with his business.
Mr. COOPER of Tennessee. The tax is 80 per cent against this income derived as unjust enrichment, That is what it is.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?  
Mr. COOPER of Tennessee. I yield.  
Mr. GOLDEN. Why should not the Government retain the whole amount instead of 80 per cent?  
Mr. COOPER of Tennessee. Well, we knew they had some expenses in the collection and handling of the processing tax. It was shown to us that some firms claimed their expenses amounted to about 13 per cent. In addition to that, we had involved the legal question that we could not completely confiscate.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?  
Mr. COOPER of Tennessee. I yield.

Mr. HOUSTON. Is it not a fact that there will be an adjustment made on this particular phase of the tax bill?  
Mr. COOPER of Tennessee. Yes.

Mr. HOUSTON. And then 80 percent after the adjustment is made?

Mr. COOPER of Tennessee. Eighty percent after the adjustment is made. Only the so-called windfall tax, the unjust enrichment that those men received, to which this 80 percent applies.

Mr. HOUSTON. And 20 percent is ample to take care of all expenses—bookkeeping and all expenses incidental to the collection of the money?

Mr. COOPER of Tennessee. We think so. In other words, what we hoped to accomplish was simply this: The ideal we had before us was that no man should be enriched by one penny by reason of collecting this tax and passing it on to his customers and failing to pay it to the Government and at the same time no man should be caused to suffer a loss by reason of the processing taxes.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOPER of Tennessee. It is provided in this bill for people throughout the country to receive refunds on the floor stocks that they had on hand at the date of the Supreme Court decision invalidating the Agricultural Adjustment Act.

When the processing tax originally was imposed and became effective they, of course, to collect floor-stock taxes from the merchants throughout the country who had stocks of goods on hand. This amounted to about $96,000,000. It was provided in the Agricultural Adjustment Act that the processing tax was terminated a refund should be made for stocks then on hand. The tax was not terminated by proclamation of the Secretary of Agriculture as provided in that act because the decision of the Supreme Court intervened. The committee took the position it was only fair to refund the amount of tax that had been collected. This was done by the Secretary of Agriculture and the proclamation was submitted to them just the same as if the act had been terminated by proclamation of the Secretary of Agriculture rather than by the decision of the Court; and that is what we are trying to do here.

This entire bill is based upon what we conceive to be the principle of fairness and equality to everybody. It yields the revenue our great President says is necessary. All along we have heard the hue and cry, "Balance the Budget!" But now the opportunity is offered; those who raised the hue and cry to everybody. It is anathema. It was shown to us that some firms claimed their expenses amounted to about 13 percent. In addition to that, we had involved the legal question that we could not completely confiscate.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?  
Mr. COOPER of Tennessee. I yield.

Mr. HOUSTON. Is it not a fact that there will be an adjustment made on this particular phase of the tax bill?  
Mr. COOPER of Tennessee. Yes.

Mr. HOUSTON. And then 80 percent after the adjustment is made?

Mr. COOPER of Tennessee. Eighty percent after the adjustment is made. Only the so-called windfall tax, the unjust enrichment that those men received, to which this 80 percent applies.

Mr. HOUSTON. And 20 percent is ample to take care of all expenses—bookkeeping and all expenses incidental to the collection of the money?

Mr. COOPER of Tennessee. We think so. In other words, what we hoped to accomplish was simply this: The ideal we had before us was that no man should be enriched by one penny by reason of collecting this tax and passing it on to his customers and failing to pay it to the Government and at the same time no man should be caused to suffer a loss by reason of the processing taxes.
1936

CONGRESSIONAL RECORD—HOUSE

6095

that dividends may be paid, that this vicious measure is aimed.
The truth is that this bill is not aimed at the existing surpluses at all. It will not touch the fifty millions and the hundred millions. Those companies will continue to hold their surpluses. It is the small company that wants to build up that will be the victim.

Here is the idea that he was trying to get ahead, to build up an industry of which its owner could be proud, to make a better newspaper for his community. He is willing to deny himself to accomplish those ends. And what happens? His Government proposes to tax him more if he wants to save and get ahead than if he proposes to distribute and spend all his earnings. And his desire to save is not a desire to hoard. He would put back the money into industry where it would give further employment.
The Treasury has an answer to this objection to the proposed tax. It proposes that the company declare a dividend and that the stockholders with those funds purchase new stock thus bringing the money back into the company. But what a complicated method and one that seems to imply that the stockholders must all think alike.

Let us take another actual case to show how this measure would hit the progressive, young business. Three young men own all the stock in a small engineering company. Two are skilled engineers; the third has contributed a modest capital. The two are quite content to lead a furnished-room and lunch-counter life for a while if they can feel that they are going ahead. And they are. Their little business will make, they think, $15,000 net this year and they would like to put it all above the corporation income tax back into the business, but can they under this proposed law? Not a bit of it.
The Treasury has had to pay $4,275 in order to save $8,625 if they paid no dividends.

Suppose they followed the Government suggestion to pay it all out in dividends and sell themselves more stock. But suppose the one who contributed capital will not agree? And what about the complicated problems of registering a new issue? What will those young and ambitious men do? One answer is surrender their corporate charter and start anew as a partnership. But the man who put in the capital may say: "No; I'm not going to assume the liability involved. I'm willing to risk what I invested but no more." Yet it is a great shifting of small corporations to a partnership basis.

One more instance and I take this from the statement before the Ways and Means Committee of Royal Little, vice president of the Franklin Rayon Co., of Providence. He started in business with the corporate structure of a de-facto company with no capital but with the idea that his skill in the business of processing rayon yarn. He got $10,000 from a bank because a friend endorsed the corporation's note and with one room and four employees the business began. First year sales were $75,000 and a profit resulted. Did the stockholders get it? Not a cent. That wicked thing called a surplus went for more machinery. By 1928 the company was doing a business of a million and employing 100 persons. Still the stockholders had no dividend. That year they merged with a competitor and wanted some outside capital. This was in a year when the banks were supposed to be lending money to anyone who wanted it, but no bank would touch their proposition. To quote Mr. Little:

"The only intelligent excuse • • • came from one house who said, "Your merger looks like two drunkards trying to help each other home."

Mr. Little raised the money, a good part of it by his personal note to a bank. The company has steadily grown until in 1935 it had sales of $5,000,000 and employed 500 persons. Rayon is a new industry in which machinery and methods are constantly improving and always the company has been ready to meet conditions largely from its earnings.

I cannot do better than quote two paragraphs from Mr. Little:

Under the new tax proposals apparently everything which we have done in the past has been wrong. Should we have been prevented by tax legislation such as this from building up our business? I assure you that neither I nor anyone else could visualize in the future what we have done in the past if the penalty on undistributed net earnings now proposed is enacted into law. • • • I ask you gentlemen in all fairness to study these facts in our case, whether you are typical of many others, and tell us whether you honestly feel that I am an enemy of society for what I have done.

I have said that this tax bill is aimed at small business. One more quotation from Mr. Little:

Selfishly looking at our own point of view, the Franklin Rayon Corporation would not oppose this tax because I know that no one else could build up a competitive enterprise on as favorable a basis as I have done it, if this tax law goes through.

Not only is this tax bill aimed at small business; it is aimed at one of the fundamentals on which the United States has been built, the encouragement of competition for the prevention of monopoly.

Old, well-established organization, well-entrenched financially, will find themselves in a far better economic position as compared with less well financially entrenched existing companies, or with those new companies which seek to start in business. As Charles J. Bullock said in the Atlanta convention of the National Tax Association in 1917, which I attended in my capacity as tax commissioner for the State of Vermont:

"• • • if you want a tax that will tend to entrench in its dominating position a monopolistic or quasi-monopolistic large industry, you cannot devise a better tax.

This is the status of the measure that is now before us, and will be the result of its enactment, if it is enacted in its present form.

We do not prevent monopoly so much by passing laws as we do by permitting, even encouraging, small business to grow bigger, to try out new ideas.

We see a great industry with branches spread throughout the country, and we forget that it began in a cross-roads blacksmith shop where a man in a leather apron beat out an iron plow. We see a great department store covering a city block, and we forget that its start was a pack which a peddler carried from door to door. And, more than all, we forget that what has happened may and will happen again unless by such legislation as this, business is made static. The great merchant is not afraid of the competition one finds with the other than with a new industry provided this bill does not choke him in his childhood.

We have heard much talk of the power of entrenched wealth. What is this bill except to still further entrench, to fortify, wealth. A great company with fifty million surplus,
unaffected by this tax, has little to fear from an invader deprived of his right to husband his resources.

We profess to fear the control of this country by big business, yet we propose a measure to keep little business little.

We debate measures to prevent price fixing, yet we plan to make the laws so complex and nonunderstood tax situation, and the one in which business is confronted; initiative be undistributed unless it is paid out as a taxable dividend. It is a pretty picture which figures make. They look good on paper. But let me tell you that the man who is going to be enacted into law, and in substantially the form in which we are now considering it; but I wish to say that the bill will not produce the revenue it seeks to cover into the Treasury, and that, moreover, because of its complexity and intricacies and its nonunderstandable and nonconstrued provisions, it will add confusion worse confounded to an already complex and nonunderstood tax situation, and will further retard recovery, increase unemployment, and contribute to a continuation of that uncertainty and chaotic condition with which business is confronted; initiative still lacking—for which situation those now in charge of the fiscal fallacies of this Government are responsible and must answer.

Those who are operating under the present Federal tax law tell me that the regulations with which they are now surrounded are so complex as to lead nowhere and to arrive at the same place. The statute itself is not susceptible of reasonable interpretation, is beyond comprehension, and is always ambiguous. There is no certainty whatever. Nobody knows what it is all about. Tax liabilities are unascertainable, and no one can compute them, for there is no finality. Regulations are amended, rulings are reversed, retroactive provisions adopted, litigation delayed and prolonged, all at the expense and confusion of the taxpayer. I doubt if there is anybody who can tell me how to compute taxable net income under the provisions of this proposed law.

If it would accomplish a major tax reform—and at this point I wish to say that I recognize that such a reform is sadly needed and that there do exist inequalities in the tax system that should be corrected—if it would accomplish a major tax reform, one that would iron out the inequalities, one that would stop the leaks that exist, one that could be administered properly due to its fairness and simplicity, it should have our wholehearted support. This bill is so remotely removed from any semblance of simplicity, however, that it is and has been labeled "the most complicated piece of legislation in the last 50 years", and a Washington service is in print to the effect that the theory back of the measure is now being discussed algebraically. I have referred to the fact that the task of administering the tax will be immeasurably enlarged by the new method. It seems to me that this is only too evident on its face to need further emphasis to be there placed.

Some of the practical questions which arise were suggested to the committee during the hearings.

First. Is a dividend taxable if paid in scrip, in an enforceable promise to pay, or in bonds?

Second. Is a dividend taxable if paid out of surplus, out of a demerger, or when income is in excess of cost, or which is subsequently adjusted downward?

Third. Is a dividend paid when the check is mailed, or must it be received by the stockholder?

Fourth. Is the dividend "taxable" if paid to a stockholder exempt from Federal tax?

Fifth. What is a bank or a trust company and when is it "bona fide operated"?

Sixth. Must the taxpayer compute "undistributed net income" by algebraic formulas, using two unknowns?

Seventh. How much delay will be involved in valuing property distributed as a dividend in kind, and what rules of valuation will be applied?

Eighth. What is the law with respect to the propriety of a dividend, in the case of a separate corporation and in the case of a consolidated group of corporations?

Ninth. What are the liabilities of directors whose corporations incur the terrible penalties, or, to avoid them, pay out in dividends cash needed in the business?

Tenth. What contracts are to be understood to be definite prohibitions upon dividend payments?

These are only a few of the innumerable practical problems which confront the taxpayer, and as the years go by many more will arise to trouble his dreams.

Why, Mr. Chairman, this House ought to have 30 days in which carefully to consider this bill and its provisions, many of which I make bold to say are neither understood nor comprehended, nor the effects foreseen by the members of the committee who have reported the bill. The graduated tax on corporate net incomes, which is designed to forestall company earnings to stockholders and so increase income tax yield to the Treasury, to which I have referred is the major feature of this bill. It imposes an unbearable tax burden upon undistributed net income, for net income has to be distributed unless it is carried over as a taxable dividend within the time limit as provided in the act.

As a practical proposition no one in the Revenue Department or Treasury Department or anywhere else can compute conclusively the taxable net income of any corporation of any size before the expiration of 2½ months from
the end of the corporation’s taxable year. The trouble with that is, from a taxable standard, that they will not have the time in which to base their computations, for they will not be filed until after those 2½ months, and after they are filed the litigation and the contest between the taxpayer and the Treasury and the Revenue Department may go on for years over the question as to what constitutes taxable net income. This is the practical problem. And if taxation is to be applied retroactively when it comes to the matter of enforcing or administering the law.

Mr. Chairman, if the Treasurer or the Commissioner of Internal Revenue cannot compute taxable net income after years of consideration, and many of the cases are decided against the Commissioner, it is farcical, laughable, if it were not so serious, to suggest that the corporation itself could be expected to compute its net income within 2½ months. But that is not the end of it. Not only must a corporation determine its earnings and its profits, compute and declare and ascertain its net income and its adjusted net income, and all within the 2½ months provided by this act, but it must declare and pay taxable dividends. Well, in short, this is impossible, and the provisions of the act attempt to compel the impossible.

This bill proposes a revenue increase through temporary retention of the capital stock and excess-profits taxes with new and more stringent provisions to be made. It sets up a "windfall" tax of 80 percent to try to get back over a hundred million dollars of the processing taxes imposed. It would restrict the evasion of new taxes by corporations using incorporate dividends. It provides for a 15-percent flat tax on banks and insurance companies; establishes at 22½ percent the rate of the flat tax on corporation earnings used to pay debts, and at 15 percent the rate on foreign corporations in receivership in the United States, and repeals the excess-profits tax after the present taxable year. These are only a few of the things it undertakes to do, many of which it most certainly will not accomplish. However, there is one thing of which I am absolutely sure and certain, and I am not the son of a prophet, but experience is the best teacher I know. This bill will seriously impair the financial strength of corporations, depreciate their value of dividends and notes, and create evidences of which are increase inequities and impose discriminatory taxes, increase complexities and uncertainties in the computation of tax liabilities, subject corporations to severe penalties by reason of circumstances beyond their control; result in duplicate and multiple taxation of the same income, and, in the end, have a substantially adverse effect on the economic and business conditions of the country.

There is no pretense made that the program prescribed even undertakes to balance the regular Budget. No practical-minded man can figure out how it will produce anything like the estimated revenue. Moreover, this measure undertakes to overturn the whole present structure of corporate taxation. And in a few minutes, figuratively speaking, undertakes to remold and remake a system which it has taken years to develop.

This can be done in the committee room and on paper and in the Treasury, but when the day of reckoning comes, the effectual obstacles involved in enforcement and administration of a revenue law present problems which are insurmountable, cannot be overcome, and then the brain child of the theorists might as well be dead, for it will never grow up, and it will horribly fail to measure up to the standard set for it by its fond parents.

Time does not permit me to discuss this bill by item or section or subject. I am, however, most concerned with its administration, by reason of my own experience and difficulties encountered in trying to put in action the ideas put forward in this bill. I am sure you will have reason to know, that what happens will justify my statement and that is this: The administrative difficulties which are involved in this bill are such in themselves and sufficient in themselves to wreck the measure, however good it otherwise might be, and because it is unenforceable, unworkable, and impractical, if for no other reason—and there are many reasons which will be ineffective, might as well be passed, and therefore should not be.

Its purpose and intent is to force distribution of corporate surpluses and in this it will fail. It seeks to produce a given amount of revenue and any schoolboy can ascertain the inadequacy of the plan. It is easy to be captious and I long ago learned it was not smart to be destructively critical. So I say seriously that from my knowledge of State and Federal taxation this tax bill from the standpoint of intricacy and complexity has not now and never had a rival. The obvious ways through which the financial and tax experts will lead the businessman, who will be compelled to seek their aid, will lead the businessman to the verge of bankruptcy to keep him from which, and with the aid of whom, even then the road will be a hard one.

The harder a law is to construe and the more difficult it is to interpret, the more opportunity there is afforded for evasion. Tax legislation should be reduced to the lowest possible terms. It has been well said: That our Federal tax laws have become increasingly complex, and the climax of legislative fullness appears to have been reached in this latest legislative tax program. Now, let us be honest with the people. Nobody knows how much this bill will produce, but everybody thinks it will be at least $334,000,000 shy of meeting the President’s demands. A million dollars used to be a lot of money, but we talk and speak another language in the truce that is on us today. A million dollars is a lot of money back where I come from, and its reckless spending if proposed to object to so long as I can stand here and talk. Why not stop spending recklessly for a while instead of crucifying the body politic in an attempt to extract one more agonized drop of revenue blood to be spent for the unwise and temporary relief of a population bank with infectious distress which are but a delusion and a snare, and contribute to a recovery as unreal and temporary as an opium eater’s dream? It is time to wake up.

This bill, in its last analysis, is "a direct threat to the security of American business, employment, and investments. Wherever I read a most elucidating statement to the effect that never before had any President felt it necessary to promise a breathing spell to business. Think that over! A breathing spell to business promised by the Chief Executive! He who would grant the breathing spell assumes thereby the responsibility of choking business to death. This is an irrevocable and irrevocably death-dealing spell, and before it was ever begun and we are considering the most complicated, confusing, and extraordinary tax bill “that ever bedeviled a Congress eager to call it a day and go back home.” As I have said before so I see someone else thinks, namely, that—

As to the chief purpose of this piece of patchwork legislation there can be no dispute. That is perfectly plain. The difficulty will come in administering it. No Representative, even if he has waded through the 226 pages of printed text, knows how he can make it work. Nor can anybody be found who will do more than guess at the revenue it may produce.

But from Speaker to page boy everybody is aware that this alleged tax bill is just another New Deal blunder for business. It strikingly illustrates the dictum that the power to tax is the power to destroy. The N. R. A. fixed hours and wages, but if a corporation, thus hedged and hampered, did manage somehow to wrangle a net income, nobody in Washington stood ready to dictate how it should be distributed.

Before even the new dealers felt the last of the courts and while they were looking upon the Constitution as a sort of successor to the one-horse shay, the N. R. A. was allowed to use their own judgment in the matter of dividend payments and additions to reserves kept for emergencies or purposes of liquidation. Considering the lengths to which the New Deal went in the direction of regimenting business, large and small, it will be said that they may and have kept hands off the corporations’ fiscal policies for so long.

There are plenty of corporations that will suffer no financial harm at least immediately, from this, where the amount of their net incomes according to the amount they divert to reserves instead of to dividends. There are many stockholders who may
believe they will profit from the forced payment of dividends which might more prudently, in numerous cases, be left to strengthen their companies' financial structure.

But the outstanding objection to this "dangerous measure", as a leading Democratic newspaper terms it, is the overriding of corporation managements by a hard-and-fast-rule backed up by a threat of further penalties if they fail to comply. We are told that the tax and many of the amendments made in the bill before us. There are some provisions in the bill that we should like to see made, and some items included that have been left out. However, as we view this broad, intricate, and complicated tax proposition as a whole, I am going to follow the recommendations of our President and the judgment of this Ways and Means Committee. They have spent weeks and weeks working on this tax measure, while most of us were busy with the work of our own committees. We were not privileged nor did we have the time to attend the hearings and committee discussions during the framing of this bill. The members of the Ways and Means Committee were charged with that responsibility and I know they have discharged those duties well. I shall vote for this bill, believing that it is the best bill it was possible, under the circumstances, for the committee to present to the membership of this House for consideration. My philosophy of taxation is to tax the person who are best able to pay. It is necessary that we all be taxed, for we are all benefited, but those in the higher brackets with the largest incomes should carry the heaviest load in accordance with their ability to pay. It is some difficult problem to equalize taxes.

Mississippi, my home State, pays into the Federal Treasury comparatively a small amount of taxes for the reason that the incomes subject to Federal taxation are comparatively small. About 4,076 individuals in Mississippi out of a total population of approximately 2,005,821 paid Federal income taxes in the year 1935, which was only about .07 percent of the total United States internal revenue receipts for 1935. The tax burden in Mississippi is not caused by Federal taxation. The Federal Government obtains its revenue from levying taxes on incomes, custom receipts, excise taxes, and such like. There is no Government ad valorem tax. That is a form of taxation that is reserved strictly for the States. Most of Mississippi's tax levies are State, county, and city taxes. Comparatively a small percentage of taxes paid by Mississippians goes to the Federal Government. When we consider the direct benefits the State of Mississippi has received from Government funds being expended in Mississippi, Mississippians go to the Federal Government.

Mr. DOXEY. My friends and colleagues, in this connection, permit me to briefly outline some of the substantial benefits received by the Second Congressional District of Mississippi, which I have the honor and privilege to represent in Congress, as a result of our efforts here. Since 1933, the Second Congressional District of Mississippi has received many, many more dollars from the Government than has been paid into the Federal Treasury by the taxpayers of Mississippi. Mississippi, under the present Democratic administration, has received greater recognition than under any former administration in the history of this Government. The record speaks for itself. During this discussion it will be necessary for me to deal with certain technical facts and a great mass of figures as shown by the record. Therefore, I ask unanimous consent to recapitulate my remarks.

The CHAIRMAN. There is no objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DOXEY. My friends and colleagues, in this connection, permit me to briefly outline some of the substantial benefits received by the Second Congressional District of Mississippi, which I have the honor and privilege to represent in Congress, as a result of our efforts here. Since 1933, the Second Congressional District of Mississippi has received many, many more dollars from the Government than has been paid into the Federal Treasury by the taxpayers of Mississippi. Mississippi, under the present Democratic administration, has received greater recognition than under any former administration in the history of this Government. The record speaks for itself. During this discussion it will be necessary for me to deal with certain technical facts and a great mass of figures as shown by the record. Therefore, I ask unanimous consent to recapitulate my remarks.

The CHAIRMAN. There is no objection to the request of the gentleman from Mississippi?
Briefly, here are the facts and figures in this regard:

Drainage loans made by the Drainage, Levee, and Irrigation Division, Reconstruction Finance Corporation, as of Apr. 3, 1936

<table>
<thead>
<tr>
<th>Name of county and district</th>
<th>Outstanding indebtedness</th>
<th>Number authorized on approved applications</th>
<th>Amount disbursed to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DeSoto County</td>
<td>$836,400</td>
<td>(7)</td>
<td>$382,000,000</td>
</tr>
<tr>
<td></td>
<td>$1,194,986.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lake Corrington drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pigeon Roost Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Red Rock Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lafayette County</td>
<td>$19,622</td>
<td>(7)</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Yoknapatwpha drainage dist.</td>
<td>$184,700</td>
<td>(9)</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>Grist Creek drainage dist.</td>
<td>$16,000</td>
<td>(9)</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Marshall County had to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creek drainage dist.</td>
<td>$30,500</td>
<td>(9)</td>
<td>$26,000,000</td>
</tr>
<tr>
<td>Greer drainage district</td>
<td>$36,500</td>
<td>(9)</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Red Banks Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pigeon Roost Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panola County</td>
<td>$307,421</td>
<td>(10)</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>Indian Creek drainage dist.</td>
<td>$1,940,835</td>
<td>(10)</td>
<td>$227,500,000</td>
</tr>
<tr>
<td>Long Creek drainage dist.</td>
<td>$14,720</td>
<td>(10)</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Yocum drainage districts no.</td>
<td>$163,070</td>
<td>(7)</td>
<td>$76,000,000</td>
</tr>
<tr>
<td>Tallahatchie County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newsum Lake drainage dist.</td>
<td>$305,210</td>
<td>(5)</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>Panso-Quinlan drainage district</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marshall-Byron drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blue Lake drainage dist.</td>
<td>$54,550</td>
<td>(5)</td>
<td>$17,500,000</td>
</tr>
<tr>
<td>Quitter River drainage dist.</td>
<td>$87,000</td>
<td>(5)</td>
<td>$66,000,000</td>
</tr>
<tr>
<td>Yocum drainage dist. no. 2</td>
<td>$331,400</td>
<td>(8)</td>
<td>$252,500,000</td>
</tr>
<tr>
<td>Patterson drainage dist.</td>
<td>$169,997</td>
<td>(6)</td>
<td>$76,000,000</td>
</tr>
<tr>
<td>Leopold drainage dist.</td>
<td>$124,000</td>
<td>(9)</td>
<td>$61,250,000</td>
</tr>
<tr>
<td>Anacostia drainage dist. no.</td>
<td>$74,066</td>
<td>(7)</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Tate County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strayhorn Creek drainage dist.</td>
<td>$41,713,28</td>
<td>(10)</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Mississippi Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pigeon Roost Creek drainage dist.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tippah County</td>
<td>$20,104</td>
<td>(10)</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Union County</td>
<td>$41,713,28</td>
<td>(10)</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Yoknapatawpha drainage dist.</td>
<td>$41,200</td>
<td>(10)</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Tiskiaw Creek drainage dist.</td>
<td>$163,070</td>
<td>(7)</td>
<td>$76,000,000</td>
</tr>
</tbody>
</table>

(1) Applications received.  
(2) Not closed.  
(3) Loan rescinded.

In fact, up to April 3, 1936, the R. F. C. had received 76 formal applications from drainage and levee districts in Mississippi. The indebtedness covered by these applications, as submitted, aggregates $11,788,452.46. The R. F. C. has authorized 64 loans to such districts in Mississippi to refinance $11,183,515.86. Of these, 28 have been closed and $2,797,313.65 disbursed to date.

You can see from these figures that in the refinancing of these various drainage districts by the Federal Government, the taxpayers were not only given a breathing spell, so to speak, by being given loans over a long period of time at a low rate of interest, but the original amount of indebtedness in each district is being reduced by anywhere from 30 to 70 percent, thereby causing a great saving to the taxpayers on the amount of indebtedness that is now outstanding against these districts.

This was made possible as the result of a law enacted in the Congress and known as the Emergency Farm Mortgage Act of 1933.

This was the work of the House Committee on Agriculture, of which I am the second ranking member out of a membership of 26 Representatives in Congress who constitute this exclusive committee. My committee wrote the bill, reported it, and steered it to passage through the House. This was in truth and in fact a farm-relief measure through tax relief. During the debate of this bill in Congress, I made a speech on the floor of the House explaining the measure and urging its passage. It passed the House and was passed by the Senate in modified form. I was selected as a House conferee on the bill and worked with the Senate conferences in shaping and fashioning it for final passage in both the House and Senate.

This was the first time in the history of our country that any legislation was ever enacted by Congress to help refinance distressed and tax-burdened drainage and levee districts with funds furnished by the Federal Government.

At the present time the Subcommittee on Agriculture, of which I am the chair, is considering a bill to finally shape and report to Congress other legislation of a more permanent nature with a view to the Government further helping to carry the load placed on the farms and property located and being situated in these various drainage, levee, irrigation, and reclamation districts organized under the laws of the respective States.

The Second Congressional District of Mississippi has received its proportionate share of these long-term Federal loans at a low rate of interest.

Under date of February 14, 1935, I introduced in Congress H. R. 5997, providing for similar loans to distressed and tax-burdened public and special school districts.

Also I introduced another bill—H. R. 7523—providing that the rate of interest on money loaned to the drainage and levee districts shall not exceed 5 percent.

During recent years Congress has provided other governmental loaning agencies designed to help the taxpayer secure long-term loans at a low rate of interest on easy payments, such as the Federal land bank, the Home Owners' Loan Corporation, the Federal Housing Administration, the Reconstruction Finance Corporation, the Commodity Credit Corporation, and so forth.

The total number of home loans closed in Mississippi as of March 20, 1936, amounts to 8,744, totaling $16,375,742. The loans closed in the Second Congressional District of Mississippi are as follows:

<table>
<thead>
<tr>
<th>Counties in Mississippi</th>
<th>Loans closed</th>
<th>Amount disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>8</td>
<td>$9,756</td>
</tr>
<tr>
<td>DeSoto</td>
<td>12</td>
<td>16,782</td>
</tr>
<tr>
<td>Marshall</td>
<td>24</td>
<td>30,927</td>
</tr>
<tr>
<td>Panola</td>
<td>16</td>
<td>33,920</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>87</td>
<td>162,010</td>
</tr>
<tr>
<td>Tippah</td>
<td>18</td>
<td>32,355</td>
</tr>
<tr>
<td>Union</td>
<td>23</td>
<td>38,041</td>
</tr>
<tr>
<td>Yoknapatawpha</td>
<td>32</td>
<td>94,923</td>
</tr>
</tbody>
</table>

The volume of Federal Housing Administration business in the Second Congressional District of Mississippi

<table>
<thead>
<tr>
<th>County</th>
<th>Number</th>
<th>Amount</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>3</td>
<td>609</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DeSoto</td>
<td>44</td>
<td>14,607</td>
<td>1</td>
<td>2,900</td>
</tr>
<tr>
<td>Lafayette</td>
<td>21</td>
<td>6,284</td>
<td>1</td>
<td>2,900</td>
</tr>
<tr>
<td>Marshall</td>
<td>23</td>
<td>10,341</td>
<td>1</td>
<td>2,900</td>
</tr>
<tr>
<td>Panola</td>
<td>33</td>
<td>11,250</td>
<td>3</td>
<td>3,467</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>46</td>
<td>15,733</td>
<td>2</td>
<td>3,467</td>
</tr>
<tr>
<td>Tippah</td>
<td>13</td>
<td>3,112</td>
<td>1</td>
<td>2,600</td>
</tr>
<tr>
<td>Union</td>
<td>14</td>
<td>4,575</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yoknapatawpha</td>
<td>64</td>
<td>12,250</td>
<td>14</td>
<td>30,150</td>
</tr>
</tbody>
</table>

Total (10 counties) 428 104,749 26,605 2,030,742

These are governmental agencies loaning Government money on real estate and other securities and these measures were handled by the Banking and Currency Committee. My Committee on Agriculture handled the legislation pertaining to personal property security and loans limited to farmers and farm lands in refinancing farm mortgages such as the Farm Credit Administration's land banks, cooperative banks, associations, corporations, and seed-loan offices, which have so greatly benefited our section of the country and helped the farmers who were not financially able to help themselves.

