

## SENATE

WEDNESDAY, FEBRUARY 24, 1937

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

O God, whose mercy is as great as our unworthiness, by whose command the order of all time doth run its course: Forgive, we beseech Thee, the impatience of our unbelief, and make perfect that which is lacking in our faith, that we may learn alike from joy and pain the blessedness of fellowship with Thee, and become interpreters of the higher life to those who know Thee not.

We ask not to escape from trouble but for grace to rise victorious over it; we come before Thee not as mere seekers of peace but as men who desire to be makers of peace by contending for equity and justice and the kingdom of God and His righteousness. So guide us in our deliberations that when evening comes, and our task is done, we may have that peace which passeth all understanding. Through Jesus Christ our Lord. Amen.

## THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 23, 1937, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations and a convention, were communicated to the Senate by Mr. Latta, one of his secretaries.

## CALL OF THE ROLL

Mr. LEWIS. In order to assure the presence of a quorum, I ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lewis	Reynolds
Bachman	Duffy	Lodge	Robinson
Bailey	Ellender	Logan	Russell
Barkley	Frazier	Loneragan	Schwartz
Black	George	Lundeen	Schwellenbach
Bone	Gerry	McCarran	Sheppard
Borah	Gibson	McGill	Steiner
Bridges	Gillette	McKellar	Thomas, Okla.
Brown, Mich.	Green	McNary	Thomas, Utah
Bulkley	Guffey	Maloney	Townsend
Bulow	Harrison	Moore	Truman
Burke	Hatch	Murray	Tydings
Byrd	Hayden	Neely	Vandenberg
Byrnes	Herring	Norris	Van Nuys
Capper	Hitchcock	Nye	Wagner
Caraway	Holt	O'Mahoney	Walsh
Chavez	Hughes	Overton	Wheeler
Clark	Johnson, Calif.	Pepper	White

Mr. LEWIS. I desire the RECORD to show for the day that the Senator from Ohio [Mr. DONAHEY] is ill, and therefore absent; that the Senator from Mississippi [Mr. BLBO], the Senator from New Hampshire [Mr. BROWN], the Senator from California [Mr. MCADOO], the Senator from Indiana [Mr. MINTON], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained from the Senate.

The Senator from Oklahoma [Mr. LEE] asks me to say to the Senate that he is absent for a few days, caused by his attendance upon a convention of teachers of which he is a member.

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness.

Mr. AUSTIN. Mr. President, I announce the absence of the senior Senator from Minnesota [Mr. SHIPSTEAD] due to illness.

The VICE PRESIDENT. Eighty-four Senators have answered to their names; a quorum is present.

## BONNEVILLE ELECTRIC POWER PROJECT, OREGON (S. DOC. NO. 21)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a progress report of the committee on national

power policy (appointed by him on the 18th ultimo) on the Bonneville project, situated on the Columbia River, Oreg., which was read, and, with the accompanying report, ordered to be printed, and referred to the Committee on Commerce, as follows:

THE WHITE HOUSE,  
Washington, February 24, 1937.

MY DEAR MR. VICE PRESIDENT: As you know, the Bonneville project is nearing completion, and I am informed by the War Department that the first electric power will probably be available for public distribution late this year.

It seems necessary, therefore, to enact legislation at this session of the Congress setting up machinery for the administration of the dam, locks, fishways, and power plant of that project. Such legislation should be of a provisional character pending the establishment of permanent administration of Bonneville and other Federal projects in the Columbia Basin, but should not be inconsistent with national power policies which may be hereafter adopted.

On January 18 I appointed a committee on national power policy and requested the committee as its first assignment to make suggestions for the administration of the Bonneville project. The committee has submitted its recommendations, which I transmit herewith for the information of the Congress. I approve the recommendations and believe that they merit careful consideration.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The Honorable the VICE PRESIDENT,

Washington, D. C.

## COURT ORDERS RESTRAINING ENFORCEMENT OF LAWS

The VICE PRESIDENT laid before the Senate letters from the Chairmen of the Social Security Board and the Federal Power Commission, respectively, submitting the information requested by Senate Resolution 82 (agreed to on the 17th instant), calling for certain information concerning injunctions or judgments issued or rendered by Federal courts since March 4, 1933, in cases involving acts of Congress, which were referred to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Military Affairs:

## House Joint Memorial 9

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Thirty-ninth Legislative Assembly of the State of Oregon, convened in regular session, respectively represent that:

Whereas the United States Government has created civilian conservation camps to provide useful employment; and

Whereas irrigation, drainage and/or improvement districts are in need of roads to aid in their development: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the Legislative Assembly of the State of Oregon hereby does petition the Congress of the United States to enact into law legislation authorizing the use of the Civilian Conservation Corps in construction of highways within irrigation, draining, and/or improvement districts to aid in their settlement and development; be it further

Resolved, That the secretary of state of the State of Oregon is hereby directed to send a copy of this memorial to the Speaker of the House of Representatives and the President of the Senate, Washington, D. C., a copy to each Representative and Senator from the State of Oregon, also a copy hereof to the speaker of the house and president of the senate of each State legislature in the United States which shall convene during the year 1937.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Education and Labor:

## House Joint Memorial 4

To the Honorable Franklin D. Roosevelt, President of the United States of America; to the Honorable Senate and House of Representatives of the United States of America; and to the Honorable Harry L. Hopkins, Administrator of the Works Progress Administration:

We, your memorialists, the Senate and the House of Representatives of the State of Washington in legislative session assembled, most respectfully petition your honorable bodies as follows:

Whereas the Honorable Harry L. Hopkins, Administrator of the Works Progress Administration, recently promulgated an order discharging many men and women over 65 years of age from Works Progress Administration employment and who are now without any means of support; and

Whereas these aged persons cannot receive a pension from the State of Washington for at least 3 months following their discharge and because of their aged condition find it difficult to

obtain any private employment, or even public or private relief; and

Whereas if such a condition continues thousands of our worthy citizens who are now destitute will lose their homes by foreclosure proceedings, and their personal possessions: Now, therefore, be it

*Resolved*, That your memorialists respectfully urge the Honorable Harry L. Hopkins to rescind the said order to the effect that no person or persons over 65 years of age shall be dropped from said employment until such a time as their pension application has been approved and an initial payment made thereon; and be it further

*Resolved*, That those aged persons over the age of 65 years who have previously been dropped from the Works Progress Administration rolls shall be reinstated until they receive their first pension check; and be it further

*Resolved*, That the Senate and House of Representatives of the United States be urged to pass a sufficient appropriation to continue on with the Works Progress Administration employment; and be it further

*Resolved*, That copies of this memorial be transmitted to the Honorable Franklin D. Roosevelt, President of the United States; to the Honorable Harry L. Hopkins, Administrator of the Works Progress Administration; and to the United States Senate and House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate the following joint memorials of the Legislature of the State of Washington, which were referred to the Committee on Irrigation and Reclamation:

#### House Joint Memorial 7

*To the Honorable the Senate and the House of Representatives of the United States of America in Congress assembled:*

We, your memorialists, the Senate and House of Representatives of the State of Washington in legislative session assembled, respectfully petition your honorable body as follows:

Whereas, without regard to geographical location, the prosperity of the business and industry of the United States is dependent upon a self-sustaining and prosperous agriculture, the development of which is one of the most vital problems confronting this Nation; and

Whereas this Nation as a whole must depend, at an ever-increasing rate, upon a continued and sound development of its fertile and irrigable arid lands wherever situated for a large part of its present and a much larger part of its future requirements of those crops particularly adapted to irrigable-land production and of which there is no national problem of unexportable surplus; and

Whereas the Pacific West is not now self-supporting in agricultural products required for food, and the rapid increase in population on the Pacific coast, especially in the larger cities, is making it imperative that additional land be made productive for the raising of necessary food products; and

Whereas it has been conclusively demonstrated within recent years that the Federal policy of national reclamation is sound; that it is as vital to the national welfare as flood control and other recognized Federal projects; that the initial financing of reclamation projects by the Federal Government is not a gift of Federal funds to a section of the country but rather a temporary and sound loan certain to be repaid; that the financing of these projects by the arid-land States is impossible because of small taxable values due largely to huge holdings of lands within their borders by the Federal Government; and that the development of these reclamation projects create new wealth and business for every section of the Nation; and

Whereas a failure on the part of the Congress of the United States to continue the national reclamation program and the development of reclamation projects would cause a tremendous financial loss to the Federal Government represented in uncompleted reclamation projects now under construction; would make impossible any balanced solution of the problem of agriculture and proper land use; and would leave this Nation with an imminent shortage of a type of land most adapted to growing specialized crops required by and consumed in every part of the United States: Be it

*Resolved*, That the Senate and the House of Representatives of the State of Washington in legislative session assembled hereby respectfully petition your honorable body to enact at the earliest possible moment such legislation as may be necessary and proper for the continuance as a permanent Federal policy of the national reclamation program and the development of reclamation projects approved by the Federal Bureau of Reclamation; and be it further

*Resolved*, That copies of this memorial be sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Member of the United States Senate and House of Representatives from the State of Washington.

#### House Joint Memorial 8

*To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:*

We, your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable body as follows:

Whereas recognizing the imperative need for the early development of the Grand Coulee power and reclamation project, we urge our congressional and senatorial delegation in the Congress of the United States to use every effort to secure necessary appropriation for the Grand Coulee project so that the work may be continued

without delay. A discontinuance of the present work would result in demoralization of the splendid organization built up by the Federal Reclamation Service, would throw out of employment thousands of our citizens, and would be a distinct discouragement to the orderly development of the Pacific Northwest.

In the past year many people from the drought area of the Central West have come to our State seeking homes. These people are farmers, honest, industrious, and trained in agriculture. We believe that the Columbia Basin lands will be needed by the people of the Nation as soon as they are available. These lands of necessity must be developed slowly, unit by unit, as they are needed for the production of farm products; and

Whereas this great project is of such national importance that any interruption of the work would be regarded in the nature of a tragedy: Therefore

We urge Congress to appropriate sufficient money to finish the present contract and provide funds for a new contract so that the work may continue through the years 1937 and 1938.

The VICE PRESIDENT also laid before the Senate a letter from the Oneida County (N. Y.) Bar Association, embodying a resolution adopted by that association protesting against the enactment of legislation to enlarge the membership of the Supreme Court, which was referred to the Committee on the Judiciary.

Mr. NEELY presented a resolution adopted by the Young Democratic Club, of Wood County, W. Va., favoring the enactment of legislation to reorganize the judicial branch of the Government, which was referred to the Committee on the Judiciary.

Mr. LODGE presented 15 memorials, numerously signed, by sundry citizens of the State of Massachusetts, remonstrating against the enactment of legislation to reorganize the judicial branch of the Government, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the board of managers of the Society of the Sons of the Revolution in Massachusetts, Boston, Mass., protesting against the enactment of legislation to reorganize the judicial branch of the Government, which was referred to the Committee on the Judiciary.

Mr. GUFFEY presented the following concurrent resolution of the Legislature of the State of Pennsylvania, which was referred to the Committee on the Judiciary:

Whereas the President of the United States has requested the Congress to authorize additional Justices of the Supreme Court in certain instances; and

Whereas the purpose of this request is to provide assistance to the Court and prevent delay and obstruction in the administration of justice; and

Whereas the effect of this proposal will be to hasten those urgently needed governmental and economic reforms demanded by the people which have been obstructed by the political and economic opinions of certain present Supreme Court Justices; and

Whereas the public welfare has suffered almost irreparable harm as a result of decisions denying the protection of labor legislation to the worker abolishing the assistance given farmers and otherwise placing legal technicality above the general welfare; and

Whereas the action proposed by the President would remedy this condition: Now, therefore, be it

*Resolved (if the house of representatives concur)*, That the General Assembly of the Commonwealth of Pennsylvania hereby calls upon the Congress of the United States and in particular the representatives of Pennsylvania in the Congress to vote in the affirmative upon this question to the end that justice may be served and the principles of democracy may prevail in the Federal Union; and be it further

*Resolved*, That copies of this resolution be sent to the President of the United States and to all Members of the Congress of the United States.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Commerce:

#### House Joint Memorial 3

*A Joint Memorial to the Idaho Congressional Delegates:*

Your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas for many years past Bonner County has been a principal center of production for the lumber industry of Idaho until recent years, and now the larger mills have been closed and this region must now rely upon its other resources of farming and recreational facilities; and

Whereas the Legislature of the State of Idaho, realizing the recreational resources of this region, in 1927 enacted a law directing the Governor of this State to appropriate, in trust for the people of the State of Idaho, all the unappropriated water of Fend d'Oreille Lake and declared the preservation of said water for scenic beauty, health, recreation, transportation, and commercial purposes necessary and desirable for all the inhabitants of the State, to be a beneficial use of such water; and

Whereas the War Department of the United States has submitted a comprehensive plan contained in reports published in House Document 103, Seventy-third Congress, first session, which proposed ultimately to store 1,610,000 acre-feet in Lake Pend d'Oreille and regulate it below elevation 2,066.8, United States Coast and Geodetic Survey, by a dam to be constructed at Albany Falls; and

Whereas to maintain the level of the water in Lake Pend d'Oreille at elevation 2,066.8 will submerge and inundate approximately 12,000 acres of cultivable land at the delta of the Clark Fork River and will also submerge and inundate a considerable part of the city of Sandpoint and all of the sewer and water lines of said city; and

Whereas it is the considered belief of your memorialists that to maintain the water of said Lake Pend d'Oreille at a point not in excess of elevation 2,053, United States Coast and Geodetic Survey, will permit the rehabilitation and cultivation of the land aforementioned in the delta of the Clark Fork River and will prevent inundation of any part of the city of Sandpoint or the sewer and water lines thereof: Now, therefore, be it

*Resolved*, That the Board of Engineers of Rivers and Harbors, created under section 3 of the Rivers and Harbors Act of June 13, 1902, be, and is hereby, requested to review the reports submitted in House Document 103, Seventy-third Congress, first session, and any further investigation necessary as aforesaid, with a view to determine the advisability of stabilizing the level of Lake Pend d'Oreille at a point not to exceed elevation 2,053, United States Coast and Geodetic Survey, by channel improvements on Clark Fork River and construction of a dam at Albany Falls at the earliest possible date. This work is in no way to interfere with the development of the proposed Cabinet Gorge project; be it further

*Resolved*, That the secretary of state of the State of Idaho send a copy of this memorial to the congressional delegates from the State of Idaho, to be submitted to the Committee on Commerce in the United States Senate and the Committee on Rivers and Harbors, House of Representatives.

Mr. POPE also presented a joint memorial of the Legislature of the State of Idaho, favoring the enactment of legislation and necessary appropriations to carry to completion a project to divert the natural flow of water from Yellowstone Lake into the Snake River, which was referred to the Committee on Irrigation and Reclamation.

(See joint memorial printed in full when laid before the Senate by the Vice President on the 22d instant, p. 1464, CONGRESSIONAL RECORD.)

Mr. LEWIS presented a joint resolution of the Legislature of the State of Illinois, favoring the prompt enactment of legislation to furnish financial assistance to the people of the flood-stricken area of Illinois, who desire to rebuild their homes and business establishments, in the form of loans at a nominal rate of interest, long periods of maturity, and without the necessity of complying with strict security requirements, which was ordered to lie on the table.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 23d instant, p. 1481, CONGRESSIONAL RECORD.)

#### REORGANIZATION OF THE JUDICIARY

Mr. MCKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by a mass meeting of citizens of Lauderdale County, Tenn., on February 20, 1937, in reference to the Federal judiciary.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

*Be it resolved by the citizens of Lauderdale County, Tenn., in mass meeting assembled on this the 20th day of February, 1937, at the courthouse of said county:*

1. We endorse the action of our President, Franklin D. Roosevelt, in submitting to the Congress of the United States his message and plan for the reformation of the Federal judiciary and especially that portion of same designed to "rejuvenate" the Supreme Court of the United States of America.