All legislation pertaining to agriculture and farm rehabilitation and refinancing, including emergency crop, feed and seed loans, originated and is within the exclusive jurisdiction of my Committee on Agriculture in the House of Representatives. We have set up a separate and sound credit system for agriculture in an effort to care for the credit needs of the farmer.
II
AGRICULTURAL PLANS AND BENEFITS

Let us turn from the governmental loan agencies which we have set up in an effort to refinance, rehabilitate, and help the taxpayers, home owners, business, and farming interests of this country and review the record as to the efforts of Congress to help agriculture and pay direct benefits to the farmers of our State and district, which is classed in the main as an agricultural State and district.

Not until May 12, 1933, when Congress enacted the A. A. A. was any legislation ever passed directly benefitting the farmers of this country. This is the first time the farmer and the producer of our crops was ever paid direct benefits by the Government. The farmers of my district never before received a Government check, unless they were soldiers or worked for the Government or sold something to the Government.

This law was the work of my Committee on Agriculture.

It was designed to put agriculture on a parity with industry—to raise the price paid the farmer for the crops he raised—to make farming a paying and profitable business.

We tried to do for the farmer by this law what the tariff laws had done for industry. We provided that direct payments and benefits would be placed in the farmer's hands and pockets out of funds taken from the Federal taxes laid on the processors who turned the raw materials in their factories and mills into the finished products. It worked.

Mississippi as a State paid in agricultural-adjustment taxes for the fiscal year 1935, $619,172.96. Mississippi received in rental and benefit payments through December 31, 1935, to the individual farmers and producers, $34,799,868.30. In other words, in Mississippi, by the operation of the Agricultural Adjustment Act, for every $1 the processors of Mississippi paid into the Federal taxes, the Government paid back to the farmer who turned the raw materials in the factories and mills into the finished products.

The manufacturing States paid them. The agricultural States received them.

Official statistics show that Maine paid in A. A. A. taxes during fiscal year of 1935, $1,254,029.35; Maine received in rental and benefit payments under the A. A. A., $6,065; Massachusetts paid in A. A. A. taxes during fiscal year of 1935, $19,674,136.95; Massachusetts received in rental and benefit payments under A. A. A., $1,257,126.21; New York paid in A. A. A. taxes during fiscal year of 1935, $38,842,770.85; New York received in rental and benefit payments under A. A. A., $569,601.44; Pennsylvania paid in A. A. A. taxes during fiscal year of 1935, $18,600,912.60; Pennsylvania received in rental and benefit payments under A. A. A., $167,863.22.

These are some of the manufacturing States. Now, compare what they paid and what they received with what some of our agricultural Southern States paid and received.

Official statistics show that Mississippi paid in A. A. A. taxes during fiscal year of 1935, $619,172.96; Mississippi received in rental and benefit payments under A. A. A., $34,799,868.30; Alabama paid in A. A. A. taxes during fiscal year of 1935, $7,532,275.60; Alabama received in rental and benefit payments under A. A. A., $29,938,681.70; Florida paid in A. A. A. taxes during fiscal year of 1935, $923,646.52; Florida received in rental and benefit payments under A. A. A., $3,822,837.16; Georgia paid in A. A. A. taxes during fiscal year of 1935, $20,678,114.74; Georgia received in rental and benefit payments under A. A. A., $30,947,145.52; Louisiana paid in A. A. A. taxes during fiscal year of 1935, $6,566,308.74; Louisiana received in rental and benefit payments under A. A. A., $29,849,383.54.

You can readily see why the big interests and the industrial States of this Union did everything they could to kill this law and wreck this program. To our sorrow and great loss, they succeeded when the Supreme Court, on January 8, 1936, in the case of The United States v. Carolene Products Co., declared the Agricultural Adjustment Act unconstitutional. While the A. A. A. was in force, however, the following is the amount of money paid by the Government in direct benefits to the farmers of the Second Congressional District of Mississippi, by counties:

<table>
<thead>
<tr>
<th>County</th>
<th>Cotton</th>
<th>Corn-Hogs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>$107,002.22</td>
<td>8,092.00</td>
<td>$115,094.22</td>
</tr>
<tr>
<td>Lafayette</td>
<td>$59,172.96</td>
<td>7,092.00</td>
<td>$66,264.96</td>
</tr>
<tr>
<td>Marshall</td>
<td>5,158.67</td>
<td>1,014.00</td>
<td>6,172.67</td>
</tr>
<tr>
<td>Panola</td>
<td>3,000,000.00</td>
<td>12,000,000.00</td>
<td>15,000,000.00</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>$2,900,000.00</td>
<td>12,000,000.00</td>
<td>$15,000,000.00</td>
</tr>
<tr>
<td>Tunica</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Yalobusha</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Total</td>
<td>3,498,101.50</td>
<td>469,539.05</td>
<td>4,357,640.55</td>
</tr>
</tbody>
</table>

The farmers of the Second Congressional District of Mississippi also received the following benefits from the Federal Government under our farm-credit structure of the present Democratic administration:

Number and amount of loans made in Mississippi May 1, 1933, through Dec. 31, 1935, Farm Credit Administration

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm mortgage loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal land banks</td>
<td>1,059</td>
<td>$2,135,900</td>
</tr>
<tr>
<td>Land Bank Commissioner</td>
<td>111</td>
<td>18,954,300</td>
</tr>
<tr>
<td>Total</td>
<td>12,700</td>
<td>14,129,900</td>
</tr>
<tr>
<td>Short-term credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production credit associations</td>
<td>19,410</td>
<td>7,907,731</td>
</tr>
<tr>
<td>Emergency crop loans</td>
<td>19,379</td>
<td>7,907,711</td>
</tr>
<tr>
<td>Drought relief loans</td>
<td>19,379</td>
<td>7,907,711</td>
</tr>
<tr>
<td>Regional agricultural credit corporations</td>
<td>942</td>
<td>5,169,365</td>
</tr>
<tr>
<td>Federal intermediate credit banks (to and for discounts for private financing institutions)</td>
<td>9,530,808</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23,997,262</td>
<td></td>
</tr>
<tr>
<td>Grand total</td>
<td></td>
<td>50,118,452</td>
</tr>
</tbody>
</table>

1 For the period from May 1, 1933, through Dec. 31, 1934, only.
2 For the period from May 1, 1932, through Dec. 31, 1934, only.

Number and amount of Federal land bank and Land Bank Commissioner loans closed, by counties, in Mississippi for the period May 1, 1933, through Dec. 31, 1935

<table>
<thead>
<tr>
<th>County</th>
<th>Federal land bank</th>
<th>Land Bank Commissioner</th>
<th>Total (bank and Commissioner)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Amount</td>
<td>Number</td>
<td>Amount</td>
</tr>
<tr>
<td>Benton</td>
<td>6</td>
<td>$16,600</td>
<td>56</td>
</tr>
<tr>
<td>De Soto</td>
<td>44</td>
<td>146,700</td>
<td>131</td>
</tr>
<tr>
<td>Lafayette</td>
<td>33</td>
<td>71,100</td>
<td>164</td>
</tr>
<tr>
<td>Panola</td>
<td>29</td>
<td>82,700</td>
<td>146</td>
</tr>
<tr>
<td>Tate</td>
<td>22</td>
<td>100,800</td>
<td>182</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>6</td>
<td>39,400</td>
<td>52</td>
</tr>
<tr>
<td>Tunica</td>
<td>14</td>
<td>27,000</td>
<td>74</td>
</tr>
<tr>
<td>Yalobusha</td>
<td>17</td>
<td>35,800</td>
<td>150</td>
</tr>
<tr>
<td>Union</td>
<td>26</td>
<td>54,400</td>
<td>135</td>
</tr>
<tr>
<td>Total</td>
<td>1,535</td>
<td>$69,325</td>
<td>62</td>
</tr>
</tbody>
</table>

EMERGENCY LOANS

Number and amount of crop and feed loans made Jan. 1, 1933, through Sept. 30, 1935, in counties comprising the Second Congressional District of Mississippi

<table>
<thead>
<tr>
<th>County</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>800</td>
<td>$82,714</td>
</tr>
<tr>
<td>De Soto</td>
<td>809</td>
<td>33,146</td>
</tr>
<tr>
<td>Lafayette</td>
<td>1,553</td>
<td>72,827</td>
</tr>
<tr>
<td>Marshall</td>
<td>2,528</td>
<td>141,391</td>
</tr>
<tr>
<td>Panola</td>
<td>951</td>
<td>38,958</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>1,482</td>
<td>117,940</td>
</tr>
<tr>
<td>Tate</td>
<td>831</td>
<td>38,576</td>
</tr>
<tr>
<td>Yalobusha</td>
<td>2,110</td>
<td>132,145</td>
</tr>
<tr>
<td>Union</td>
<td>1,690</td>
<td>62,630</td>
</tr>
<tr>
<td>Vicksburg</td>
<td>1,994</td>
<td>55,814</td>
</tr>
<tr>
<td>Total</td>
<td>13,757</td>
<td>869,900</td>
</tr>
</tbody>
</table>

Farm Credit Administration, Division of Finance and Research, April 3, 1936

No drought-relief loans.
When the A. A. A. program was scrapped and knocked out by the Supreme Court the first of this year, did this Congress and this administration throw up their hands and quit and say, "We cannot do anything to help the farmers of this country, because the Supreme Court has thrown around us such restrictions and limitations that we cannot legislate in behalf of agriculture"? No! A thousand times no.

My Committee on Agriculture went to work as we had never worked before, and today there is on the Federal statute books a law as the result of our efforts, designed to help agriculture, stabilize the price the farmer gets for his products, and pay the individual farmer and producer of crops direct benefits out of the Federal Treasury and at the same time save and protect his lands. But we cannot tax the processor for this specific purpose and make the present agricultural program pay its way and be self-sustaining as was the A. A. A. That is one great drawback and serious limitation placed upon Congress by the recent decision of the Supreme Court. This law that I helped to write, spoke for, and worked for, is a substitute for the A. A. A. and is known as the soil-conservation plan and temporary farm program, 1936-37, and provides for a permanent State farm plan beginning 1938, the success of which remains yet to be determined. It is the best we can do for the present. If it is carried on properly, wisely, effectively, as Congress intended it, this substitute A. A. A. will mean much to our district, State, and Nation. It will form the bedrock for a soil-rebuilding, conservation, and rehabilitation program that is so essential and vital to agriculture in general and to our district in particular.

III

NATIONAL FORESTS

Long before I came to Congress I was interested in agriculture, reforestation, soil-conservation, and flood-control problems. No work of this type had been undertaken by the Government in our section of the State except some flood protection along the Mississippi River.

I knew that, generally speaking, in our method of farming we were taking everything we could away from our lands and putting very little back in improvements on our lands. Such treatment of our lands would inevitably lead to wreck and ruin. That has been the universal history of every other country that pursued that policy. Only when the people realize that their lands are their greatest assets and should be so treated and used, can our prosperity be lasting and secure.

Our forests have been denuded, our timber ruthlessly cut and slaughtered. Our lands were washing away, and our floods each year were becoming more serious.

I knew it was a problem so big that only this Government could handle it with any degree of success, so I came to Congress with the determination to do my best to get the Federal Government interested in these vital problems. I felt I could better serve my Nation, State, and district as a member of the Committee on Agriculture than by being on any other committee in Congress. Mississippi had not had a member on this exclusive Committee on Agriculture for about 15 years. After serving my apprenticeship for several years on other committees of Congress, I was elevated by my colleagues to this great House Committee on Agriculture. I was happy, but we still had a Republican administration, and the Democrats had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself.
One of the national forest units established by my Com-
mission in Mississippi, as you will see from the foregoing
table, is located in the Second Congressional District and is
known as the Holly Springs National Forest unit and
embraces lands in Tippah, Union, Benton, Lafayette, and
Marshall Counties.

In addition to the land-acquisition program, the Govern-
ment is spending vast sums developing and improving the
Holly Springs National Forest unit from the time when the
Government has only wanted to purchase the land that
the farmer could not use profitably. The Government's pol-
icy is to buy the worn-out lands, the cut-over lands, the
submarginal lands, and the eroded lands, and convert these
lands into profitable and valuable lands and forests by
means of soil rehabilitation and reforestation. This is what
the Government is trying to do in my district with the
Holly Springs National Forest unit. Thousands of trees,
best adaptable to our soil and climatic conditions, have been
set out. Grasses have been planted, soil erosion has been
checked, water and drainage-control projects have been con-
structed, protection methods have been employed, fire-pre­
vention apparatus has been installed, look-out towers have
been erected, telephone lines have been built, good roads
have been made through the lands embracing the forest
unit, and other improvements resulting in the making
eminent of the Holly Springs National Forest unit.

This all takes time, money, and effort on the part of the
Government. We have no large tracts of cut-over lands in
our section. The purchases must necessarily be limited to
comparatively small acreage, which means a great deal of
title and abstract work, for the strict regulations of the
Government with reference to land titles complicate matters
and make it difficult for the Government to make much
progress in acquiring and paying for lands in our forest
unit. Our Commission realizes that it is one of the hardest
sections of the entire country in which to establish a na­
tional forest unit, but my contention is that no section of
the country anywhere is in greater need of a Government
forest than our district. The work and its value thus far
are there to show for themselves. If and when, in days to
come, the Government derives any revenue from this forest
unit, by sale of timber, grazing, hunting, recreation, or other­
wise, 25 percent of the gross returns to the Government is
paid by the Government into the general county funds of
the county in which the land is situated to be used and spent
by the respective counties for school and road improvements
which means a great deal of

This present Democratic administration, under the leader­
ship of a great President, is planning and working for the
benefit of generations yet unborn.

C. C. C. CAMPS

March 31, 1938, marks the third anniversary of the Civil­
ian Conservation Corps camps. This was one of the first of
the New Deal's projects and also one of the most benefi­
cial, successful, and far-reaching. The planning and
launching of this C. C. C. program was the brainchild of
President Franklin D. Roosevelt; Congress cooperated.
Various agencies of the Government took part in this un­
dertaking. Naturally, money for the first camps to be estab­
lished were to be located on Government-owned land. Some
States, particularly the South, had very little Government­
owned land. Mississippi at that time practically had no
tracts of Government-owned lands within its borders.

The C. C. C. did at that time own a little land in the
Homochitto National Forest, the first national-forest unit to
be established in Mississippi. But ever since I had been a
member of the National Forest Reservation Commission I
had been talking, planning, urging, and working to establish
a national-forest unit in my congressional district.

The original camps were located in Mississippi they were placed in or near
the already established Homochitto National Forest unit in
the Southwest Mississippi, and also within the proposed
contemplated national-forest unit that my Commission
elected to establish in north Mississippi within the upper
watershed of the Tallahatchie Basin. That is the reason that
the first C. C. C. camps to be located in Mississippi were, for
the major part, in two areas—the Homochitto area and the
upper Tallahatchie River Basin area, where we have
known as the Holly

My friends, whether it is generally known or not, that is
the main reason why the Second Congressional District was
originally selected for the location of most of Mississippi's
first C. C. C. camps. The counties of Marshall, Benton, Tipp­

pah, Union, Lafayette, Ponitico, Tate, and Panola were origi­
nally selected for establishment of the first C. C. C. camps in
Mississippi. Those counties, or a portion of them, were in
the upper watershed of the Tallahatchie River Basin,
and the contemplated forest unit in our section was being
considered to embrace a portion of the lands in these counties.

The forward development of determining the lands
lines of the Holly Springs Forest Unit that no lands in the
counties of Tate and Panola could be embraced in this forest
unit, for the reason that those two counties were not strictly
within the upper watershed of the Tallahatchie River Basin
and were located a little too far down in the Tallahatchie Basin, although C. C. C. camps had already been located in
those two counties—one at Tyro in Tate County and one near
Batesville in Panola County. That is the reason we were never
able to locate a C. C. C. camp in Tallahatchie County or in
De Soto County. Tallahatchie County was too far down in
the lower reaches of the Tallahatchie Basin, and De Soto
County was not in the watershed of the Tallahatchie River
at all. At that time only the upper watershed of the Tallah­
atchie Basin was considered in connection with the estab­
lishment of the proposed national-forest unit in our section
of Mississippi.

The C. C. C. program later developed so that, regardless
of whether or not the Government owned any lands at or
near where the C. C. C. camps were located, if the erosion
and soil-conservation element was serious, there would be a
class or type of camps known strictly as soil-conservation
camps which could be located on privately owned lands.

On account of this broadened phase of the program, we
were able recently, comparatively speaking, to have C. C. C.
camps located in Yalobusha County and Tate County.
These camps are known as soil-conservation camps. Those
camps that are located in our district in the upper water­
shed of the Tallahatchie but which are on lands that the
Government did not embrace in the forest unit that it later
established, are also known as soil conservation camps.
Those camps in our district located on Government-owned
lands within the Holly Springs National Forest unit are
called forest camps.

I appreciate immensely that after the Government actu­
ally began the purchase of lands within the confines of our
forest unit, the camp that was first established on this forest
land was named "Camp Wall Doxey."

We have all three types of camps in the Second Congres­
sional District of Mississippi—soil-conservation camps, na­
tional-forest camps, and a State-park camp. This last-

named camp is known as Spring Lake State Park Camp and
is located in Marshall County, and the plans are for this
Spring Lake State Park to be made one of the real show
places of our section of the country.

I understand that the State is committed to a certain amount of land
owned by the Government and the area involved, no congres­sional district in the United States has had located in it as
many C. C. C. camps as the Second Congressional District of
Mississippi. Each one of the 10 counties within the district
has had at least 1 camp located in it within the last 3 years, except the 3 counties of Tallaehatchie and De Soto, although I have done my best for each of these counties. However, De Soto is outside the watershed selected and Tallahatchie County is not within the badly eroded upper part of the Tallahatchie River watershed selected for the location of these camps. However, I have been for some time and am still working for resettlement and rehabilitation and soil-conservation developments in the basin of the Coldwater River. I hope before long these developments will be a reality. From time to time certain camps had to be abandoned in accordance with the Executive orders of the President to cut and reduce camps in order to conserve the available funds. We have had several camps abandoned in the district and later reestablished when funds became available for the purpose.

Although we all know the value of the work and the necessity for it, we are having a hard time obtaining funds with which to carry on the present C. C. C. program. Naturally when a reduction is found necessary and a reduction is ordered, Mississippi is required to take her pro-rata share of the cut, and as a result the cut falls heaviest in the Second District for the reason that we have all along and still have more C. C. C. camps in our district than in any other congressional district in the State. I am informed that my home town, Holly Springs, Miss., has the distinction of being the only town in the United States that has in it or right near it two World War veterans' C. C. C. camps.

No one regrets his district's losing a camp any more than I do. I know how hard it is to get a C. C. C. camp and I know the great work the camps are doing and what they mean to business and to the community in which they are located.

Just how many camps will be continued and how long the C. C. C. program will last no one at this time knows. However, I do feel that we are all thankful for what the program has already done for our district; and whether a camp was located in every community or not, we appreciate the fact that we got as many camps as we could, and certainly we did our best to keep what camps we had. We are now faced with conditions over which we have no control; and when a reduction in this program becomes necessary, it is incumbent upon us to take our share of the cut and make the best of it.

The number of Mississippi men working in C. C. C. camps has varied from time to time. On April 5, 1933, the Mississippi quota was set at 4,400. This was increased to 5,200 when the decision was reached in the spring of 1935 to expand the whole C. C. C. program. On August 31 Mississippi had a total of 12,239 men actually enrolled in C. C. C. camps. The strength of the C. C. C. nationally on that date was approximately 565,000. On February 1 the number of Mississippi men in C. C. C. camps was 9,660. On that date there were 9,821 men working in camps located in Mississippi.

Altogether, an aggregate of 20,657 young men from Mississippi have been enrolled in the Civilian Conservation Corps, from the beginning through February 1, 1936. Mississippi enrollees allotted home to dependents approximately $4,780,000 during this period out of their basic cash allowance of $30 a month.

Obligations for the State of Mississippi through December 31, 1935, were approximately $10,486,000.

The Second Congressional District of Mississippi has had the following C. C. C. camps, some of which are still being operated:

<table>
<thead>
<tr>
<th>Camp no.</th>
<th>County</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE-21</td>
<td>Parky</td>
<td>Batesville.</td>
</tr>
<tr>
<td>PE-24</td>
<td>Tate</td>
<td>Yalobusha.</td>
</tr>
<tr>
<td>PE-26</td>
<td>Tippah</td>
<td>Oxford.</td>
</tr>
<tr>
<td>PE-28</td>
<td>Tippah</td>
<td>Tippah.</td>
</tr>
<tr>
<td>PE-33</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-34</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-35</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-36</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-37</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-38</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-39</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-40</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
<tr>
<td>PE-41</td>
<td>Union</td>
<td>Holly Springs.</td>
</tr>
</tbody>
</table>

It is likely that finally on a very much reduced basis this C. C. C. program will be worked out as to give it a limited way a permanent status. Its purpose is to rehabilitate young men by giving them employment and advantages to prepare them for useful citizenship, as well as to help in a financial way their dependents at home. World War veterans and their families have also been benefited.

The part these camps have played in helping to solve the unemployment situation and giving our young men and soldiers a break, as well as the type of work they have done, make us realize it is a great program for a worthy cause during this depression.

Aside from saving lands and forests, these C. C. C. camps have greatly benefited young men in more ways than one. It is the aim of this administration to help the youth of this Nation, and with this in mind the National Youth Administration was created.

The allocations under the N. Y. A. for the student-aid program in Mississippi are as follows:

| School aid | $115,932 |
| College aid | 176,130 |
| Graduate aid | 675 |

The allocation for National Youth Administration work projects in Mississippi is $427,500, for the operation of recreational projects, rural-youth development projects, public-service projects, and research projects.

The student-aid program in Mississippi provided assistance to 5,733 students in February 1936, distributed to the high schools, colleges, and graduate schools.

Youth projects in Mississippi are employing 4,000 young men and women throughout the State. The following are typical projects in operation in the Second Congressional District:

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Number of youth</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public service</td>
<td>Panola County</td>
<td>1</td>
<td>$56</td>
</tr>
<tr>
<td>Recreation</td>
<td>Benton County</td>
<td>4</td>
<td>150</td>
</tr>
<tr>
<td>Do</td>
<td>De Soto County</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>Do</td>
<td>Marshall County</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Do</td>
<td>Panola County</td>
<td>4</td>
<td>200</td>
</tr>
<tr>
<td>Do</td>
<td>Tallahatchie</td>
<td>4</td>
<td>400</td>
</tr>
<tr>
<td>Do</td>
<td>Tate County</td>
<td>4</td>
<td>400</td>
</tr>
<tr>
<td>Do</td>
<td>Tippah</td>
<td>2</td>
<td>200</td>
</tr>
<tr>
<td>Do</td>
<td>Union County</td>
<td>4</td>
<td>400</td>
</tr>
<tr>
<td>Do</td>
<td>Yalobusha</td>
<td>4</td>
<td>600</td>
</tr>
<tr>
<td>Do</td>
<td>De Soto County</td>
<td>4</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td>2,790</td>
<td>20</td>
<td>4300</td>
</tr>
</tbody>
</table>

Flood Control

Our Government also provides for a limited number of qualified young men to enter the Naval Academy at Annapolis, Md., and the West Point Military Academy at West Point, N. Y.

I have been able during my service in Congress to offer an appointment to either the Naval Academy or the West Point Military Academy to some boy in each county of our district. It is estimated that the cost to the Government for a 4-year course at either academy is approximately $12,000.

Flood Control—Sardis Reservoir

The flood situation in what is known as the backwater area of Mississippi has always been a serious problem for
our district. Local interests have spent a great deal of money for flood protection in our district, but we never could get the Federal Government to consider it a national or Federal problem and help us in the "backwater area." The Government took the position that our rivers were not navigable; that is, they were not necessary to the navigation of the Nation, and therefore the Government had no jurisdiction over them even though they were tributaries of the Mississippi River. The Government had many surveys made of the rivers and conditions in our section of the State but every report made by the Government and Army Engineers was unfavorable and carried the specific recommendation that it was a local flood problem and not one suitable for a Federal project. And all the funds that had been allocated. As stated, those of us interested in this project have contacted everybody we thought could possibly help us with it from the President on down. I personally never missed an opportunity to bring it to the President's attention. I even discussed it with him several evenings at the Executive mansion the evening we held the expenses suppers at the White House with the President and Mrs. Roosevelt. I know President Roosevelt is our friend; he is with us, and is entirely appreciative of our position, but there is just no Federal fund available for this purpose at the time.

All the public-works money appropriated by Congress has been allocated, so Members of both the Senate and the House interested in our project have been, are, and will continue to do everything in their power to provide and secure the necessary funds in order that the Government may buy this necessary land, and begin construction of the reservoir and the necessary works. However, so far the efforts of all of us combined have not been able to pass the necessary appropriation in Congress for this purpose, nor has the President been able to find any funds at his disposal so that by Executive order he could provide additional funds sufficient to purchase the land and insure construction of the reservoir. It will take nearly $2,000,000 to purchase the lands at the figures set forth in the options already signed by the landowners. It will take something like at least $9,000,000 to complete the construction of the reservoir proper. The Army Engineers and other authorities are not going to recommend that the Government take any further steps until sufficient Government funds are in hand so as to make certain that if and when the Sardis Reservoir is undertaken to be constructed by the Government, it will be sure to be completed. It is estimated that it will require 2 years to complete the project and that it will give employment to 5,000 persons and that the total cost to the Government, including the purchasing of the land, which will be about 100,000 acres, will be something over $10,000,000. This is the first project of its kind anywhere in the South on which even this much progress has been made. Both Mississippi Senators, all seven Mississippi Congressmen, and all our local interests are doing everything in their power to definitely secure sufficient funds to construct the Sardis Reservoir as soon as possible. The construction of this reservoir means the beginning of a real and far-reaching flood-control program for our section of the country. Without it, it is going to be nearly impossible for us to get any other kind of Government flood relief in our backwater area. This Sardis Reservoir is the key to our flood problem in the backwater area of Mississippi.

If and when the construction of the Sardis Reservoir is assured and truly gets under way, then there will be some change for us in our section to get other, further, extra, and possibly different Federal flood-control projects for our district and the entire backwater area. We all realize the importance and necessity for this reservoir and all of us are doing everything in our power to secure this project as soon as possible. We have a fight and a hard one, but we have gone a long way in our efforts to obtain this project. This time last year there were no signs of encouragement with regard to it. Today all preliminary steps have been taken and approved. If we can now obtain sufficient additional Government funds to insure the completion of this project, we may have the Sardis Reservoir before the end of 30 days after we get the money for this purpose. Securing Government funds is now the problem. Believe me, it is a real problem, for this administration is reducing expenditures and cutting and slashing the use of Government funds in all directions. All kinds of programs and public works are
being discontinued and abandoned. No new ones are being started. Economy, reform, reduction, retrenchment seem to be the order of the day, and I am for it strongly.

VI

PUBLIC WORKS AND BUILDINGS

Since the inauguration of the public-works program, our State has received comparatively a small distribution of the funds, mainly for the reasons that local interests were unable to match Government funds as the requirements of the public-works program were that public-work projects woven into the community welfare be instituted either by the Government extending Federal aid, under certain conditions, "grants only," "loans and grants," and "loans only." Nevertheless, the Second Congressional District has shared fairly well on the type of projects on which the Government has furnished the major portion of the funds needed. Quite a number of new schools have been constructed and repaired; several light plants, waterworks, sewerage, and paving projects have been begun in a number of our towns. Some other public works of value and importance to the communities, villages, towns, and counties are under construction, but none that especially stand out as general public improvements except two, namely, the enlarging and remodeling of the Federal building at Oxford and the new post-office building to be constructed at New Albany, Miss.

These two permanent public-building projects are paid for entirely by the Government. The remodeling of the Federal building at Oxford will cost $35,500, and the estimated total cost of the new equipment for this building is $4,261.

The new post-office building at New Albany will cost approximately $68,000, including the site that was purchased by the Government for $12,000.

These are both great assets to our district. The fine and convenient Federal building at Oxford will serve the public and the citizens of the entire northern section of Mississippi. The real fight was begun for this building when as a new Member of Congress I was on the Committee on Public Buildings and Grounds. The Republicans were then in power and I had to have help from my Republican friends and I got it. Congressman Dick Elliott, a Republican from Indiana, was then chairman of the House Committee on Public Buildings and Grounds. I was one of the Democrats on his committee, but we were friends. He went with me to see President Hoover and other high Republican officials in an effort then to get sufficient funds to improve the Federal building at Oxford. Federal law forbids the President to accept gifts from private citizens. Enough of my Republican friends then among the leaders of Congress helped me to obtain an authorization of $70,000 to be used to remodel this building at Oxford. This authorization was passed by a Republican Congress and approved by a Republican President in 1931. However, I was never able to get the actual money appropriated and set aside for this specific purpose until the Democrats came into power.

This handsome Federal building at Oxford will soon be completed and stands as a credit and monument to our district.

I have introduced in Congress bills to construct new post-office buildings at Ripley and Charleston, Miss., as well as at New Albany, but I was not able to get very far in securing a new post-office building for any town in the Second District except New Albany, for the reason that unless the receipts of a post-office amount to more than $10,000 a year no serious consideration could be given to the construction of a Federal building for the post office in that town. None of the post offices in the Second District at that time had yearly receipts amounting to more than $10,000, except those towns already having Federal buildings.

However, I am happy to say that the prospects now are that there will be some office in our district where the postal receipts will show an increase to more than $10,000 yearly, and I have just succeeded in getting the Post Office Department to have surveys made of the situation at both Ripley and Charleston, in an effort to get a new post-office building at one or both of these places.

VII

EMERGENCY RELIEF AND WORKS PROGRESS ADMINISTRATION

In an effort to carry out our President's desire that no one should go hungry in this great Nation of ours, Congress, on May 12, 1933, enacted the Federal Emergency Relief Act. Under this act the total emergency relief expenditures for the State of Mississippi during 1933, 1934, and 1935 were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount</th>
<th>Federal Funds</th>
<th>State Funds</th>
<th>Local Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933</td>
<td>$655,339</td>
<td>$594,201</td>
<td>$61,140</td>
<td>$10,000</td>
</tr>
<tr>
<td>1934</td>
<td>$12,500,000</td>
<td>$11,617,798</td>
<td>$227,500</td>
<td>$145,000</td>
</tr>
<tr>
<td>1935</td>
<td>$10,041,490</td>
<td>$9,713,575</td>
<td>$326,000</td>
<td>$41,945</td>
</tr>
<tr>
<td>Total</td>
<td>$32,598,711</td>
<td>$32,168,084</td>
<td>$429,000</td>
<td>$113,500</td>
</tr>
</tbody>
</table>

Of these amounts the Second Congressional District received the following:

FEDERAL EMERGENCY RELIEF ADMINISTRATION

Amount of obligations incurred for emergency relief by sources of funds for the counties in the Second Congressional District of Mississippi, April-December 1933 and calendar years 1934 and 1935

<table>
<thead>
<tr>
<th>County</th>
<th>Total Amount</th>
<th>Federal Funds</th>
<th>State funds</th>
<th>Local funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>$214,719</td>
<td>$209,066</td>
<td>$5,653</td>
<td>$2,681</td>
</tr>
<tr>
<td>DeSoto</td>
<td>$163,964</td>
<td>$157,863</td>
<td>$6,100</td>
<td>$9,960</td>
</tr>
<tr>
<td>Lakeport</td>
<td>$223,416</td>
<td>$212,470</td>
<td>$9,942</td>
<td>$1,034</td>
</tr>
<tr>
<td>Marshall</td>
<td>$182,541</td>
<td>$168,720</td>
<td>$7,821</td>
<td>$6,000</td>
</tr>
<tr>
<td>Panola</td>
<td>$204,277</td>
<td>$193,666</td>
<td>$8,611</td>
<td>$18,000</td>
</tr>
<tr>
<td>Tallahatchie</td>
<td>$157,209</td>
<td>$146,071</td>
<td>$11,128</td>
<td>$1,000</td>
</tr>
<tr>
<td>Tate</td>
<td>$185,347</td>
<td>$175,160</td>
<td>$10,187</td>
<td>$1,000</td>
</tr>
<tr>
<td>Tippah</td>
<td>$232,912</td>
<td>$218,964</td>
<td>$9,948</td>
<td>$2,000</td>
</tr>
<tr>
<td>Yalobusha</td>
<td>$251,629</td>
<td>$235,061</td>
<td>$9,568</td>
<td>$7,000</td>
</tr>
</tbody>
</table>

1 Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as teams and truck hire) earnings of non-relief persons employed, and other expenses incidental to the emergency work relief program.

However, the number of people without employment constantly increased the relief rolls until it was growing to such proportions that the Government thought it best for the morale of the people to adopt some plan whereby people could be taken off the relief rolls and be given an opportunity to earn their support or to learn a trade over. Thus, it was that the W.P.A. came into being, and the fundamental principles with regard to the W.P.A. program were that the projects should be useful and of such a nature that a considerable proportion of the money spent would go into wages for labor; also, that all projects must be of a character to give employment to "those on the relief rolls" and that the projects must be allocated to localities or relief areas in relation to the number of workers on relief rolls in those areas.

In the beginning the stipulation was that all projects must employ at least 90 percent of their labor from relief rolls. This prevented many worthy projects being established in our district. In fact, last fall there was a great deal of uncertainty and dissatisfaction attending this W.P.A. program in Mississippi, so a month before Congress convened I left home and came to Washington, as I knew there were many matters that I could handle better by contacting the various authorities of the departments here in person than I could by staying down home and writing or wiring them. One of the first things I did on my arrival in Washington was to contact the W.P.A. authorities in an effort to get our W.P.A. program in Mississippi functioning in a satisfactory and proper manner. The authorities here made concessions to Mississippi that were made to very few States in the Union. A drought area was created within the State of Mississippi during 1933, 1934, and 1935 for which the Government thought drought-stricken farmers might be eligible for work on W.P.A. projects, even though they had not been on the
relief rolls; this meant that more people would be put to work and that more money would be spent in the District than would have been otherwise.

As a further effort along this line, I introduced on the first day of this session of Congress—January 3, 1936—a House joint resolution, No. 427, providing that on account of the drought and other conditions of nature over which we had no control, the rules and regulations then in effect as to who was eligible to be placed on the relief rolls and be put to work on the W. P. A. projects should be modified so as to include those persons living in drought- and flood-stricken areas who were not on the relief rolls but who were in need of help, and others who were willing to work although not on relief.

On orders issued by Mr. Harry Hopkins, the National Director of the Works Progress Administration in Washington, 10,000 additional persons were added to the eligible rolls of Mississippi for W. P. A. employment. Every county within our district was included, within what was designated as the "drought-stricken area," and about two million more dollars was allocated to Mississippi to be spent for additional relief—employment purposes under State supervision.

The entire Mississippi delegation, including both Senators and Congressmen, have at all times done the very best thing they could to obtain for Mississippi its fair share of this Federal relief money. For what and how it has been spent is a matter absolutely and entirely within the jurisdiction of the State authorities.

Federal participation in W. P. A. in our State is under the control and supervision of Dr. Wayne Alliston, the State director of the Works Progress Administration for Mississippi.

Obviously no office in Washington could undertake to earmark or designate which project in a State should be given the priority and hence which project in a State should be designated for actual construction or who is to work on the W. P. A. director—Dr. Alliston—and those working under him.

Congressmen have nothing whatever to do with what projects are selected for construction or who is to work on them or who is to have jobs in the various set-ups. All that has been turned over to the Works Progress director of the State is that Congress does or can do is to enact the law that will furnish the money for the work. That is what we have been doing. The administration of the law is entirely within the hands of State officials. Again, I repeat—the selection of the projects to be put into operation and the selection of the individuals who are put to work on projects is left wholly up to the State and local authorities, and the Congressmen have nothing whatever to do with the same.

There have been many substantial and worth-while projects in our district selected and some constructed with Government funds by State W. P. A. officials—farm-to-market roads, school buildings and repairs on some; county, town, and village improvements of various kinds—and I trust some cold-storage plants, county agricultural buildings, National Guard armories, airports, recreational centers, and other permanent improvements that have already been approved by both State and Federal authorities will be established, even though they have not as yet been finally selected and designated for actual construction by the State Works Progress administrator of Mississippi, Dr. Wayne Alliston, with whom is lodged the final authority to order these projects to be undertaken and constructed.

In Washington than will ever be finally selected and constructed out of W. P. A. funds. More applications were approved than funds were available for in order to give the State Works Progress administrators a flexible program, so that they would have a great number of projects to pick from in the selection and construction of the relatively few projects that will be finally completed with relief labor and paid for by the Government.

The Second Congressional District of Mississippi has thus far received a considerable portion of Federal funds spent for this type of relief.

Congress has provided other forms of relief, some paid for entirely out of Federal funds. Other relief measures enacted by Congress require the State also to provide State funds before the program can be put into operation.

One particular example of this type of relief where matching Government funds with State funds is required is the social-security program. That law enacted by Congress to provide for State funds before the program can be put into operation.

The provisions of the Social Security Act make possible a number of distinct though related measures for social security grouped into about six general divisions, namely, (1) old-age assistance and old-age; (2) unemployment compensation; (3) security for children; (4) aid to the blind; (5) extension of Public Health Service; (6) vocational rehabilitation.

In order for the people of a particular State to participate in these benefits, the State legislatures must enact State laws best suited to their particular State's local conditions and peculiar problems and provide for the use of State funds. For example, until the recent session of the Mississippi State Legislature, no aged citizen of Mississippi could secure any old-age benefits. Our legislature in March of this year passed an old-age-pension law and provided a million dollars to be used for the benefit of the needy old and aged individuals of our State who come within the provisions of the law just passed by our State legislature.

The Federal Government will match on a 50-50 basis every dollar spent by the State for old-age assistance but will not contribute more than $15 per month for any one individual. In other words, if the State pays $15 per person, the Government will match it with $15 Federal funds, but no more. Of course, if the State pays up less, the Government will put up a like amount of money. When this matter was before Congress, many of us, especially those Members in Congress representing Southern States, endeavored to have the law enacted so as to require no matching by the State and require the Federal Government to put up all the money, not to exceed the amount of $30 per month for each old person eligible for the pension under the law and the regulations established. We failed after a hard fight.

The Mississippi delegation in Congress realized it would be a hard problem for our State to be able to match these Federal funds. However, now Mississippi has provided a million dollars for this purpose. What amount that will be for each worthy old person who comes within the provisions of the law, I do not know. The State administers the law, and it is handled in accordance with the State law by State officials. The plan no doubt will soon be worked out and be administered by the State agencies as to the amount to be paid to each aged person in Mississippi qualifying under the law.

In this connection Mississippi has already received under the Social Security Act for the months of February and March of 1936, the following:

<table>
<thead>
<tr>
<th>Type of Relief</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age assistance</td>
<td>$175,000</td>
</tr>
<tr>
<td>Aid to the blind</td>
<td>$8,400</td>
</tr>
<tr>
<td>Aid to children</td>
<td>$183,750</td>
</tr>
<tr>
<td>Total</td>
<td>$268,750</td>
</tr>
</tbody>
</table>

Grant for old-age assistance __________ $175,000
Administrative grant ________________ $8,400

In addition to the aid to old-age assistance Mississippi receive $20,400.10 from the Social Security Board, United States Treasury.

The State of Mississippi has received from the Federal Government through the Children's Bureau during the present fiscal year $28,400.10. This sum is the first payment to the State under the grants-in-aid provisions of the Social Security Act.

Old-age assistance

<table>
<thead>
<tr>
<th>Type of Relief</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age assistance</td>
<td>$175,000</td>
</tr>
<tr>
<td>Aid to the blind</td>
<td>$8,400</td>
</tr>
<tr>
<td>Aid to children</td>
<td>$183,750</td>
</tr>
<tr>
<td>Total</td>
<td>$268,750</td>
</tr>
</tbody>
</table>
Security Act concerned with maternal and child health. Another payment of $30,600.34 will be made to Mississippi for this same purpose prior to June 30, 1936. The appropriation for carrying out the provisions of the Social Security Act became available on February 11, 1936. Prior to this date the Children's Bureau had no responsibility for administering grants-in-aid measures, and there were to be no payments to Mississippi for earlier years.

The amount of expenditures of the Public Health Service in the State of Mississippi for each of the last 6 years is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>$63,943</td>
</tr>
<tr>
<td>1931</td>
<td>$62,430</td>
</tr>
<tr>
<td>1932</td>
<td>$71,342</td>
</tr>
<tr>
<td>1933</td>
<td>$105,328</td>
</tr>
<tr>
<td>1934</td>
<td>$78,188</td>
</tr>
<tr>
<td>1935</td>
<td>$92,927</td>
</tr>
</tbody>
</table>

The large expenditure during the fiscal year 1932 was on account of a special appropriation made by Congress for public-health work in drought-stricken areas.

The other related provisions of the Social Security Act depend upon State laws functioning in a similar manner as the old-age-pension plan.

The philosophy of this type of legislation is looking forward to and endeavoring to give security to the citizenship of this country. One of the outstanding pieces of legislation of the year 1932 along this line has been the creation of the Federal Deposit Insurance Corporation. We all know the chaotic condition facing this country in March 1933. Banks were failing and closing throughout the country, and in our district the bank failures had affected many of us in a most disastrous manner. It was a most serious problem, but the new administration took hold of the situation and Congress fashioned and enacted a measure whereby our banks were put on a more stable basis and your deposits today are guaranteed up to the amount of $5,000. We have the best and strongest Federal banking system today that this country has ever known, and it has been the purpose of this administration to protect the depositors in their life savings and to insure that the banking concerns that hold themselves out to do business with the people are on a firm, solid basis.

VIII. VETERANS’ BENEFITS—SOLDIERS’ BONUS

All during my public career I have never missed an opportunity to do what I could, under the circumstances, for any and all soldiers, their wives, children, and dependents.

Since I have been in Congress I have maintained and kept my personal interest in the year round both at home and in Washington. Through each office there has been handed a great volume of business for the veterans of all wars, their wives, children, and dependents. There are many, many things that we tried and wanted to do for the veterans that we were unable to do—just could not do them under the circumstances, laws, rules, and regulations. Ever since I have been in Congress I have worked for the bonus—signed petitions and discharge motions, attended various conferences and caucuses, made speeches, cooperated in every way I could, and voted every time for the immediate cash payment of the so-called “soldier’s bonus.” Today it is a reality. The World War Veterans have their bonus in cash or if will have it in cash on June 15, 1936, if they want it.

In my own State—Mississippi—36,802 World War veterans will receive $19,308,411.76, approximately.

The veterans of the 10 counties comprising the Second Congressional District of Mississippi will receive approximately the following amounts by counties:

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton County</td>
<td>$94,322.56</td>
</tr>
<tr>
<td>De Soto County</td>
<td>$240,000</td>
</tr>
<tr>
<td>Lafayette County</td>
<td>$341,797.62</td>
</tr>
<tr>
<td>Marshall County</td>
<td>$333,040.83</td>
</tr>
<tr>
<td>Panola County</td>
<td>$275,364.58</td>
</tr>
<tr>
<td>Tullahoma County</td>
<td>$167,638.68</td>
</tr>
<tr>
<td>Tate County</td>
<td>$170,940.70</td>
</tr>
<tr>
<td>Tippah County</td>
<td>$244,428.92</td>
</tr>
<tr>
<td>Yalobusha County</td>
<td>$170,613.00</td>
</tr>
</tbody>
</table>

Total of veterans of Second Congressional District of Mississippi... 2,109,381.97

With more than $2,000,000 distributed for this purpose in our district at this time, everybody should be benefited. It is estimated that there will be a turnover of the money within the next 12 months of something like eight times. That means that this money will pay bills; provide for the necessities of life; purchase comforts for men, women, and children; create business; satisfy mortgages on homes and mortgages on personal property; and, in general, make life more worth while.

The statisticians say that the payment of the bonus throughout the entire country will cause this bonus money to do $16,000,000,000 worth of additional business in the United States within the next year. It belongs to the World War veterans and their families, and I am happy to say that I had the privilege of helping the veterans get their bonus, along with many other benefits, such as disability allowances, compensation benefits, insurance benefits, funeral expenses, and so forth.

Whether Congress was in session or not, I stayed on the job and did the best I could at all times.

Aside from the amount of bonus mentioned above, the following statement indicates the approximate disbursements for veterans and dependents of deceased veterans of all wars for the fiscal years 1932, 1933, and 1934 for the State of Mississippi:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>$2,212,423.00</td>
</tr>
<tr>
<td>1933</td>
<td>$2,309,019.00</td>
</tr>
<tr>
<td>1934</td>
<td>$1,996,029.00</td>
</tr>
<tr>
<td>1935</td>
<td>$1,399,749.00</td>
</tr>
</tbody>
</table>

IX. ROADS

Everybody has worked for good roads in Mississippi. From many standpoints we have already accomplished much in road building in our State. Mississippi has a highly satisfactory system of what is known as “secondary roads.” Most all the roads in our district are graded and surfaced. Any time of the year—in all kinds of weather—nearly all the roads through the rural sections are passable. The reason we are held up to criticism as a State and district with regard to roads is on account of our main trunk lines designated as “through Federal highways” being for the most part gravelled and not concreted. The conditions and the times demand that especially the main Federal highways be concreted. In our district, much money—county, State, and Federal funds—has already been spent on our good-roads program. The Government has certainly been generous in allocating Federal funds for road construction in Mississippi, as is shown by the following figures:

Federal highway funds apportioned to Mississippi by the Secretary of Agriculture, fiscal years 1929 to 1936, inclusive

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Regular</th>
<th>Emergency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>$1,300,720.00</td>
<td>$1,344,239.00</td>
<td>$2,644,959.00</td>
</tr>
<tr>
<td>1933</td>
<td>$1,317,326.00</td>
<td>$1,393,361.00</td>
<td>$2,710,687.00</td>
</tr>
<tr>
<td>1934</td>
<td>$1,217,423.00</td>
<td>$1,344,239.00</td>
<td>$2,561,662.00</td>
</tr>
<tr>
<td>1935</td>
<td>$1,399,749.00</td>
<td>$1,399,749.00</td>
<td>$2,799,508.00</td>
</tr>
<tr>
<td>Total</td>
<td>$7,764,929.00</td>
<td>$7,764,929.00</td>
<td>$15,539,858.00</td>
</tr>
</tbody>
</table>

1 Includes expenditures incident to the maintenance and operation of all offices and hospitals, all forms of medical, hospital, and domiciliary care.
These figures do not include funds recently made available to Mississippi under the $40,000,000 road program.

Already a part of Federal Highway 51 and a portion of Federal Highway 78 in our district are concreted. I feel certain that under the present $40,000,000 State road-building program at least these two main highways will be entirely concreted. Then the Second Congressional District which least have a concrete highway running north and south and a main highway east and west completely concreted throughout our district.

Under this present program, it may be possible that other main highways in our district may be concreted. I hope so. But that remains yet to be seen. It has taken a great deal of time, labor, and cooperation on the part of us all to procure the present $40,000,000 road program for Mississippi. Our Governor, our State legislature, and all officials certainly did a good job and cooperated in a wonderful fashion. Our United States Senators and all Mississippi Congressmen worked at this job continuously not only during the sessions of Congress but during the recess of Congress. Through this cooperative effort we secured an outright gift or grant from the Federal Government of $15,000,000 for Mississippi, which made possible this present Mississippi $40,000,000 road program. In addition, the Federal Government loaned to Mississippi on long terms, at a low rate of interest, the sum of $18,500,000. Securing about $33,500,000 from the Federal Government to build roads in any State is quite an accomplishment. It is also going to be a serious and responsible task to properly administer and execute this road program which has been placed in the hands of State officials.

May our great State and our splendid district obtain worth-while results and receive full, adequate, just, and fair value for the money to be expended in this progressive good-roads program in Mississippi.

X

T. V. A.—RURAL ELECTRIFICATION

When I first came to Congress one of the vital issues before it was the "development of Muscle Shoals." Nothing had been done with that great natural and national asset except the developments as a wartime project, resulting from the passage of a wartime measure by Congress, under the Wilson administration.

After the World War, when the Democrats went out of power and a Republican administration was ushered in, the development of this great project came to a standstill. Both President Coolidge and President Hoover vetoed legislation passed by Congress for the further development of Muscle Shoals. Never were we able to do anything until the Democrats regained control of this Government and Mr. Franklin Delano Roosevelt occupied the White House as our Chief Executive. Since then we have been able to go places and do things. The first session of Congress under this Democratic administration passed legislation to develop Muscle Shoals and created the Tennessee Valley Authority, briefly referred to as the T. V. A. This development has been marvelous, and the work of the T. V. A. has been unsurpassed. From the beginning, a portion of our State—the northeastern part of Mississippi—was included within the area known as the T. V. A. area. At first, no territory embraced within the Second Congressional District of Mississippi was designated within the immediate T. V. A. development area. However, a project as big and as far-reaching as the T. V. A. necessarily will reach out and expand. As the construction of the various dams progressed, additional legislation by Congress was enacted and more Federal funds provided, which permitted other territory to be added to the Tennessee Valley area, and plans for development of our particular area began.

This expansion was reaching our way, and about 18 months ago the northeastern part of our district was included within this immediate T. V. A. area. Power and electrification developments by the T. V. A. started in portions of Union, Tippah, Benton, and Marshall Counties of Mississippi. Since then rapid strides have been made in this territory by T. V. A. Today with the city of New Albany, the county site of Union County, as the central distributing center for T. V. A. power and electrical energy in this section of our district, a new era is at hand for the people in this section of Mississippi.

Within the near future my home town of Holly Springs, Miss., will be also one of the central distributing cities for T. V. A. power. From time to time as additional territory is included within the T. V. A. area, other towns and counties in our district will be receiving T. V. A. power if they want it and go after it whole-heartedly. To my mind, the time is not far distant when all the territory comprising the Second Congressional District of Mississippi will have the opportunity to secure the wonderful advantages of T. V. A. Whether or not the terms and conditions incident to T. V. A. contracts are agreed to by the towns and counties offered this opportunity is a matter entirely in the hands of the people and the local authorities to accept or reject if and when the T. V. A. contract is tendered them. The purpose of the T. V. A. is to benefit the country people as well as the town people. The T. V. A. facilities afforded the towns as distributing centers will be a free gift in order to distribute power lines throughout our rural districts for rural electrification. T. V. A. is the cheapest electrical power obtainable. That is an important factor in rural electrification.

Judge the future by the past. Wherever T. V. A. has gone, satisfaction has reigned. Cheap power and electricity mean more to both the city and the country development than any other one thing. T. V. A. promotes industry. It denotes progress. It insures the best for the least. It brings happiness. It relieves drudgery. It holds out the many benefits of cheap electrical energy to every home both in the cities and in the country. It will revolutionize our way of living and cause the eyes of the world to be on us. This T. V. A. development is just in its infancy. So is rural electrification.

The many and varied benefits of rural electrification in our district are just beginning to be felt. May it spread until every home in our district enjoys the blessings it has in store for us. Advancement, achievement, progress, and prosperity follow T. V. A. and rural electrification. It is an opportunity of a lifetime and makes living more worth while. Our district is indeed fortunate to have T. V. A. within its reach. To say that I am for it and have done everything I could to help make it possible to us is in no way childish. I have worked every day, in season and out of season, for the development of the Tennessee Valley Authority. I was present when this case was argued in the Supreme Court of the United States. I was there when the decision of the Court was rendered by Chief Justice Hughes. I heard the only Judge out of the nine Justices—Mr. Justice McReynolds—dissent.

A few weeks before, when I heard this same Court by a divided opinion of 6 to 3 declare our Agricultural Adjustment Act unconstitutional, I was distressed. I said then that the A. A. A. decision is a blow to us, but we can still do something for agriculture and enact a law as a substitute for the A. A. A., but if that Supreme Court declares the T. V. A. unconstitutional there is no hope of Congress passing a law as a substitute for the T. V. A., so when the Supreme Court upheld the constitutionality of the T. V. A., I was indeed happy.

In my judgment, there will yet be other legal attacks made upon T. V. A. The Supreme Court only passed upon a case where the facts involved Wilson Dam and its operation. That development was begun and completed during the World War, with its main purpose—national defense; these other developments such as Norris Dam, Wheeler Dam, and Pickwick Dam are being developed on different issues of fact as well as of law. I am certain that the Supreme Court of the United States will before long be called upon to decide these issues.

No one knows what, when, and how these issues will be presented to the Court. The Supreme Court will decide them. Therefore I trust the people of my
district and my State will at their first opportunity take advantage of T. V. A. If and when the opportunity is given to us by this governmental agency, when we get T. V. A., it will be hard to take it away from us. However, until we do get it, there is always a chance of us not getting it.

One development leads to another. The entire program sponsored by this administration is interrelated and applies to all classes and affects directly or indirectly all persons and the T. V. A. and rural electrification distributed to the farm homes of our district, we are in a better position to obtain a real Government rural resettlement project. I have been working on this resettlement program for our district ever since it was established by this present administration. We have felt some of its benefits by virtue of the Government renting some lands and endeavoring in every county in our district to rehabilitate some of our destitute farmers, but to date we have not been successful in getting a permanent resettlement colony established in our district, although examinations, surveys, and investigations have been made in various parts of our district; however, when these reports were compared by Washington officials with the reports of other districts making application for resettlement colonies, it was found that our district by comparison with the other districts did not show the need or the facilities or the land eligible for such projects that the other districts did. This is often the great stumbling block with the reports of other districts making application for resettlement colonies; that is, the authorities can handle just so many of a certain type of project; they consider all the applications—all the cases—and compare the merits of each one with the merits of all the rest. Then begins the process of selecting the one best meeting all the requirements in this process the case that looked so favorable from a local standpoint has not a chance when compared with all the other cases. And that is exactly what happened with the several applications I presented from our district to the Resettlement Administration in Washington.

It has been this in a way the only governmental activity under this New Deal program applicable to all to the conditions of our district that has not been securely located and operated within our district to date. It may be later that we will be successful in this regard as this resettlement program progresses.

Along this line there is now before my committee bills proposing "To establish the Farmers' Home Corporation, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide rural rehabilitation and additional credit facilities for agricultural development and for tenant farmers, and for other purposes." The membership of the House Committee on Agriculture has been working on this farm-tenant problem for quite a while. We realize it is a most serious and urgent problem, but it is going to take time, money, effort, and cooperation to get a satisfactory farm-tenant bill passed by Congress. I realize that the quicker we have more home owners and less tenancy in this country the better off this country will be. However, at this time we are faced with much opposition and it is going to take time to overcome this strong opposition.

Some important farm legislation will necessarily have to go over until the next Congress, and I am afraid that this is what will happen to the farm-tenant bill that is now being considered by my Committee on Agriculture. I am for home ownership in this country and am doing all I can to keep this a great commitment by Governments as soon as possible.

In conclusion I give a brief summary of the many benefits that have poured into the State of Mississippi since Franklin Delano Roosevelt took office as the head of this great Nation.
These surpluses come, of course, out of profits. Profits arise from many sources, but the outstanding source in industrial production, of course, is the reduction of cost of production. The reduction in unit costs is largely due to the decreased cost of labor per unit of production. The lower labor costs may be, and usually are, due to improved machinery, which lessens the man-hours of labor applied to the making of the product. This may be a blessing to all mankind, and it could be if human welfare had any reasonable consideration in industry. But, unfortunately, the introduction of labor-saving machinery results in the throwing of men and women out of work and the consequent reduction of public purchasing power.

While, tragically, labor-saving machinery has increased profits and has reduced the share of labor in the products of industry, and in many cases the stockholders in the industrial corporations have not received their fair share of the increased profits. Instead a large part of the profits are held in surpluses.

This is the crux of our failure to achieve and maintain general prosperity in the midst of plenty. I cannot over-emphasize this. It is basic; it is the most potent cause of low wages, of the long workweek, unemployment, poverty, and the threatened collapse of our whole system. In striking these words, we are striking at the root of the economic evil. Thus it is not merely a revenue bill we have before us, but an enlightened and tremendously vital effort to bring about an absolutely necessary readjustment of the distribution of income in this country.

In industry, the lowering of costs should be immediately reflected in higher dividends, higher wages, and lower prices to consumers. Why? First, in the interest of justice to consumers and to labor. Second, in order to stimulate consumption and keep business on an even keel. It needs no argument to make clear the basic fact that in a machine age, with large-scale production, there must be large-scale consumption, and that this is not possible if a large part of the returns from production is put into excessive surpluses.

What happens to such excessive surpluses was clearly and tragically demonstrated in the boom years ending with the collapse in 1929. Business was good; costs were low; profits were high. Surpluses mounted. The speculative fever was rampant—due to excessive profits. New business enterprises were started; investments in stocks and bonds daily increased. These caused a demand for loans. Interest rates soared so high that even conservative firms began loaning from surpluses. And then it broke. With the collapse, millions of dollars loaned from surpluses were lost. Thus the excessive surpluses first stimulated speculation and then were lost in the collapse. Every economist will tell you that this money should never have been in the market; that, in fact, it never should have been gotten together in surpluses. Instead, it should have been paid out week after week to labor, or should have been avoided through the lowering of prices to consumers and the increase of legitimate dividends to investors.

If this policy had been followed by big business, the increased purchases by the consuming public and especially by wage earners and investors would have kept business going. There would have been no such monstrous speculative frenzy and no tragic collapse.

As it was the collapse caused the laying off of millions of workers and the partial or complete closing of thousands of plants. Now, one of the great losses suffered by industry was that due to excessive plant expansion. This was one of the ways of avoiding just taxation. The depression closed the new and unnecessary additions to the plants.obsoleted and reduced their value before the slow revival came. Nobody profited; everybody lost.