2. We recognize the fact that the proposed plan is in absolute accord with many previous acts of the Congress wherein the number of Supreme Court Justices has been increased and believe that the welfare of our people demands an interpretation of our laws according to the original intent of the framers of the Constitution and not a narrow, strict, and strained interpretation, such as is being given to it now by those who refuse to see the problems of the day through modern glasses.

3. And we urge our Senators, the Honorable K. D. MCKELLAR and Hon. NATHAN L. BACHMAN, and our Congressman JERE COOPER to support the President without hesitancy and wholeheartedly in his plan; be it further

*Resolved*, That copies of this resolution be transmitted to our said Senators and Congressman and a copy furnished to the press.

#### REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 1236) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list, reported it without amendment and submitted a report (No. 120) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 722) for the relief of Jesse W. Smith, reported it without amendment and submitted a report (No. 121) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 1311) for the relief of Norman Hildebrand, reported it without amendment and submitted a report (No. 122) thereon.

Mr. ANDREWS, from the Committee on Naval Affairs, to which was referred the bill (S. 1315) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost by fire at the naval radio station, Eureka, Calif., on January 17, 1930, reported it without amendment and submitted a report (No. 123) thereon.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (S. 1454) to provide for the reimbursement of certain enlisted men of the Navy for the value of personal effects destroyed in a fire in building no. 125, United States Navy Yard, Washington, D. C., on July 16, 1935, reported it without amendment and submitted a report (No. 124) thereon.

Mr. NEELY, from the Committee on the Judiciary, to which was referred the bill (S. 1437) relating to the disposition of cases in which the validity of acts of Congress is drawn into question, reported it without amendment and submitted a report (No. 125) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 65) authorizing an investigation relative to utilization of water resources of arid and irrigable States (submitted by Mr. BANKHEAD on Jan. 19, 1937), reported it without additional amendment.

#### BILLS INTRODUCED

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

By Mr. MCKELLAR:

A bill (S. 1681) to extend the time for filing claims for refunds under section 15 (c) of the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

A bill (S. 1682) to abolish the legal fiction that a corporation is a citizen of the State by which it is chartered, and to provide that, for jurisdictional purposes in the Federal courts, all corporations shall be deemed citizens of the State in which their stockholders, or any of them, reside; to the Committee on the Judiciary.

A bill (S. 1683) to authorize the payment of an annuity to William Madden, upon his retirement, in recognition and appreciation of his services to the United States; to the Committee on Appropriations.

By Mr. GUFFEY:

A bill (S. 1684) for the relief of the State of Pennsylvania; to the Committee on Claims.

(Mr. WAGNER introduced Senate bill 1685, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. LOGAN:

A bill (S. 1686) to establish uniform requirements affecting Government contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. MCGILL:

A bill (S. 1687) to amend the act entitled "An act for the retirement of employees in classified civil service, and for other purposes, approved May 22, 1920, and acts in amendment thereof", approved July 3, 1926, as amended; to the Committee on Civil Service.

By Mr. WHEELER:

A bill (S. 1688) to provide for the acquisition of a site for and establishment of a fish hatchery for Glacier National

Park, in the State of Montana, and for other purposes; to the Committee on Commerce.

By Mr. CAPPER:

A bill (S. 1689) for the relief of the heirs of Prof. William H. H. Hart, principal of the Hart Farm School and Junior Republic for Dependent Children; to the Committee on Claims.

By Mr. MURRAY:

A bill (S. 1690) to provide for holding terms of the district court of the United States in Miles City, Mont.; and A bill (S. 1691) to provide that residence requirements for judges shall not be held to apply to judges who have retired or resigned; to the Committee on the Judiciary.

A bill (S. 1692) to amend section 460, chapter 44, title II, of the act entitled "An act to define and punish crimes in the District of Alaska and to provide a code of criminal procedure for said district", approved March 3, 1899, as amended; to the Committee on Territories and Insular Affairs.

By Mr. NEELY:

A bill (S. 1693) granting an increase of pension to Laura B. Strider; to the Committee on Pensions.

A bill (S. 1694) authorizing the Secretary of War to convey to the town of Montgomery, W. Va., a certain tract of land; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

A bill (S. 1695) for the relief of John C. Crossman; to the Committee on Claims.

By Mr. BONE:

A bill (S. 1696) to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

A bill (S. 1697) for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix; to the Committee on Claims.

A bill (S. 1698) granting an increase of pension to Mary Harvey Draper; to the Committee on Pensions.

#### HOUSING FOR LOW-INCOME GROUP

Mr. WAGNER. Mr. President, I introduce, for appropriate reference, a bill known as the United States housing bill of 1937. The object of the bill is to rehouse the low-income group of our country. There is widespread interest in the proposed legislation, and I ask unanimous consent that the bill itself may be printed in the RECORD, and also an explanatory statement following the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

A bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes

*Be it enacted, etc.,*

#### FINDINGS AND POLICY

SECTION 1. There exist in urban and rural communities throughout the United States slums, blighted areas, or unsafe, insanitary, or overcrowded dwellings, or a combination of these conditions, accompanied and aggravated by an acute shortage of decent, safe, and sanitary dwellings within the financial reach of families of low income.

These conditions are inimical to the general welfare of the Nation by (a) encouraging the spread of disease and lowering the level of health, morale, and vitality of large portions of the American people; (b) increasing the hazards of fires, accidents, and natural calamities; (c) subjecting the moral standards of the young to bad influences; (d) increasing the violation of the criminal laws of the United States and of the several States; (e) impairing industrial and agricultural productive efficiency; (f) lowering the standards of living of large portions of the American people; (g) necessitating a vast and extraordinary expenditure of public funds, Federal, State, and local, for crime prevention, pun-

ishment, and correction, fire prevention, public-health service, and relief.

The failure to remedy the acute dwelling shortage has also produced stagnation of business activity in the construction, durable goods, and allied industries, thus impeding business activity throughout the Nation and resulting in widespread, prolonged, and recurring unemployment with its injurious effects upon the general welfare of the Nation.

Private industry alone has been and now is unable to overcome the obstacles in the way of relieving the shortage of decent, safe, and sanitary dwellings for families of low income, or to prevent the widespread, prolonged, and recurring unemployment resulting from the persistence of such obstacles, and the several States and their political subdivisions have been and now are unable adequately to aid in remedying this condition without financial assistance. The legislatures of many of the States have expressly declared the need for assistance along the lines set forth in this act in order to remedy the aforesaid conditions.

It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income that are injurious to the health, safety, and morals of the citizens of the Nation.

#### DEFINITIONS

SEC. 2. When used in this act—

(1) The term "low-rent housing" means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability; and embraces all necessary or desirable appurtenances thereto, including administrative, educational, recreational, commercial, and other lands, buildings, and facilities. The dwellings in low-rent housing as defined in this act shall be available solely for families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents such ratio shall not exceed six to one.

(2) The term "families of low income" means families who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

(3) The term "slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

(4) The term "slum clearance" means the demolition and removal of buildings from any slum area, and may embrace the adaptation of such area to public purposes, including parks or other recreational or community facilities.

(5) The term "development" means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, and equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings. The development of a low-rent-housing project may include slum clearance. The development of a slum-clearance project may be confined to demolition and removal.

(6) The term "administration" means any or all undertakings necessary for management, operation, maintenance, and financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

(7) The term "demonstration project" means any project owned or administered by the Authority, whether or not developed pursuant to section 11.

(8) The term "acquisition cost" means the acquisition cost to the Authority or to a housing agency, as the case may be.

(9) The term "going Federal rate of interest" means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a term of 10 years or more.

(10) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

(11) The term "consumers housing society" means any association, cooperative, or corporate body organized solely to promote and administer low-rent housing, whose members are persons of low income in need of such housing, whose officers and directors are the freely chosen representatives of such members, which is operated without possibility of direct or indirect financial profit, and which submits its records to the inspection of the Authority to the extent necessary to carry out the provisions of this act.

(12) The term "limited-profit housing agency" means any association, cooperative, limited-dividend corporation, or other corporate body organized to develop or administer low-rent-housing projects, whose dividend rates, if any, capital structure, interest payments, and rental charges are regulated or limited by law or subject to the supervision and control of the Authority, and which submits its records to the inspection of the Authority to the extent necessary to carry out the provisions of this act.

(13) The term "housing agency" means any public housing agency, consumers housing society, or limited-profit housing agency.

(14) The term "State" includes the States of the Union, the District of Columbia and the Territories, dependencies and possessions of the United States.

(15) The term "Authority" means the United States Housing Authority created by section 3 of this act.

#### UNITED STATES HOUSING AUTHORITY

SEC. 3. (a) There is hereby created a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

(b) The management of the Authority shall be vested in a board of directors (hereinafter referred to as the board) composed of three members appointed by the President, by and with the advice and consent of the Senate, and removable by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause. One of the three original members shall serve for a term of 1 year, one for a term of 3 years, and one for a term of 5 years, but their successors shall be appointed for terms of 5 years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as chairman and executive officer of the board, in charge of the routine administration of the Authority.

(c) A vacancy in the board shall not impair the right of the remaining members to exercise all the powers of the board, and two members of the board shall at all times constitute a quorum.

SEC. 4. (a) Each member of the board shall receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. No officer or employee of the Authority shall participate in any manner in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

(b) The Authority is authorized, without regard for the civil-service laws or the Classification Act of 1923, as amended, to employ such officers, attorneys, and experts and hire such skilled and unskilled labor as may be necessary for the proper performance of its duties under this act, and subject to such laws to appoint and fix the compensation of such other employees as may be necessary for such purposes: *Provided*, That insofar as such other employees are drawn from any department or agency of the government where they have been engaged in work connected with housing or slum clearance, they shall be included within the civil service upon certification by the Authority (within 90 days of their employment) to the Civil Service Commission and upon passing a noncompetitive examination given by such Commission.

(c) The Authority may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as it finds helpful in the performance of its duties. In connection with the utilization of such services the Authority may make reasonable payments for necessary traveling and other expenses.

(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects, including all assets, contracts, records, libraries, research materials, and other property held in connection with such projects, and any unexpended balance of funds allocated to such department or agency for such projects; and the Authority may continue any or all activities undertaken in connection with such projects, subject to the provisions of this act.

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and it may meet and exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

(b) The Authority shall sue and be sued in its own name, and all suits shall be brought in the Federal courts except where the Authority consents specifically to a different forum. Attorneys appointed by the Authority may, at the direction of the Authority, appear for and represent the Authority in any case in court.

(c) The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations issued by public housing agencies in connection with low-rent-housing and slum-clearance projects, and the income derived by such agencies from such projects shall be exempt from all taxation now or hereafter imposed by the United States.

SEC. 6. (a) The Authority may make such expenditures for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, and books, for attendance at meetings, for instruction, for traveling expenses, and for such other facilities and services as it may from time to time

find necessary for the proper administration of this act. The Authority shall determine and prescribe the manner in which its obligations and expenses shall be incurred, allowed, and paid, and the manner in which accounts shall be audited. Vouchers approved by the Authority for expenditures of its funds shall be final and conclusive upon all officers of the Government; except that all financial transactions of the Authority shall be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination shall be for the sole purpose of making a report to the Congress and to the Authority of expenditures in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

(b) The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than \$300.

(c) The use of funds made available for the purposes of this act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this act shall contain a provision identical to the one prescribed in section 3 of title 3 of such act.

SEC. 7. (a) The Authority may engage in research, studies, surveys, experimentation, and experimental construction, and may publish and disseminate information pertinent to the various aspects of housing.

(b) In January of each year the Authority shall make an annual report to Congress of its operations, including loans and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

SEC. 8. (a) The Authority may from time to time make, amend, and rescind such rules, regulations, and definitions as may be necessary to carry out the provisions of this act.

(b) In the exercise of its discretion pursuant to this act and pursuant to the standards, definitions and considerations of policy set forth herein, the findings of the Authority, if reasonably substantiated, shall be conclusive.

#### ASSISTANCE TO LOCAL LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

SEC. 9. (a) The Authority may make grants and loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing projects by such agencies.

(b) The grant for any such project shall be paid in the form of fixed and uniform annual contributions, over a fixed period not exceeding 60 years. The Authority shall embody the provisions for such grant in a contract of grant guaranteeing such fixed and uniform annual contributions over such fixed period. Such annual contributions as are contracted for shall be strictly limited to the amounts and period necessary, in the determination of the Authority, to assure the low-rent character of the housing project involved: *Provided*, That the fixed contribution payable annually under any such contract of grant shall not exceed a sum equal to the annual yield at the going Federal rate of interest (at the time such contract of grant is made) plus 1 percent upon the development or acquisition cost of such project.

(c) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

(d) In any one fiscal year the Authority shall not enter into contracts of grant which provide for annual contributions aggregating more than \$10,000,000 per year exclusive of any annual contributions payable under contracts of grant made by it in prior fiscal years: *Provided*, That if the contracts of grant entered into in any one fiscal year provide for annual contributions aggregating less than the authorized \$10,000,000, the unutilized balance of such authorization may be carried over as an authorization for any subsequent fiscal year. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

(e) The loans for any low-rent-housing project pursuant to this section shall bear interest at such rate not less than the going Federal rate at the time the loan is made, be secured in such manner, and be repaid within such period, not exceeding 60 years, as may be deemed advisable by the Authority. The total of such loans outstanding for any such project shall not exceed the development or acquisition cost of such project, less the total amounts outstanding on loans made by third parties, senior to the loans of the Authority, and secured by such project or payable from the revenues thereof.

SEC. 10. The Authority may make loans to limited-profit housing agencies to assist the development or acquisition of low-rent-housing projects: *Provided*, That not more than \$25,000,000 shall

be so loaned in any one fiscal year. Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, be secured in such manner, and be repaid within such period, not exceeding 60 years, as may be deemed advisable by the Authority. The total of such loans outstanding for any such project shall not exceed 85 percent of the development or acquisition cost of such project, less the total amounts outstanding on loans made by third parties, senior to the loans of the Authority, and secured by such project or payable from the revenues thereof.

#### DEMONSTRATION PROJECTS

SEC. 11. (a) The Authority may develop and administer low-rent-housing and slum-clearance-demonstration projects in order to demonstrate to localities the benefits to be derived therefrom. No such projects shall be commenced in any locality without the consent of a governing body having jurisdiction over such locality: *Provided*, That not more than one demonstration project shall be commenced hereafter in any one locality and that the total estimated development cost of all such projects commenced in any one fiscal year shall not exceed \$25,000,000.

(b) As soon as practicable the Authority shall sell its demonstration projects or divest itself of their management through leases.

(c) The Authority may sell a low-rent-housing demonstration project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes, less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for a grant and loans pursuant to section 9. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

(d) The Authority may lease any low-rent-housing demonstration project in whole or in part to a public housing agency or a consumers' housing society: *Provided*, That the tenant eligibility for a project leased to a consumers' housing society shall not be limited to the members of such society. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the act of June 30, 1932 (U. S. C., Supp. VIII, title 40, sec. 303 (b)), shall not apply to any lease pursuant to this act.

(e) In the administration of any low-rent-housing demonstration project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

#### GENERAL POWERS OF THE AUTHORITY

SEC. 12. (a) In connection with the development or administration of any low-rent-housing or slum-clearance project, the Authority may acquire real or personal property or any interest therein by purchase, eminent domain, gift, devise, lease, or otherwise. In the acquisition of any land or site the provisions of section 355 of the Revised Statutes, as amended, shall not apply, but the Authority may avail itself of the services of the Attorney General acting in accord with his powers under such section to procure information relating to the state of title. The Attorney General shall, upon the application of the Authority, institute condemnation proceedings in its name. The practice and procedure governing such proceedings by the United States shall be followed, and the Authority shall likewise be entitled to proceed in accordance with the provisions of an act of Congress approved February 26, 1931 (46 Stat. 1421), and an act of Congress approved March 1, 1929 (45 Stat. 1415). The Authority may enter into agreements to reimburse any State or political subdivision thereof, or any housing agency, for expenses incurred in the acquisition, by condemnation or otherwise, of property to be conveyed to the Authority for the development of a low-rent-housing or slum-clearance project.

(b) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent-housing project which it previously owned or in connection with which it has made a loan or grant pursuant to section 9 or a loan pursuant to section 10.

(c) The acquisition by the Authority of any real property pursuant to this act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

(d) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

(e) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

(f) The Authority may dedicate land for parks, playgrounds, and other recreational facilities, for sewers, for the opening or widening of streets, for incidental improvements, or for any other public purpose, and may grant licenses and easements upon such terms as it deems reasonable.

(g) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this act) or personal property, and sell or exchange any securities or obligations upon such terms as it may fix. To facilitate the sale of such securities or obligations any other securities or obligations retained by the Authority may be subordinated to those sold. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this act.

SEC. 13. Subject to the specific limitations or standards in this act governing the terms of sales, rentals, leases, loans, contracts of grant, or agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this act. Any rule of law contrary to this provision shall be deemed inapplicable.

#### STANDARDS

SEC. 14. In making any loan or contract of grant for the development, acquisition or administration of a project pursuant to section 9, or any loan for the development or acquisition of a project pursuant to section 10, and in undertaking any demonstration project pursuant to section 11, the Authority shall be guided by these considerations:

(1) In the case of a low-rent-housing project, that there exists in the locality or metropolitan area concerned a shortage of decent, safe, and sanitary dwellings within the financial reach of families of low income, which is not being remedied adequately by private enterprise;

(2) In the case of a slum-clearance project, or a low-rent-housing project which includes slum clearance, that substantially all of the dispossessed inhabitants will be provided for by the development of sufficient low-rent housing, within their financial reach, either upon the site to be cleared or in some other suitable locality, unless the clearance of the area will not make it impracticable for the inhabitants thereof to secure equivalent dwellings elsewhere at no higher cost to them or better dwellings elsewhere within their financial reach;

(3) That the project conforms to a general program formulated by the Authority to distribute the benefits of this act as widely as practicable throughout the United States, consistent with the needs of the several States and their political subdivisions;

(4) That the form of assistance to the project is an appropriate means of carrying out the purposes of this act in the particular case, and that the amount of financial assistance to be afforded such project by the Authority will not be in excess of the amount necessary for such purposes;

(5) That the site on which the project is or shall be developed has been selected primarily for its present and continued suitability for its intended use; that its location and planning are consistent with a logical development of land uses in the locality or metropolitan area concerned; and that it has been or will be acquired for a reasonable price;

(6) The assistance, if any (in the form of partial financing, annual contributions, land in whole or in part, community facilities or services, partial or complete remission of taxes), given to the project by the State or political subdivision in which it is located;

(7) That the advice has been sought, where available, of such planning commission or board (created under charter, statute, or ordinance) as may exist in the locality of the project.

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and thus to protect private industry from the competition that would exist either if other than families of low income were accepted as tenants in such projects or if such projects were withdrawn from the financial reach of such families, it is hereby provided that—

(1) When a loan is made pursuant to section 9 or section 10, the Authority may retain the right, in the event of a substantial breach of the covenant (which shall be embodied in the loan agreement) to maintain the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach) plus 2 percent per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a contract of grant is made pursuant to section 9, the Authority shall retain the right, in the event of a substantial breach of the covenant (which shall be embodied in such contract of grant) to maintain the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract of grant. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

(3) When a lease of a low-rent-housing project is made pursuant to section 11, the Authority shall retain the right to

terminate such lease in the event of a substantial breach of the covenant (which shall be embodied in such lease) to maintain the low-rent character of such housing project.

(4) The Authority may also insert in any contract of loan or grant, lease, mortgage, or any other agreement or instrument made pursuant to this act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved.

**SEC. 16. In order to protect labor standards—**

(1) The provisions of the act of August 30, 1935, entitled "An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the act of August 24, 1935, entitled "An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, and repair for the said public buildings and public works" (U. S. C., Supp., 1934 edition, title 40, sec. 270 (a) to (d), inclusive), shall apply to contracts in connection with the development or administration of low-rent-housing or slum-clearance demonstration projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the act of August 30, 1935, and section 3 of the act of August 24, 1935.

(2) Any contract for a loan, grant, sale, or lease, pursuant to this act shall contain a provision requiring that the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all laborers and mechanics employed in the development or administration of the low-rent-housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

(3) The act entitled "An act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of low-rent-housing or slum-clearance demonstration projects.

(4) The benefits of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

(5) The provisions of sections 1 and 2 of the act of June 13, 1934 (U. S. C., title 40, sec. 276 (b) and (c)), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this act.

(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this act shall report monthly, and shall cause all subcontractors to report in like manner (within 5 days after the close of each calendar month, on forms to be furnished by the U. S. Department of Labor), as to the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

**FINANCIAL PROVISIONS**

**SEC. 17.** The Authority shall have a capital stock of \$1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipt for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

**SEC. 18.** There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$51,000,000 for the fiscal year ending June 30, 1938, of which \$1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this act until expended.

**SEC. 19.** (a) Any funds available under any act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this act.

(b) Any unallocated funds now in the hands of the Federal Emergency Administration of Public Works, or hereafter received by it, which are derived from the sale of securities acquired pursuant to title 2 of the National Industrial Recovery Act or the Emergency Relief Appropriation Act of 1935, may, in the discretion of the President, be allocated to the Authority for the purposes of this act.

**SEC. 20.** (a) The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this act. The Authority may issue such obligations in an amount not to exceed \$200,000,000 on or after July 1, 1937, an additional amount not to exceed \$250,000,000 on or after July 1, 1938, an additional amount not to exceed \$250,000,000 on or after July 1, 1939, and an additional amount not to exceed \$300,000,000 on or after July 1, 1940.

Such obligations shall be in such forms and denominations, mature within such periods not exceeding 60 years from date of issue, bear such rates of interest not exceeding 4 percent per annum, be subject to such terms and conditions, and be issued in such

manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, or by any State, county, municipality, or local taxing authority.

(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and in the event that the Authority shall be unable to make any such payment upon demand when due, payment shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

(d) Such obligations shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

**SEC. 21.** (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

**PENALTIES**

**SEC. 22.** All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

**SEC. 23.** Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or makes any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

**SEC. 24.** Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

**SEC. 25.** Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

**SEC. 26.** No individual, association, partnership, or corporation shall use the words "United States Housing Authority", or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding \$1,000.

**SEC. 27.** Wherever the application of the provisions of this act conflicts with the application of the provisions of Public, No. 837, approved June 29, 1936 (49 Stat. 2025), Public, No. 845, approved June 29, 1936 (49 Stat. 2035), or any other act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this act shall prevail.

**SEC. 28.** Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

**SEC. 29.** This act may be cited as the "United States Housing Act of 1937."

The explanatory statement, submitted by Mr. WAGNER relative to Senate bill 1685, is as follows:

**UNITED STATES HOUSING BILL OF 1937—STATEMENT AND EXPLANATION**

This bill embodies, in improved form, the major provisions of the housing bill which passed the Senate last year. At that time the measure received tremendous Nation-wide support from all groups interested in housing, including tenants, home owners, builders, workers, concerns financially connected with the construction industry, and the existing agencies of Federal, State, and local governments interested in various aspects of the housing problem. This year, in its present form, the proposal has received even wider general endorsement, particularly from all sectors of the Federal Government that have dealt with this problem.

**MAIN PURPOSES**

The main purposes of the bill are closely related to the report of the President's Committee on Planning, recently submitted to the Congress. This report stressed the imperative necessity for meeting the unemployment problem on a long-range rather than a temporary basis; for guiding the Federal Government's assistance to business, labor, and the general public along lines dictated by permanent rather than emergency objectives; for measuring each dollar of public moneys spent in terms of its ultimate accomplishments rather than its immediate ameliorative effects; for withdrawing public assistance as private capacity mounts, thus creating a balance wheel to stabilize the industrial activity of the Nation.

The long-range and carefully planned housing program embodied in this measure meets each of these tests to a unique degree. By stimulating the durable-goods industries, now lagging furthest behind in the recovery drive, and by facing the problem of technological unemployment, it will create jobs in private industry for the men and women still idle and dependent upon public relief despite their overwhelming desire to earn a decent living in a normal way. Consequently it will augment and insure the permanence of the remarkable business comeback that we have staged during the past 2½ years. And at a cost much cheaper than the terrible social and business toll of unhealthful housing—in terms of disease, crime, and maladjustment—it will provide better living quarters for millions who now dwell in dismal and insanitary surroundings.

**DIFFERENT FROM PRESENT AGENCIES**

In 1933 it was imperative to save the home owners from eviction, to repair dwellings that had become delapidated or decayed, and to rescue the investors in real estate from complete ruin. But today the problem before the Nation is positive rather than negative. Instead of saving old homes, new ones must be built. Rather than refinancing old investments, areas must be developed for the operation of new capital.

The undertakings of the R. F. C. and the F. H. A. can do no more than facilitate the financing of homes for people who can afford homes and who have credit standing. This may restore the residential industry to its 1926 status as a luxury trade, but it can never create the solid foundation for permanent economic stability. A foundation must be at the bottom and not at the top. In housing this means provision for the larger market at the bottom of the economic structure who need housing most.

**PROVISIONS OF THE BILL**

The bill provides for loans and contracts of grant by the Federal Government to assist local authorities in developing low-rent housing and slum-clearance projects for families of low income.

The loans, which may cover the construction cost of a project, will in all cases be fully recoverable by the Federal Government, and will bear at least the going Federal rate of interest. They will thus be sound interest-bearing investments and will cost the taxpayer nothing.

The contracts of grant will provide for subsidies in the form of fixed and uniform annual contributions to housing projects over a period of years. These annual contributions, as determined upon at the outset of any housing project, will be in the amount necessary, and only in the amount necessary, to achieve its availability for families of low income. But in no case will the total annual contributions to any project exceed the carrying costs upon the loan; and, measured in terms of effect upon reducing rentals, in no case will the total subsidy exceed a maximum of approximately 45 percent. Such annual contributions, based upon the remarkably successful English system, will keep Federal appropriations very low, will put the program of necessary public aid on a "pay-as-you-go" basis, and will maintain in the hands of the central authority such control over the continuing aid as will insure the perpetual low-rent character of the projects involved.

The bill therefore embraces a 4-year program by providing \$1,000,000,000, to be raised through a bond issue and to be available for sound interest-bearing Federal loans. It also carries an appropriation of \$50,000,000 to pay the annual contributions during this 4-year period, at an average of only about \$12,500,000 a year. When the housing program is in full swing, every \$1,000,000,000 worth of low-rent housing will cost the Federal Government less than \$20,000,000 per year, or less than 2 percent. No other undertaking of the Federal Government during the past 4 years holds forth such certain prospects of business stimulation, economy, reemployment, and social advancement.

The following table indicates the scope of the 4-year program as proposed:

Fiscal year	Family dwelling units constructed	Total capital cost (at \$4,000 per family unit)	Non-Federal loans (estimated)	Federal loans authorized	Annual contributions through Federal appropriations
1938.....	50,000	\$200,000,000	-----	\$200,000,000	-----
1939.....	75,000	300,000,000	\$50,000,000	250,000,000	\$8,250,000
1940.....	100,000	400,000,000	150,000,000	250,000,000	15,625,000
1941.....	150,000	600,000,000	300,000,000	300,000,000	28,125,000
Total.....	375,000	1,500,000,000	500,000,000	1,000,000,000	50,000,000

This table shows that the Federal expenditures, in terms of appropriations over the 4-year period, will be only \$1 for every \$29 of private money drawn into the building program. And when we take account of the likely effect of this low-rent housing program upon housing for other income groups generally, we may say that each dollar of Federal expenditure will evoke \$50 worth of private investment in home building.

**NO COMPETITION WITH PRIVATE INDUSTRY**

It is the inadequate character of the public assistance to date that has made it impractical to rent the present public housing projects except to people of moderate means. This penny-wise pound-foolish policy has brought on the very type of competition with private industry that should be avoided, and, in addition, has carried us directly into a kind of housing that has no just claim on public funds. To reach those who are really entitled to public assistance, and to get into the field where private enterprise really cannot operate profitably is the objective of this bill.

The bill contains other safeguards against competition with private industry. Every housing project that receives a penny of Federal assistance, either loan or grant, will be available only to those families of low income who cannot purchase safe and sanitary quarters elsewhere. If there is competition, it will be only with the miserable conditions of slums and blighted areas.

**DECENTRALIZED PROGRAM**

All the direction, planning, and management in connection with publicly assisted housing projects are to be vested in local authorities, springing from the initiative of the people in the communities concerned. The Federal Government will merely extend its financial aid through the medium of these agencies. The only exception to the strictly decentralized administration is that the Federal Government may set up a few demonstration projects in order that local areas without adequate instrumentalities of their own may benefit by an experience in low-rent housing. Such projects are limited strictly to one-tenth of the Federal aid. It is provided that these demonstration projects shall be transferred to local agencies as soon as possible. In order to minimize the likelihood of Federal operation even where no local agencies exist, the Housing Authority is authorized to lease its demonstration projects to cooperative nonprofit associations of families of low income who have banded together for the purpose of securing decent housing.

**UNITED STATES HOUSING AUTHORITY**

The bill contemplates the establishment of a new United States Housing Authority. The encouragement of low-rent housing will be in years to come one of the most significant undertakings of the Government; and to this work should be devoted the single-minded attention and resources of a permanent and independent corporate agency. The establishment of such an agency will not tend to multiplicity. On the contrary, it will enable the President to gather under one roof the scattered organizations now empowered to engage in housing.

**CONCLUSION**

This is truly a modest beginning. But it is a start in a direction so obviously proper that it has won already an amazingly wide range of support. It combines the business desire for more complete recovery with the humanitarian impulse to provide safer and healthier places in which the people may live.

**CLAIM OF JACK J. WICK—AMENDMENTS**

Mr. NEELY submitted amendments intended to be proposed by him to the bill (S. 1414) for the relief of Jack J. Wick, which were referred to the Committee on Claims and ordered to be printed.

**ACCOMMODATIONS FOR DISTRICT COURT, LEWISBURG, W. VA.—AMENDMENT**

Mr. NEELY submitted an amendment intended to be proposed by him to the bill (S. 1522) to provide suitable accommodations for the district court of the United States at Lewisburg, W. Va., which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

**REORGANIZATION OF THE FEDERAL JUDICIARY—ADDRESS BY SENATOR BLACK**

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BLACK

on Feb. 23, 1937, on the proposed reorganization of the Federal judiciary, which appears in the Appendix.]

REORGANIZATION OF FEDERAL JUDICIARY—STATEMENT BY SENATOR CLARK

[Mr. KING asked and obtained leave to have printed in the RECORD a statement issued on Feb. 12, 1937, by Senator CLARK, relative to the proposal to reorganize the Federal judiciary, which appears in the Appendix.]