The tragic mistake that our industrial and business leaders have made during these many years is to think they could play an entirely selfish game and get away with it. If profits are reflected in larger dividends, all business is stimulated. If profits are shared with labor, more purchasing power is created for the products of industry. This is the basic fact in our machine age. It must be recognized and accepted if our system is not to collapse.

If such a policy were followed, those men and women who are displaced by the machine in one industry would easily and quickly be transferred to other employment, created by increased purchasing power in the hands of workers and of the public generally. We can well employ more people to produce luxuries not for the few but for the multitude. We can support more professional people, more teachers, doctors, dentists, nurses, lawyers. There will be plenty of employment for all, plenty of services to be rendered when the people have incomes that will enable them to be rounded and comfortable.

It is clear that taxing excessive surpluses will give a wider distribution of purchasing power to investors. I think it is a fair assumption that taxing excessive surpluses will tend to cause corporations to turn away from the effort to make excessive profits, for there is a peak beyond which dividends cannot safely soar. One of two alternatives will have to be considered as to profits. The first is to share with labor, either through higher wages, a shorter workweek, or direct profit sharing. The second is to reduce prices to consumers. Either is highly desirable from the standpoint of public interest, tax stability, and of the beneficial and far-reaching social effects.

The charge is made that the proposed tax will destroy small businesses. The answer is that the tax does not apply to businesses owned by individuals or in partnership. Small corporations are amply protected. Such a corporation can accumulate approximately 40 percent of its net income in a corporation. Thus, for even a large corporation can put aside as much as 30 percent of its net income for surplus and not pay any higher tax than it does today. This is sufficient surplus to insure stability of income under sound conditions.

I maintain that the tax is sound and fair and is essential as a means of distributing the benefits of the machine age to those who do the work, supply the capital, and purchase the products of the machine. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan (Mr. WOODRUFF). [Applause.]

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the Record two tables presented to the committee during the hearings by the Commissioner of Internal Revenue, also a table prepared by a concern known as Prentice-Hall, Inc., of New York. The latter table gives information as to the specific taxes on different incomes, is accurate, and is very pertinent to the question under discussion. It will contribute much to the knowledge of the Members when they have an opportunity to examine it.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF. Mr. Chairman, the demand from the White House that Congress place upon the shoulders of the already overburdened taxpayers of the Nation an additional tax burden of more than eleven hundred millions of dollars brought more sharply to the attention of the public the profligate way in which the national substance is being dissipated by the administration. That public funds—the people's money, if you please—are being flung to the four winds without regard to securing value therefor is a matter of common knowledge, as every community in the Nation can testify.

What is not generally known outside Washington, however, is that this squandering and waste and inefficiency has been raised to the nth degree in the headquarters organizations of the many alphabetical agencies. Verification of this condition was in my capacity as chairman of the Reesettle ment Administration, who, of course belongs to the Demo-
cratic Party, otherwise he would not have the job he holds, came to me sometime ago in the form of a letter, which I quote in part as follows:

We have winked at spending thousands until the music must be faced.

Why not begin in sincerity by trimming some of the useless and idle parts? And, for the sake of common decency, begin with the Resettlement Administration, where—

1. The administration pay roll has reached $9,000,000 per month.

2. Thirteen thousand chairwarmers are doing and duplicating work and nearly all useless work.

3. Eight hundred and ninety-four persons in the administration engaged in "management," but so far no one has been able to tell us how they manage.

4. More than 3,500 employees of Resettlement are receiving salaries in excess of civil-service rates—all because they have pull and friends.

5. The administration's construction division is spending for labor to the tune of $900,000 per day—enough to build at least 10 low-cost houses, but does not build 10 houses a month.

6. Hundreds of the higher salaried employees know that they are on dignified relief, but why dish out relief at the rate of $2,500 to $65,000 per year per person?

7. Of all the headaches the present administration will have to be the one when the public finds out what a disorganized, far-flung, wasteful agency the Resettlement is.

8. Eighty. You may be interested in knowing that many have left the Resettlement to save their self-respect, and the writer of this will do so soon.

The report of the committee, submitted by Mr. Bell, Acting Director of the Bureau of the Budget, containing information relative to the program of the Resettlement Administration is most illuminating. This information was obtained from documents furnished by Professor Tugwell, the administrator himself. The report will be found on pages 703 to 707 of the hearings and a reading of this report will, I believe, confirm the information conveyed to me in the letter quoted above.

The Resettlement Administration is the agency referred to as "Utopia unlimited" in a series of articles appearing recently in the Washington Post. It is an agency established without specific authorization of Congress and was brought into existence by Executive order of the President. To this activity, or shall I say "inactivity" it has been allocated by the President the staggering sum of $297,347,171.29.

With this money, or a part of it at least, Professor Tugwell has proceeded to employ, according to his report, 16,943 persons at an aggregate expense to the taxpayers each year of $24,380,985 for salaries alone.

Thirteen thousand four hundred and eighty-one of these individuals are employed "in the field"; so, of course, travel and subsistence expense for them must be no small item.

The Resettlement Administration has all the powers of a government within a government, and Professor Tugwell can hire and fire to his heart's content, although it would seem that the gentleman knows much about hiring, but mighty little about firing.

As nearly as we can gather from the sentimental and gushing pronouncements regarding its origin and purposes, emanating from its publicity division, the philosophy pursued is that by shifting people around from where they are to where Dr. Tugwell thinks they ought to be, somehow in the process the subjects of his experimentation will realize the "more abundant life."

An illustration of this theory working out in practice is seen in the Matanuska Valley project in Alaska, involving transfer of 200 families from Michigan, Wisconsin, and Minnesota, where they had established themselves, to the rim of the Arctic Circle, where they were allotted farms of 40 acres per family upon which they, I understand, assumed mortgages of $6,000 each, not one of which can ever be paid, even in part, but where, according to the "brain trusters," achievements are anticipated.

To date the Government has spent approximately $18,000 per family. Not a crop has been raised, and already 33 families have thrown up their hands, given it up as a bad job, and have returned home. It is prophesied by one of Alaska's spokesmen, who has been there for years, who knows the situation far better than any theoretical bureaucrat in Washington can possibly know it, that very few of the colonists will be in Matanuska at this time next year.

The Matanuska experiment is only one of many under way. Information coming to us regarding these other projects is replete with instances of similar unsatisfactory conditions which point to ultimate failure, with the result of shocking waste of the public funds with no permanent benefit to anyone.

An even more startling discrepancy between the cost to the taxpayers and the benefits to the recipients of the favors being spread around greets the inquirer who looks into the fiscal affairs of Professor Tugwell's Administration. Administration costs have been, according to the best information I can secure, $13,000 to provide benefits to the needy of less than $2,500. The reason for this is vividly set forth in the letter from which I quoted earlier in my remarks. This would seem to indicate that the relief extended by this agency is confused principally to the relief extended to those upon the Resettlement pay roll.

The daily statement of the United States Treasury dated April 20, 1936, disclosed the fact that, of the money allocated to the Resettlement Administration, there was of that date the sum of $173,846,075.66 unexpended. If the Committee is really desirous of securing the amount of money called for by the President—which, of course, the bill will provide—I suggest that they induce President Roosevelt to issue an Executive order putting an end to the fantastic activities of the Resettlement Administration, fire bodily Professor Tugwell himself and all his 16,943 assistants, and cover back into the Treasury's general fund the $173,846,000 while this sum is still available.

There is a well-known axiom that "a dollar saved is a dollar earned." Here is an opportunity to actually secure this magnificent amount of money without delay and without taxing our people in this amount. I commend this suggestion to the earnest consideration of the majority members of the Committee.

There are many other activities of the Administration, entirely without congressional sanction, involving the expenditure of hundreds of millions of dollars, of no economic need or benefit, and which cannot be justified even upon a basis of extending relief to the unemployed.

Certainly, in the expenditure of the taxpayers' money for public works, some regard should be shown for the necessity of the project. We should, at least, attempt to secure a dollar's worth for every dollar spent. In every community in this country there are schools which should be built; roads constructed; grade crossings built, in order to protect the lives and property of our people; sewers built and extended, that the health of our communities may be further protected. There are other projects which can be undertaken with the knowledge that the coming generations, who will be called upon to pay much the larger part of all this, will receive some benefit from these expenditures. Work projects should be confined to activities of this character; bootlegging should cease.

Nor should there be begun other projects such as the Florida ship canal or the automobile highway now being built down the Florida Keys, without the contribution of a single penny by the State of Florida and about which no information can be secured in the city of Washington, but which will cost many millions of dollars of the money of the people of all the States.

While the former is an engineering feasibility, the usefulness of the canal, if it is ever completed, will never be such as to, even in a small part, justify its cost, if the opinion of shipping officials can be relied upon.

Passamaquoddy, the economic joke of all the many economic jokes of this Administration, which the President, after allocating several million dollars for its development out of the four billion eight hundred and eighty million the Congress so obligingly placed in his hands, has dumped the whole proposition into the lap of Congress and is now demanding that we accept responsibility and furnish the funds for its completion. Congress has wisely declined to do this.
Mr. Chairman, various engineers from time to time have submitted this proposition and in every instance have refused to put their stamp of approval upon its possible economic success. The declared purpose of the development is the production of electricity. Every engineer with any knowledge of the facts and the cost of this development will agree that electricity so developed will cost several times as much as by any other means for the same purpose.

I suggest that anyone in doubt as to the accuracy of this statement take the trouble to examine the books. They will find that in order to justify this expenditure, one-third of the cost is being charged to "relief," one-third to the production of electricity, and one-third to "the national defense." Just how and in what manner this development will contribute to the national defense has not as yet been disclosed. Is it any wonder that the President has repudiated this brain child and its twin, the Florida canal, and that Congress has refused to take unto its bosom these two unfortunate children left on its doorstep?

I think we all remember the avitory with which the administration seized upon the creation of the great "shelterbelt" of forest a mile wide and running north and south for 1,100 miles through the Prairie States. Presenting, as it did, another funnel through which could be poured into the already overburdened economic problem of the people, it was received with enthusiastic acclaim by the spenders of the administration. This proposal, accepted without investigation, and without the realization that a shelterbelt of trees even a mile wide would furnish little protection to that land, was hailed as the solution of the dust storms which have so sorely beset that section of the country in the last few years. Fortunately for the taxpayers, and before much money had been expended, the difficulties of making trees grow in that land, upon which trees, as we in Michigan knew them, had never grown, together with the belated realization of the utter absurdity of the whole thing, became so apparent that it evidently has been abandoned. It is difficult to find anyone in the administration who even wishes to talk about it.

Other activities of the administration, both wise and expensive, seem to me, be given consideration at a time when this House is considering a proposition of further increasing the tax upon our people. Certainly we who are sent here from the four corners of this great land to look after the economic welfare of the people who send us here, should not in the slightest degree unnecessarily increase the burdens we are already bearing. If by properly conserving the money already at our disposal, if by eliminating every expense not necessary to our economic life, if by eliminating boondoggling activities, if by this time to construct great works at a cost of hundreds of millions in the mere hope that in the future they may contribute to the economic welfare; if by doing these things we may meet the financial obligations of the Nation without adding to the tax burdens of our constituents, should we not do so?

Mr. Chairman, one cannot address himself to this subject, it seems to me, and bring every relevant thing into the picture without referring at some length to certain activities now being engaged in by the administration, which vitally affect the everyday life and the economic welfare of the great agricultural class of the country. It is conceded by every informed person, I think, that upon the welfare of the farmers depends in large degree the welfare of all other classes of our citizenship.

That the administration appears to recognize this fact seems to be indicated by some of the things that have been done in the name of agricultural relief. However, certain other things have been done, which more than offset all the good which the American farmer may have received through the medium of the A. A. A. contracts. I refer to two things, Mr. Chairman: First, while with one hand we have been taxing our people on the very necessities of life, through the process of taxing income and the income tax, with which to pay the farmers for taking millions of acres of good farm land out of production, we are with the other hand spending hundreds of millions in the West to bring into production other millions of acres of land. I ask you, Mr. Chairman, what will have produced nothing of agricultural value.

It is a recognized fact that these arid sections can, under irrigation, year after year produce more than can be produced on the nonirrigated sections, and why not? Sunshine and water is had, it is turned on; when enough is had, it is turned off. These conditions eliminate many of the hazards of farming.

These lands are valuable, of course. There is no question but that they will be needed in the future when our population shall have increased to the point where the farms now available and now producing can no longer supply the food necessities of our people. But how can we justify taxing our people, our already overburdened farmers, if you please, in order that we may bring into existence these great irrigation projects which can only intensify the almost insurmountable difficulties which already face these farmers?

The other thing to which I referred a moment ago, Mr. Chairman, is the problem presented to the farmers and to the country by the so-called fair-trade agreements under which we are surrendering our markets to the foreign producer. A study of our imports during the last year and a half discloses some very disturbing information. The increase in imports of farm products in the past year is shocking. The following information discloses the seriousness of the situation:

At this point, Mr. Chairman, I shall insert tables showing the imports and exports of certain farm products for the years 1934 and 1935. I commend them to the attention of the Members of the House.

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

Mr. WOODRUFF. I prefer not to yield.

Mr. BUCK. I wish the gentleman would clarify the official nature of these tables; are they official tables?

Mr. WOODRUFF. They are taken from the official reports.

The tables referred to follow:

<table>
<thead>
<tr>
<th>1934</th>
<th>1935</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exports:</strong></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>bushels</td>
</tr>
<tr>
<td>Turnip</td>
<td>pounds</td>
</tr>
<tr>
<td>Rye</td>
<td>bushels</td>
</tr>
<tr>
<td>Oranges</td>
<td></td>
</tr>
<tr>
<td><strong>Imports:</strong></td>
<td></td>
</tr>
<tr>
<td>Butter</td>
<td></td>
</tr>
<tr>
<td>Fresh beef</td>
<td></td>
</tr>
<tr>
<td>Flour</td>
<td></td>
</tr>
<tr>
<td>Total meats</td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>bushels</td>
</tr>
<tr>
<td>Rice</td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td></td>
</tr>
<tr>
<td>Tomatoes</td>
<td></td>
</tr>
<tr>
<td>Onions</td>
<td></td>
</tr>
</tbody>
</table>

Mr. WOODRUFF. It will be seen that while there was a substantial reduction in our exports, there was a shockingly large increase in our imports of these agricultural commodities. Certainly, any program which permits the farmer to be assailed upon the one hand by the foreign producers, and upon the other by the competition of an always increasing number of irrigation projects, which he is taxed to pay for, can hardly be considered a program wholly in his interest.

Mr. Chairman, it seems to me that the proposed repeal of the corporation-income tax, the capital-stock tax, and the excess-profits tax, with the definite loss of $1,100,000,000 revenue, and the enactment of an entirely new system of taxation is, in view of the acknowledged uncertain productivity of the latter, an undertaking so hazardous in these days of enormous and profligate expenditures as to make it most unwise. Many of the older Members will remember the difficulties we have had in stopping the holes in the law through which taxpayers have escaped a fair tax. After many years of effort we have produced a law which is fairly satisfactory.
In this bill we are embarking upon another long period of experimentation. Not in the history of the world, so far as we know, has any nation found such a law satisfactory. The bill presents heretofore unknown tax complexities. Its one certain accomplishment will be the employment of vast numbers of lawyers to aid the taxpayers in unravelling the mysteries and the technicalities presented. I prophesy the end of the law, and that instead of being known to future generations as the "Revenue Act of 1926" it will be known as the act to relieve the legal profession.

Mr. Chairman, the public is supposed to believe that the purpose and effect of this bill is to force dividends out of the higher brackets, thereby preventing the application of the tax on a larger share of the tax of the country than they have heretofore paid. I do not believe it will have this effect, for reasons I shall now present.

The income tax, with its exemptions and its graduated scale of taxation, is in my judgment the fairest tax that has yet been devised. Its purpose, of course, is to compel every taxpayer to pay in proportion to his ability to pay. It has been successfully applied up to a certain point. Unfortunately the existence of tax-exempt bonds of the Federal Government, the States, and all political subdivisions thereof presents an avenue of escape for taxpayers in the higher brackets, thereby preventing the application of the tax upon the very wealthy in full measure. I shall at this point place in the Record the tables supplied the committee, at my request, showing the wholly tax-exempt and partially tax-exempt securities outstanding and available to those who desire to escape the higher income taxes.

Tables showing rates and amounts of tax on individuals for 1936 income.

<table>
<thead>
<tr>
<th>[Federal Revenue Act of 1934, as amended by Revenue Act of 1935; married person, personal exemption $2,500; maximum earned income credit of $1,500 is used; incomes of less than $1,500 are treated as all earned]</th>
</tr>
</thead>
</table>
| **Table 45.—Amount of securities outstanding, interest on which is exempt from income tax, but not surplus of the Federal Government, June 30, 1918 to 1935, by direct obligor.**
| **[000,000 omitted]** |
| **Year** | **Total** | **U. S. Government** | **Reconstruction Finance Corporation** | **Home Owners' Loan Corporation** | **Federal Farm Mortgage Corporation** |
| **June 30—** | **Total** | **U. S. Government** | **Reconstruction Finance Corporation** | **Home Owners' Loan Corporation** | **Federal Farm Mortgage Corporation** |
| 1918 | $1,248,000 | $1,248,000 | | | |
| 1919 | $1,248,000 | $1,248,000 | | | |
| 1920 | $1,248,000 | $1,248,000 | | | |
| 1921 | $1,248,000 | $1,248,000 | | | |
| 1922 | $1,248,000 | $1,248,000 | | | |
| 1923 | $1,248,000 | $1,248,000 | | | |
| 1924 | $1,248,000 | $1,248,000 | | | |
| 1925 | $1,248,000 | $1,248,000 | | | |
| 1926 | $1,248,000 | $1,248,000 | | | |
| 1927 | $1,248,000 | $1,248,000 | | | |
| 1928 | $1,248,000 | $1,248,000 | | | |
| 1929 | $1,248,000 | $1,248,000 | | | |
| 1930 | $1,248,000 | $1,248,000 | | | |
| 1931 | $1,248,000 | $1,248,000 | | | |
| 1932 | $1,248,000 | $1,248,000 | | | |
| 1933 | $1,248,000 | $1,248,000 | | | |
| 1934 | $1,248,000 | $1,248,000 | | | |
| 1935 | $1,248,000 | $1,248,000 | | | |

1 "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies under the Federal Farm Mortgage Corporation, June 30, 1918 to 1935, by type of obligor.

**Note:** The numbers presented in the table are rounded to the nearest million dollars. The figures may not add exactly due to rounding.

**Extract from the Annual Report of the Secretary of the Treasury on the State of Finances for the Fiscal Year 1935**

**Table 44.—Estimated amount of securities outstanding, interest on which is wholly exempt from income tax, and surplus of the Federal Government, June 30, 1913 to 1935, by type of obligor.**

| **Year** | **State, counties, cities, etc.** | **Total** | **U. S. Government** | **Territories and similar possessions** |
|---|---|---|---|
| **June 30—** | **Total** | **Long term** | **Short term** |
| 1913 | $4,897,000 | $4,897,000 | |
| 1914 | $4,897,000 | $4,897,000 | |
| 1915 | $4,897,000 | $4,897,000 | |
| 1916 | $4,897,000 | $4,897,000 | |
| 1917 | $4,897,000 | $4,897,000 | |
| 1918 | $4,897,000 | $4,897,000 | |
| 1919 | $4,897,000 | $4,897,000 | |
| 1920 | $4,897,000 | $4,897,000 | |
| 1921 | $4,897,000 | $4,897,000 | |
| 1922 | $4,897,000 | $4,897,000 | |
| 1923 | $4,897,000 | $4,897,000 | |
| 1924 | $4,897,000 | $4,897,000 | |
| 1925 | $4,897,000 | $4,897,000 | |
| 1926 | $4,897,000 | $4,897,000 | |
| 1927 | $4,897,000 | $4,897,000 | |
| 1928 | $4,897,000 | $4,897,000 | |
| 1929 | $4,897,000 | $4,897,000 | |
| 1930 | $4,897,000 | $4,897,000 | |
| 1931 | $4,897,000 | $4,897,000 | |
| 1932 | $4,897,000 | $4,897,000 | |
| 1933 | $4,897,000 | $4,897,000 | |
| 1934 | $4,897,000 | $4,897,000 | |
| 1935 | $4,897,000 | $4,897,000 | |

1 "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies" and "Held in sinking fund."
his money in the last-named securities. The larger the sum available for investment, the larger the inducement to the taxpayer to take his money out of productive enterprise.

I call the attention of the House to the amount of tax-exempt securities the income from which is immune from taxation. Neither the measure before us nor any other legislation, the law providing a constitutional amendment whereby the Federal Government can in itself change this situation, the provision of this Union, the efforts of the House, during the last 2 years, I, along with a great many other Members on this side of the House, during the first few months of the present administration, acting upon the belief we were going to carry to call it—beckons and the taxpayer enters.

Mr. Chairman, there is nothing the Congress can do about this so long as it remains possible for the Federal Government, the States, and the subdivisions of the States to issue bonds and other securities the income from which is immune from taxation. Neither the measure before us nor any other law the Congress can enact can in itself change this situation. The 48 States of this Union constitute the only authority which can put an end to this intolerable condition. And they can only do so after the Congress has adopted and sent to them a constitutional amendment correcting this situation.

At different times, before and since the inauguration of President Roosevelt, he has directed attention to this situation and made note of the fact that many of our more wealthy people were, through this medium, escaping their fair share of the national tax burden. In his tax message of June 19, 1935, he made the following statement:

I renew, however, at this time the recommendations made by my predecessors for the submission and ratification of a constitutional amendment whereby the Federal Government would be permitted to tax the income on subsequently issued State and local securities, and likewise for the taxation by the State and local governments of future issues of Federal securities.

At the time the President sent this message to Congress the tax law provided a maximum of 55-per cent surtax on individual incomes. That he was fully alive to the ineffectiveness of the higher surtaxes is indicated by his statement quoted above. And yet in that same message he stated:

The disturbing effect upon our national life that comes from great inheritances of wealth and power can in the future be reduced, not only through the method I have just described but through the definite increase in the taxes now levied upon very great individual net incomes.

He knew, of course, that surtaxes as high as 55 per cent would be ineffective; that they had already driven hundreds of the larger income owners into the tax-exempt field; that we were not even then securing the amount of revenue from the rich we had every right to expect; he must have known that to raise the surtaxes before a constitutional amendment had been submitted to and adopted by the States would result in driving hundreds of others to the protection of the tax-exempt fields of investment, with a consequent loss to the Treasury. But that bill, my friends, was to be set aside and sundry as the great Roosevelt “soak the rich” tax bill; the uninformed were to be convinced that the millennium had arrived, and that at last this class were to be compelled to bear their share of this tax burden. To convince them of this it was necessary that the surtaxes be again boosted so that the octrois of the party could go forth in the following election and make their campaigns upon this false premise.

The last two Congresses have not without exception speedily enacted every measure seriously suggested to them by the President of the United States. There has been no time when rebellion in Congress, regardless of their opinions, has in the slightest degree threatened the enactment of any one of the well-known “must” measures. The President knows this. I am sure he has a high appreciation of the splendid cooperation he has received at the hands of Congress. I am sure, also, that he is fully aware that if he were to seriously ask the leaders of this House and the leaders of another body to put through the two Houses of Congress a resolution submitting to the States the constitutional amendment mentioned above it would be done immediately.

Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. SAMUEL B. HILL. I ask the gentleman from Michigan how many of these “must” bills the gentleman from Michigan has voted against.

Mr. WOODRUFF. I will say to my friend from the State of Washington that I believe I have voted against all of them during the last 2 years. I, along with a great many other good citizens of this country, believed the President of the United States when he subscribed to the Democratic platform which, among other things, provided that—

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 per cent in the cost of Federal Government.

Mr. SAMUEL B. HILL. The gentleman voted for most of the “must” legislation, did he not?

Mr. WOODRUFF. No; I have not voted for most of the “must” legislation. So far as I remember, I voted against all of them during the last two years and a half.

Mr. SAMUEL B. HILL. Did the gentleman vote against the N. R. A.?

Mr. WOODRUFF. I was persuaded to do so upon the promise of the President that if after trying an experiment finding it unsatisfactory he would abandon it. It seemed to me that none of the New Deal experiments have been unsatisfactory except the shelterbelt, as none of the others have willingly been abandoned.

Mr. SAMUEL B. HILL. Did the gentleman vote against the A. A. A.?

Mr. WOODRUFF. I voted for that, I will say to my friend from Washington.

Mr. SAMUEL B. HILL. And how about the tax bill of 1934?

Mr. WOODRUFF. Yes; I voted for that tax bill because I had not yet become persuaded that unrivaled extravagance and waste was to take the place of the promised economy. I, along with a great many other Members on this side of the House, during the first few months of the present administration, acting upon the belief we were going to have some sanity in government, some efficiency in the administration of the laws enacted by Congress, believing it was our patriotic duty to help rather than hinder the Presidential efforts to bring about better conditions for the people, voted to give the President what he asked for. By so doing we set an example to our Democratic friends which they can well follow after the coming election. It has not been forgotten that their actions during the last Republican administration were the reverse of our own.

Mr. SAMUEL B. HILL. Did the gentleman vote for the Federal Deposit Insurance Corporation and the banking legislation?
Mr. WOODRUFF. I may say that I was very happy to vote for the Federal deposit-insurance law because for years I had advocated such a law. I think it is one of the finest laws that has been put upon statute books of this country in many years.

Mr. WOLCOTT. Will the gentleman yield?

Mr. WOODRUFF. I yield to the gentleman.

Mr. WOLCOTT. May I make the observation that the Federal Deposit Insurance Act was passed by this House against the wishes of the President of the United States. It was not on the "must" list.

Mr. WOODRUFF. I am very glad the gentleman called attention to that fact.

Mr. McCoRRACK. That is evidence that the Congress is not a complete rubber stamp.

Mr. WOODRUFF. I may say there are exceptions possibly that prove all rules. May I call the attention of the gentleman from Washington to the fact just called to my attention by the gentleman from Michigan [Mr. WOLCOTT]. I am glad to be able to confirm what the gentleman said because I was informed by one of the very eminent Members on that side of the House that this Congress passed the F. D. I. C. over the violent protest of the President of the United States.

Mr. SAMUEL B. HILL. I never heard of that and the President did approve the bill.

Mr. WOODRUFF. We know that no President in his good sense could possibly have disapproved a bill of that character.

Mr. SPENCE. Mr. Chairman, under this permission I wish to extend my remarks and to include therein certain portions of the minority report. The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, under this permission I insert in the Record a summary of the fundamental objections to the bill as reported in the minority report. I concur in these views. They are as follows:

**SUMMARY OF OBJECTIONS**

1. It will discourage and possibly prevent the accumulation of adequate rainy day reserves and constitutes a direct threat to the security of business, employment, and investments.

2. It will cause corporations to foreclose the distribution of their existing tax-paid reserves, which can only be rebuilt under penalty.

3. It will discourage business rehabilitation and expansion and have a retarding effect upon recovery and reemployment.

4. It will hamper the growth of small corporations, impede the development of new enterprises, and foster monopolies.

5. It puts a penalty on prudence and a bounty on improvidence and constitutes an unwholesome interference with the exercise of sound judgment in the management of business.

6. It will accentuate the extremes of future booms and depressions.

7. It will oppress businesses burdened with debts and will result in a restriction on corporate credits.

8. It will drive capital out of productive enterprise into tax-exempt securities.

9. It violates every sound principle of income taxation, is arbitrary and oppressive in its application, and will be unequal and discriminating in its operation.

10. It will cruelly financially weak business enterprises, while permitting the strong to minimize or entirely escape the tax.

11. It will create inequities and unfair competitive situations which are far greater and more real than the imaginary ones purports to correct.

12. It will result in the double taxation of all dividends paid out of reserves, whether accumulated in the past or in the future.

13. It will cause untold confusion and add bewildering complexities both in the computation and administration of the tax.

14. It abandons an assured revenue for one purely speculative and uncertain, and which promises to be most disappointing in amount, thereby further jeopardizing the Federal revenues.

LXXV—387
Mr. TREADWAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota (Mr. Knutson).

Mr. KNUTSON. Mr. Chairman, it is not with any thought that I can hope to add to the very able and thorough presentations of the pending tax bill by preceding speakers that I take the floor at this time, but it is rather for the purpose of expressing a position that I do so.

From the moment that the President sent his tax message to Congress on March 3, I have maintained that the imposition of new taxes at this time is both unwise and unnecessary. Unwise in that additional taxes will very materially retard recovery; unnecessary in that it is possible for the administration to effect such economies in the conduct of the Government as to obviate the necessity for new taxes at this time.

I yield to no Member of the House in my desire to place the finances of the Government upon a sound business footing. I am in favor of going onto a pay-as-we-go basis. That would be good business. There is no doubt in my mind that we are wasting much more money than we can hope to raise through the passage of this measure.

Mr. HOOK. Mr. Chairman, will the gentleman yield? Mr. KNUTSON. I yield to the gentleman from Michigan. Mr. KNUTSON. The gentleman mentioned the fact he was in favor of the pay-as-we-go basis.

Mr. KNUTSON. Yes.

Mr. HOOK. I should like to ask the gentleman whether his party was in favor of that proposition when they turned over the $6,000,000,000 deficit to the present administration? Mr. KNUTSON. May I say to the gentleman that when we took over the Government from the Democrats in 1912 the national debt was in excess of $25,000,000,000. When we turned it back to you in 1933 the national debt was only $21,000,000,000. [Applause.]