REORGANIZATION OF THE FEDERAL JUDICIARY—ADDRESS BY SENATOR WHEELER

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a radio address delivered by Senator WHEELER at Kansas City, Mo., on Sunday evening, Feb. 21, 1937, on the proposed reorganization of the Federal judiciary, which appears in the Appendix.]

REORGANIZATION OF THE FEDERAL JUDICIARY—ADDRESS BY SENATOR NYE

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a radio address on the subject of the proposed reorganization of the Federal judiciary, delivered by Senator NYE on Feb. 21, 1937, which appears in the Appendix.]

REORGANIZATION OF FEDERAL JUDICIARY—STATEMENT BY M. W. THATCHER

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a statement issued Feb. 23, 1937, by M. W. Thatcher, Washington representative, Farmers' National Grain Corporation, etc., which appears in the Appendix.]

REORGANIZATION OF FEDERAL JUDICIARY—LETTER OF STUART CHASE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a copy of a letter written by Stuart Chase to the editor of the New York Times relative to the President's proposal regarding the Supreme Court, which appears in the Appendix.]

REORGANIZATION OF THE FEDERAL JUDICIARY

[Mr. BLACK asked and obtained leave to have printed in the RECORD an article from the Washington Daily News on Feb. 23, 1937, written by Raymond Clapper, entitled "Fear Held Responsible for Opposition to Court Reform", which appears in the Appendix.]

TRIBUTE TO POSTMASTER GENERAL FARLEY

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an editorial from the Atlanta (Ga.) Journal of Feb. 17, 1937, written in tribute to Postmaster General Farley, which appears in the Appendix.]

CONSIDERATION OF THE CALENDAR

The VICE PRESIDENT. Morning business is closed. Under a special order adopted yesterday the Senate will proceed to the consideration of unobjected bills on the calendar, and the clerk will state the first bill in order.

RESOLUTION PASSED OVER

The resolution (S. Res. 8) limiting debate on general appropriation bills was announced as first in order.

Mr. VANDENBERG. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

ACCOUNT BETWEEN UNITED STATES AND VERMONT

The joint resolution (S. J. Res. 21) directing the Comptroller General to readjust the account between the United States and the State of Vermont was announced as next in order.

The VICE PRESIDENT. Without objection, the joint resolution will be ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BURKE. Mr. President, I inquire if it is Order of Business 28, Senate Joint Resolution 21, which was just called?

The VICE PRESIDENT. It is. Does the Senator desire to have it go over?

Mr. BURKE. I desire to ask, on behalf of the chairman of the Claims Committee, to have the bill, which is a claims bill, referred to the Committee on Claims. The Senator from North Carolina [Mr. BAILEY] intended to present that matter

here this morning, but he has not as yet arrived on the floor. Meanwhile, I ask that the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

HOLDING OF CIVIL OFFICE BY RETIRED OFFICERS

The Senate proceeded to consider the bill (S. 1116) to amend section 1860 of the Revised Statutes, as amended, to permit retired officers and enlisted men of the Army, Navy, and Marine Corps to hold civil office in any Territory of the United States.

The bill had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 6, after the word "naval", to strike out "or Marine Corps" and insert "Marine Corps, or Coast Guard"; and in line 9, after the word "Navy", to strike out "or the Marine Corps" and insert "Marine Corps, or Coast Guard", so as to make the bill read:

*Be it enacted, etc.,* That the fourth clause of section 1860 of the Revised Statutes of the United States as amended is hereby further amended to read as follows:

"Fourth. No person belonging to the Army, Navy, Marine Corps, or Coast Guard shall be elected to or hold any civil office or appointment in any Territory, except officers and enlisted men of the Army, the Navy, Marine Corps, or Coast Guard on the retired list."

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I ask that there may be an explanation of the bill.

Mr. WALSH. Mr. President, under the Revised Statutes of 1860 no person belonging to the Army or Navy could be elected to or hold any civil office by appointment in any Territory. Later, in 1883, the law was amended by the addition of the following clause:

Except officers of the Army on the retired list.

At that time all Territories were within the continental limits of the United States except Alaska. It was considered that retired Army officers were well fitted for administrative duties in those Territories. We now have within the continental limits no Territories except Alaska. We now have many insular possessions, and it is deemed proper that retired naval officers, as well as Army officers, should be eligible for administrative duties in those insular possessions. The purpose of the bill is to give the same privilege to retired naval officers and enlisted men that is now given under existing law to retired Army officers and enlisted men. Let me add that there are naval officers now acting in administrative capacity in Guam and Samoa that are not incorporated Territories. The Governors of these possessions are officers of the Navy.

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

Mr. WALSH. Certainly.

Mr. ROBINSON. What was the reason for the distinction between Army and naval officers in the original act?

Mr. WALSH. At the time of the enactment of the original law we had no insular possessions. The Territories of the United States were all within the continental limits. It was deemed by reason of the Army being trained for preserving order on land that Army officers should be eligible for appointment to administrative duties in those Territories. Now, with insular possessions, it is felt in many cases desirable to have naval officers appointed.

The VICE PRESIDENT. 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.

The title was amended so as to read: "A bill to amend section 1860 of the Revised Statutes, as amended, to permit retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard to hold civil office in any Territory of the United States."

TRANSFER OF EXPLOSIVE MATERIALS FROM WAR DEPARTMENT

The bill (S. 1280) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes" was con-

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

*Be it enacted, etc.,* That the act of Congress entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", approved March 3, 1933, be, and the same is hereby, repealed.

#### REGULATION OF COMMERCE IN FIREARMS

The Senate proceeded to consider the bill (S. 3) to regulate commerce in firearms.

Mr. ROBINSON. Mr. President, this is an important bill. Insofar as I have had an opportunity to examine it, the measure seems to be meritorious. However, I should like to have the author of the bill or the chairman of the committee who reported it make an explanation of the manner in which it is proposed to regulate commerce in firearms.

Mr. COPELAND. Mr. President, let me say to my leader that the Senate passed an identical bill at the end of the last session. The bill goes no further than to provide that the shipment of firearms in interstate commerce shall be regulated with a view, so far as possible, to preventing their falling into the hands of criminals or gangsters.

If Senators have read of the murder of a labor leader in New Jersey within 2 or 3 days, they will recall that the number of the gun had been filed off. This bill would endeavor to prevent the shipment in interstate commerce of guns whose numbers have been removed or altered. The bill in no sense interferes with the private possession of firearms by farmers or sportsmen, and has the full approval of the National Rifle Association and the National Pistol Association.

Mr. ROBINSON. I have read the report and, as already stated, am in hearty sympathy with the purposes of the bill. Can the Senator explain briefly how it will prevent firearms from passing into the hands of gangsters?

Mr. COPELAND. The Senator will observe, on page 4, that subsection (d) provides:

(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States, the several States, Territories, possessions (including the Philippine Islands), or the District of Columbia of a crime of violence or is a fugitive from justice.

Then subsection (e) provides:

(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition.

On page 5, subsection (h) provides as follows:

(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or ammunition or to pledge or accept as security for a loan any firearm or ammunition moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe the same to have been stolen.

We have had trouble with pawn shops and other institutions in my section of the country, and it is desired to regulate the matter in that regard.

Mr. ROBINSON. What penalty attaches for violation of the provisions of the bill?

Mr. COPELAND. On page 8 will be found the penalty clause, providing a fine of not more than \$2,000 or imprisonment for not more than 5 years, or both.

Mr. BORAH. Mr. President—

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

Mr. BORAH. The bill covers about seven printed pages, and I should like to know a little more about it before being called upon to pass on it. The people in my section of the country are very much interested in the regulation of firearms because of a fear that it may interfere with the possession of firearms by them as sportsmen and for other legitimate uses.

Mr. COPELAND. The bill in its original form was violently opposed by many who might wish, for legitimate purposes, to have firearms in their possession. It received

very serious study on the part of the National Rifle Association and the National Pistol Association, and it was with their aid that the bill was finally perfected and now has had removed all the objections which such persons as those mentioned by the Senator from Idaho had to the bill in its original form. The superintendent of my own farm protested vigorously to me about the bill in the first place, but the objections that he and others similarly situated had in mind have been removed. The bill has to do largely and almost exclusively with the shipment of firearms by or to persons with a criminal record. The Senate passed an identical bill last year.

Mr. BORAH. Yes; I know that to be so.

Mr. COPELAND. If, after further study of the bill, the Senator feels that it should be given further consideration, I shall be glad to join with him in asking for its reconsideration; but I hope he will let the bill pass, because we want to bring about the control of firearms as far as we can, and this is a long step in that direction.

Mr. BORAH. The bill has been stripped of its objectionable features as presented in the first place?

Mr. COPELAND. It certainly has.

Mr. BORAH. At the present time it is really confined to the question of controlling licensees and licensors in the shipment of arms in interstate commerce?

Mr. COPELAND. That is correct.

Mr. VANDENBERG. Mr. President—

Mr. COPELAND. I yield to the Senator from Michigan.

Mr. VANDENBERG. The bill is not only stripped of its objections, but those who previously objected are now endorsing it.

Mr. COPELAND. That is correct.

Mr. BORAH. That is what was bothering me. I have had letters in the last 2 or 3 days from those who were not certain about it.

Mr. COPELAND. They were, perhaps, thinking of the original bill; but I assure the Senator the objectionable features have been removed.

Mr. BORAH. Very well.

The VICE PRESIDENT. 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 as used in this act—

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

(2) The term "interstate or foreign commerce" means commerce between any State, Territory, or possession (including the Philippine Islands), or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession (including the Philippine Islands), or the District of Columbia, but through any place outside thereof; or within any Territory or possession or the District of Columbia.

(3) The term "firearm" means any weapon, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosive and a firearm muffler or firearm silencer.

(4) The term "manufacturer" means any person engaged in the manufacture or importation of firearms, or ammunition or cartridge cases, primers, bullets, or propellant powder for purposes of sale or distribution; and the term "licensed manufacturer" means any such person licensed under the provisions of this act.

(5) The term "dealer" means any person engaged in the business of selling firearms or ammunition or cartridge cases, primers, bullets, or propellant powder, at wholesale or retail, or any person engaged in the business of repairing such firearms or of manufacturing or fitting special barrels, stocks, trigger mechanisms, or breach mechanisms to firearms, and the term "licensed dealer" means any such person licensed under the provisions of this act.

(6) The term "crime of violence" means murder, manslaughter, rape, mayhem, kidnaping, burglary, housebreaking; assault with intent to kill, commit rape, or rob; assault with a dangerous weapon, or assault with intent to commit any offense punishable by imprisonment for more than 1 year.

(7) The term "fugitive from justice" means any person who has fled from any State, Territory, the District of Columbia, or possession of the United States to avoid prosecution for a crime of violence or to avoid giving testimony in any criminal proceeding.

(8) The term "ammunition" shall include all pistol or revolver ammunition except .22-caliber rim-fire ammunition.

Sec. 2. (a) It shall be unlawful for any manufacturer or dealer, except a manufacturer or dealer having a license issued under the provisions of this act, to transport, ship, or receive any firearm or ammunition in interstate or foreign commerce.

(b) It shall be unlawful for any person to receive any firearm or ammunition transported or shipped in interstate or foreign commerce in violation of subdivision (a) of this section, knowing

or having reasonable cause to believe such firearms or ammunition to have been transported or shipped in violation of subdivision (a) of this section.

(c) It shall be unlawful for any licensed manufacturer or dealer to transport or ship any firearm in interstate or foreign commerce to any person other than a licensed manufacturer or dealer in any State the laws of which require that a license be obtained for the purchase of such firearm, unless such license is exhibited to such manufacturer or dealer by the prospective purchaser.

(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States, the several States, Territories, possessions (including the Philippine Islands), or the District of Columbia of a crime of violence or is a fugitive from justice.

(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition.

(f) It shall be unlawful for any person who has been convicted of a crime of violence or is a fugitive from justice to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce, and the possession of a firearm or ammunition by any such person shall be presumptive evidence that such firearm or ammunition was shipped or transported or received, as the case may be, by such person in violation of this act.

(g) It shall be unlawful for any person to transport or ship, or cause to be transported or shipped, in interstate or foreign commerce any stolen firearm or ammunition, knowing, or having reasonable cause to believe, same to have been stolen.

(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or ammunition, or to pledge or accept as security for a loan any firearm or ammunition, moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe the same to have been stolen.

(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered, and the possession of any such firearm shall be presumptive evidence that such firearm was transported, shipped, or received, as the case may be, by the possessor in violation of this act.

Sec. 3. (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms or ammunition in interstate or foreign commerce shall make application to the Secretary of Commerce, who shall prescribe by rules and regulations the information to be contained in such application. The applicant shall, if a manufacturer, pay a fee of \$100 and, if a dealer, shall pay a fee of \$1.

(b) Upon payment of the prescribed fee, the Secretary of Commerce shall issue to such applicant a license which shall entitle the licensee to transport, ship, and receive firearms and ammunition in interstate and foreign commerce unless and until the license is suspended or revoked in accordance with the provisions of this act: *Provided*, That no license shall be issued to any applicant within 2 years after the revocation of a previous license.

(c) Whenever any licensee is convicted of a violation of any of the provisions of this act, it shall be the duty of the clerk of the court to notify the Secretary of Commerce within 48 hours after such conviction and said Secretary shall revoke such license: *Provided*, That in the case of appeal from such conviction the licensee may furnish a bond in the amount of \$1,000, and upon receipt of such bond acceptable to the Secretary of Commerce he may permit the licensee to continue business during the period of the appeal, or should the licensee refuse or neglect to furnish such bond, the Secretary of Commerce shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case.

(d) Licensed dealers shall maintain such permanent records of importation, shipment, and other disposal of firearms and ammunition as the Secretary of Commerce shall prescribe.

Sec. 4. The provisions of this act shall not apply with respect to the transportation, shipment, receipt, or importation of any firearm, or ammunition, sold or shipped to, or issued for the use of, (1) the United States or any department, independent establishment, or agency thereof; (2) any State, Territory, or possession, or the District of Columbia, or any department, independent establishment, agency, or any political subdivision thereof; (3) any duly commissioned officer or agent of the United States, a State, Territory, or possession, or the District of Columbia, or any political subdivision thereof; (4) or to any bank, public carrier, express, or armored-truck company organized and operating in good faith for the transportation of money and valuables; (5) or to any research laboratory designated by the Secretary of Commerce: *Provided*, That such bank, public carriers, express, and armored-truck companies are granted exemption by the Secretary of Commerce; nor to the transportation, shipment, or receipt of any antique or unserviceable firearms, or ammunition, possessed and held as curios or museum pieces.

Sec. 5. Any person violating any of the provisions of this act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this act, knowing such statement to be false, shall, upon conviction thereof, be fined not more than \$2,000, or imprisoned for not more than 5 years, or both.

Sec. 6. This act shall take effect 30 days after its enactment.  
Sec. 7. The Secretary of Commerce may prescribe such rules and regulations as he deems necessary to carry out the provisions of this act.

Sec. 8. Should any section or subsection of this act be declared unconstitutional, the remaining portion of the act shall remain in full force and effect.

Sec. 9. This act may be cited as the Federal Firearms Act.

#### RIVER AND HARBOR WORKS FOR FLOOD CONTROL

The Senate proceeded to consider the bill (S. 1173) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, which was read as follows:

*Be it enacted, etc.*, That section 5 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, is hereby amended by revising the first paragraph under the heading "Ohio River Basin" to read as follows:

"Reservoir system for the protection of Pittsburgh: Construction of reservoirs for the protection of Pittsburgh and for the reduction of flood heights in the Ohio Valley generally, as set forth in House Document No. 306, Seventy-fourth Congress, first session, and in the report on the Allegheny-Monongahela Rivers and tributaries on record in the Office of the Chief of Engineers, with such revisions or modifications as may be found advisable by the Chief of Engineers upon further investigation; estimated construction cost, \$20,646,000; estimated cost of lands and damages, \$34,569,000."