Mr. HOOK. What was the national debt when it was turned over by the Republican Party to the Wilson administration? Mr. KNUTSON. We owed about a billion dollars.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman make an estimate of what he expects the Democratic debt will be when the Democratic Party turns the Government back to the Republican Party next January?

Mr. KNUTSON. I cannot answer that question, because I am not a crystal gazer; but I may say it will be plenty. The chances are that by the 1st of July the total Federal debt will be three and a half billion dollars in excess of the total value of all the farms, buildings, and farm equipment in the United States, which is not a very pleasant situation to contemplate.

Mr. McCORMACK. Will the gentleman yield? Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. All that the gentleman says about the national debt in 1921 is substantially correct. But does the gentleman now criticize the Government for the necessity of incurring the national debt which grew out of our participation in the World War?

Mr. KNUTSON. May I say to the gentleman from Massachusetts that I voted against our going into the World War. I believed in helping the Democrats keep the promise which they made to the American people in the campaign of 1916 to the effect that "a vote for Woodrow Wilson is a vote to keep the American people out of the war," and I considered that a pledge.

Mr. McCORMACK. I have heard the gentleman has not answered the question. Does the gentleman condemn and criticize the expenses which this Government incurred in connection with the conduct of the World War?

Mr. KNUTSON. Yes, sir. Look at Hog Island and all the other grafts connected therewith. I maintain that we should have stayed out of the World War.

Mr. McCORMACK. The gentleman is speaking for his party?

Mr. KNUTSON. My dear sir, the scandals that grew out of the corruption and mistakes of the World War smelled to the high heavens.

Mr. McCORMACK. Is the gentleman speaking for his party?

Mr. KNUTSON. I am speaking for myself. I do not assume to speak for my party; no.

Mr. CRAWFORD. Will the gentleman yield?

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

Mr. CRAWFORD. If I remember the figures correctly, the report of the United States Treasury showed that when we entered the war in 1917, we had a Federal debt of $1,250,000,000.

Mr. KNUTSON. That is substantially correct.

Mr. CRAWFORD. Which rose to about $26,000,000,000.

Mr. KNUTSON. Yes.

Mr. CRAWFORD. During the Republican administration, between 1920 and 1923, that debt was reduced down to about sixteen and one-quarter billion dollars.

Mr. KNUTSON. That is correct.

Mr. CRAWFORD. And taxes were reduced some four or five times during that period.

Mr. KNUTSON. That is true.

Mr. CRAWFORD. Now, in connection with this tax bill, we are starting out with a debt, we will say, at the present time of $32,000,000,000.

Mr. KNUTSON. I thought it was a little more than that.

Mr. CRAWFORD. Thirty-four and a half billion dollars, I am informed, on June 30 of this year. During the period from 1913 to 1934, we paid out in interest on Federal debt, in round figures, $14,000,000,000.

Now, if recovery is accomplished during the next 3 or 4 years, and we start out with a base debt of $34,000,000,000 at the present time, and interest rates go up materially—we are now borrowing money at as low a rate as three-fourths of 1 percent—what will our interest burden be in the next 15 years, and how much additional tax will have to be imposed upon the American taxpayer in order to meet the interest load alone?

Mr. KNUTSON. I would suggest to my good friend from Michigan that he propound that question to some astronomer, because it would take astronomical figures to answer it.

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

Mr. KNUTSON. I yield.

Mr. REED of New York. The amount of $34,500,000,000, according to the Director of the Bureau of the Budget, does not include the $6,000,000,000 of commitments.

Mr. KNUTSON. That is true. The debt will be substantially about $40,000,000,000 if we include the commitments.

Mr. REED of New York. And it does not include the cost of completing the projects started under the boondoggling fund of $4,000,000,000 which have just been started, where there is a moral, if not a legal, obligation to continue such projects. Only the starting of these projects has been paid for, and the balance will fall on the next generation of taxpayers.

Mr. KNUTSON. I do not want to take the position of maintaining that a certain amount of relief is not necessary. On both sides of the aisle we want to take care of the worthy needy, but what we do object to is that for every dollar we spend for relief half of it goes to the cost of administration, and we consider that excessive. [Applause.]

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

Mr. KNUTSON. I yield to the gentleman from New York. Mr. REED of New York. The gentleman will recall the mayor of Pittsburgh, who appeared before the Ways and Means Committee and finally was not permitted to go ahead with his testimony, and the gentleman will recall the eminent Mr. Johnson, a fine, splendid, educated, and cultured gentleman, who had been in business all his life, who stated he was not appearing there in a partisan capacity at all. He said that 50 cents out of every dollar spent in Pennsylvania by
this administration on public works and boondoggles had been totally wasted.

Mr. McCORMACK. Is that Andy Mellon's side-kick the gentleman is referring to?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my colleague on the committee.

Mr. VINSON of Kentucky. The gentleman has referred to the debt reduction that was made after his party took charge in 1921. I am certain the gentleman from Minnesota, so is eminently fair, will recognize the fact that more than three and a half billion dollars of the debt reduction is evidenced in the sale of surplus war supplies and principal and interest payments on foreign loans received during that period.

Mr. KNUTSON. Well, I did not attempt to break it down, and I thank the gentleman for having broken it down for me.

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

Mr. KNUTSON. I am always pleased to yield to my good friends from Massachusetts.

Mr. McCORMACK. The gentleman favors relief at the present time, does he not?

Mr. KNUTSON. Yes.

Mr. McCORMACK. Did the gentleman's party give relief prior to the inauguration of President Roosevelt?

Mr. KNUTSON. Oh, I think so; yes.

Mr. McCORMACK. Where?

Mr. KNUTSON. All over the country.

Mr. McCORMACK. You relieved the big fellow, but what did you do for the fellow out of a job?

Mr. KNUTSON. Oh, the same old cry.

Mr. McCORMACK. The same old Republican cry, "Let the poor fellow take care of himself and suffer", and the gentleman knows that is correct. The Federal Government never appropriated a penny to relieve human suffering and distress prior to March 4, 1933.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly; I yield to my chairman.

Mr. DOUGHTON. I just want to remind my friend the gentleman from New York (Mr. Rezn.), a member of the Ways and Means Committee, who referred to the testimony of a gentleman of Pittsburgh, that somewhere or other I have seen it stated in the papers since that time that they have had him in jail.

Mr. REED of New York. I am not surprised—he is a leading Democrat of that city. [Laughter.]

Mr. KNUTSON. And it is my information he is coming to Congress next year.

Mr. VINSON of Kentucky. As a Republican?

Mr. KNUTSON. No; as a Democrat.

Mr. VINSON of Kentucky. Oh, no.

Mr. KNUTSON. A Jeffersonian Democrat, but not a new dealer.

We are told that one of the primary purposes of this bill is to compel the distribution of corporate reserves. Is that wise? Every Member of this body knows of some business organization that has been enabled to operate during the depression because it had a reserve to fall back upon. According to the Department of Commerce, American business, from 1930 to 1934, inclusive, paid out twenty-six and six-tenths billions more than they took in. This they could not have done had they not had reserves to draw upon. Bear in mind that this vast sum was paid out for labor, taxes, and raw material. Had these savings not been available many and many would have been compelled to close down, and that would have greatly aggravated our already serious unemployment and relief problems.

There are those who labor under the impression that these savings have not paid any taxes to the Government, when as a matter of fact there was paid upon all of them a Federal tax running from 12½ to 15 percent. With the proposed tax law in effect, I venture the prediction that the next depression will result in much greater unemployment and in much smaller production than has obtained during this depression.

We hear a great deal said about reserves being piled up in order to avoid taxes. There doubtless are cases of that kind, but I venture the assurance without fear of contradiction, that a large proportion of the reserves were not created for expansion purposes and to enable the company to weather economic storms. In short, reserves are nothing more or less than life-insurance policies of business.

Under the operation of this law hundreds of millions of dollars, which have been distributed to stockholders. Much of this money will go to individuals who are in high-income brackets. They will have to reinvest that money, and it does not take very much imagination to foresee that the greater part will be invested in tax-exempt securities, where it will no longer be available for operation and expansion of industry.

As I see it, this legislation is going to jeopardize small business. It is a significant fact that no big corporations are opposing this legislation, the reason being that the big corporations will have no difficulty in securing ample financing in future depressions. The opposition to this tax bill comes from smaller business concerns who do not have strong banking connections and they fear that they will have to throw themselves upon the mercy of the big banks for future financing. Those who will be unable to secure such financing must of necessity shut down and, of course, that will only benefit their big competitors. So it will be seen that this tax bill will foster and promote monopolies.

I have taken the trouble to confer with support of this statement I call to your attention observations Mr. Noel Sargent, secretary, National Association of Manufacturers, made before the Ways and Means Committee, which are to be found on page 213 of the hearings. I quote:

"I know of one manufacturer, for example, who tells me that his company and one other in his industry are in a sound financial position and that they are inclined to favor the pending proposal because it would drive their weaker competitors out of business."

In support of Mr. Sargent's statement let me quote a statement made by President Roosevelt last June:

"The drain of a depression upon the reserves of business puts a disproportionate strain upon the modestly capitalized small enterprise. Without such small enterprise our competitive economic society would cease."

Then, again, I should like to quote from a radio address made by the chairman of the Ways and Means Committee on March 26, who, when speaking of the proposed new tax, said:

"An ample part of earnings can be reserved for surplus without a higher tax being paid than is being paid under the present law."

It was testified in the hearings on the tax bill that only three countries—Belgium, Sweden, and Norway—have ever had such a tax. I have taken the trouble to confer with Norwegian businessmen on how the tax has worked in that country, and without exception they state that it has operated to the injury of Norwegian industry because they now have difficulty in financing the replacement of obsolescent machinery and equipment, as well as for expansion. It may be pertinent at this point to state that Sweden repealed her tax on undistributed profits several years ago.

It is generally conceded that the Hollanders are among the shrewdest and most thrifty people. In Holland they have exactly the reverse of an undistributed earnings tax. There they levy a tax on profits distributed by companies to their shareholders. That is as it should be. That is sound.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from Washington.

Mr. SAMUEL B. HILL. I want to call the gentleman's attention to the fact that he omitted mention of Norway.

Mr. KNUTSON. I have quoted a Norwegian businessman. Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. VINSON of Kentucky. The gentleman does not distinguish any difference in principle between the Norwegian system, which uses the distribution of income as the yardstick, and that proposed here, which uses undistributed
Mr. KNUTSON. The principle may be the same but the effect is different.

Mr. VINSON of Kentucky. In this bill we have tables I and 1A. One (1) is where we take the undistributed income and work to the tax, and in the other (1A) we work from the dividend back to the tax.

Mr. KNUTSON. Let me answer the gentleman. In Norway they have such a law as we here propose. At the time when business was good in Norway they imposed a 10 percent tax on undistributed profits. The result was unsatisfactory, for it is the general public opinion because it materially weakened the resistance of business and industry. As a result this tax has been reduced and very probably will soon be repealed in its entirety. As the gentleman knows, Norway is one of the large maritime countries of the world. As a result of the tax they have in Norway, shipping interests are unable to finance the building of new ships because they have no surplus to draw upon.

Now, I do not state this for a certainty, but my recollection is that as a result of the tax law Norway has lost millions of dollars because they have no surplus to draw upon. When business was good in Norway they imposed a cent tax on the shipping interests. The result was that as a result of the tax they have in Norway, shipping interests are unable to finance the building of new ships because they have no surplus to draw upon.

One of the dangers that I see in this legislation—and if I am wrong I should like to have the gentleman from Kentucky [Mr. VINSON] set me right—is that it is going to put small business concerns that have no big banking connections absolutely at the mercy of the big banking crowd when the time comes when they must secure additional financing.

Mr. VINSON of Kentucky. I shall endeavor to meet that question in my own time. But going back to the shipping industry, the gentleman says that in Norway their law dealt with distribution, and tempered the shipping industry so that it did not have reserves or surplus with which to build up new ships. Does not that same thing apply under existing law here? Have the shipping interests here sufficient money to expand their business as they want to?

Mr. KNUTSON. No; they have not; because the law has handicapped them in their operations.

Mr. VINSON of Kentucky. I am speaking of this country.

Mr. KNUTSON. Oh, yes. Here they have been permitted under the law to build up surpluses that would carry them through a business stress.

Mr. VINSON of Kentucky. But they have not had enough money to expand as they want, and they have come to Congress and have asked subsidies insofar as the increase of ships is concerned.

Mr. KNUTSON. The gentleman must know that American shipping has never had a fair chance since the passage of the so-called Seamen's Act, away back about 1916 or 1917. The restrictions that are placed upon American shipping under that act are so onerous that American shipping has never had a chance to develop as have English, German, French, Norwegian, and Japanese shipping.

Mr. VINSON of Kentucky. And that has been done under our existing tax structure.

Mr. KNUTSON. Oh, there is more than one way of skinning a cat. This particular cat was skinned by the Shipping Act of 1916. Our merchant marine has not had a chance to pile up a surplus because they did not do the necessary business to enable them to do so.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; to my friend.

Mr. HOLMES. Is it not the gentleman's observation that most of these smaller business corporations are going to be at the mercy of the banks if this legislation is passed?

Mr. KNUTSON. Yes; this is a big banker's measure.

Mr. HOLMES. If they are to be called upon to pay up to 30 percent of their profits in taxes, and the banks force them to pay their bank loans, there will be thousands and thousands of bankruptcies of that type.

Mr. KNUTSON. What I fear from this legislation is that it will drive the small fellow to the wall the next time we have a financial storm. Some of them will not last until the next storm. It may be, Mr. Chairman, that we are not taxing corporations high enough. I will not discuss that point, because I do not know, but if we are not taxing them sufficiently at the present time, then let us raise the rates up to 22 ½ percent or more, if need be, as has been proposed before the committee.

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

Mr. KNUTSON. Yes.

Mr. REED of New York. The gentleman will recall that a prominent banker from Chicago appeared before our committee and expressed the opinion that in the United States Chamber of Commerce. He testified that if this bill passed in its present form it would be necessary for the banks in the country to reexamine all the loans they now hold against business enterprises.

Mr. KNUTSON. I am not a banker, so I cannot pass judgment on his testimony. The gentleman can foresee the strain that will be placed on the American banking system if all industry, all business is compelled to go to the banks for financing at about the same time. You will absolutely freeze up your credit. That is another objectionable feature to this proposal, as I see it. You will drive all to the banks at one and the same time.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly. My friend from Arkansas is a banker, and perhaps he can throw some light on this phase.

Mr. FULLER. As I remember it, the gentleman is the only Republican on the committee that voted for the soil-conservation program this year. Is not that true?

Mr. KNUTSON. I voted for it.

Mr. FULLER. The gentleman also knows that most of the money has gone for this soil conservation, and to take care of the finances in the interest of agriculture. Will the gentleman please tell us where he could figure out some way for us to get the money better than the program that we have selected?

Mr. KNUTSON. For a starter, I would put up on the auction block that Turkish bathhouse that you built for dogs down in Memphis.

Mr. FULLER. We will give it to you.

Mr. VINSON of Kentucky. Is that all the relief that the gentleman would give the farmer?

Mr. KNUTSON. I would use that as a starter, or as an example, and, as my good friend from Michigan [Mr. Wood­ surry] so well said, I would cut out some of these irrigation projects that are being brought into production, which will greatly aggravate our farm problem. Then I would stop spending money on many of these inland streams, where there is no commerce and where there never will be any commerce.

I can think of so many ways. If the gentleman will come over to my office some afternoon, I think I can show him where we can effect many economies.

Mr. FULLER. I will do that.
Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VINSON of Kentucky. In 1933, with $33,000,000,000 of working assets, I will state to the gentleman that the banks, under existing law, only paid into the Treasury of the United States $2,400,000. I understand the gentleman feels that the tax burden should be greater than that.

Mr. KNUTSON. Correct. I will say to the gentleman, I think it is a crime to let the National City Bank and the Chase National Bank escape with a 15-percent tax, when you stop to think that they own all the sugar plantations and mills down in Cuba, and that this administration has reduced the sugar from Cuba from 2 cents to nine-tenths of 1 cent, which actually constitutes an outright gift to them of something like $42,000,000 a year, as I recall.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TREADWAY. Undoubtedly the gentleman read in the papers where the President-elect of Cuba is making a visit here, and he has stated he is anxious to increase the quota of sugar from Cuba. Does the gentleman think we ought to agree to that?

Mr. KNUTSON. Most assuredly not.

Mr. BANKHEAD. Mr. Chairman, are we now discussing a tariff bill or a revenue bill?

Mr. KNUTSON. Both. We are discussing taxation, and I am merely following the example of my illustrious chief, the gentleman from North Carolina, who made a wonderful stump speech on yesterday. [Laughter.] You Democrats could well at your convention as a keynote speech, and I would suggest that you make Mr. Docxrown your keynote speaker. [Applause.] But when it comes to that, I think he is one of the best politicians on the floor of this House. I am very fond of him. He is a grand man, sound, and fair.

I do not desire to take more time upon this measure except to say that the opposition is at a disadvantage in discussing the measure because of the fact that the bill contains 249 pages, which was prepared by the majority members of the committee in executive session. The minority had nothing to do with its preparation. As a matter of fact, we did not receive a printed copy of the bill until Monday of this week, and 4 days is hardly sufficient time in which to study and familiarize ourselves on such an intricate subject. Hence my opinions and conclusions are based largely upon the printed hearings.

In connection with the pending measure I wish to submit to the consideration of the House membership a suggestion recently advanced by Myron H. Bent, Washington correspondent of the Brooklyn Times Union, which appeared in the issue of that paper on April 14.

Mr. Bent suggests two amendments to the Federal Constitution. One, to fix a limitation on the amount of indebtedness that the Federal Government may incur, the other to set Presidential terms at 6 years, and to make the incumbent ineligible for reelection. To my way of thinking these amendments would greatly improve our situation in that they would remove the greatest hazard of our National Government, the buying of reelection through Federal expenditures that are oftentimes wasteful and unnecessary. I would be happy over the opportunity to vote for their submission.

Before bringing my remarks to a close, I want to commend the chairman and the members of the committee for their faithful and conscientious work. The hearings continued from March 30 to April 7, when we sat past the midnight hour. The personal and public interest in this tax bill, I do believe that every member of the minority is deeply grateful to Chairman Docxrown and the majority members for their uniform courtesy during the hearings. [Applause.]

The CHAIRMAN. The gentleman from Minnesota has concluded his remarks.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania. [Mr. Eckuar.]
The happiness of all, that the one be kept at the lowest possible point and the other in its proper sphere.

Developed that civic mind and social conscience so essential for honest, efficient, and economical administration of government and public utilities. In the light of the moral delinquencies on the part of governments and public-utility companies, it is not only the right but the solemn duty of the people to demand at the hands of their governments and public-utility managers the correction of these delinquencies and shortcomings. Our tax bill is large, but much is being demanded of government these days. If the people expect an infinite variety of services from government, the cost necessarily must be correspondingly high, no matter how efficiently and economically administered.

The Productive Process Analyzed

Since the high cost of government is disturbing the com­placency and peace of mind of some of our worthy citizens, an honest and candid examination of the tax problem is in order. How often have we heard from the floor of this House the wail, “Where are you going to get the money?” This is a very proper and timely question. It is a very vital and important question, and upon its correct answer may turn the destiny of the American Republic. The problem of taxation is the most vital problem that can engage the attention of lawmakers and statesmen. For upon the sane and rational application of the incidence of taxation depend the peace, prosperity, and happiness of the people. The Supreme Court of the United States, in a celebrated case, said:

“Taxes are burdensome and ought to be raised only for proper purposes. But there are some things worse than debts and taxes.

Representative Lumlow, in discussing the Post Office and Treasury appropriation bill, stated the case of the expenditures of the present administration correcting and eloquently when he said:

The spending has indeed been enormous—much greater than many of us-appropriators-regrettable as it is—dangerous than debts and more undesirable than taxes. The artificial obstructions now hampering industry and impeding the free flow of trade may be removed. With this in mind, let us examine the conditions under which man lives and has his being.

We find man to be an inhabitant of the earth and beset by certain definite wants that must be gratified if life is to be maintained. The active factor in the process of production is labor—and labor and capital. The product produced or drawn forth from the earth—the great storehouse from which the things are obtained that satisfy man’s needs. The active factor in the process of drawing forth or producing the necessities of life on the part of the individual laborer. Another factor is tools employed by labor. Therefore there are three primary factors in the productive process: The earth—land in its comprehensive sense—and labor and capital. The product produced or drawn forth from the earth by labor and capital make up the infinite variety of things that gratify the physical wants and necessities of man and constitute wealth in the true economic sense. This, then, is the simple picture of the productive process in which the great body of mankind is engaged in order to obtain their livelihood and maintain civilization.

Let us next examine how wealth, the product of productivity, is shared. Since labor is one of these primary factors in the process of production are land, labor, and capital, it is reasonable to assume that each factor is entitled to a share of the product; and, generally speaking, this is true, excepting in communities where land is free—that is, where land may be had for the asking, as in the settling and homesteading of our western frontier during the last century. The moment, however, that land becomes monopolized and free land can no longer be had for the asking, then those in control of the land demand a share of the wealth produced by labor and capital.

And let it be observed that the demands of the owners of monopolized land increase and multiply with the increase of population and the progress of the race. The higher the...
race advances in the scale of civilization—materially, intellectually, spiritually—the greater will be the exactions of those in control of the land. This is due to the fact that the benefits of human progress are absorbed by land, and these benefits are reflected in the value of the land, thus enabling the landowners to appropriate from the progress of society all the fruits of a fair return on the capitalized value of land. Therefore, those in control of monopolized land are in a position to appropriate all the wealth produced by labor and capital, excepting the portion needed to lure capital into productive enterprise and enable labor to increase the value of land, as such, do not contribute anything whatsoever in productive effort. They are drones and parasites on industry. They reap where they have not sown and devour which that in justice and right reason belongs to all the people. Since the benefits of advancing civilization are absorbed by land, and the profits issuing therefrom appropriated by private interests rather than by society, it is obvious that private interests are enjoying what in justice ought to accrue to all. This fact must be taken into consideration in any serious study of the subject of taxation, for so long as we permit the values of land to go unappropriated, it is manifestly is where there is absolutely no choice, and he that starts to make himself a home. The soil is virgin and rich; game is abundant; the streams flash with the finest trout; and his very best trap, which was, were he in a populous district, would make him rich; but he is very poor. To say nothing of the mental craving, he would come to welcome the thought of being a stranger, he labors under all the material disadvantages of solitude. He can get no temporary assistance for any work that requires a greater union of strength than that afforded by his own family, or by such help as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, was the store, the biennial of commerce, the wheelwright's shop, were set upon it, or on its margin, where soon arose a village, where the spinners and the weavers may come, and the jurisdictions, as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a man, as he cannot produce what he must kill a bullock. He must be allowed, and the great increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a certain superiority over land of equal fertility, but it is not always the case. If no land remains to be taken up except such as is as far removed from population as was our settlement before it was settled; In that case the stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settlers' land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.
prices which it would not bring for wheat growing if its fertility had been multiplied many times. With the proceeds he builds himself a fine house, and furnishes it handsomely. That is to say, the transaction to its lowest term, the person who wishes to use the land build and furnish the house for him. On considering this let them examine themselves of the nature of productive power which the increase of population has given the land.

Population still keeps on increasing, giving greater and greater utility to the land and more and more wealth to its owner. The town has grown into a city—a St. Louis, a Chicago, or a San Francisco. Production is here carried on a great scale, with the best machinery and the most favorable facilities; the division of labor becomes extremely minute, wonderful efficiency; exchanges are of such velocity and rapidity that they are made with the minimum of friction and loss. Here is the heart, the brain of the vast social organism that has grown up from the germ of the first settlement; here has developed one of the great ganglions of the human world. His latter rule is, hitting set all claims, through all vast regions round about. Here, if you have anything to sell, is the market.

Here, if you have anything to buy, is the largest and choicest stock. Here intellectual activity is gathered into a focus, and here springs that stimulus which is born of the collision of mind with mind. Here are the great libraries, the storehouses of knowledge, the learned professors, the famous specialists. Here are museums and art galleries, collections of philosophical apparatus, and all things rare and valuable and best of their kind. Here come great actors and orators and singers from all over the world. Here, in short, is a center of human life, in all its varied manifestations.

So enormous are the advantages which this land now offers for the application of labor that, instead of one man with a span of horses scratching over acres, you may count in places thousands of acres, the hard working acres on tier, on floor after floor above the other, five, six, seven, and eight stories from the ground up, with the column of the earth supported by a throbbing with pulsations that exert the force of thousands of horses.

All these advantages attach to the land; it is on this land and no other that they can be utilized, for here is the center of population—the focus of exchanges, the market place and workshop of the whole vast industry. The productive powers and density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold. And rent, which measures the difference between this added productivity and that of the least productive land in use, has increased accordingly. Our settler, or whoever has succeeded to his right to the land, is now a millionaire. Like another Rip Van Winkle, he may have lain down and slept; still he is rich—not from anything he has done but from the land in which he owns.

There are lots from which for every foot of frontage the owner may draw more than an average mechanic can earn; there are lots that will sell for more than would suffice to pay them with gold coin. In the principal streets are towering buildings of granite, marble, iron, and plate glass, finished in the most expensive style, replite with luxury and convenience. Yet they are not worth as much as the land upon which they rest—the same land, in nothing changed, which when our first settler came up it had no value at all.

Here, in poetic prose, is told the story of the nature, origin, and development of land value. The profit derived from capitalized land values is known in political economy as economic rent. J. Ramsay MacDonald, former Prime Minister of England, referring to this factor in the economic structure, said:

Rent (ground rent) is a toll, not a payment for services. By it social values are transferred from social pools into private pockets, and it becomes the means of vast social exploitations. * * *

Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to common funds and be spent in the common interest.

NATURAL FUND FOR PUBLIC REVENUE

"Where are you going to get the money?" has echoed and resounded as consumers' goods for many centuries. On more than one occasion the distinguished gentleman from Pennsylvania [Mr. RICH] has made it the burden of his song. The problem of mounting debts and taxes in all conscience is serious and, as everyone knows, the burden of the cost of government—both Federal and local—is reaching new and unprecedented proportions. Those who are alarmed at the extraordinary expenditures and disturbed at the refrain of the distinguished gentleman from Pennsylvania, let them explore for revenue purposes the possibilities of the fund represented by the Nation's land values and the values of the public utility franchises; in other words, the ground rent to which J. Ramsay MacDonald alludes.

An honest, impartial, intelligent investigation will disclose the fact that the land values of America and the public utility franchise values constitute a fund provided by Nature and Nature's God that will supply not only the means of every legitimate public expense but will meet every canons of tax sanction. Yes, it will do more. It will go far to solve the problem of unemployment and involuntary poverty. All we need do is lay the basis and point the way for the honest and equitable distribution of wealth. It will give light and leading to the baffled and perplexed educators, statesmen, and philosophers who are grappling with these problems.

The question is frequently asked: 'Why so much want in the midst of plenty?" But in his Atlanta speech, put the same question in this form:

I think it is of interest to point out that national surveys prove that the average of our citizenship lives today on what would be called by the medical fraternity a "third-class diet." If the country lived on a second-class diet, we would need to put many more acres than we use today back into the production of foodstuffs for domestic consumption. If the Nation lived on a first-class diet, we would have to put more acres than we have ever cultivated into the production of an additional supply of things for people to eat.

Why, speaking in broad terms in following up this particular illustration, are we living on a third-class diet?

And proceeds to answer by saying:

For the very simple reason that the masses of the American people have not got the purchasing power to eat more and better food.

And the President properly might have pursued the question further and included not only better food but better clothes, better housing, not to say anything about modern conveniences.

LACK OF PURCHASING POWER

Why do the people lack purchasing power? It is not due to the people's unwillingness to labor and produce wealth. It is not due to lack of capital nor to the misgirdliness of nature. All about us we see natural resources that willing hands and idle tools are anxious to exploit. The natural resources of the Nation, if touched by the magic hand of labor and capital, would supply enough and to spare for all.

The Bureau of Home Economics of the Agricultural Department, after a careful survey of the needs of an average family in the United States, found that an annual income of $3,500 was necessary to maintain a reasonable standard of living. When it is remembered that in 1929, the year of our peak prosperity, there were 6,000,000 families in the United States with incomes of less than $1,000, 12,000,000 families with incomes under $1,500, and over 19,000,000 families—over 71 percent of our entire population—with incomes less than $3,500, it is obvious that the wants of the people were far from satisfied. In periods of depression and in times of ordinary business conditions, the income of the average family is considerably less. These facts indicate the inadequate of and limited purchasing power of the great mass of the people either in so-called good or bad times.

They further indicate that there is among our own people a great potential market that will be available with the advent of adequate purchasing power in the hands of the masses. It is estimated that if the income of the average family were $2,500 per annum, the farms, mills, and factories would be required to produce 75 percent more wealth in order to supply the demand of the American market.

These facts confirm the findings of the Brookings Institution, of Washington, D. C., which, found, after an exhaustive investigation and study of the problem of production and distribution of wealth, that at the very peak of our prosperity, 13 percent of the income derived from the production of the United States owned 90 percent of the wealth and that the income of the other 87 percent was so low that only a few of them consumed any luxuries or conveniences at all, and that practically all of the 87 percent were compelled to spend their entire income for the bare necessities of life, and further discovered that if the income of the other 87 percent were sufficient to enable them to maintain...
a standard of living such as the Bureau of Home Economics of the Agricultural Department describes as reasonable, there would be a marked increase in production and consumption.

In our exploration for an answer to the question of "Why want in the midst of plenty?" and to President Roosevelt's observations on the inferior diet and lack of purchasing power, and the Brookings Institution's discovery of the inequitable distribution of wealth and the low purchasing power of 71 percent of the American people, we may, perchance, also discover the El Dorado where the money may be had with which to pay the tax bills.

In recalling George's story of the nature, origin, and growth of land values, let us, for example, take the city of New York. The report of the commissioner of taxes and assessments for the year 1934 discloses the fact that the land values of the city of New York are $8,000,995,996, while the improvement values total $8,456,173,777. It will be observed that the value of the land and the value of the improvements are about equal. And here let it be noted that rows upon rows of buildings and skyscrapers in the city represent a tremendous amount of human labor—every building, every home, every office, every factory, every skyscraper came into being only as the result of the labor of thousands upon thousands of workmen. Not so with them. But—

Continued Lincoln—

it has happened in all ages of the world that some have labored and others, without labor, have enjoyed a large proportion of the fruits. Applying this line of reasoning to the problem in hand, who is the rightful owner of the profits issuing out of the land values not only of the city of New York but of the land values and public-utility franchise values of the Nation in normal times are estimated at $8,000,000,000,000. The value of the Nation's permanent labor products in normal times is approximately two hundred billions. And inasmuch as the one is the product of society and the other the product of labor, we are not within the bounds of logic, good morals, and sound law in concluding that labor ought to receive the share it produces and society be rewarded for the share it produces? Why are the products of labor so illily shared? Why is wealth so inequitably distributed?

Lincoln, in discussing this problem, said:

Inasmuch as most good things are produced by labor, it follows that those good things belong to those whose labor has produced them. But—

Why politics and government are corrupt?

It explains even more. It is this fact in our economic society that accounts for much of the vulgarity and corruption in government and politics. Albert Jay Nock, a publicist and fundamental thinker of note, puts the case in this fashion. He says:

Second, as the State stands as an impersonal mechanism which can confer an economic advantage at the mere touch of a button, men will seek by all sorts of ways to get at the button, because law-made property is acquired with less exertion than labor-made property. It is easier to push the button and get some State-created monopoly, like a land title, a tariff, a franchise, or other governmental concessions, and pocket the proceeds than to accumulate the same amount by labor-made means.

Man seeks to gratify his desires and wants with the least possible exertion. There are only two ways by which these wants and desires can be gratified—one is by labor or rendering service, the other by stealing or extorting service. It is, of course, plain why men seek to get at the button which Nock directs our attention. But it is also clear that we cannot as a people or as a Nation by robbery alone hope to secure, whether by the ordinary highway method of stand and deliver or the more refined way of using the power of government.

Since wealth is brought into existence by human labor alone, it follows that some must labor and produce the things that man needs for the gratification of his wants and desires, and therefore it would seem that, since all cannot hope to derive their living off the labor of others, that we put an end to the stealing of the few by organizing society in such fashion that none would reap where others have sown. It is obvious if we wish to establish an economic order based upon the foundation of social justice that the burden of taxation now resting upon the products of industry and labor must be removed and the profits that issue from governmental concessions, such as land titles, franchises, and the like, must be used for public purposes so that all the people will enjoy their share of the community fund. Incidentally, we could put an end to the great paradox in which most of our foremost citizens are ready and eager to grovel in the dirt and slime of politics in order to get at the governmental button. If the problem of unemployment is to be solved and involuntary poverty abolished, then government must be administered in such fashion that legal privilege of whatsoever nature will be destroyed. In other words, the economic advantages derived from pushing the governmental button must be removed from the realm of government and politics.

Why politics and government are corrupt?
One of the most important natural laws that govern our economic life is the law of economic rent. Therefore let us put the proposal of taking the economic rent of land or the needs of a growing and advancing community. Someone has said:

That Nature has intended the state to obtain the revenues it needs by the taxation of land values is shown by the same order and degree of evidence that shows that God has intended the milk of the mother for the nourishment of the babe. For no sooner does the state arise, is the necessity of the community felt, than be observed how beautifully and wisely Nature has provided for the needs of a growing and advancing community. Someone has said:

Nature gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone.

Morals and Sound Taxation

Let us consider the taxes on the processes and products of production, on which our present public revenues are collected. The taxes on occupations, on earnings, on investments, on buildings, on houses, on the cultivation of fields, on industry and thrift in all forms have none of the characteristics indispensable in any plan we can demand a right one. All these taxes violate the moral law. For they take by force what belongs to the individual; they give to the unscrupulous an advantage over the scrupulous; they corrupt government; they make oaths a mockery; they shackle commerce; they fine industry and thrift; they lessen the wealth that man might enjoy, and enrich some by impoverishing others.

Now, what about the tax on land values? We have observed that land values are the result of community growth and advancing civilization. They do not come into being as a result of the activity of any particular individual, but by the activity of all the people functioning as a social organism. Therefore, since no particular individual is responsible for the origin and growth of land values, but are due to the activity of all the people, it is clear that the profits issuing from land values belong to all the people. Well has it been said that:

Nature gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone. In a very Garden of Eden, man was created, and nothing will ever take from him the right to enjoy the fruits of his own labor; the right of the other to the enjoyment of his income rests on the warrant of Nature, which gives to labor, and to labor alone.

And also let it be further observed that a tax upon land values is the most just of all taxes, for:

It falls only upon those who receive from society a peculiar and valuable benefit, and upon them in proportion to the benefit they receive. It is the taking by the community, for the use of the community, of that value which is the creation of the community. It is the application of the common property to common uses. When all rent is taken by taxation for the needs of the community, then will the equality ordained by Nature be attained. No citizen will have an advantage over any other citizen save as is given by his industry, skill, intelligence, and each will obtain what he fairly earns. Then, but not till then, will labor get its full reward, and capital its natural return.

This is a consummation devoutly to be wished. But inasmuch as public opinion has not yet been developed sufficiently to embrace the present bill, I will only say, nor the justice of the taxation of land values, it is obvious that the present need is education and more education, to the end that a healthy and wholesome public opinion may be developed on the vital question of taxation. In order that such a situation may not be brought about, and destruction of its own ends, the promulgation of ideas in relation to taxation and the subject of political economy contrary to the social order ordained by Nature and Nature's God is charged with TNT of bad economics and may be destructive of the very society and civilization for which the friends of social justice live and labor and sacrifice. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Eckert] has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, I have heard several speakers this afternoon on the subject of taxation raise the question of how this money has been spent by our Democratic administration. I may say that it has, in behalf of the people of this Nation, and President Roosevelt demands that it be spent honestly and impartially in behalf of all the people of this great Nation who are in need.

Let me preface my remarks by saying that in the State of Michigan and in many States of the United States since November 1932, no Federal relief grants have been given to Michigan and other States by the Federal Government; so that all direct relief money spent in the States is completely controlled by the State administration. In the State of Michigan we have a Republican administration.

I want to read this letter to you to show what a Republican administration is doing with relief money:

IRON RIVER, Mich., April 14, 1936.

FRANK E. HOOK.

Sir: I am writing you telling I have been 3 months without any wood. I have been after them dozens and dozens of times, and one cold day I went to the Caspian office, walked 4 miles. When I got there Mr. Brotherhood was sitting in a big soft morris chair in front of a nice big fireplace, smoking a big cigar, and had refused to talk to me and I was half froze and went away.

I left word there for the investigator to make a call at my home. She came about 2 weeks after. The day she came I was in the doctor's office, and my husband was at home. This is what she told my husband. "If you take that picture (meaning President Roosevelt) down from the wall, maybe we could get something." We didn't think anything of this right then. We thought we would get the wood and we didn't, so then I went up to the food store where they have their offices on Tuesday, April 14, and seen the investigator, Miss Doring, and asked her about the wood, and she came out with the same thing, only a little stronger. She said, if you take the picture off your wall, then Mr. Brotherhood would give you some wood. She said Mr. Roosevelt doesn't help you anyway.

I have an affidavit in the hand of anyone that this is nothing but the truth. We were treated fine until the picture came up, until the first investigator came in our house and seen it. I told her I was sick, and under the doctor's care, and we need help. Please answer.

Talking about buying votes! When Members on the opposite side of this aisle accuse the Democratic Party of trying to buy votes with relief money, how do they explain away such a situation as that outlined in this letter, a situation in which I have much pride, that of the Michigan farmers since 1932. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millstones of the depression and were crushed by the very war. The United States Administration in 1933 was launched which reduced the taxes on rural farms some 60 percent in the State of Michigan.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. WOODRUFF. Will the gentleman tell the House whether or not the reduction in farm taxes was brought...
about by constitutional amendment, by vote of the people of the State, or by the legislature?

Mr. HOOK. It was brought about through the fact that Michigan itself could not have operated in behalf of and for the good of the farmers without being helped by the Federal Government.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. HOOK. Yes.

Mr. WOODRUFF. The gentleman has not answered my question. I will say, if he dislikes to answer, that the reduction in the tax on real estate in the State of Michigan was brought about by a constitutional amendment voted by the people of the State. It was brought about by the people themselves. That is the fact.

Mr. HOOK. Partially so. I grant that the Democratic administration was responsible for that, but the greatest benefits were brought about through the agricultural program. But there are things in connection with the spending of the taxpayers' money in the extension work in that great State to which I want to call attention.

It is inherent in the hearts of Americans to take pride in the growth and progress of each one of the individual States that make up the Union. Citizens of a particularly fortunate State are, of course, doubly proud, and as a citizen of Michigan it is with great gratification that I point to the progress that my State has achieved in two major fields of enterprise, upon which the citizens of Michigan depend for their livelihood, since the depth of the depression in 1932, to the present time.

First, I wish to call attention to the record of the automobile industry during the past 4 years. The production of automobiles has increased by more than 70 percent. New plants are being built in many Michigan manufacturing cities. Many leading automobile factories are behind in their orders for new cars. These cars are sold throughout the United States and exported to foreign countries. In a sense, more than three-fourths of the people of the United States travel with their feet on a part of Michigan, since the floors of 90 percent of these cars and the chassis benefited are made in Michigan factories, largely from iron and timber produced in Michigan.

I am proud of the leadership Michigan has taken among other States in rising out of the depression through this major industrial development, but as a citizen of Michigan I realize that Michigan alone as a State was prostrate and helpless 4 years ago when her factories and mines were closed, and her people out of work, and orders for automobiles had dwindled to less than one-fourth of the normal business.

Early in 1933 the program of the Federal Government was launched and a recovery started that began at the grass roots, primarily through the cooperation of farmers in the program authorized by the Agricultural Adjustment Act, that increased the purchasing power of farmers of the United States by 40 percent in 1934 and over 60 percent in 1935, as compared to the panic year of 1929. Statistics show that it was the farmers and the businessmen dealing with farmers who were the largest purchasers of the automobiles made in Detroit factories.

A second great achievement in which I take particular pride is the achievement of Michigan farmers since 1929. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millionest of the depression and were unable to help themselves until the Federal program of 1933 was launched, and through the Agricultural Adjustment Administration, the Farm Credit Administration, and other New Deal agencies, farm foreclosures dwindled and prices on basic commodity crops were advanced toward parity prices.

Ordinarily the reports of crop statisticians are considered the crown jewels of the crop reports for the State of Michigan. The reports of the Agricultural Adjustment Administration for the year of 1935, issued by the State department of agriculture, with the United States Department of Agriculture cooperating, reads like a romance to those who look back to the dark and desperate days of 1932 and at the same time vision the progress that has taken place since as represented by cold figures—figures that show less of misery and more of happiness, less of despair and more of hope, for farm families. This report states that in 1932 the total value of livestock and crop production for the State of Michigan was $118,567,000.

In 1935 the total cash farm income for Michigan had risen to $177,000,000 for all crops and livestock, an increase of nearly 50 percent. In addition, this report further states that taxes on farm real estate had declined approximately 60 percent from 1934 to 1935 taxes being not yet available. The report of the State statistician indicates that progress toward complete recovery will continue in 1936.

Practically all farms of the State are in full operation, and many new farms, particularly the small farms of part-time farmers who work in industry part of their time have been brought into production.

One of the outstanding achievements in Michigan has been the increase of alfalfa acreage, in which Michigan now ranks second in the Union, an increase of from 74,000 acres in 1919 to nearly 1,000,000 acres in 1935; and in sugar beets, in which she ranks third, increasing from an acreage of 50,000 in 1931 to 115,000 in 1935; and field beans, in which Michigan ranks first, producing a crop valued at $5,263,000 in 1931 and worth nearly $10,000,000 in 1935 ($9,532,000). In potatoes, Michigan took second rank of the Nation in 1935, with a crop valued at $12,492,000; while in 1931, when the depression was on, the potato crop of Michigan was worth only $4,331,000. Michiganders are also proud of the fact that Michigan ranks first as a cherry State, her crop being worth $1,622,000 in 1935; while in 1932, the lowest point of the panic years, Michigan's cherry crop brought a return of only $668,000.

Neither do we Wolverines cry over the fact that we are the agricultural State of the Union, since we do not mind if you poke fun at us for being the premier pickle-producing State. And these products, too, have gained as the consuming public with increased purchasing power has had more money with which to buy pickles and cherries.

It is not only through the direct basic-commodity crop acreage-control program of the Agricultural Adjustment Administration that Michigan farmers benefited but through the wise purchases of surpluses by the commodity-purchase section of the Agricultural Adjustment Administration that prices on dairy products, beans, and special crops were maintained.

The leading authority of the cooperative organizations of Michigan and also of the bean-jobbing industry states that orderly marketing resulting from the Federal purchase of pea beans in 1935 saved Michigan farmers from enormous losses that would have been caused by gluts of the market. These losses would have run into millions of dollars without this wise aid from the Federal program in handling one of Michigan's largest bean crops.

The new Federal soil-conservation program is now being launched in Michigan, and those who understand its provisions and who have been in touch with the soil-conservation program of the past 10 years of the Michigan Agricultural College can realize that this program offers much to Michigan farmers. It grieves me, however, to note that political pressures are still brought to bear upon that grand old institution, the mother of all agricultural colleges, in an effort to break down the wise provisions of the New Deal for agriculture and for the general welfare of the Nation. In that connection I wish to remonstrate here against any political control being exerted that perverts the Federal- and State-supported land-grant colleges of America from their high purpose.

They are unique in their service to the Nation and deserve complete freedom from self-seeking political influences. The general welfare of the Nation, as the economists need not be hired by any political group to give facts. These institutions stand ready to give the facts freely to the Nation as part of their service.

Some years ago certain members of a political group got mixed up in affairs that looked surprisingly like grand
larceny, perjury, and unethical and illegal use of State funds at our land-grant college.

At this point, Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a report of the Senate committee investigating the administration of the affairs of the Michigan State College of Agriculture and Applied Sciences.

Mr. TREADWAY. Mr. Chairman, reserving the right to object, is it a State or Federal document the gentleman speaks of?

Mr. Hook. This is a State document involving some funds, namely, funds of the War Department in the R. O. T. C.

Mr. TREADWAY. Does the gentleman believe them applicable to a tax bill?

Mr. Hook. They relate to tax money that is being spent. The Chairman. Is there objection to the request of the gentleman from Michigan?

Mr. TREADWAY. Mr. Chairman, I shall not object. There was no objection.

The matter referred to follows:

REPORT OF THE SENATE COMMITTEE INVESTIGATING THE ADMINISTRATION OF THE MICHIGAN STATE COLLEGE OF AGRICULTURE AND APPLIED SCIENCES

His Excellency the Governor and honorable members of the Senate, of the State of Michigan.

Gentlemen: On February 26, 1933, the Senate passed the following resolution fixing Senate Resolution No. 27:

"Senate Resolution No. 27

A resolution providing for a public investigation into the administration of the affairs of the Michigan State College of Agriculture and Applied Science, together with the affairs of its officials and employees and the activities of any person, corporation, or other body, directly or indirectly related to said Michigan State College of Agriculture and Applied Science; and

Whereas certain facts have appeared and certain rumors have been circulated regarding the administration of the affairs of the Michigan State College of Agriculture and Applied Science, tending to call into question the propriety of the acts and policy of the administration of the affairs of the Michigan State College of Agriculture and Applied Science; and

Whereas the affairs of this institution have been determined upon behind closed doors, and all previous official investigations of these affairs have been denied to the public, the taxpayers of this State have a right to be enlightened with regard to these matters by means of a public investigation; and

Whereas certain employees of this institution have been discharged this year and their discharge continued without satisfactory explanation of this unusual conduct by the officers of said institution; and

The resolution of the Senate determined that there was a cash shortage of $8,087.65 in the uniform deposit and advance military account upon the books of the treasurer of the college at June 30, 1932, that this shortage had not been disclosed in the reports of the college. For example, a loan of $1,500 made to the Union Opera Board on December 19, 1922, appears on the treasurer's books. Interest collected on bank deposits since the year 1916 totaling $15,486.34 is also recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.

The control of cash received from commercial sales, services, and other operations in many of the departments of the college is inadequate. In many of these transactions credit is extended and there is no control of transactions. No entry is made for them on the general books of the college until such cash is received. The committee's investigation disclosed that there was in excess of $55,000 of accounts receivable owing to the college, which did not appear on the general books, and that many of these accounts were long past due and in some instances actually bad.

The officials of the college and the State board of agriculture were grossly negligent in arranging for and supervising deposits of the funds of the college in deposit organizations. Bank deposits that were made to the Union Opera Board on December 19, 1922, and $15,486.34 in bank deposits since the year 1916 totaling $15,486.34 are recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.

The control of cash received from commercial sales, services, and other operations in many of the departments of the college is inadequate. In many of these transactions credit is extended and there is no control of transactions. No entry is made for them on the general books of the college until such cash is received. The committee's investigation disclosed that there was in excess of $55,000 of accounts receivable owing to the college, which did not appear on the general books, and that many of these accounts were long past due and in some instances actually bad.

The officials of the college and the State board of agriculture were grossly negligent in arranging for and supervising deposits of the funds of the college in deposit organizations. Bank deposits that were made to the Union Opera Board on December 19, 1922, and $15,486.34 in bank deposits since the year 1916 totaling $15,486.34 are recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.

The control of cash received from commercial sales, services, and other operations in many of the departments of the college is inadequate. In many of these transactions credit is extended and there is no control of transactions. No entry is made for them on the general books of the college until such cash is received. The committee's investigation disclosed that there was in excess of $55,000 of accounts receivable owing to the college, which did not appear on the general books, and that many of these accounts were long past due and in some instances actually bad.

The officials of the college and the State board of agriculture were grossly negligent in arranging for and supervising deposits of the funds of the college in deposit organizations. Bank deposits that were made to the Union Opera Board on December 19, 1922, and $15,486.34 in bank deposits since the year 1916 totaling $15,486.34 are recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.
excess of the requirements of the college, and that over 31 percent of the items examined had not been called for or used since 1931, and many of the items referred to had not been used at the college for several years prior to 1931.

The following examples of overpurchase of supplies are given:

On August 24, 1929, the college purchased 2,500 feet of lead-covered wire at a cost of $32,362.20. This wire was never used, as 1,500 feet of cable had been used, and the balance was on hand. Inquiry disclosed that the cable was not of a type which was regularly used at the college.

On April 20, 1931, 500 bags of calcium chloride were purchased at a cost of $635.73. On July 30, 1981, about 3 months later, a further purchase was made at a cost of $542.70. From the date of the first purchase to the end of the year in which both purchases were made, only 450 of the bags were used. The total cost of the purchase of this amount was upward of 500 bags in excess of the requirement. In 1932 only 46 bags were used. On that basis the college has a 10-year supply on hand.

On November 15, 1931, 12 Yale locks and 24 master keys were purchased, at a cost of $64.30. The locks and keys were still in storage on April 26, 1934.

The committee has information regarding a number of items of the same type as those above quoted.

The college has frozen a considerable amount of its working funds in unusable supplies through careless purchasing practices.

7. The college has carried an average balance in its creamery operating fund ranging from $5,000 to $46,000 on deposit in the East Lansing State Bank, East Lansing, Mich., from 1923 to 1932. This balance was never called for or used.

The report of the special assistant tax attorney who held an investigation at the college in 1922 stated that the interest on this fund was compounded for the year at 4 percent. The investment was transferred to the college in 1932.

8. The disbursement of an appropriation of $50,000 for improvement of grounds authorized by the State legislature in act 403 of the Public Acts of 1927 was made in 1929. No further payments have been made to the First Detroit Co. for its services.

9. In connection with the retirement of the securities issued and to retire the securities as they mature.

The state legislature appropriated $500,000 to the college for building purposes for the year 1931. Of this amount the sum of $4,500.00 was used to construct a dormitory or the building in connection with the construction of the football stadium at the campus.

The State board of agriculture has appropriated from the balance of the above appropriation a sum of $180,000 to be used along with other funds, to be raised by the sale of securities, for the construction of another dormitory along the same lines as the Mary Mayo Hall, previously mentioned in this report.

It is evident that the $300,000 building appropriation made by the state legislature for use in the year 1931 was not required for general college buildings.

The State board of agriculture on October 31, 1921, entered into a preliminary agreement with the Detroit Trust Co. and The First Detroit Co., in connection with the leasing of the ground and the building and the financing of the improvements. The state College 6-percent Dormitory Trust Certificate was mentioned above. It also entered into an agreement with Malcolmson, Riggibotham & Trout, architects, Detroit, Mich., for the preparation of plans and specifications for college buildings constructed and has been paid 5 percent of the cost of construction.

The state College 6-percent Dormitory Trust Certificate is payable over a 10-year period of 5 years. Construction of the dormitory has not started. The amount paid by the college is refundable when construction is started and the securities have been sold.

From June 25 to June 30, 1928, the college furnished the building on the campus to a private owner, with electric, steam, and water service amounting to $13,190.37, without charge. In the year ended June 30, 1929, it furnished the same service. In the amount of $8,000, in 1929, within the 10-year period, it has appropriated to the building free service to the extent of $10,500.

10. The free service furnished and appropriated was approximately $69,450.

In 1929 the State board of agriculture appropriated and disbursed $5,251.21 for finishing a portion of the privately owned Union Building on the campus for use as a faculty club.

11. The State of Michigan carries in its sinking fund $200,000 of bonds on the privately owned Union Building on the campus. Two hundred and eighteen thousand dollars of these bonds have matured and are unpaid and $60,725 of interest on the bonds is past due.

12. The State board of agriculture donated in cash to the Michigan State College Alumni Association $6,000,000 at the rate of $500,000 per annum.

13. From October 1930 to December 1932, the State board of agriculture has appropriated and disbursed $350,000 in payments for the traveling expenses of the officials of the college and the State College Alumni Association attending alumni meetings.

In 1931 there was appropriated and disbursed from general college funds $1,594,780 to cover the payment of salaries, taxes, and other expenses necessary for the operation of the college. This amount covered labor, fuel, and plant and equipment, but did not include for the first time the cost of the paymaster.

The principal expenses of the college in recent years have been:

14. The cattle known as the Mary Mayo Hall was built on the college campus in 1930 from funds obtained from the sale of securities by the First Detroit Co.

The amount of securities sold was $425,000.

The advertising matter used in the sale of these securities described the issue as "Michigan State College 6-percent Dormitory Trust Certificates." The college does not own the dormitory and, according to the agreements examined, is not financially obligated in connection with the retirement of the securities at maturity.

The securities are in default.

The securities were issued and the advertising matter used with the understanding that the officials of the college and the State board of agriculture:

The issue of the securities and the advertising matter used in their solicitation was made to the Securities Commission of the state.

The college has leased Mary Mayo Hall and has contracted to pay from the net income of the dormitory if the earnings are sufficient the amount of the payment of the dividends on the securities issued and to retire the securities as they mature.

The lessee contains the following clause: "The lessee shall not operate another dormitory or dining hall which will impair the income of this dormitory from rooms and board to such an extent as, in the judgment of the lessee, will endanger the collection of sufficient revenue for the payment of the rent reserved herein. If at any time the lessee shall give to the lessee notice in writing that it is necessary for the operation of such revenue to discontinue the operation of any other dormitory or dining hall by the lessee, the lessee shall discontinue such operation forthwith and, in any event, within a year after such notice."

Under the above-cited clause, the trustees for Mary Mayo Hall have the option of operating dormitories and dining halls owned and operated by the college, if the net income of Mary Mayo Hall is insufficient to meet the dividends on securities issued and to retire securities as they mature.

In October 1930 the State board of agriculture authorized the purchase of $2,500,000 in the Michigan State College Agriculture and Applied Science Dormitory Trust No. 1 (Mary Mayo Hall) at a cost of $35,916. The purchase was made from college funds and at the rate of $600 every 4 years from 1930 to 1950.

This was an improper investment of public funds which were appropriated by the legislature to purchase dormitories or other property for the use of the college.
We recommend that the Governor of Michigan be informed of these facts and that he take such action as he deems necessary to correct the shocking state of political control at the Michigan State College. According to depend¬
able authority, Mr. Woodworth received pay for his services as a lobbyist from the Michigan State Board of Agriculture—taxpayers' money used to protect guilty parties. As reported by the Michigan press, Mr. Woodworth is the man who at the recent Republican "bluegrass" convention at Cleveland,
whispered the name of Vanderberg in the ears of receptive delegates as a likely G. O. P. Presidential candidate. With increasing frequency of late, the stentorian tones of the junior Senator from Michigan have resounded through the United States Senate. He is already hailed by many Republicans as the “plumed knight” of the Republican Party who may carry the gauntlet of the G. O. P. at the next election.

"Sanctity of our courts" and "freedom of the press" are the two main themes of Senator Vanderberg, who apparently desires to implant the idea in the minds of his hearers that these paladins of liberty have in some way been entangled in the New Deal in bringing the Nation from the depths of the Hoover panic of 1932 to the present state of well-advanced recovery. The Junior Senator from Michigan is an orator of the old school, the very epitome of "pomp and circumstance" as he paces back and forth upon the Senate floor—a champion full worthy of the pelf and power faction of the old guard. Hamilton is his ideal, about whom he has written two books—the Hamilton who opposed the farmer and who looked upon the people collectively as "a dangerous beast."

The courtesy that I, as a Congressman, must extend in the House toward the junior Senator from my State forbids my presenting here further details regarding the muzzling of the press, and the political prostitution of the Judiciary of my State by G. O. P. factions, but recent developments remind me of a remark made by a wise old farmer of a central Michigan county in discussing the changes of a local Republican candidate for election as county supervisor: "Well", said the old-timer, "everyone knows that Mel sucks eggs, but he's durn good at hiding the shells." Until very recently the old-guard gang of Michigan have been "darn good at hiding the shells", but some of them, though carefully hidden, are coming to light.

The political henchmen of this gang are desirous of widening the scope of their influence by invading the broader field offered with Washington, D. C., as headquarters. As political machines go, this latest model Michigan machine is worthy of attention. Like the latest model 1936 White House garage next November, but political machines go, this latest model Michigan machine from a committee room.

This is the machine they would like to wheel into the White House garage next November, but I cannot agree with my distinguished friend from Massachusetts that this Republican machine will go in there at any time. The honest people will not approve when all the facts are brought to light.

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. Wadsworth].

Mr. WADSWORTH. Mr. Chairman, I have been endeavoring to ascertain from the gentlemen in charge of this debate just how much longer it is to be permitted to go on. I gather the impression that if no one interferes to stop us it will go on until 5 o'clock; also the impression that there is but one remaining orator on the other side of the aisle, which indicates that between us we shall consume perhaps an hour and 15 minutes. Of course, that will involve no effort on my part and does not dismay me in the slightest degree.

Mr. Chairman, I am a little unconventional in that I will have to confess at the outset I have never been excluded from a committee room. In fact, the committee room that has become so famous during this debate is one in which I would not care to force entry during a Democratic discussion of a tax bill. I cannot, therefore, on any pretense upon this occasion, nor do I know anything about the horrid conditions existing in the State of Michigan as described to us by the gentleman who has just preceded me, and which bear such a close relation to this tax bill.

Upon one or two occasions as this debate has proceeded, Mr. Chairman, I have endeavored to remind the Chair and the Committee that the rule under which this debate is conducted provides that remarks shall be confined to the bill itself. Again I shall be unconventional in that I shall obey the rule; otherwise apparently it has not been worth the paper it is written on.

Mr. VINSON of Kentucky. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. The gentleman has not adhered to the rule up to this point.

Mr. WADSWORTH. Mr. Chairman, I beg the indulgence of the gentleman from Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, I withdraw the point of order.

Mr. WADSWORTH. Do not withdraw it. I desire to be disciplined.

Mr. Chairman, my remarks up to this moment will be recognized, of course, by all veteran legislators as of the graceful and introductory character. I shall be guilty of nothing in the few comments I shall make, and I think I will not consume 30 minutes unless I am suitably and frequently interrupted. In the few comments I shall make upon this bill I desire first to speak about that provision which relates to the so-called "windfall" tax. I venture to think because practically all of my life I have been engaged in the livestock business and thus have come into rather intimate contact with the packing business.