Mr. KING. Mr. President, may I inquire of the Senator from New York [Mr. COPELAND] whether the bill carries an appropriation or an authorization for an appropriation?

Mr. COPELAND. It does not.

Mr. KING. I notice that \$34,000,000 may be used.

Mr. COPELAND. The sum mentioned is simply a repetition of the language used in the original act. All this bill proposes to do is to permit the Army engineers to build a dam at a different location than indicated originally. It carries no new money and does not change the effect of the prior act except that it authorizes the Army engineers to use their judgment in relation to the location of the dam.

Mr. CLARK. Mr. President, I understand the Senator from New York to say that the bill carries no new authorization, and authorizes no new bridges or any change, except that it authorizes the Army engineers to change the location of a bridge or dam if they please?

Mr. COPELAND. That is correct.

Mr. CLARK. I have no objection to the bill under those circumstances. However, I desire to give notice, in view of the strict limitation of \$50,000,000 put on flood-control legislation by the last Congress, and in view of the fact that the Congress actually appropriated no money for flood control, and that allocations were even recommended in certain sections, that, so far as I am concerned, in the future we are going to sink or swim together.

Mr. KING. I should like to ask the Senator again, if he will pardon me, if the act which apparently this bill is to amend authorized the construction of works upon the river referred to at a cost of \$20,000,000, and the acquisition of lands and the payment of damages at a cost not to exceed \$34,500,000?

Mr. COPELAND. To be paid by the State. Let me say to the Senator that bill merely takes out a paragraph of the measure which was passed last year, the flood-control bill, in which was declared a general policy of the division of funds, and so forth. This measure has absolutely nothing to do with the former bill except in the following respect:

The Army engineers at Johnstown, where the great flood occurred a number of years ago, and another one recently, have found on further study that the location of the dam as prescribed in the original bill was at the wrong place, and this bill merely permits the dam to be placed at another location when the money is provided.

Mr. KING. If the money is to be paid by the State, may I ask the Senator what authority there is in the Federal Government to impose limitations upon the State with respect to the amount which is to be paid for land, and the amount which is to be expended for the construction of the reservoir?

Mr. COPELAND. The only restriction is that unless the State does certain things, under the terms of the bill the

Army will not proceed with the expenditure of money as authorized.

Mr. KING. I shall not object; but I think the bill needs a little further examination.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill S. 1173 was ordered to be engrossed for a third reading, read the third time, and passed.

#### PERMANENT INSTRUCTION STAFF AT COAST GUARD ACADEMY

The bill (S. 1441) to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint not to exceed five professors to the United States Coast Guard as heads of the departments of instruction at the Coast Guard Academy. An original appointment as professor not made from a civilian instructor or regular commissioned officer in the United States Coast Guard shall be a temporary appointment; but a professor so appointed, after completion of a satisfactory probationary period of 2 years, may be regularly appointed as professor to rank from the date of his original appointment: *Provided*, That any person who has served as a civilian instructor in the Coast Guard Academy for 15 years or more may be appointed to the office of professor in the Coast Guard Academy pursuant to this section without physical examination.

SEC. 2. A professor in the Coast Guard shall be a commissioned officer with rank not above that of commander and shall receive the pay and allowances of a commissioned officer of the same rank and length of service. When any such professor is commissioned with rank less than that of commander, he shall be promoted through the successive ranks to a rank not above that of commander under such regulations as the President shall prescribe. A professor shall exercise command only in the academic department of the Coast Guard Academy.

SEC. 3. The Secretary of the Treasury is authorized to appoint in the Coast Guard, subject to the competitive provisions of the civil-service laws and regulations, not to exceed three civilian instructors, and the compensation of such appointees shall be fixed in accordance with the Classification Act of 1923, as amended.

SEC. 4. Service as a civilian instructor or professor at the Coast Guard Academy or as a commissioned officer in the Coast Guard (regular or temporary), rendered prior to an appointment as a professor pursuant to the provisions of this act, shall be credited in computing the length of service as a professor for purposes of pay and allowance.

SEC. 5. Professors in the Coast Guard shall be on the same footing as to retirement from active service for any cause as other commissioned officers of the Coast Guard: *Provided*, That service as a civilian instructor or professor at the Coast Guard Academy or as a commissioned officer in the Coast Guard (regular or temporary), rendered prior to an appointment as a professor pursuant to the provisions of this act, shall be credited in computing length of service for retirement purposes: *Provided further*, That the provisions of law relating to retirement for disability in line of duty shall not apply in the case of a professor until he shall have served 15 years in the Coast Guard.

SEC. 6. The Secretary of the Treasury is authorized to appoint an advisory committee of the Coast Guard Academy which shall consist of not to exceed five persons of distinction in the field of education who shall serve without pay. The members so appointed shall visit the Coast Guard Academy at least once during the academic year on the call of the chairman and may convene once each year at headquarters at the call of the commandant, for the purpose of examining the course of instruction and advising the Secretary of the Treasury relative thereto. The actual expenses of the members of the committee while engaged in these duties, including their actual expense of travel, shall be defrayed under Government travel regulations from any appropriation available for the authorized work of the United States Coast Guard.

SEC. 7. In addition to the advisory board there shall be appointed in January of each year a Board of Visitors to the Coast Guard, which shall consist of two Senators and three Members of the House of Representatives appointed by the chairmen of the committees of the Senate and the House of Representatives, respectively, having cognizance of legislation pertaining to the Coast Guard Academy. The chairmen of such committees shall be ex-officio members of the Board.

(b) Such Board shall visit the Coast Guard Academy annually on a date to be fixed by the Secretary of the Treasury. Each member of the Board shall be reimbursed under Government travel regulations for the actual expense incurred by him while engaged upon duties as a member of such Board.

SEC. 8. Nothing in this act shall be construed to prevent the Secretary of the Treasury from assigning any commissioned officer, chief warrant officer, warrant officer, or enlisted man to appropriate instruction duty at the Coast Guard Academy.

SEC. 9. Any appropriation which is now or may hereafter be available for the payment of expenses for the authorized work of the Coast Guard shall be available to carry out the purposes of this act.

SEC. 10. Section 4 of an act entitled "An act to promote the efficiency of the Revenue Cutter Service", approved June 23, 1906

(34 Stat. 453; U. S. C., 1934 ed., title 14, sec. 124), as amended by the act of July 1, 1918 (40 Stat. 640), is hereby repealed, but such repeal shall not be construed to affect existing appointments: *Provided*, That no appointee, appointed prior to the enactment of this act, may be retained as an instructor in the Coast Guard Academy without appropriate civil-service status for a period longer than 6 months from the effective date of this act.

#### PURCHASE OF ORDNANCE PROPERTY BY COAST GUARD OFFICERS

The bill (S. 1442) to enable Coast Guard officers to purchase articles of ordnance property for use in the public service in the same manner as such property may be purchased by officers of the Army, Navy, and Marine Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the act of March 3, 1909 (35 Stat. 732, 751; U. S. C., 1934 ed., title 34, sec. 540), is hereby amended by inserting in line 15 of page 751 of volume 35 of the Statutes at Large of the United States, after the words "Marine Corps", the words "and Coast Guard."

#### LITTLE ROCK CONFEDERATE CEMETERY, ARK.

The bill (S. 975) to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 1 of the act of Congress approved February 7, 1913 (37 Stat. 663), be, and the same is hereby, amended to read as follows:

"That the Secretary of War is hereby authorized to accept a conveyance to the United States of the Confederate cemetery in Little Rock, Ark., which adjoins the national cemetery at that place, and when so accepted the Government shall take care of and properly maintain and preserve the cemetery, its monument or monuments, headstones, and other marks of the graves, its walls, gates, and appurtenances, and preserve and keep a record, as far as reasonably practicable, of the names of those buried therein, with such history of each as can be obtained, and the said conveyance shall be such that it will permit the burial in said cemetery of all soldiers, sailors, or marines and all officers or men of the Coast Guard, dying in the service of the United States, or dying in a destitute condition after having been honorably discharged from the service, or who served, or hereafter shall have served, during any war in which the United States has been, or may hereafter be, engaged, and, with the consent of the Secretary of War, any citizen of the United States who served in the army or navy of any government at war with Germany or Austria during the World War and who died while in such service or after honorable discharge therefrom, as provided in Revised Statutes, 4878, amended by the act of April 15, 1920 (41 Stat. 552; U. S. C., title 24, sec. 281), and the act of June 13, 1935 (Public, No. 132, 74th Cong.), in addition to men who were in the military and naval service of the Confederate States of America: *Provided*, That the Secretary of War shall at all times leave sufficient space in said cemetery for the purpose of future burials of Confederate veterans: *Provided further*, That organized bodies of ex-Confederates or individuals shall have free and unrestricted entry to said cemetery for the purposes of burying worthy ex-Confederates, for decorating the graves, and for all other purposes which they have heretofore enjoyed, all under proper and reasonable regulations and restrictions made by the Secretary of War."

#### ANASTASIA ISLAND LIGHTHOUSE RESERVATION, FLA.

The Senate proceeded to consider the bill (S. 1125) to amend the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, and for other purposes, which had been reported from the Committee on Commerce with amendments, in section 2, page 2, line 5, after the word "Florida", to insert "to be used for public park purposes", and at the end of the section to insert "reserving unto the United States of America a perpetual easement for beams of light across any part of said lands that may be between the lighthouse and the sea", so as to make the bill read:

*Be it enacted, etc.*, That section 2 of the act entitled "An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes", approved August 27, 1935, is amended (1) by inserting immediately after the words "holders of record title thereto" a comma and the following: "their heirs or assigns,"; and (2) by striking out "to Southern Real Estate Corporation, lots 4 to 7, block B, 3 to 7, block C, all of blocks D and E, Seaside Heights;"

SEC. 2. The Secretary of Commerce is authorized to convey by quitclaim deed to the city of St. Augustine, Fla., to be used for public park purposes, that property authorized to be conveyed by such act of August 27, 1935, to such Southern Real Estate Corporation, reserving unto the United States of America a perpetual easement for beams of light across any part of said lands that may be between the lighthouse and the sea.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

Mr. MCKELLAR. Mr. President, will the Senator from Florida [Mr. PEPPER], who reported the bill, explain it?

Mr. COPELAND. Mr. President, in the absence of the Senator from Florida, I will say that this is a bill which has passed the Senate heretofore. It is the bill of the late Senator Fletcher; and it is put upon its passage now in order that it may go to the House for further consideration.

Mr. MCKELLAR. The amendments merely perfect the bill?

Mr. COPELAND. That is all.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

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

#### BILL PASSED OVER

The bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this is the so-called food and drug bill. I am about to ask that it go over without prejudice; and my purpose in saying anything is to urge Senators who have any amendments to it to be good enough to have them printed and sent to the committee, in order that they may be given consideration.

Mr. MCKELLAR. Mr. President, I have some amendments that I shall offer just as soon as possible—today if I can; and, if not, by tomorrow anyway.

Mr. COPELAND. The committee will be very happy if the amendments may come in at once, because it is hoped that before long the bill may be given consideration. Meantime, I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

#### EXTENSION OF NAVAL COMMISSARY PRIVILEGES

The Senate proceeded to consider the bill (S. 1133) to amend an act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1910, and for other purposes", approved March 3, 1909, to extend commissary privileges to widows of officers and enlisted men of the Navy and Marine Corps, and also to officers of the Foreign Service of the United States at foreign stations, which was read, as follows:

*Be it enacted, etc.,* That that part of the act of March 3, 1909 (35 Stat. 768; U. S. C., title 34, sec. 533), which provides "That hereafter such stores as the Secretary of the Navy may designate may be procured and sold to officers and enlisted men of the Navy and Marine Corps, also to civilian employees at naval stations beyond the continental limits of the United States and in Alaska, under such regulations as the Secretary of the Navy may prescribe", is hereby amended to read as follows: "That hereafter such stores as the Secretary of the Navy may designate may be procured and sold to officers and enlisted men of the Navy and Marine Corps; to the widows of such officers and enlisted men; to civilian employees of the Navy Department and to officers of the Foreign Service of the United States at naval stations beyond the continental limits of the United States and in Alaska, under such regulations as the Secretary of the Navy may prescribe."

Mr. WALSH. Mr. President, the Navy Department maintains commissary stores in those parts of the world where it is not possible for officers and enlisted men readily to buy the necessary supplies which Americans are accustomed to use. There are about 13 of such stores located in the Philippine Islands, China, Hawaii, the Canal Zone, Guam, and elsewhere. Under existing law, the officers and enlisted men of the Navy, the Army, the Marine Corps, and the Naval Reserve, and civilian employees may purchase supplies at these stores. This bill proposes to enlarge the number of persons who may take advantage of the privilege of making purchases at these stores so as to include widows of officers, enlisted men, and civilian employees, and also officers of the Foreign Service.

For illustration, if an officer dies in China, his widow under existing law cannot purchase supplies from commis-

saries there and it may be impossible for her in the stores of China to get the food that she and her family require. So the bill merely extends to widows of officers and enlisted men of the Navy and Marine Corps, and also to men and their families engaged in the Foreign Service, the privilege of making purchases at these commissaries in countries where it is not feasible or possible for them to get so-called American supplies.

That is the reason for this bill.

Mr. GIBSON. Mr. President, I ask the chairman of the committee if there is any objection to an amendment to include the widows of officers of the Coast Guard.

Mr. WALSH. It is my opinion that they are already included. In fact, since the Senator from Vermont spoke to me about the matter I made inquiry, and I find that the present list of persons to whom these privileges are extended is as follows:

- Officers, enlisted men, and nurses of the Navy.
- Officers, enlisted men, and nurses of the Marine Corps.
- Officers, enlisted men, and nurses of the Army.
- Officers, enlisted men, and nurses of the Coast Guard.
- Officers of the Public Health Service.
- Members of the Naval Reserve on active duty.
- Members of the Naval Reserve in a retired-pay status.
- Retired emergency officers of the Army, Navy, or Marine Corps.

- Officers and crews of vessels of the Lighthouse Service.
- Lightkeepers and depot keepers of the Lighthouse Service.

Honorably discharged officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who are being cared for and are receiving medical treatment from the Veterans' Administration.

Wives, children, and other members of the immediate household of officers and enlisted men of the Navy.

So while officers, enlisted men, and nurses of the Coast Guard are provided for, it is a fact that their widows and children would not have this privilege. Therefore I see no objection to the Senator's amendment.

Mr. GIBSON. I offer the amendment which I send to the desk and asked to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 7, after the word "Navy", it is proposed to strike out the word "and" and insert a comma; also, in line 7, after the word "Corps", it is proposed to strike out the comma and add the words "and Coast Guard."

On page 2, line 5, after the word "Navy", it is proposed to strike out the word "and" and insert a comma; also, on the same page and line, after the word "Corps", it is proposed to add the words "and Coast Guard."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont. The amendment was agreed to.

Mr. BORAH. Mr. President, is provision made for new stores?

Mr. WALSH. None whatever.

Mr. BORAH. The bill applies only to existing stores?

Mr. WALSH. Yes.

Mr. KING. Mr. President, in view of the enlarged category of persons who are to be privileged to purchase supplies from the Navy stores, I desire to ask the Senator from Massachusetts whether there will not be increasing demands for appropriations and the building of new stores, and whether there will not be perhaps a million or a million and a half persons who will be buying supplies from commissaries, and the Government will be running all sorts of commercial and business activities?