As I understand it, and I shall be glad to be corrected if I state this erroneously, the bill provides in effect that in the event a processor has passed the tax on to the consumer and thus has not been put out of pocket himself under the processing-tax law recently declared unconstitutional, he may be called upon to refund a sum of money equal to a certain percentage of the sum which he presumably pocketed at the expense of the consumer. I may state that awkwardly, but I am sure the members of the committee present know what I am driving at.

Mr. Chairman, I am going to confuse my remarks to the effect of this provision upon the packing business. I am not at all concerned as to its effect upon the so-called big packer. The processing tax on hogs did not fall with as heavy weight on the big packing institutions. It was possible for them to absorb this tax in part at least, and perhaps in a good many instances entirely. As to the exact facts upon that situation I am not informed. But the big packer had this advantage: The processing of hogs was only a portion of his business. He also processed beef cattle against which there was no processing tax. He also processed mutton and lamb against which there was no processing tax. He also engaged in the purchase and resale or preparation and processing of several other articles, many of them byproducts, some of them medicinal, some of them relating to the hide industry, and some of them to the fertilizer industry. In other words, his operations were diffused and scattered over a wide area, and it is safe to say that about three-quarters of them was free from any processing tax.

There are, however, in this country, and doubtless the members of the Ways and Means Committee know this as a result of the hearings, something like 1,106 pork packers who do nothing else except handle hogs and process them into pork products of one kind or another. They do not handle cattle, and they do not handle sheep.

They manufacture very, very few of the byproducts which the big packers manufacture. All their eggs, so to speak, are in the hog basket.

The processing tax fell as a heavy burden upon their entire business. They made no claim now, the tax was computed at the rate of 2½ cents a pound, live weight, on a full-grown hog. Hogs were selling during most of that period in the neighborhood of 10 cents a pound on the Chicago market; in other words, the processing tax amounted to 25 percent of the cost of the
Mr. VINSON of Kentucky. Did the concern to which the gentleman refers have any net income during the period involved?

Mr. WADSWORTH. A net income?

Mr. VINSON of Kentucky. Yes; a taxable net income.

Mr. WADSWORTH. I am not informed authoritatively, but in view of the fact that it was on the verge of going into receivership, I imagine it was not enjoying any net income.

Mr. VINSON of Kentucky. My understanding is if it did not show a net income, there would be no tax under the "windfall" provision.

Mr. WADSWORTH. All right; suppose it showed a slight income.

Mr. VINSON of Kentucky. Then, of course, the factors in regard to passing it on or having absorbed it would apply.

Most of the small packers maintain that they absorbed it; that competitive conditions were such that they could not pass it on. This was the proof or the testimony before the committee.

The gentleman refers to the burden of proof. He recognizes that there is a prima-facie presumption which may be rebutted.

Mr. WADSWORTH. Either party may rebut, but the Government does the assuming.

Mr. VINSON of Kentucky. The gentleman realizes that the facts are in the possession of the taxpayer, and to put the burden of proof on the Government would be an interminable proposition.

Mr. WADSWORTH. I think at the best this thing is going to be an interminable proposition. You will have lawsuits, litigation, expert accountants, investigations month after month, litigation year after year to find out whether the tax was passed on or not.

Mr. VINSON of Kentucky. The gentleman knows that we have thousands of cases under existing law involving the interpretation of taxes.

Mr. WADSWORTH. And you are adding to that situation, and that is not good law.

Mr. VINSON of Kentucky. If there was no net income there is no "windfall" tax.

Mr. WADSWORTH. The gentleman from Kentucky says we have numerous litigations in other tax laws. There is a terrible expense incident to the paying of taxes, the legal fees to the attorneys or experts paid by the taxpayer before he pays his tax. This is adding more expense to that group which is now and has been for 2 years near the rocks. You are going to bring these people into litigation in a desperate endeavor to save themselves and in the long run the Government will not get much.

This burden is to be imposed upon a group of industries which today are on the narrow edge, generally speaking, who were burdened terribly by the processing tax. That is admitted. Now Uncle Sam comes along and with a sneer—make no bones about it—with a sneer and innuendo against their integrity and character says, "We are going to get you and make you pay." From what will they pay you back? I am pleading for the small people. I am not pleading for the big packer.

Mr. VINSON of Kentucky. Is the gentleman in favor of the packer being unjustly enriched?

Mr. WADSWORTH. Oh, these packers were not unjustly enriched.

Mr. VINSON of Kentucky. If not, they will not have this burden imposed on them.

Mr. WADSWORTH. But they will have to prove that they were not. I am in favor of the Government taking its medicine when it is wrong. Who passed this act that was unconstitutional? The Congress of the United States. It put you in a hole as to revenues. Whose fault is it?

Mr. VINSON of Kentucky. What right has any packer or anybody else collecting processing taxes from somebody below to keep them in his pocket and become unjustly enriched?
Mr. WADSWORTH. Oh, there is not a question of moneys refunded. Moneys which were impounded have gone that way, and through the courts, just as questions of fact are determined under existing law.

Mr. WADSWORTH. All right. Drag this little fellow in, drag him through all the courses of litigation, with the Government's lawyers, paid for by the taxpayers, litigating as long as the Government desires, bringing this citizen in and trying to shake him down. Why? Because you made a mistake in passing the Triple A. What right had Congress to pass the Triple A in the first place? Tell me that.

Mr. VINSON of Kentucky. Oh, it would take me longer than the gentleman would give me time to do that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CRAWFORD. The gentleman from Kentucky (Mr. Vinson) has made a pertinent observation in the application of this law. Section 501, page 231, line 5, says:

The net income of every person which arises from the sources specified below,

Here the law is referring to specific sources of income. What is that source? That source of income is the processing-tax feature. I have in mind a packer, such as described by the gentleman from New York (Mr. Wadsworth), who had a loss during 1932 and 1933, and in 1934, since the Supreme Court decision, he has had refunded or returned to him $101,000 in processing taxes. Suppose in 1936 he has a net income of $75,000 and into his gross proceeds have gone that $101,000 which the Government returned to him. Will he have to return 80 percent of $75,000 of it, or 80 percent of the $101,000 under the provisions of this bill which says:

The net income of every person which arises from the sources specified below,

That is one question. If I may be permitted, let me submit this: Suppose that in 1934 and 1935 while the processing tax was running, this processing-tax feature came into his business. It was during 1934 and 1935 that he made this collection through sale of goods. This law applies specifically to income arising from sources specified below, and the law becomes effective January 1, 1936, and subsequent thereto. Will they go back and apply the $101,000 which was incurred in his 1934 income, his 1934 income, and his 1935 income, or will it be applied in 1936 only?

Mr. VINSON of Kentucky. I do not think there is any application whatever to moneys that have been refunded in 21 (d). This does not seek to reach those moneys.

Mr. CRAWFORD. The gentleman means to say since the Supreme Court decision?

Mr. VINSON of Kentucky. Oh, no.

Mr. CRAWFORD. If since the Supreme Court decision the moneys which were impounded--

Mr. VINSON of Kentucky. Oh, that is different. That is not a question of moneys refunded. Moneys impounded and paid to him is a different proposition, but the gentleman used the term "refunded," and I thought he was speaking of money refunding under section 21 (d). The first thing you have to determine is what happened to the tax. If the tax has been absorbed, as the small packer maintains very strenuously—and he impresses me with the nature of his testimony that he did absorb it, that the competitive conditions were such that he necessarily had to absorb it—and having absorbed it, there will not be any basis on which you will levy the 80-percent rate.

Mr. CRAWFORD. Whether he had an income or not?

Mr. VINSON of Kentucky. Whether he had an income or not. There is nothing plain in this bill than that if he absorbed the tax there will be no "windfall" tax collected from him.

Mr. CRAWFORD. Suppose in other conditions which have been apparent, this firm has lost in 1933, 1934, and 1935?

Mr. VINSON of Kentucky. In one business, in the pork business?

Mr. CRAWFORD. In the business of purchasing hogs on the hoof.

Mr. VINSON of Kentucky. I say there will be no "windfall" tax.

Mr. CRAWFORD. Although he receives back the $101,000?

Mr. VINSON of Kentucky. If there is not any income, there is not any "windfall" tax. Net income with reference to business revolving around the commodities upon which the processing tax has not been paid.

Mr. CRAWFORD. The gentleman makes that interpretation in spite of the fact that the law says upon "net income of every person which arises from the sources specified below?"

Mr. VINSON of Kentucky. I state that is my understanding of what this statute is.

Mr. MAIN. Mr. Chairman, will the gentleman from New York permit me to ask a question of the gentleman from Kentucky?

Mr. WADSWORTH. If I may have assurance of being allowed to extend myself, I yield.

Mr. MAIN. The language at the top of page 220, "to be collected and paid for each taxable year." Is it contemplated that this provision shall apply to anything other than the conditions which developed under the A. A. A. law?

Mr. VINSON of Kentucky. No, sir.

Mr. MAIN. Why should it not be limited, then, to the period under which the A. A. A. was in operation?

Mr. VINSON of Kentucky. Will the gentleman repeat his question? Perhaps I did not understand him.

Mr. MAIN. The language is "paid for each taxable year." That is at the top of page 220. Does not the theme of unjust enrichment apply specifically to this situation which developed under the A. A. A. legislation?

Mr. VINSON of Kentucky. As a practical matter, it deals with A. A. A. but as a matter of law this is permanent legislation and goes from year to year. However, as a practical matter, it applies to the transactions to which I think the gentleman refers.

Mr. MAIN. Does the gentleman conceive of any other situation to which that might apply than the impounding of funds which developed under the A. A. A. law?

Mr. VINSON of Kentucky. There might be some.

Mr. WADSWORTH. Mr. Chairman, I do not intend to pursue the discussion of the so-called "windfall" tax but for a moment longer. If I cannot boast of any intimate knowledge of the problems of bookkeeping and accounting, I venture the assertion that the enactment of this legislation will inaugurate a long period of litigation, the expense of which will be an added burden to these people. Of course, the Government never cares how much money it spends in litigation. The poor citizen has to out of his own pocket. I may be wrong about it. I would not impugn the motives of the gentleman who wrote this section. I am not sure where the gentleman refers.

Mr. MAIN. I do not think that is the question.

Mr. CRAWFORD. I may be permitted, let me sub­mit this: Mr. MAIN. The language at the top of page 220, "the right had Congress to pass the Triple A in the first place? Tell me that.

Mr. VINSON of Kentucky. Oh, it would take me longer than the gentleman would give me time to do that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CRAWFORD. The gentleman from Kentucky (Mr. Vinson) has made a pertinent observation in the application of this law. Section 501, page 231, line 5, says:

The net income of every person which arises from the sources specified below,

Here the law is referring to specific sources of income. What is that source? That source of income is the processing-tax feature. I have in mind a packer, such as described by the gentleman from New York (Mr. Wadsworth), who had a loss during 1932 and 1933, and in 1934, since the Supreme Court decision, he has had refunded or returned to him $101,000 in processing taxes. Suppose in 1936 he has a net income of $75,000 and into his gross proceeds have gone that $101,000 which the Government returned to him. Will he have to return 80 percent of $75,000 of it, or 80 percent of the $101,000 under the provisions of this bill which says:

The net income of every person which arises from the sources specified below,

That is one question. If I may be permitted, let me submit this: Suppose that in 1934 and 1935 while the processing tax was running, this processing-tax feature came into his business. It was during 1934 and 1935 that he made this collection through sale of goods. This law applies specifically to income arising from sources specified below, and the law becomes effective January 1, 1936, and subsequent thereto. Will they go back and apply the $101,000 which was incurred in his 1933 income, his 1934 income, and his 1935 income, or will it be applied in 1936 only?

Mr. VINSON of Kentucky. I do not think there is any application whatever to moneys that have been refunded in 21 (d). This does not seek to reach those moneys.

Mr. CRAWFORD. The gentleman means to say since the Supreme Court decision?

Mr. VINSON of Kentucky. Oh, no.

Mr. CRAWFORD. If since the Supreme Court decision the moneys which were impounded--

Mr. VINSON of Kentucky. Oh, that is different. That is not a question of moneys refunded. Moneys impounded and paid to him is a different proposition, but the gentleman used the term "refunded", and I thought he was speaking of money refunding under section 21 (d). The first thing you have to determine is what happened to the tax. If the tax has been absorbed, as the small packer maintains very strenuously—and he impresses me with the nature of his testimony that he did absorb it, that the competitive conditions were such that he necessarily had to absorb it—and having absorbed it, there will not be any basis on which you will levy the 80-percent rate.

Mr. CRAWFORD. Whether he had an income or not?

Mr. VINSON of Kentucky. Whether he had an income or not. There is nothing plain in this bill than that if he absorbed the tax there will be no "windfall" tax collected from him.

Mr. CRAWFORD. Suppose in other conditions which have been apparent, this firm has lost in 1933, 1934, and 1935?
situation that puts the Senate of the United States in control of legislation. We allow 8 hours or 10 hours or 16 hours to debate a bill which is positively revolutionary in character as it relates to the taxation of corporations. It will be rewritten in the Senate, and the whole country expects it. Thus does the House of Representatives represent. This House is an institution. For me it holds traditions.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 10 additional minutes.

Mr. WADSWORTH. For me this House represents and holds very dear traditions. I have been privileged to be a Member of it going on 4 years; delighted to be a Member of it; proud of it; but dismayed, from time to time, in that under its procedure it surrenders, in large part at least, its legislative discretion to another body. That hurts. Under the Constitution we are to originate measures for the Constitution we are to originate measures for the preservation which seems unjust or unwarranted.

My observation has been during the past 2 or 3 years that we do not originate much more than the enactment clause; that another body takes it over, and we wait for the conference report. So here we are, 30 or 40 of us this afternoon, discussing the most important revenue bill presented in the last 10 years. As to the philosophy underlying it, in part at least——

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DOUGHTON. What benefit would there be in unlimited debate if no more Members are interested than the gentleman just referred to?

Mr. WADSWORTH. I suppose I may be making an observation which seems unjust or unwarranted. Perhaps this present situation is due to the existence of the enormous Democratic majority in this House. I am not saying that as a criticism of the Democrats, but when this huge majority brings in a bill and it is announced as a majority bill, and the majority is 3 to 1, I suppose the tendency on the part of nearly all of us is to accept the fact that it is going to pass. It may be due to that political situation in the House, which may not last forever, that this situation exists today.

Mr. DOUGHTON. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are presented in the last 10 years.

Mr. WADSWORTH. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are presented in the last 10 years? That has not been my experience since I have been here.

Mr. DOUGHTON. What benefit would there be in unlimited debate if no more Members are interested than the gentleman just referred to?

Mr. WADSWORTH. I suppose I may be making an observation which seems unjust or unwarranted. Perhaps this present situation is due to the existence of the enormous Democratic majority in this House. I am not saying that as a criticism of the Democrats, but when this huge majority brings in a bill and it is announced as a majority bill, and the majority is 3 to 1, I suppose the tendency on the part of nearly all of us is to accept the fact that it is going to pass. It may be due to that political situation in the House, which may not last forever, that this situation exists today.

Mr. DOUGHTON. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are presented in the last 10 years?

Mr. WADSWORTH. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are presented in the last 10 years? That has not been my experience since I have been here.

Let me say that our conferees have not submitted such a resolution which seems unjust or unwarranted.

Mr. DOUGHTON. Mr. Chairman, if that is the gentleman's opinion, if that is the gentleman's conviction.

Mr. WADSWORTH. Perhaps the opinion has been frozen into a conviction in my own mind. It is not important.

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

Mr. WADSWORTH. My opinion is that step by step and I am going to be perfectly frank about this, although I do not like making the suggestion—that step by step the House of Representatives is losing place as an institution.

Mr. WADSWORTH. Mr. Chairman, I had not intended to digress upon a subject which may be disagreeable, but it has been in my mind for some time and may have some bearing upon the consideration of this bill.

Mr. Chairman, I have been looking back over the history of the so-called New Deal legislation very studiously for some time, as well as the utterances of its champions, especially the utterances of the President of the United States and his principal lieutenants. I have made this observation before; I am now going to make it upon the floor: In none of those utterances, be they the utterances of the President or of any of his principal lieutenants, have I been able to find the word "thrift." Not once has the President of the United States in 4½ years exhorted his people to be "thrift"—not once.

Thrift as a virtue is not important in the New Deal; it does not appear in their theory of government; nor is thrift to be considered by the individual. We hear, rather, of planned economy; and this bill is a part of the planned economy, an expression coined by the President himself. We hear also, Mr. Chairman, the phrase "disciplined democracy," coined by Dr. Tugwell. The two go together. It economy is planned there must be obedience to it, and obedience is obtained only through the imposition of discipline—a disciplined democracy. It is a philosophy, Mr. Chairman, which underlies and has underlain a long succession of measures that have been presented to the House and to the Senate since March 4, 1933. And this measure is in line with those which have preceded it, the disciplining of the management of business, the penalizing of thrift exercised by a corporation. Thrift counts for nothing in this planned and discipline economy. As we go on this road we are traveling. We have been traveling it steadily, step by step, sometimes without our realizing it, for 3 years. It represents a philosophy of government. It may be the human race has reached a stage where it needs disciplining by its government; that every individual in the land has reached a point in his development where he would be happier and more contented and more secure if government planned how he should earn his living.

But let us not mistake the tendency or the road; this is what we are doing, step by step. True, the Supreme Court has suspended, for the time being at least—and the Lord knows how long it will last—two of the major efforts toward the disciplining of democracy, of a planned economy of life, in the N. R. A. decision and the famous A. A. A. decision. For the time being these two things are out of the window; but you and I know the effort has not ceased; that this very day efforts are being made to try to find some way of getting around those decisions. We have tried it in one respect with the Soil Conservation Act.

This is another way of disciplining agriculture. Obedience in this case is to be purchased. The element of force does not appear in the Conservation Act as it appeared in the Tobacco Act, the Tobacco Control Act, and the Bankhead Cotton Control Act, in all three of which appeared the club of the policeman raised over the individual farmer lest he disobey. In N. R. A. the same element of force was present. These two things are suspended for the moment, but you remember the very evident disadvantage of the move made to bring this movement then the N. R. A. decision was handed down. A protest against that decision came from the White House.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Mr. Chairman, I decline to yield for the moment. The country was reminded through a long interview with the newspaper press that the Government of the United States, despite its constitutional form and its being a Federal Union of States, should enjoy the same power over these things as the governments of Europe today enjoy them. Make your comparisons, my friends, make your comparisons.

Mr. Chairman, this attempt to compel business corporations, great or small, to stop accumulating surplus for a rainy day is a part of this movement.

Men are now employing the power to tax in order to achieve the objective. Men who have spoken upon this floor before me, Mr. Chairman, have brought this out at least in part. It is the road we are traveling, and it should attract the serious thought and deep concern of every American institution. For if we travel this road to its logical goal we shall no longer be a Federal Union of States; we shall be an empire with all power centered at Washington, put into the hands of a vast bureaucracy, who, with the
stroke of a pen, can tell me how many acres I shall plant, and tell you how many dollars you may save. [Applause.]

Here the gavel fell.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, the distinguished gentleman from New York [Mr. WAREEStorm] refers to the Supreme Court of the United States that were struck down by the Supreme Court of the United States, namely, the N. R. A. and the A. A. A. He cites the two acts as being in a chain or in a sequence of legislation looking toward a disciplined people.

Mr. Chairman, I want to call his attention to the fact that the N. R. A. was brought to the Ways and Means Committee by a distinguished constitutionalist. It was brought physically in drafted form to our committee by the Honorable Lewis Douglas, then Director of the Budget, and now one of the most active critics of New Deal legislation. The members of the Ways and Means Committee had served with Lewis Douglas and we knew his philosophy and his conservatism. He brought the bill to the Ways and Means Committee. He was designated by the Secretary of the Treasury as his spokesman and his representative. We leaned heavily upon his words.

The gentleman from New York speaks of industry being disciplined or hamstrung. May I say to my friend from New York that following the testimony of William Green, president of the American Federation of Labor, a distinguished leader of industry appeared before the Ways and Means Committee advocating and pleading for the N. R. A. This was Mr. Harriman, then president of the United States Chamber of Commerce, and he begged and pled for the National Industrial Recovery Act.

You will find in the printed hearings that not only did he advocate its passage, to give industry fair return upon its capital, but he went so far as to say that the Agricultural Adjustment Act then upon the statute books should not be referred to as merely legislative, but constructive that the gentleman from New York may offer that the small farmer, the small manufacturer, may not have fair return upon its capital, but he went so far to say that to him as the mouthpiece of his party, speaking for his party and talking about the small number present, his party forces should be here to listen to him and to back him up in what he does. He did not count. He had just 14 stalwart Republicans here to back him up—just 14—while he was speaking.

By actual count there were 14 of his party here to hear his melodious voice, and he spoke 40 minutes, and not one single constructive idea did he present to us. What has he to offer? What does this distinguished statesman, who has served in both the House and Senate, a distinguished mouthpiece for the Republican Party, offer to perfect this tax bill? I listened to him intently, but he proposed not an amendment.

If he has anything constructive to offer, the distinguished gentleman from North Carolina [Mr. Dorothy] would welcome it, for he is one of the fairest men in the Nation, besides being one of the most delightful colleagues in the House. He will listen intently and patiently to anything constructive that the gentleman from New York may offer that will correct any evil which he thinks may be in this bill. Why did not the gentleman from New York tell us how to correct it? I do not know what the gentleman from New York meant, he was speaking during much of the afternoon on a very important conference that soon is coming up on a very important appropriation bill, but I got here in time to answer this, and I imagine that many other colleagues, both Democrats and Republicans, are in committee rooms doing important work.

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

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

Mr. VINSON of Kentucky. Mr. Chairman, under our two-party system of government the minority does its duty. He probably did that under orders.

Mr. Chairman, levying and collecting taxes is the most unpleasant duty that any statesman has to perform. No one likes to levy taxes; no one likes to collect them. Unfortunately, the duty is on our party to levy and collect them. The distinguished chairman of this committee, one of the greatest committees of the House, and the members of this committee have done their duty bravely, facing an election, and knowing it is unpopular. They have stood up here like men and have performed their duty, and yet they are criticized for it. I take off my hat to them. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to speak out of order. Is there objection?

Mr. RICH. Reserving the right to object, I hope it is not political.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, what is the gentleman going to talk about?

Mr. VINSON of Kentucky. Does not the gentleman believe that since we have heard a 30-minute lecture upon government, the gentleman ought to have 5 minutes?

Mr. MARTIN of Massachusetts. The majority leader has been objecting quite strenuously this afternoon and I do not
of course, I am not a member of the Committee on Banking and Currency, but I had always understood that this act was an administration measure, that it was favored by the administration, and I have checked on the matter the best I can. I have conferred with two members of the Committee on Banking and Currency and they have both informed me that it was an administration measure, that the President of the United States was in favor of the legislation, and was in favor of insurance of bank deposits.

I am informed that he was 100 percent in favor of it. Beside the two persons I have spoken of, I called the White House but was unable to get in touch with the President, but I was assured by one familiar with the facts that the President was in favor of the legislation.

Now, my friends, if there is anything at all in the record of this administration that stands out more conspicuously, more clearly, as one of the great achievements of the administration, in contrast with the record of the previous administration, it is the record that this administration has made with reference to the banks of the country. [Applause.]

We all know full well the first act of the President of the United States when he assumed control of the affairs of the Government was to take prompt steps to make the banks safe for the depositors, may not.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. I am in a good deal the same position as the gentleman in that I have not any direct information on the subject; but my understanding has always been, and I supposed it was generally understood to be the fact, that the guarantee bank deposit amendment was offered to the legislation in the Senate by the junior Senator from Michigan [Mr. Vandenberg]. I supposed that was a conceded matter of history.

Mr. DOUGHTON. Strange, indeed, that the Senator from Michigan, if he was so resourceful and so greatly interested in bank matters, did not take some steps before the banks fell into the condition that we found them. Why did not he and the previous administration do something to prevent the thousands of bank failures?

If there is any one outstanding achievement that towers above another it is the work done by the administration making the banks of this country safe and sound for depositors.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. Is not the gentleman from North Carolina avoiding the issue somewhat? My recollection is that the bill was passed by the House of Representatives as presented by the administration without this amendment in it. The amendment was put on in the Senate.

Mr. DOUGHTON. The gentleman knows that the President could have vetoed the bill. You cannot get by that way; you cannot deprive this administration of credit for the great work that has been done in banking reform.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. Wociall].

Mr. WOLCOTT. Mr. Chairman, I likewise did not think there was any controversy concerning the attitude of the President of the United States in respect to the insurance of bank deposits in the special session of the Seventy-third Congress which convened on March 9, 1933, and continued, I think, until the 15th of June 1933. It has been my purpose, and it has been the purpose of every member of the Banking and Currency Committee—and I am sorry there are not others here to answer my remarks in this respect—and the policy of every member of that committee has been to refrain from comment upon anything which has transpired in our committee in executive session. I want nothing which I say today to be interpreted as divulging any confidences of any of my fellow members on the Banking and Currency Committee as to what transpired in executive session. I say on my own responsibility as a member...
of that committee that as late as June 12, 1933, the chairman of the Banking and Currency Committee of this House was making an effort to bring out a bill to insure bank deposits, and I say in passing that this House and this Congress and this Nation owes a debt of gratitude to the tenacity and the fortitude of the chairman of the Banking and Currency Committee, the gentleman from Alabama (Mr. Steagall), for bringing the deposit insurance on to the floor and getting it passed. [Applause.]

The President in his inaugural address had suggested—and I do not attempt to quote him, because I do not remember his exact language—that something along the line of insurance of bank deposits was essential to the well being of the country.

Mr. GREEN. Mr. Chairman, I rise to a point of order. Is the gentleman discussing this bill or some other subject?

Mr. WOLCOTT. I am answering the chairman of the committee.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for the balance of my time out of order.

Mr. MICHEENER. And I cannot agree to that in view of what took place before the gentleman from Michigan came into the Chamber.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, if the Members will remember, we had to meet a refunding operation in the Treasury of something like $600,000,000 of securities coming due in June 1933. A very estimable gentleman was at that time Secretary of the Treasury, Mr. Woodin. Mr. Woodin made a trip to New York about the 1st of April, as I recall it. From the date of the inaugural until the time Mr. Woodin returned from New York in the forepart of April, this House and our committee were very enthusiastic for the Steagall bill which would insure bank deposits. From that time on, although the committee was giving it some consideration, this House was not given the privilege of considering the insurance of bank deposits for the reason that an ultimatum had been passed down by Wall Street that if we passed a bill insuring bank deposits, or divorcing investment affiliates from banks, the banks would be in no financial position to help meet this refunding operation of June 1933, and for that reason the insurance of bank deposits remained a cold question until almost the date of adjournment, in fact until the 12th of June 1933, which was a Monday, succeeding the date when every one of us expected we would adjourn. It will be recalled that we were in session on Saturday the 10th until after 11 o'clock at night, expecting to adjourn on that Saturday night.

On the following Monday, the 12th, the gentleman from Mississippi (Mr. Raskin) had this to say: Mr. Speaker, more than 100 Members of the House have signed an agreement to oppose any adjournment of Congress until the bank guaranty deposits bill shall be brought before the House and discussed. I ask unanimous consent to insert that agreement with the names in the Record.

There was no objection, and the agreement with the names on the petition was published in the Record on page 5828, under date of June 12, 1933.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. If I recall, the P. D. I. C. was passed in 1933.

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. In the Congress next preceding the Seventy-third Congress; in other words, in the Seventy-second Congress, before this present administration came into power, did not a bill pass the House of Representatives and die in the Senate, securing deposits in banks?

Mr. WOLCOTT. My memory Is that the so-called Steagall bill was passed in the House in the Seventy-second Congress and died in the Senate.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. DOUGHTON. Was the President opposed to that bill?

Mr. WOLCOTT. I cannot speak in that respect.

Mr. DOUGHTON. If he controls the House as it is said he does and the House membership is just a rubber stamp, then how was it that the bill passed the House against his wishes?

Mr. WOLCOTT. I cannot speak for the President in that respect, but I can speak from my own knowledge of what is contained in the Record of the special session of the Seventy-third Congress, that no interest whatever, from about April 1, 1933, until the date of the passage of the bill on the day of adjournment of that special session in 1933, was manifestly connected with the executive establishment of this Government, to impel the passage of that legislation. You will remember very distinctly that at that time we were quite proud of the fact, at least, you on the Democratic side were, that you were following along with the President.

Mr. DOUGHTON. And we are proud of it yet.

Mr. WOLCOTT. The President of the United States made no statement whatsoever following up the recommendation that the banks should be a safe place in which to put the people's money, and it was through the tenacity of the chairman of your Committee on Banking and Currency here in the House and the junior Senator from Michigan in the Senate that the bill was finally enacted into law and passed by an overwhelming majority. The President saw what the sentiment of the Nation was and did not veto the bill.

Mr. DOUGHTON. Where was the Senator from Michigan when it got to the Senate? Why did he let it fall over there?

Mr. WOLCOTT. He did not let it fall. He put it into law, and the compromise was that we insurge, not as we passed the bill here, the first ten thousand, and 75 percent of the next forty thousand, and 50 percent of the balance, but that we insure deposits in full up to $2,500.

Mr. DOUGHTON. But you just said it failed over there. It did fall.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. Yes; I yield.

Mr. DOUGHTON. The gentleman is making a long statement, and I hope that before he gets through he will state on what authority he made the statement this afternoon that this act was passed against the wishes and influence of the President of the United States?