Mr. WALSH. I will say to the Senator from Utah that if any attempt should be made to provide such stores in communities other than isolated sections and where private individuals could furnish these supplies to Government officials and officers, there would be a tremendous protest. These stores are generally located where there are no American establishments, and it is impossible to get American food, especially meats, and other American supplies. Furthermore, they are self-supporting. They are the cause

of no expense whatever to the Government. The cost of these supplies is the exact amount that is necessary to maintain the stores without any additional expense to the Government; and whatever profit is made goes to providing cash registers, wrapping paper, twine, baskets, and the other things necessary for carrying and delivering the food and other supplies.

Mr. KING. This bill, then, would not apply to cases in the interior of the United States where there happen to be widows and children of officers?

Mr. WALSH. I notice in the list I have been given that there are only two or three stations in the United States. There is one at Lakehurst, N. J., and one at Pensacola, Fla., and a few at other naval bases removed from communities that could readily furnish supplies. In all, there are 13.

Mr. KING. There will be more.

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

The bill (S. 1133) 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 amend an act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1910, and for other purposes', approved March 3, 1909, to extend commissary privileges to widows of officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and also to officers of the Foreign Service of the United States at foreign stations."

#### REIMBURSEMENT OF MEMBERS OF MARINE CORPS FOR EFFECTS LOST BY FIRE

The Senate proceeded to consider the bill (S. 1314) to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost by fire at the Marine Barracks, Quantico, Va., on October 5, 1930, 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, such sum or sums, amounting in the aggregate not to exceed \$2,900.04, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, enlisted men or former enlisted men of the Marine Corps for the value of personal effects lost as a result of the fire which occurred at the Marine Barracks, Quantico, Va., on October 5, 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 claims. 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 claims, 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. KING. Mr. President, in view of this bill and the one following it, I desire to ask the Senator from Washington [Mr. SCHWELLENBACH] whether he has given further attention to the questions involved, as he raised this issue when a similar bill was under consideration some time ago.

Mr. SCHWELLENBACH. I should like to say to the Senator from Utah that I have examined the reports on both these bills, and both of them show negligence upon the part of the Government.

Mr. WALSH. Mr. President, in connection with this bill I should like to call attention, especially in this day of agitation for increased wages, to the fact that when a man enlists in the Navy of the United States he is given \$21 a month and a bag which provides him with a uniform and other clothing, shoes, and other supplies that cost the Government \$100 and 70 cents. Never again, so long as he is in the service, even if it be 30 years, does he get another uniform or other clothing at Government expense. After he is in the service for 4 months he is paid at the rate of \$36 a month, and that is the maximum for the average enlisted man in the Navy. Out of this he must purchase future uniforms and other wearing apparel.

To be sure, those who perfect themselves in certain special and technical vocations, and become expert electricians,

plumbers, machinists, radio operators, gunners' mates, and others with technical ratings, or who become yeomen or petty officers, have their pay materially increased; but the average salary of the ordinary enlisted man remains at \$36 a month. Many of them are high-school graduates, and some of them are even college graduates. The Navy, Army, and Marine Corps never have had better types of enlisted men than at the present time.

In the Marine Corps an enlisted man gets \$21 a month and an additional sum of 29 cents a day for the first year and 9 cents a day thereafter which in a year amounts to about \$33, and he must buy his own uniform and all other clothing and articles of wearing apparel. Where disaster happens, if it is a "marine disaster", under general law the Navy, without any further legislation, can compensate him for losses of personal effects, but where the disaster happens on land there is no general law covering the case. Therefore, where a fire happens, as in this case and in the next case, through some negligence on the part of the Government, by reason of defective wiring, which is this case, it has been the custom for the Congress to reimburse the men after the Navy makes a report as to the actual loss, and the cause of the fire, and requests legislation in the nature of relief bills like the one now pending.

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

The bill (S. 1314) was ordered to be engrossed for a third reading, read the third time, and passed.

#### REIMBURSEMENT OF NAVAL PERSONNEL

The bill (S. 1317) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932, 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, such sum or sums, amounting in the aggregate not to exceed \$1,486.22, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed as the result of a fire at the United States naval radio station, Libugon, Guam, on April 15, 1932: *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 claims. 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 claims, 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.

#### STEPHEN SOWINSKI

The bill (S. 510) for the relief of Stephen Sowinski was considered, 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 conferring rights, privileges, and benefits upon honorably discharged soldiers Stephen Sowinski, late of Casual Detachment, Second United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of August 1909 for disability of epilepsy (grand mal) incurred in the service in line of duty: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

#### MICHAEL J. QUINN

The Senate proceeded to consider the bill (S. 687) authorizing the Secretary of War to bestow the Silver Star upon Michael J. Quinn, which was read, as follows:

*Be it enacted, etc.,* That notwithstanding the provisions of the act of May 26, 1928, the Secretary of War is authorized to pass upon the recommendations now in the War Department for the award of the Silver Star citation to Michael J. Quinn, late of Battery B, Seventh Regiment United States Field Artillery, and, if such recommendations are found sufficient under the law governing the award of the Silver Star, to award such decoration to Michael J. Quinn.

Mr. McKELLAR. Mr. President, I notice that the War Department, in the letter from the Secretary, makes this statement:

It is the view of the War Department that, in general, awards of decorations should be confined to cases recommended by the agencies which have been established to administer the general laws providing for awards and that awards by special legislation would be inadvisable and prejudicial to good administration of the general laws.

For the above reasons, the War Department does not favor the proposed bill.

It seems to me there is a good deal of hard common sense in that statement. If there is a board whose duty it is to administer the law relating to such awards, it seems to me we ought to leave such matters to the board, and, as I understand, the board has not recommended this award.

Mr. SHEPPARD. The title of the bill is somewhat misleading. All the bill does is to authorize the Secretary of War to examine further evidence which has been presented, the time allowed by law having passed.

Mr. McKELLAR. Why does the Secretary recommend against it, under those circumstances?

Mr. SHEPPARD. He opposes the policy of reconsideration.

The PRESIDENT pro tempore. 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.

Mr. McKELLAR subsequently said: Mr. President, while the Senator from Texas [Mr. SHEPPARD] is present, I desire to call his attention to Calendar Nos. 94 and 95, being, respectively, Senate bill 510 and Senate bill 687. I ask unanimous consent to return to those two bills for the purpose of asking that the votes by which they were passed be reconsidered, and allowing the bills to go over so that I may look into those two matters. I should like very much that the action by which the bills were passed be considered at this time.

Mr. SHEPPARD. Certainly.

The PRESIDING OFFICER. Without objection, the votes by which Senate bill 510 and Senate bill 687 were ordered to be engrossed for a third reading and passed will be reconsidered, and the bills will be passed over.

Mr. McKELLAR. I should like very much that these bills remain on the calendar.

The PRESIDING OFFICER. Without objection, the bills will remain on the calendar.

ROGER P. AMES

The bill (S. 655) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, be, and the same is hereby, amended by inserting between the names "Aristides Agramonte" and "John H. Andrus" the name of "Roger P. Ames", so that the act, as amended, will read as follows:

"That in special recognition of the high public service rendered and disabilities contracted in the interest of humanity and science as voluntary subjects for the experimentations during the yellow-fever investigations in Cuba, the Secretary of War be, and he is hereby, authorized and directed to publish annually in the Army Register a roll of honor on which shall be carried the following names: Walter Reed, James Carroll, Jesse W. Lazear, Aristides Agramonte, Roger P. Ames, John H. Andrus, John R. Bullard, A. W. Covington, William H. Dean, Wallace W. Forbes, Levi E. Folk, Paul Hamann, James F. Hanberry, Warren G. Jernegan, John R. Kissinger, John J. Moran, William Olsen, Charles G. Sonntag, Clyde L. West, Dr. R. P. Cooke, Thomas M. England, James Hildebrand, and Edward Weatherwalks, and to define in appropriate language the part which each of these persons played in the experimentations during the yellow-fever investigations in Cuba; and in further recognition of the high public service so rendered by the persons hereinbefore named, the Secretary of the Treasury is authorized and directed to cause to be struck for each of said persons a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary of the Treasury, and to present the same to each of said persons as shall be living and posthumously to such representatives of each of such persons as shall have died, as shall be designated by the Secretary of the Treasury. For this

purpose there is hereby authorized to be appropriated the sum of \$5,000; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary in order to pay to the following-named persons during the remainder of their natural lives the sum of \$125 per month, and such amount shall be in lieu of any and all pensions authorized by law for the following-named persons: Pvt. Paul Hamann; Pvt. John R. Kissinger; Pvt. William Olsen, Hospital Corps; Pvt. Charles G. Sonntag, Hospital Corps; Pvt. Clyde L. West, Hospital Corps; Pvt. James Hildebrand, Hospital Corps; Pvt. John H. Andrus, Hospital Corps; Mr. John R. Bullard; Dr. Aristides Agramonte; Pvt. A. W. Covington, Twenty-third Battery, Coast Artillery Corps; Pvt. Wallace W. Forbes, Hospital Corps; Pvt. Levi E. Folk, Hospital Corps; Pvt. James F. Hanberry, Hospital Corps; Dr. R. P. Cooke; Pvt. Thomas M. England; Mr. John J. Moran, and the widow of Pvt. Edward Weatherwalks."

SGT. SAMUEL WOODFILL

The bill (S. 300) authorizing the President of the United States to appoint Sgt. Samuel Woodfill a captain in the United States Army and then place him on the retired list was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sgt. Samuel Woodfill, late of the Headquarters Company, Eleventh Regiment United States Infantry, an officer with the rank of captain in the United States Army and then to place him on the retired list in that grade.

PURCHASE AND DISTRIBUTION OF FISHING-INDUSTRY PRODUCTS

The Senate proceeded to consider the bill (S. 1498) to authorize the purchase and distribution of products of the fishing industry, which was read, as follows:

*Be it enacted, etc.*, That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, or out of funds appropriated for relief purposes, the sum of \$2,000,000 for the purpose of enabling the Federal Surplus Commodities Corporation to divert surplus fish (including shellfish) and the products thereof from the normal channels of trade and commerce by acquiring them and providing for their distribution through Federal, State, and private relief agencies. No commodities shall be acquired under this act after 90 days after the date of its enactment: *Provided, however*, That distribution thereof may extend beyond said period. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this act.

Mr. COPELAND. Mr. President, this bill is one of a series of three which have been presented by the Senator from Massachusetts [Mr. WALSH] relating to fish. It seems that the Federal Surplus Commodities Corporation have a right to buy agricultural products for distribution for relief purposes, but not the right to distribute fish. The purpose of these bills is to make it possible for them to distribute fish in the same way agricultural products are distributed.

The bill now pending was the subject of a hearing before the Committee on Commerce, and it was decided by the committee that it was a reasonable measure, and ought to be passed.

Mr. McKELLAR. The only purpose of the three bills is to include fish which may be bought, both canned and fresh fish?

Mr. COPELAND. Yes; it would include both.

Mr. McKELLAR. It would include both fresh and canned fish?

Mr. COPELAND. So long as they are refrigerated.

Mr. HAYDEN. Mr. President, is not this bill identical with Order of Business 103, House bill 4609?

Mr. COPELAND. Mr. President, I am not able to answer the Senator.

Mr. HAYDEN. Apparently a similar bill passed the House, and if that is the case, we should act on the House bill.

Mr. COPELAND. I ask that the House bill be substituted for the Senate bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 4609) to authorize the purchase and distribution of the products of the fishing industry.

Mr. KING. Mr. President, may I ask the Senator from New York whether this bill provides an independent appropriation, or whether the money will come out of the funds heretofore appropriated to the President for various relief purposes?

Mr. COPELAND. As I understand, the suggestion in the latter part of the Senator's question explains how the funds are to be provided.

Mr. KING. The bill does not provide an independent appropriation, does it?

Mr. COPELAND. In any event, it would be an authorization.

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.

The PRESIDENT pro tempore. Without objection, Senate bill 1498 will be indefinitely postponed.

#### AUTHORIZATION OF PER DIEMS IN AERIAL SURVEYS

The Senate proceeded to consider the bill (S. 1119) to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts, which was read, as follows:

*Be it enacted, etc.,* That the first paragraph of section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925 (43 Stat. 1190; U. S. C., title 34, sec. 893), is hereby amended to read as follows:

"Sec. 5. To cover actual additional expenses to which fliers are subjected when making aerial surveys, hereafter a per diem of \$7 in lieu of other travel allowances shall be paid to officers, warrant officers, and enlisted men of the Army, Navy, and Marine Corps for the actual time consumed while traveling by air, under competent orders, in connection with naval aerial surveys and flight checking of Hydrographic Office aviation charts and aerial surveys of rivers and harbors or other governmental projects, and a per diem of \$6 for the actual time consumed in making such aerial surveys or flight checking of Hydrographic Office aviation charts. The per diem authorized in connection with naval aerial surveys and flight checking of Hydrographic Office aviation charts shall be paid from the appropriation 'Pay, subsistence, and transportation of naval personnel.' The per diem authorized in connection with aerial surveys of rivers and harbors or other governmental projects shall be paid from appropriations available for the particular improvement or project for which the survey is being made: *Provided*, That not more than one of the per-diem allowances authorized in this section shall be paid for any one day: *Provided further*, That Naval and Marine Corps personnel shall not be entitled to the allowances authorized by this section when naval tender facilities or the equivalent thereof are available while traveling by air or in the area where the naval survey or flight checking duties are performed."

Mr. GIBSON. Mr. President, may I ask the chairman of the Committee on Naval Affairs whether the provisions of this bill should not also apply to the Coast Guard?

Mr. WALSH. I should like to inquire of the Senator whether the Coast Guard makes any aerial surveys?

Mr. GIBSON. It has been so represented to me.

Mr. WALSH. I am not so informed. I may state to the Senate that if the officers of the Aviation Corps of the Army or the Navy are assigned to make aerial surveys under the Department of Commerce of rivers and harbors or other projects, it is provided by law that they shall receive a per diem of \$7 and an expense account of \$6 a day while actually engaged in making such aerial survey, in lieu of other allowances. These surveys, however, under the law must be other than those pertaining to the naval or military service.

When the Navy undertakes to make an aerial survey its aviators and enlisted men are accompanied by a tender, and on the tender they are given the necessary supplies, so there is no need or occasion for a per-diem travel or expense item. But occasionally it happens—and two such instances have been called to the attention of the committee—that an aerial survey is made at a point or place where a tender cannot accompany the naval officers or enlisted men who are making the survey. Let me add that if it were possible to do so, if it were a matter of national defense, it would be of great advantage if we should have an aerial survey of every part of the world on file. When the Army makes a survey it interchanges the results thereof with the Navy, and when the Navy makes a survey, it interchanges with the Army.

But there are places, as in Alaska and Panama, where it is conceived that at sometime a hostile force might attempt

to enter our possessions. It has been deemed wise to make aerial surveys in such remote and distant places. A tender cannot reach some of these places or it would be too expensive to use one for these trips. In these cases, and in other cases, although it rarely happens—I think the total expense is thought to be less than \$1,500 a year—it is necessary for the air crew of aerial surveyors to go to a hotel or boarding house and be subjected to abnormal expense.

Under existing law those extra expenses must be borne by the personnel concerned, unless the survey is in connection with a nonnaval or nonmilitary Government project. Specifically, the personnel of the naval aviation detachment who made the aerial survey of the route from Seattle, Wash., to Dutch Harbor, Aleutian Islands, did not receive reimbursement for their necessary expenses incident to that survey, nor did they receive the per-diem allowances authorized by the act of March 3, 1925, because the survey was a naval one. On the other hand, naval aviators who were engaged in conducting an aerial survey in Alaska for the Department of the Interior were compensated for their necessary expenses by receiving the per-diem allowance. In each case the personnel were subjected to additional expense.