Mr. WOLCOTT. Yes, I say it; and I say it on my own responsibility, without diluting my confidences with regard to what transpired in executive sessions of the Committee on Banking and Currency.

Mr. DOUGHTON. Did the gentleman talk with the President?

Mr. WOLCOTT. No; I did not.

Mr. DOUGHTON. Where does the gentleman get his information?
Mr. WOLCOTT. I know you have leaders who do speak for the President, and they spoke most decisively in the Committee on Banking and Currency, and told us that if we passed any deposit insurance bill or bill to divorce investment affiliates from banking, Wall Street would not take the Government obligations attending the refunding operations of 1932. That seemed to be sufficient for you, or other leaders on your side of the House to let the matter remain dormant until, because of a filibuster in the Senate, we were kept in session until the 15th, when we expected to adjourn on the 16th, and an opportunity was thereby given to pass the bill.

Mr. GREEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I yield back the balance of my time.

Mr. GREEN. My point of order was that the gentleman from Michigan was not proceeding in order. He is not discussing the bill.

The CHAIRMAN. The gentleman has already yielded the floor and so the point of order is not in order. The time of the gentleman has expired.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. MARS].

Mr. CHAIRMAN. I should like to ask the chairman of the Committee on Ways and Means a question. The gentleman from Florida a few moments ago, in contending that his proposed remarks were in order, made the point that this bill is intended, in part, to provide funds for the Florida ship canal. Does the chairman of the Ways and Means Committee give his concurrence in that statement?

Mr. DOUGHTON. I do not concur in that particular statement. The purpose of this bill is to provide funds for the Treasury of the United States for the general expenses of the Government. It is not earmarked for any purpose. Part of the revenue might be used for that purpose, but the revenue provided by this bill are for the benefit of the Treasury of the United States. I think the gentleman understands that.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DOUGHTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. Let the Chair state that there now remains 5 hours and 36 minutes of general debate. The gentleman from North Carolina [Mr. Doucet] controls 3 hours and 14 minutes, and the gentleman from Massachusetts [Mr. Dorgan] controls 2 hours and 22 minutes.

Mr. DOUGHTON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 12395, the revenue bill of 1936, directed him to report that it had come to no resolution thereof.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11581. An act 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, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique; and

S. 1138. An act for the relief of Art Metal Construction Co., with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11026) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12098) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. RUSKIN, Mr. MCKIM, Mr. McLEOD, and Mr. NYE to be the conferees on the part of the Senate.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

HON. JOSEPH W. BYRNS,
Speaker, House of Representatives, Washington, D. C.

Dear Mr. Speaker: I hereby resign as a member of the following committees, effective this date: Census, Invalid Pensions, Territories. Respectfully yours,

JOSEPH L. FYFE,
Third District, New York.

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

There was no objection.

The SPEAKER. The Chair appoints as members of the committee to attend the funeral of the late John T. Brickner, the following Members of the House of Representatives: Mr. Reed of Illinois, Mr. Thompson, Mr. Allen, Mr. Adams.

THREE HUNDREDTH ANNIVERSARY, FIRST PERMANENT SETTLEMENT IN DELAWARE RIVER VALLEY

Mr. STEWART. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 499, authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes.

The Clerk read the title of the joint resolution.

The Speaker. Is there objection to the consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

Whereas there is to be held at Wilmington, Del., and Philadelphia, Pa., and at several places in other States, during the year 1938, celebrations commemorating the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, said settlement being also the first settlement of the colony of New Sweden, which embraced parts of the present States of Delaware, Pennsylvania, and New Jersey; and

Whereas, in accordance with a resolution of the General Assembly of the State of Delaware, approved March 29, 1898, the Governor of said State has appointed a commission of 11 members, designated Delaware Swedish Centennial Commission, to "prepare plans for a fitting celebration by the State of Delaware on the occasion of the three hundredth anniversary in 1938 of the founding of the first permanent settlement and the establishment of the first permanent government upon the soil of Delaware **; and to cooperate with other commissions or committees representing the city of Wilmington; historical societies, patriotic, and other societies of the State of Delaware and other States; the governments of other States; and the National Governments of the United States and Sweden;" and
Resolved, That the President be authorized and requested to extend to the President of the United States, for the observance of such anniversary, and shall extend appropriate courtesies to such colonists in Delaware, Pennsylvania, and New Jersey, and other persons, as may respond to the invitation of the President extended as hereinafter provided; four members of the commission shall serve without compensation and shall select a chairman from among their number.

Sec. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses incurred while discharging its functions under this resolution.

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

APPOINTMENT TO COMMITTEE

Mr. DOUGHTON. Mr. Chairman, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 497

Resolved, That Joseph L. Proven, of New York, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Foreign Affairs.

The resolution was agreed to.

ADJOURNMENT OVER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next.

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

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11581) 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, 1937, and for other purposes, with such amendments, as the House shall or may agree to, to be printed for the information of the Senate, and for the appointment of a conference committee.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill (H. R. 11581), the District of Columbia appropriation bill, 1937, which the Clerk will report, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Speaker. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to ask the gentleman will we know how many amendments the Senate has placed on the bill?
data gathered by the Department indicated that there was some possibility of adverse effects on the underground water supply. The more detailed information which is now available clearly indicates that these effects are largely local and not of a serious nature. When the project was placed under way as a part of the relief program I had the district engineer at Ocala, Fla., assemble a board of selected experts to consider the data gathered by the two boards, the State geological department, and the Geological Survey. In making final and exhaustive investigations. These experts have recently submitted their interim report, which definitely concludes that the effects of the sea-level canal on the fresh water supply will be serious but local in nature and capable of control with reasonable expenditures for remedial works. The authentic information now at hand permits the conclusion that the sea-level canal will not contaminate the underground water supply of adjacent areas.

I quote General Markham because his authority is the highest engineering authority in our country. Other eminent engineers, among them Hon. H. H. Buckman, consulting engineer for the Florida Ship Canal Authority, concur in the conclusion that no serious damage will occur to Florida's ground water supply nor to Florida fruit and vegetable industries. This is probably the largest celery fields and orange groves.

Ray & Davidson have reached the conclusion that No. 250, 20,000 acres of celery and citrus lands. Much of this land is now being cultivated as celery fields and orange groves. His letter follows:

April 20, 1936.

Hon. R. A. Green, M. C.
House Office Building, Washington, D. C.

DEAR Representative Green: Being the owner of 25,000 acres of land in Marion County near the proposed Trans-Florida Ship Canal, I have not been impressed with the controversy as to the effects of digging this canal on farming, especially on the two above-named crops, celery and citrus fruits; also on our fresh-water supply. I have been following the reports of the eminent geologists and engineers who have made a careful study of the effects of this canal on farming and fruit growing, as well as the fresh water supply. I have reached the conclusion that the construction of this Gulf-Atlantic Ship Canal will not damage our crops and fresh water supply, but will be of great benefit to the whole State of Florida. May I, therefore, respectfully urge you to continue your efforts to have the canal completed by the United States Army Engineers. We have every reason to believe we may trust them.

With personal regards, I am,

Yours very truly,

James J. Taylor

One W. E. Ellis, president of the Commercial Bank & Trust Co., of Ocala, Fla., has recently written me that, in his opinion, no serious damage will occur to Florida's underground water supply nor to Florida fruit and vegetable industries. He is one of the largest property owners in the canal area of Florida, and urges completion of the project.

Ray & Davidson are owners of a large tract of land, including 25 acres adjacent to the city of Ocala, Fla. This is probably the largest spring in the world. From it flows an adequate supply of sparkling and pure water sufficient to take care of the needs of every citizen in the United States. It is undoubtedly the most gorgeous and beautiful spring in the world. All forms of wild plant life, fresh-water fish and animal life are to be found there in unparalleled beauty and abundance. People from all over the world go to Florida especially to see this great display of subterranean beauty.

The investment of Ray & Davidson at Silver Springs is worth hundreds of thousands of dollars. These owners would be the last ones to advocate completion of the Florida canal if damage to Florida would accrue therefrom. Mr. W. C. Ray, of Ray & Davidson, has just written me as follows:

April 16, 1936.

Hon. R. A. Green, M. C.
House Office Building, Washington, D. C.

DEAR Congressmen Green: With large investments at stake who will jeopardize the underground water supply or any lowering of the water level by reason of the construction of the Gulf-Atlantic ship canal, we have considered the effects of digging the waterway.

We are convinced, after talking with the United States Army Engineers, that the conclusions of such eminent authorities as Sidney Palge, senior geologist, United States Army Engineers, Ocala, Fla., that there will be no material damage to the springs, or lowering of the water level by reason of the construction of the canal, which would permit damage to the fresh-water supply, even in our immediate proximity to the canal, much less to those parts of the State remotely removed from the excavations.

We, therefore, advocate the completion of the canal and believe that the resultant safety, shortened distance, and lowered freight rates will benefit the entire State of Florida and the whole United States. May we respectfully request your support in having this canal completed?

With personal regards, we are, Sincerely yours,

Ray & Davidson,
Proprietors.

By W. C. Ray,

I have received a large number of other communications disproving the fallacy that damage to Florida would result from the completion of the canal, but I shall not take your time to enumerate them.

In answer to an inquiry relative to the nature and extent of available traffic to warrant the ultimate expenditure of approximately $143,000,000, General Markham recently said:

The special board of engineers had available data compiled by the Department of Commerce. In addition, they made a detailed study to determine the economic benefits to transportation which would result from the construction of the canal. While this information and data have not been reviewed in detail by the Board of Engineers for Rivers and Harbors, it is most complete and adequate as a basis for a full determination of the costs and benefits to navigation which will result from its construction.

In commenting further relative to the economic justification of the project, General Markham continued:

The special board of Army Engineers made an extensive economic survey and was asked to consider the economic benefits of the project established and followed by the Corps of Engineers planned a canal with two locks while the special board of engineers had available data compiled by the Department of Commerce at the request of the Chief of Engineers. The determinations of the special board to shipping concerns, so that it would be informed as to their opinions with respect to the effect of the project on the individual interests of the companies concerned. In determining the economic justification of a special board at harbor improvement, the investigating officers ascertain the definite savings in time and distance which will be made available to navigation without increased hazards as a result of the improvement in question. These savings in time and distance converted into monetary benefits and such other economic benefits as clearly shall be waterborne commerce and the general public interests, such as a reduction in the hazards of navigation, form the basis for the determination of the economic justification of a project. The views of navigation and commercial interests as to the effect which the proposed improvement may have on their operations are an aid to the board in weighing the relative value of the savings and benefits as determined by the board.

Attention is invited to a recapitulation of the record as regards the findings of the several examining agencies with regard to cost and economic justification. In the first place, it should be borne in mind that the engineers of the Public Works Administration made a special board to the effect that the Corps of Engineers developed their cost estimates from plans and specifications for a lock canal which varied in many important details. For instance, the engineers of the Public Works Administration planned a canal with two locks while the special board of engineers considered a canal with three locks. Other important differences in plan and specifications make the estimates of total costs of these two examining agencies incommensurate. Again, the board of review developed its cost estimate from plans and specifications for a sea-level canal. As these board of review plans and specifications and cost estimates of $143,700,000 have been approved by the Chief of Engineers, these elements of the project may be considered as definitely determined. It remains to consider the benefits found by the examining agencies and to apply these benefits to the cost of the project. The method for determining the economic justification of a river and harbor project established and followed by the Corps of Engineers is as follows:

The direct benefits to commerce are determined as accurately as possible in terms of dollars and cents per year. From these direct benefits are deducted the annual cost of maintenance and operation of the improved parts of the project in case of a certain class of structures which are subject to depreciation, an additional amount is deducted to amortize such structures over a reasonable period of time. The net remainder of benefits, when capitalized at 5 percent, would exceed the estimated cost of the project and thus be economically justified. Sometimes, when the whole project is subject to depreciation, the net annual benefits are capital-
ized at 4 percent in lieu of charging amortization. In the case of the canal under discussion, the only structures which are subject to depreciation are two small water-control works and certain bridges, the cost of which is less than 2½ percent of the total cost of the project.

On the basis of the methods customarily used by the Board of Engineers for Rivers and Harbors to determine the economic justification of a project the Florida ship canal is justified by wide margin. These methods are analogous to those used in commercial practice for work of a similar character.

Not only would the benefits to shipping exceed by a wide margin maintenance and operating costs and interest at the current rates as required by the Board of Engineers, but in approximately 22 years they would, in addition, more than amortize the original cost of the work plus interest during construction.

The return from tolls considered by the board of review is no longer an issue as the route is being opened as a free transit it and that in the completion of the canal the storm hazard around the south end of the peninsula of Florida will be eliminated. As the Florida canal did toward commercial practice for work of a similar kind. There has been more than 5,000,000 feet of lumber used in connection with the canal projects. This lumber came from mills in Alabama, Georgia, and Florida, thereby giving employment to thousands of men.

You men that represent the people of Florida and the people of the United States can do more in putting men to work, not directly but indirectly, with $25,000,000 for the Florida canal than with $100,000,000 for such projects that have been approved in the past.

| 1936 CONGRESSIONAL RECORD—HOUSE 6139 |

Prior to September 3, 1935, I was working two men, not including myself, in my shop. Less than 3 weeks after the canal was announced I had 10 men working, and they are still working today. Not only my business but every business in the area had the same increase. For every man that was given a job directly on the canal there were two men given jobs in private business.

The return from tolls considered by the board of review is no longer an issue as the route is being opened as a free transit it and that in the completion of the canal the storm hazard around the south end of the peninsula of Florida will be eliminated. As the Florida canal did toward commercial practice for work of a similar kind. There has been more than 5,000,000 feet of lumber used in connection with the canal projects. This lumber came from mills in Alabama, Georgia, and Florida, thereby giving employment to thousands of men.

You men that represent the people of Florida and the people of the United States can do more in putting men to work, not directly but indirectly, with $25,000,000 for the Florida canal than with $100,000,000 for such projects that have been approved in the past.

Remember that this is a kind of projects that enable privately owned businesses to employ more men.

Let me hear from you.

Very truly yours,

J. W. HILL

You will note from Mr. Hill's letter a brief statement of a portion of the benefits which this project is now carrying to practically every State in the Union. After it is completed every State in the Union will share for all generations to come great benefits. The same opposition which opposed the Panama Canal without ultimate success is opposing the completion of the Florida canal. This effort of the special interests will meet defeat in this case as in the Panama Canal, because the Florida canal will be completed. It is my intention to at a later date discuss this project in more detail and to give you further information and facts concerning the project. In the meantime, I urge each of my colleagues to make a thorough and careful study of this great project and the benefits which it will carry to our American people, and to cooperate for its completion as the project carrying the most lasting improvement of the present administration.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include therein three short letters and certain excerpts from a statement prepared by myself and Hon. H. H. Buckman on the Panama canal.

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

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the Racons will these excerpts take?

Mr. GREEN. The matter is not very long; I would say it would take maybe a page or so.

Mr. RICH. Not over a page?

Mr. GREEN. I would not say that, it may be more than that, but it will not be very long.

Mr. RICH. But it will not be more than two pages?

Mr. GREEN. I cannot say.

Mr. RICH. If it is more than two pages, I object, and the gentleman will have an opportunity to find out how much space it will take.

The SPEAKER. Objection is heard.

Mr. GREEN. Then, Mr. Speaker, I modify my request, and ask unanimous consent to include just the letters.

The SPEAKER. Is there objection to the request of the gentleman from Florida to include the letters referred to in his citation of remarks?

There was no objection.

(Here the gavel fell.)

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

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

There was no objection.

Mr. GREEN. Mr. Speaker, I am very much disappointed that my Republican colleagues take such an unusual attitude
that they do not want a man even to express himself on a subject on the floor of this House. This is very unusual procedure. If they feel this is proper courtesy to a Member on the Democratic side of the aisle, in the future we can—no; I will not say "we", but I—shall be forced to object to requests made by you gentlemen on the Republican side. It seems to me on other questions we have permitted the Members to express themselves on a particular subject, whether the gentleman from Michigan may agree or not.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

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

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

Mr. GREEN, Mr. Speaker, reserving the right to object, is the gentleman going to discuss the Florida canal?

Mr. MAPES. I am going to try to answer the gentleman's statement, if I can.

Mr. GREEN. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DUCY, for 2 days, on account of important official business.

To Mr. THURSTON, for 10 days, on account of important business.

To Mr. LE, for Oklahoma, for a few days, on account of important business.

To Mrs. ROGERS (at the request of Mr. WALTER), for 5 days, on account of important official business.

THE MENACE OF FOREIGN IMPORTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a radio address which I made on Friday, April 17.

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

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the Congressional Record, I include the following radio address I made over a National Broadcasting Co. network, Friday, April 17, 1936:

Two of America's great industries are seriously menaced by competition from abroad. I speak of the threat to our cotton-textile industry through the enormous imports of Japanese low-cost cotton goods and the tannery and leather industry menaced by increasing tariff protection.

The manufacturers know how serious it is—the workers know it through the bitter experience of losing demand for their labors. So serious is the cotton-textile industry that one cannot truly grasp the effect of any harmful influence upon it. It is not a local question, nor a sectional one, it affects not alone the spinner at his loom or the bleacher at his vat; it is of vital importance to the lowest cotton picker in the fields of the South, and every one of the thousands in that section of the country whose livelihood depends upon the rise and fall in the price of cotton.

It is a foregone conclusion that our mills cannot compete with those of Japan in production costs. Our workers here could not exist on the 24 cents a day paid to cotton spinners there. The only protection we have against these low-cost products is tariff, and the present one has proved insufficient to equalize competition. Bleached cotton cloth is literally pouring into this country from Japan. In January of this year the Department of Commerce showed that Japan was 5 times greater than 1934, 117 times more than 1928, and 364 times greater than in 1923. Think of what that means in hours of labor lost to our workers—thousands of square yards of cloth brought in from Japan when we have the mills, the workers, and the organization to produce it ourselves. Certainly there is unemployment, and there will be so long as we continue the present short-sighted policy toward foreign competition.

It has been said that we should not protest against these Japanese imports because they are a fair competition. This is true that great quantities of raw cotton have been exported to that country, but the figures for the month of February 1936 as compared with the same month of last year, show a decline of 65 percent. Something must be done. The administration and the Democratic Congress seem to view the situation with unconcern. With other Members of Congress I have repeatedly literally begged the State Department to protect the great cotton industry of the South. This country has lost its cotton goods export trade in Latin America; we have also lost the market in the Philippines. It is true that we have a gentleman's agreement with Japan whereby that country will limit its exports to the Philippine Islands. However, through subterfuge, that agreement is being broken. Cotton goods are being shipped to the Philippines from China, where it is manufactured in mills controlled or owned by them, with a production cost which is impossible for us to meet or attempt to meet.

Let us turn away from what is happening to our cotton industry and look at the situation in another way. The very beginning of this Nation the cattle and hide industry has been the most important business. It was ranked as one of the most important. Today there are 383 tanneries operating, which employs 30,000 wage earners, who receive about $650,000 a year in wages.

To supply the demand for leather in this country each year 125,000 hides are tanned by our industry, one hide for each person in the country. I give you this picture just to show you the importance and magnitude of our tanning industry, the importance of the important business. America, being the greatest industry, which uses in the neighborhood of 30,000,000 calf and cow hides each year. The calf tanners and workers are in real distress, due to a lack of protective duty. Germany is the menace here, producing calf hides at a low cost, which, coupled with an extremely flexible and varied monetary system, has enabled her to go into the markets and command the business. Great Britain has seen the danger already, and early in March that nation protected its calf-leather manufacturers with a 50 percent duty. England has always had the reputation of being more of a free-trading country than ours, but when they see the situation demands remedying they act. We have not had the protection. Is the investigation done at? Nothing. Germany has turned aside from the English market and is now directing all attention to the United States markets. We can debate for years without relieving the unemployment situation but that condition will be remedied or relieved by forcing men out of work through unfair foreign competition.

Perhaps it will be easier to visualize the effect of our weak protective policy if I tell you that Japan, in the United States, the increase in imports to this country of calf leather amounted to nine and three-quarter million square feet, valued at more than a million and one-quarter dollars. Germany has the employment the finishing of those nine and three-quarter million square feet of hides would provide.

Our Nation has thrived and grown prosperous under a protective-tariff policy. Every Nation of the world was our customer, glad to buy our products and ready to pay our duties so long as we demanded it. Now we are launched upon a visitor enterprise of reciprocal-trade agreements. We are rapidly becoming the laughingstock of the world. Our leather industries are being killed while the Steel Trusts are being encouraged to pour millions in this country.

What can be done about it? We can protest and demand that our workers be protected from the dumping of low-cost merchandise of every producing nation of the world. Last year 1935 showed an increase in imports into the United States that is alarming. It amounted to $693,000,000 more than the previous year, and a large part of this was in merchandise that we used to produce ourselves. We have the necessary capital, the machinery and mills, while the workers are begging for the opportunity of earning a day's wage instead of going to the town or city hall each week for relief money.

The Senate has the power, the power of the purse, to get the Government to take care of an emergency such as this. All we lack is the will to do so. It is a question of policy and policy alone. If the people show the administration that it is their will that our products be protected, there is no doubt that it will be done. If people want work, not relief, an honest day's toil, not boondoggling.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 141. An act for the relief of G. Ellis & Bro., Inc.;

S. 786. For the relief of the International Mercantile Marine Co.;

S. 790. For the relief of the Compagnie Generale Transatlantique;

S. 1062. For the relief of James R. Young;

S. 1138. For the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any part of what was paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. For the relief of the estate of Anton W. Fischer.
President, for his approval, bills of the House of the following titles:

H. R. 4287. An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom; and

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

**ADJOURNMENT**

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

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, April 27, 1936, at 11 o'clock a. m.

**COMMITTEE HEARING**

**COMMITTEE ON THE PUBLIC LANDS**

The Committee on the Public Lands will meet at 10 a. m. tomorrow, Saturday, April 25, 1936, to consider the bill (H. R. 7086) to establish Mount Olympus National Park in the State of Washington, and for other purposes. The hearing to be considered in the caucus room of old House Office Building.

**EXECUTIVE COMMUNICATIONS, ETC.**

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

816. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 23, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Yamhill River at Lafayette, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

817. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Goldsmith Inlet, Long Island, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

818. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the Merrimack River, Mass., with a view to making the river navigable from Lowell to the sea, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

819. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods, authorized by act of Congress approved June 6, 1935; to the Committee on Flood Control.

**REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS**

Under clause 2 of rule XIII.

Mr. HOLMES: Committee on Public Buildings and Grounds. H. R. 10934. A bill to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior; without amendment (Rept. No. 2495). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. H. R. 12260. A bill prescribing a condition precedent to the award of certain contracts by Federal agencies; with amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the state of the Union.

**REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS**

Under clause 2 of rule XIII.

Mr. KENNEDY of Maryland: Committee on Claims. Senate Joint Resolution 106. Joint resolution to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act; with amendment (Rept. No. 2496). Referred to the Committee of the Whole House.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 9002. A bill for the relief of Capt. James W. Darr; without amendment (Rept. No. 2498). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 817. An act to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; with amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

**CHANGE OF REFERENCE**

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10690) granting a pension to Robert Melvin Palmer; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 14252) granting a pension to Ellen Thompson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

**PUBLIC BILLS AND RESOLUTIONS**

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

By Mr. O'CONNOR: A bill (H. R. 12454) relating to personal-injury suits by seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. DOUGHTON: A bill (H. R. 12455) to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. LANHAM: A bill (H. R. 12456) to provide for the completion of the 25-mile spacing of horizontal and vertical control surveys in the State of Texas; to the Committee on Merchant Marine and Fisheries.

By Mr. POWERS: A bill (H. R. 12457) to amend the Air Commerce Act to provide for the safety of passengers in aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H. R. 12458) authorizing a preliminary examination of the intracoastal waterway throughout Broward County, Fla.; to the Committee on Flood Control.

By Mr. GRAY of Indiana: A bill (H. R. 12459) to provide means and facilities for the generation of electrical power and the transmission and distribution thereof, in rural areas, and for electrical districts including farm areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRIVER: A bill (H. R. 12460) to provide for tuberculosis hospitals and for their operation; to the Committee on Interstate and Foreign Commerce.
By Mr. PETERSON of Georgia: A bill (H. R. 12461) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN: Resolution (H. Res. 426) authorizing and directing the Committee on the Territories of the House of Representatives to conduct an investigation into the economic state of the Territory of Alaska with a view to determining the possibilities of further development of the industry, agriculture, and commerce of the said Territory; to the Committee on Rules.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 571) to provide for the participation of the United States in the commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on the Library.

By Mr. HANCOCK of New York: Joint resolution (H. J. Res. 572) proposing an amendment to the Constitution of the United States amending the language of the first paragraph of section 6 of article I thereof; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AYERS: A bill (H. R. 12462) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

By Mr. CHANDLER: A bill (H. R. 12463) for the relief of Adelaide Guerini; to the Committee on Claims.

By Mr. EKWALL: A bill (H. R. 12464) for the relief of Harold P. Waldo; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN: A bill (H. R. 12465) for the relief of Nancy Ann Whitehead; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 12466) granting a pension to the estate of Anton Joseph Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12468) granting a pension to Rebecca Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12470) for the relief of Chris A. Nelsen; to the Committee on Naval Affairs.

PETITIONS, ETC.

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

10770. By Mr. BLOOM: Petition of the Legislature of the State of New York, urging the Federal Works Progress Administration and the Congress of the United States to accept immediate responsibility for relief and employment of transients, and requesting that this relief in employment be made effective through permanent departments of State government and coordinate local units of administration, and that funds be made available by the Federal Government on a grant-in-aid basis; to the Committee on Appropriations.

10771. Also, petition of the Assembly of the State of New York, urging the annual appropriation to the use of the State of New York the sum of $2,600,000 for the maintenance and operating expenses of the New York State canal system; to the Committee on Appropriations.

10772. By Mr. GOODWIN: Petition of property owners and businessmen of Woodstock, N. Y., protesting against the decentralization of the Federal art project; to the Committee on Appropriations.

10773. By the SPEAKER: Petition of the Daughters of the American Revolution, requesting that September 17 of each year be made a national holiday; to the Committee on the Judiciary.

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 Friday, April 24, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11581) 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, 1937, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CAMERON of Missouri, Mr. BIONTO, Mr. JACOSS, Mr. JOHNSON of West Virginia, and Mr. DERRY were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Governments and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:


S. 1063. An act for the relief of James R. Young;

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1845. An act for the relief of the estate of Anton W. Fischer.

CALL OF THE ROLL

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

The Vice President will call the roll.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>State</th>
<th>Party</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>Copeland</td>
<td>Lewis</td>
<td>Robinson</td>
</tr>
<tr>
<td>Ashurst</td>
<td>Cosenas</td>
<td>Logan</td>
<td>Russell</td>
</tr>
<tr>
<td>Austin</td>
<td>Davis</td>
<td>Logan</td>
<td>Schellingbach</td>
</tr>
<tr>
<td>Bickham</td>
<td>Dickinson</td>
<td>Logan</td>
<td>Sheppard</td>
</tr>
<tr>
<td>Bailey</td>
<td>Dieterich</td>
<td>McAdoo</td>
<td>Shippstead</td>
</tr>
<tr>
<td>Barbour</td>
<td>Duffy</td>
<td>McKellar</td>
<td>Smith</td>
</tr>
<tr>
<td>Barker</td>
<td>Fletcher</td>
<td>McNary</td>
<td>Stetler</td>
</tr>
<tr>
<td>Bowden</td>
<td>Frasier</td>
<td>Maloney</td>
<td>Thomas, Ohio</td>
</tr>
<tr>
<td>Bibbo</td>
<td>George</td>
<td>Metcalfe</td>
<td>Thomas, Utah</td>
</tr>
<tr>
<td>Black</td>
<td>Gerry</td>
<td>Minton</td>
<td>Townsend</td>
</tr>
<tr>
<td>Bone</td>
<td>Gibson</td>
<td>Moore</td>
<td>Truman</td>
</tr>
<tr>
<td>Borah</td>
<td>Glass</td>
<td>Murphy</td>
<td>Tydings</td>
</tr>
<tr>
<td>Bone</td>
<td>Glass</td>
<td>Morris</td>
<td>Vandergone</td>
</tr>
<tr>
<td>Burke</td>
<td>Hals</td>
<td>Neely</td>
<td>Van Nus</td>
</tr>
<tr>
<td>Byrnes</td>
<td>Harrison</td>
<td>Norris</td>
<td>Wagner</td>
</tr>
<tr>
<td>Capers</td>
<td>Harting</td>
<td>O'Mahany</td>
<td>Welsh</td>
</tr>
<tr>
<td>Garaway</td>
<td>Hatch</td>
<td>Overton</td>
<td>Wheeler</td>
</tr>
<tr>
<td>Carey</td>
<td>Hayden</td>
<td>Pittman</td>
<td>White</td>
</tr>
<tr>
<td>Chavez</td>
<td>Reyes</td>
<td>Pope</td>
<td>Reynolds</td>
</tr>
<tr>
<td>Coney</td>
<td>Kaye</td>
<td>Pope</td>
<td>Reynolds</td>
</tr>
<tr>
<td>Cooledge</td>
<td>Le Follette</td>
<td>Pope</td>
<td>Reynolds</td>
</tr>
<tr>
<td>Mr. LEWIS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mr. LEWIS. I announce that the Senator from Alabama (Mr. BANKHEAD), the Senator from Colorado (Mr. COSTIGAN),