The committee feel that the existing law is unfair to service men who are detailed to duty on military and naval projects and believe that the law should be amended to allow them per-diem allowances while on such duty.

Frankly, I do not think there is any occasion for including the Coast Guard.

The PRESIDENT pro tempore. 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.

#### ACCEPTANCE OF MEDALS AND DECORATIONS

The bill (S. 1455) to authorize certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the following-named officers of the United States Navy and officers and enlisted men of the Marine Corps are hereby authorized to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered:

United States Navy: Rear Admiral William H. Standley, retired; Capt. Laurence N. McNair; Capt. William D. Puleston; Capt. John T. G. Stapler; Capt. Rufus F. Zogbaum, retired; Capt. Harry J. Abbett; Capt. Archibald L. Parsons (CEC); Capt. Grear A. Duncan (CEC); Capt. Ernest R. Gayler (CEC); Commander Wallace L. Lind; Lt. Comdr. Ben. N. Wyatt; Lt. Comdr. Frederick S. Holmes; Lt. Brook S. Mansfield; and Lt. (Jr. Gr.) Robert R. DeWolfe.

Marine Corps: Col. Frank E. Evans; Lt. Col. Pedro A. Del Valle; Lt. Col. Maurice G. Holmes; Capt. Harold D. Hansen; and First Sgt. Frederick Belton.

#### CESARIA DEL PILAR

The bill (S. 1310) for the relief of Cesaria Del Pilar 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 Cesaria Del Pilar, mother of Agapito Lomobos, the sum of \$250, in full settlement of all claims against the Government of the United States on account of the death of Agapito Lomobos, which resulted from a gunshot wound caused by a pistol bullet fired by a member of a Marine Corps firing party during target practice at the Naval Station, Olongapo, P. I., on April 25, 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, 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.

#### G. A. TROTTER

The bill (S. 1423) for the relief of G. A. Trotter was considered, ordered to be engrossed for 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 allow credit in the accounts of G. A. Trotter, former superintendent and special disbursing agent of the Zuni Indian Agency, for payments aggregating \$102.40 made to Will Halloran as mileage for the use

of his personally owned automobile while performing his official duties as road supervisor in the Indian Service.

#### SAN CARLOS APACHE INDIANS

The Senate proceeded to consider the bill (S. 1231) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry, which was read as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, as payment in full to the San Carlos Apache Indians, at the rate of \$1.25 per acre for 232,320 acres of land ceded by them under the agreement of February 25, 1896, ratified by the act of June 10, 1896 (29 Stat. L. 358), less \$12,433.63 received by the Indians as royalty under mining permits, the sum of \$277,966.37 to be deposited in the Treasury of the United States to the credit of the San Carlos Apache Indians, and to be available for expenditure for the benefit of such Indians: *Provided*, That none of the funds herein authorized to be appropriated shall be subject to the payment of any claims, judgments, or demands against the San Carlos Apache Indians accruing prior to the approval of this act.

SEC. 2. The lands referred to in the first section of this act shall be reopened to location and entry under the laws of the United States relating to mineral lands.

Mr. HAYDEN. Mr. President, I desire to offer an amendment to this bill.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add a new section, as follows:

SEC. 2. The lands referred to in the first section of this act are hereby reopened to location and entry under the public land and mineral laws of the United States.

Mr. HAYDEN. Mr. President, as introduced and as reported to the Senate by the Committee on Indian Affairs, the lands referred to would be open only to general mineral entry. Since the bill was reported it has been brought to my attention that all existing public-land laws should also apply. The idea I originally had in mind was that this land was ceded primarily for mining purposes; but the Taylor Grazing Act and all other land laws should apply. The effect of my amendment is to accomplish that purpose.

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

Mr. HAYDEN. I yield.

Mr. KING. Is this bill restricted to any particular area, or does it apply to all public land?

Mr. HAYDEN. It refers to the area of land described in the bill, aggregating 232,320 acres, which was excluded from the San Carlos Apache Indian Reservation in 1896 and opened for coal-mining purposes. The Indians were to receive royalties from the coal-mining permits. They have received only a little over \$12,000 from that source. Not much of a coal field was developed.

In the meantime, however, mining claims of all kinds have been located, and lands strategically located have passed into private ownership, particularly where water is available. It would now be of no material advantage to have the area restored to the San Carlos Reservation. But the Apache Indians feel that they have a claim to the extent of \$1.25 an acre for the lands they lost, and this bill would compensate them to that extent, less the \$12,000 they have heretofore received in royalties. A similar bill passed the Senate at the last session of Congress, and was favorably reported to the House of Representatives, but did not pass that body.

Mr. KING. May I ask the Senator from Arizona whether the case provided for in the bill is the one concerning which there was a great deal of controversy several years ago, and the contention made that the Indians were being robbed by a number of white persons who had located mining claims upon lands belonging to Indians at a time when the title was absolutely in the Indians, and there was no provision covering such matters in the laws of the United States?

Mr. HAYDEN. No, Mr. President; the Senator is referring to some other instance, because the land involved in this bill was ceded by a treaty or agreement ratified by the Congress in 1896.

Mr. KING. I have no objection if the bill in question does not cover the case to which I refer.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

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

#### MEMORIAL TO THOSE WHO LOST THEIR LIVES ON THE U. S. S. "TULIP"

The bill (S. 1120) authorizing an appropriation for the erection of a memorial to the officers and men of the United States Navy who lost their lives as the result of a boiler explosion that totally destroyed the U. S. S. *Tulip* near St. Inigoes Bay, Md., on November 11, 1864, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the sum of \$2,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of the Navy for the erection of a suitable memorial to the officers and men of the United States Navy who lost their lives as the result of a boiler explosion that totally destroyed the U. S. S. *Tulip* on November 11, 1864, such memorial to be erected on the site of the interment of such officers and men near St. Inigoes Bay, Md., and for the acquisition of the land constituting said site.

#### LT. COMDR. CHESTER B. PEAKE, UNITED STATES NAVY

The bill (S. 1313) for the relief of Lt. Comdr. Chester B. Peake, Supply Corps, 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 Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Lt. Comdr. Chester B. Peake, Supply Corps, United States Navy, with the sum of \$39.45, representing payments made by him to the late Commander William F. Gresham, United States Navy, as rental allowance for the period February 15 to March 31, 1935, and disallowed by the Comptroller General as being in excess of the rental allowance to which Commander Gresham was legally entitled.

#### PHOTOGRAPHING OF MILITARY AND NAVAL DEFENSES

The bill (S. 1485) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, whenever, in the interests of national defense, the President shall define certain vital military and naval installations or equipment as requiring protection against the general dissemination of information relative thereto, it shall be unlawful to make any photograph, sketch, picture, drawing, map, or graphical representation of such vital military and naval installations or equipment without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, and promptly submitting the product obtained to such commanding officer or higher authority for censorship or such other action as he may deem necessary. Any person found guilty of a violation of this section shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 2. Any person who uses or permits or procures the use of an aircraft for the purpose of making a photograph, sketch, picture, drawing, map, or graphical representation of vital military or naval installations or equipment, in violation of the preceding section, shall be liable to the penalty therein provided.

SEC. 3. On and after 30 days from the date upon which the President defines any vital military or naval installation or equipment as being within the category contemplated under the first section of this act, it shall be unlawful for any person to reproduce, publish, sell, or give away any photograph, sketch, picture, drawing, map, or graphical representation of the vital military or naval installations or equipment so defined, without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, unless such photograph, sketch, picture, drawing, map, or graphical representation has clearly indicated thereon that it has been censored by the proper military or naval authority. Any person found guilty of a violation of this section shall be punished as provided in the first section of this act.

SEC. 4. The term "aircraft" as used in this act means any contrivance known or hereafter invented, used, or designed for navigation or flight in the air. The expression "post, camp, or station" as used in this act shall be interpreted to include naval vessels, military and naval aircraft, and any separate military or naval command.

SEC. 5. The provisions of this act shall extend to all Territories, possessions, and places subject to the jurisdiction of the United States, whether contiguous thereto, or not, and offenses under this

act when committed upon or over the high seas or elsewhere within the admiralty and maritime jurisdiction of the United States and outside the territorial limits thereof shall be punishable hereunder.

JAMES LUKER, SR.

The bill (H. R. 824) for the relief of James Luker, Sr., was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Navy is hereby authorized and directed to pay, out of the current appropriation of the Navy Department for awards of 6 months' gratuity to beneficiaries of deceased enlisted men of the Navy, to James Luker, Sr., father of George De Witt Luker, late an enlisted man in the Navy, who was killed as a result of a powder explosion on board the U. S. S. *Trenton* on October 22, 1924, the sum of \$324, being a gratuity equal to 6 months' pay at the rate received by George De Witt Luker at the time of his death: *Provided, That* James Luker, Sr., shall first establish to the satisfaction of the Secretary of the Navy that he was actually dependent upon said George De Witt Luker at the time of the latter's death.

#### CONTROL OF INSECT PESTS OR PLANT DISEASES

The joint resolution (S. J. Res. 75) making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs, was announced as next in order.

Mr. SCHWELLENBACH. Mr. President, I should like to make an inquiry, solely for the purpose of the RECORD. I wish to ask the Senator from Iowa [Mr. GILLETTE], the author of the joint resolution, if it is his opinion that the use of the words "grasshoppers, Mormon crickets, and chinch bugs" would in any way deprive the Secretary of Agriculture of the power to use these funds for the control of other pests?

Mr. GILLETTE. Mr. President, in answer to the Senator, I will say that in the opinion of the Bureau of Entomology and Plant Industry and the Secretary of Agriculture it would not preclude them from going into other fields in connection with migratory insects.

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:

*Resolved, etc.,* That for the application of such methods of control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs, as, in the judgment of the Secretary of Agriculture, may be necessary, in cooperation with such authorities of the States concerned, organizations or individuals as the Secretary may deem necessary to accomplish such purposes, including the employment of persons and means in the District of Columbia and elsewhere, printing, rent outside of the District of Columbia, and for other purposes, the sum of \$5,000,000 is hereby authorized to be appropriated, to be made immediately available and remain available until expended; and there are hereby authorized to be appropriated such additional sums as may be necessary to replenish the fund to its original amount at the beginning of each fiscal year: *Provided, That* such appropriations shall be administered by the Bureau of Entomology and Plant Quarantine and shall be used for expenditures of general administration and supervision, surveys, purchase, transportation, and application of poison baits or materials and equipment for control of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs, or for the preparation of such materials for application, and such other expenses as in the discretion of the Secretary of Agriculture may be deemed necessary: *And provided further, That* no part of such appropriations shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

ERNEST S. FRAZIER

The bill (S. 46) for the relief of Ernest S. Frazier was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the War Department has itself eliminated from the discharge certificate of Ernest S. Frazier, late of the Texas National Guard in Federal service, the words "illiterate and degenerate": Therefore

*Be it enacted, etc.,* That the War Department is hereby authorized and directed to eliminate the words "illiterate and degenerate" from the record of said Ernest S. Frazier wherever the said words occur in such records.

SEC. 2. That the Veterans' Administration is also hereby authorized and directed to eliminate the words "illiterate and degenerate" from the record of Ernest S. Frazier wherever said words occur in such records.

The preamble was agreed to.

#### NATIONAL GALLERY OF ART

The joint resolution (S. J. Res. 73) providing for the construction and maintenance of a National Gallery of Art was announced as next in order.

Mr. McNARY. Mr. President, in the absence of the Senator from Nebraska [Mr. NORRIS], I am requested on behalf of the Senator from Wisconsin [Mr. LA FOLLETTE] to ask that the bill be passed over; and I ask that it go over.

Mr. WALSH. Mr. President, I will say for the benefit of the Senator from Oregon [Mr. McNARY] that the joint resolution is for the purpose of carrying out the wishes of Mr. Mellon in the matter of presenting an art gallery to the Government.

Mr. McNARY. Yes; I understand that to be the purpose. However, I have been requested to ask that the joint resolution be passed over, and I ask that that be done.

The PRESIDING OFFICER. The joint resolution will be passed over.

#### STATE OF MASSACHUSETTS

The bill (S. 761) for the relief of the State of Massachusetts was announced as next in order.

Mr. McKELLAR. Mr. President, I observe that this bill does not authorize an appropriation, but it specifically appropriates money. I desire to call the attention of the author of the bill to the fact that the bill will have to go to the Appropriations Committee first, and I think it would be advisable if he would ask unanimous consent to let the bill be referred to that committee.

Mr. WALSH. The Senator from Nebraska [Mr. BURKE] has objected to the bill, and I assume it will go over; and I will give attention to the suggestion of the Senator from Tennessee in the meantime.

Mr. BURKE. Mr. President, my objection today was on the basis that the Committee on Claims, at its meeting, decided to ask that these bills, which are strictly of a claims nature, should be referred to the Committee on Claims. This bill came before the Committee on the Judiciary, and should properly have come before the Committee on Claims. The Senator from North Carolina [Mr. BAILEY] at an early opportunity will ask to have bills of this nature referred to the Committee on Claims for study.

Mr. McKELLAR. At all events, Mr. President, the bill must go to the Committee on Appropriations, because it is against the rules to appropriate money directly, as proposed in the bill.

Mr. WALSH. A similar bill has on four previous occasions been passed by the Senate. The opposition seems to be due to the age of the claim rather than its merit.

Mr. McKELLAR. I am not criticizing the bill.

Mr. WALSH. I am not in opposition to the Senator's suggestion. I think the request of the Senator from Nebraska is in order, and that the bill may go over to be given more consideration.

The PRESIDING OFFICER. The bill will be passed over.

#### JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 51) to amend the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, being Public Resolution No. 67, Seventy-fourth Congress (S. J. Res. 173), as amended by joint resolution approved February 29, 1936, entitled "Joint resolution extending and amending the joint resolution (Public Res. 67, 74th Cong.), approved August 31, 1935", was announced as next in order.

Mr. McNARY. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

EDWARD N. JERRY

The bill (S. 44) for the relief of Edward N. Jerry was announced as next in order.

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

Mr. SHEPPARD. Mr. President, may I make an explanation of the bill?

Mr. KING. Let me call the attention of the chairman of the Committee on Military Affairs to the fact that the letter from Major General Conley, contained in the report of the committee, seems to discredit this bill.

Mr. SHEPPARD. Not in view of what the Veterans' Administration reports regarding this measure.

This soldier, through no fault of his own, failed to make application within the legal time limit for benefits under the Emergency Officers' Retirement Act. He was not to blame for not knowing when the time limit expired. It is beyond the question that his injury occurred in line of duty; and all the bill asks is that he be allowed to present his claim at this time to the Veterans' Administration for consideration on its merits.

Mr. KING. My recollection of the testimony and report indicates that there was no injury of any consequence.

Mr. SHEPPARD. I will say to the Senator that we have found, from evidence presented to us, that this soldier received a permanent injury in line of duty while serving in France by being thrown violently against a tree from a horse he was riding, which became frightened at the explosion of a shell. Be that as it may, all the evidence will be considered, if this bill becomes law, in connection with the soldier's application to the Veterans' Administration for benefits under 1928 Emergency Officers' Retirement Act.

Mr. KING. I might add, supplementing what I said, that General Conley in his letter says:

At present no evidence of soreness or tenderness of knee and no oedema. The examining surgeon further stated that in view of his occupation this officer was no percent disabled.

Mr. SHEPPARD. General Conley is referring to the soldier's condition at the time of his discharge in 1919. Evidently the injury became active again, because General Hines, of the Veterans' Administration, states in his report on the case that this veteran has a service-connected disability and that he is currently rated as disabled to a degree of permanent partial 63 percent.

Mr. KING. I think the Government probably will suffer an injustice, but I withdraw the objection.

There being no objection, the bill (S. 44) for the relief of Edward N. Jerry 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 is authorized and directed to extend the benefits of the act entitled "An act making eligible 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, to Edward N. Jerry, who was appointed as captain, Coast Artillery Officers' Reserve Corps, November 27, 1917, and who was assigned to active duty the same date. The application of the said Edward N. Jerry for the benefits of such act of May 24, 1928, shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act.

## BILL PASSED OVER

The bill (S. 294) for the relief of Elmer Blair was announced as next in order.

Mr. KING. Mr. President, according to my recollection, a bill similar to the one now before us was vetoed by the President.

Mr. SHEPPARD. Mr. President, that bill may go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

## RETIREMENT OF JUSTICES OF THE SUPREME COURT

The bill (H. R. 2518) to provide for retirement of Justices of the Supreme Court was announced as next in order.

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

The PRESIDING OFFICER. The bill will be passed over.

## GREATER TEXAS AND PAN AMERICAN EXPOSITION, TEXAS, 1937

The joint resolution (S. J. Res. 66) providing for the participation by the United States in the Greater Texas and Pan

American Exposition to be held in the State of Texas during the year 1937 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That there is hereby established a Commission, to be known as the United States Greater Texas and Pan American Exposition Commission (hereinafter referred to as the Commission), to be composed of the Vice President, the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce, which Commission shall serve without additional compensation and shall represent the United States in connection with the holding of the Greater Texas and Pan American Exposition in the State of Texas during the year 1937.

SEC. 2. There is hereby created a United States Commissioner General for such exposition, to be appointed by the President, by and with the advice and consent of the Senate, who shall serve without compensation. The expenses of said Commissioner General and the salary and expenses of such staff as he may require shall be paid out of the funds made available by this joint resolution for a period of time covering the duration of the exposition and not to exceed a 6-months' period following the closing thereof, and for such period prior to the opening of the exposition as the Commission shall determine.

SEC. 3. The Commission shall prescribe the duties of said Commissioner General and shall delegate such powers and functions to him as it shall deem advisable, in order that there may be exhibited at such exposition by the Government of the United States, its executive departments, independent offices, and establishments such articles and materials and documents as will best tend to illustrate the functions and administrative faculty of the Government in the advancement of industry, science, invention, agriculture, the arts, and peace, and demonstrate the nature of our institutions, particularly as regards their adaptation to the needs of the people.

SEC. 4. The Commissioner General is authorized to appoint such clerks, stenographers, and other assistants as may be necessary and to fix their salaries in accordance with the Classification Act of 1923, as amended, purchase such materials, and contract for such labor and other services as are necessary, and exercise such powers as are delegated to him by the Commission.

SEC. 5. The heads of the various executive departments, independent offices, and establishments of the Government are authorized to cooperate with the said Commissioner General in the procurement, installation, and display of exhibits, and to lend to the Commission such articles, specimens, and exhibits which said Commission shall deem to be in the interest of the United States and in keeping with the purposes of such exposition, to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments, independent offices, and establishments to assist said Commissioner General. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, said Commissioner General shall cause all such property to be returned to the respective departments, independent offices, and establishments from which taken, and any expenses incident to the restoration, modification, and revision of such property to a condition which will permit its use at subsequent expositions, fairs, and other celebrations, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the funds made available herein; and if the return of such property is not feasible, he may, with the consent of the department, independent office, or establishment from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

SEC. 6. The Commission is authorized to make any expenditures or allotments deemed necessary by it to fulfill properly the purposes of this joint resolution. The Commission is further authorized to rent such space as it may deem adequate to carry out effectively the provisions of this joint resolution; and to provide for the decoration of buildings or structures, for the proper maintenance of buildings or structures, site, and grounds occupied by the United States during the period of the exposition. The funds made available herein may be used for the operation of such building or buildings, structure or structures, including light, heat, water, gas, janitor, and other required services; for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safekeeping, exhibition, demonstration, and return of such articles and materials as the Commission may decide shall be included in such Government exhibit; for the payment of all necessary expenses of such Commissioner General, and for the compensation of other officers and employees of the Commission in the District of Columbia and elsewhere; for the payment of salaries of officers and employees of the Government employed by or detailed for duty with the Commission, and for actual traveling expenses, including travel by air, and for per diem in lieu of actual subsistence at not to exceed \$6 per day: *Provided*, That no such Government official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department, independent office, or establishment where employed, plus such reasonable allowance for travel, including travel by air, and subsistence expenses as may be deemed proper by the Commissioner General; for telephone service, purchase or rental of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uniforms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other appropriate publications, and ice and drinking water for office purposes: *Provided further*, That payment for telephone service, rents,

subscriptions to newspapers and periodicals, and other similar purposes may be made in advance; for the purchase and hire of passenger-carrying automobiles, their maintenance, repair, and operation, for the official use of said Commissioner General in the District of Columbia or elsewhere as required; for printing and binding; for entertainment of distinguished visitors; and for all other expenses as may be deemed necessary by the Commission to fulfill properly the purposes of this joint resolution. All purchases, expenditures, and disbursements of any moneys made available by authority of this joint resolution shall be made under the direction of the Commission: *Provided further*, That the Commission, without release of responsibility as hereinbefore stipulated, may delegate these powers and functions to said Commissioner General, and said Commissioner General, with the consent of the Commission, may subdelegate them: *Provided further*, That the Commission or its delegated representative may allot funds made available herein to any executive department, independent office, or establishment of the Government, with the consent of the heads thereof, for direct expenditure by such executive department, independent office, or establishment, for the purpose of defraying any expenditure which may be incurred by such executive department, independent office, or establishment in executing the duties and functions delegated by the Commission. All accounts and vouchers covering expenditures shall be approved by the said Commissioner General, or by such assistants as he may designate, except for such allotments as may be made to the various executive departments, independent offices, and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit, or permit any obligations to be incurred in excess of the amount authorized herein: *And provided further*, That in the construction of exhibits requiring skilled and unskilled labor, the prevailing rate of wages, as provided in the act of March 3, 1931, shall be paid.

SEC. 7. The Commissioner General, with the approval of the Commission, may receive contributions from any source to aid in carrying out the purposes of this joint resolution, but such contributions shall be expended and accounted for in the same manner as the funds made available by this joint resolution. The Commissioner General is also authorized to receive contributions of materials, or to borrow materials or exhibits, and to accept the services of any skilled and unskilled labor that may be available through State or Federal relief organizations, to aid in carrying out the general purposes of this joint resolution. At the close of the exposition or when the connection of the Government of the United States therewith ceases, the Commissioner General shall dispose of any such portion of the material contributed as may be unused, and return such borrowed property: *Provided*, That all disposition of such materials and property shall be at public sale to the highest bidder, and the proceeds thereof shall be covered into the Treasury of the United States.

SEC. 8. The rights and liabilities under existing contracts entered into by the United States Texas Centennial Commission under the authority granted to it by Public Resolution No. 69, Seventy-fourth Congress, approved February 11, 1936, shall be transferred to and assumed by the Commission established by this joint resolution. All authority, powers, and duties of the United States Texas Centennial Commission under such Public Resolution No. 69, and all unexpended balances of appropriations available to said Commission, shall be transferred to the United States Greater Texas and Pan American Exposition Commission to carry out the provisions of this joint resolution. Such unexpended balances of appropriations shall remain available until expended. Any monuments, statues, markers, buildings, and other structures, erected or constructed, and any lands, historic papers, and paintings purchased, by the United States Texas Centennial Commission directly under contract shall be transferred to the Commission established by this joint resolution, and any such property may be assigned by such latter Commission in the manner prescribed by section 2 of such Public Resolution No. 69. This section shall take effect on the date of the submission to the Congress of the final report of the United States Texas Centennial Commission as provided by section 9 of Public Resolution No. 37, Seventy-fourth Congress, approved June 28, 1935.

SEC. 9. All funds allocated by the United States Texas Centennial Commission to the Commission of Control for Texas Centennial Celebrations under the provisions of such Public Resolution No. 69 shall be transferred, on the date of enactment of this joint resolution, to said Commission of Control for Texas Centennial Celebrations to carry out the purposes for which such funds were so allocated.

SEC. 10. It shall be the duty of the Commission to transmit to Congress, within 6 months after the close of the exposition, a detailed statement of all expenditures, and such other reports as may be deemed proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference. Upon the transmission of such report to Congress the Commission established by and all appointments made under the authority of this joint resolution shall terminate.

The PRESIDING OFFICER. That completes the calendar.

#### EXTENSION OF AUTHORITY TO NEGOTIATE TRADE AGREEMENTS

The Senate resumed consideration of the joint resolution (H. J. Res. 96) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. AUSTIN obtained the floor.

Mr. McCARRAN. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield to the Senator from Nevada for a question.

Mr. McCARRAN. Will the Senator yield for a motion to take up a House bill which has just been passed over?

Mr. AUSTIN. Is it a motion to recur to something on the calendar that was passed over?

Mr. McCARRAN. Yes. It refers to Calendar No. 119, House bill 2518.

Mr. McNARY. Mr. President, I objected to the consideration of that bill when it was called on the calendar.

Mr. McCARRAN. I desire to move that the bill be taken up now.

Mr. McNARY. A motion of that kind would not be in order. The Senate is working under a unanimous-consent agreement, and upon the objection of one Senator a bill goes over, and that settles the status of the bill for the day.

The PRESIDING OFFICER. The Chair will state that the Senate has completed the consideration of bills on the calendar. The Senator from Vermont has the floor.

Mr. AUSTIN. Mr. President, the pending question relates to means of government concerning production, manufacturing, commerce, and other economic functions. Moreover, the pending joint resolution, if effective, would extend to 1940 Executive power to legislate and to make treaties. Although the subject matter is tariff, excises, and import restrictions, schedules, definitions, and classifications, the most significant import of the resolution is its character as one of the measures centralizing governmental functions in the Executive.

Shall we restore the republican form of government or shall we continue the temporary reversion to autocracy suffered under the stress and pressure of emergency?

Considering the economic aspect of the question, protective tariffs have been beneficial. We have observed the direct effect of them in raising the value of our farms and the standard of living of our people.

We have noticed that, as a sequel, our neighbors from across the boundary have immigrated and settled in our country in such numbers that we had to build up against immigration powerful walls and barriers. Now almost everybody is in favor of the protective tariff.

Of course, we must recognize that there are some who believe in what they call a competitive tariff, but the essential principle of protection is contained even in the competitive tariff.

We have had depressions from time to time and, with the rest of our neighbors, have suffered, but, speaking relatively, our progress has outrun that of our neighbors, and this is undoubtedly due to the protection from competition abroad currently with the free competition among the several States. We have kept the standard of living high by coordinating our foreign and domestic economies. We have kept our factories operating and our farms and mines producing by preventing foreign cheap labor from preempting their market. We have kept the price to the consumer within the four corners of the pay envelope by our domestic competitive system; so that the quantity of goods and the measure of other purchasable satisfactions that our people on the average could buy with their income has been high. Obviously, the lower prices produced by competition has given us a higher real income or, to state it in another way, a higher standard of living. Now we are setting out to reverse the policy. By regimentation among the several States we set about to increase costs of production, and by lowering duties and modifying import restrictions we set about to increase competition.

Under the protective system the wages of our workmen have exceeded those of other nations, and hours and conditions of service have improved. Nevertheless, we aim at still better conditions and higher standards of living, as

well as regularization of employment. These objectives are not monopolized by any party or faction. They animate all who oppose, as well as all who support, the pending joint resolution. The point of departure is as to the means of attaining the end.

The lowering of duties on competitive commodities below the cost of production at home, and the removal of import restriction and defensive measures, is in conflict with the economy claimed by the New Deal and expressed in the N. I. R. A., the A. A. A., and the 30-hour bill.

The collision of economic principles between the Tariff Act of 1934, which is the act sought to be extended by the pending joint resolution, as interpreted by those who claimed to know most about it in the hearings before the Committee on Finance, and New Deal legislation regimenting interstate commerce is apparent when one examines section 3 (e) of the N. I. R. A. Act.

Let me call attention to that section, because it shows the concern which labor has, which working people have, that the higher cost of production of goods here at home should not throw them out of employment by virtue of the tremendous advantage possessed by foreign goods and commodities brought to our shores and produced under conditions not requiring the shortening of hours and the increasing of wages. I read section (e) because I think it is one of the most eloquent proofs of the collision of systems, the collision of economic plans and schemes, and shows that none of them have been thought out to the end so that they would be pulling together instead of pulling apart. Section 3 (e) reads:

On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this title, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title.

In addition, in furtherance of the section, he had power to forbid entirely the importation of any articles. Thus—

In order to enforce any limitations against the total quantity of imports, in any specified period or periods, of any article under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license, as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such condition or limitation upon entry no longer exists.

The collision of economic principles between the Tariff Act of 1934, as interpreted, and New Deal legislation, regimenting interstate commerce, is apparent when considering section 15 (e) of the A. A. A., providing for a compensating tax on any article processed or manufactured wholly or in chief value from a basic commodity and imported into the United States, the compensating tax to equal the amount of the processing tax in effect with respect to domestic processing at the time of importation.

And this requirement is attached to that enactment.

Such tax shall be paid prior to the release of the article from customs custody or control.

The collision of economic principles between the Tariff Act of 1934, as interpreted, and New Deal legislation, regi-

menting interstate commerce, is also apparent when considering the 30-hour bill, S. 158, in the Seventy-third Congress, first session, page 10, section 8 of the Connery amendment; also found on page 3 of the report of the Committee on Labor of the House of Representatives, dated May 10, 1933.

Its omission from the pending Federal licensing bill, H. R. 2881, Seventy-fifth Congress, first session, calendar day January 13, 1937, introduced in the House of Representatives by Mr. CONNERY, is a recognition of the collision.

It was provided that while the proposed 30-hour act continued in force the Secretary of the Treasury should—

Prohibit the entry of foreign-made goods, which goods are similar or comparable to goods produced in the United States of America, if such foreign-made goods are entered at total landed costs which are less than American cost of production of similar or comparable American-made goods.

It is very interesting to observe what William Green, president of the American Federation of Labor, had to say about that attempt to preserve the protective principles of the United States in order to save American labor at a time when its condition was being bettered, if possible, by legislation which was obviously in direct conflict with the Tariff Act of 1934.

What the president of the American Federation of Labor said appears at page 65 of the hearings before the Committee on Labor of the House of Representatives, Seventy-third Congress, first session. I read as follows:

I am directed by the executive council to say to you, Mr. Chairman, and to the committee, that we are in favor of this part of the bill, the 6-hour day and the 5-day workweek applying to goods manufactured abroad and shipped here and sold in the United States in competition with goods manufactured at home.

Mr. WELCH. Will you repeat that, Mr. Green, so the committee will be sure to get it? It is a matter in which we are all vitally concerned.

Mr. GREEN. I thought you were. I am directed by the executive council to say to this committee that we favor the clause in the Connery bill—perhaps I should put it that way—which makes applicable the restrictions of the 6-hour day and the 5-day week to goods manufactured abroad, shipped to the United States, and sold here in interstate commerce.

In passing, let me ask what, as a practical matter, may Congress do with respect to the hundreds of items of goods or commodities which already have been tied up for 3 years and 6 months by treaties with 15 different countries which have the effect of making changes in tariff regulations and restrictions, lowering tariff duties and providing other conditions which affect our international commerce? Under such circumstances what can Congress do with reference to the improvement of the conditions of labor?

What can Congress do with reference to the improvement of the condition of labor that is engaged in the manufacture of any of these articles? Certainly if Congress is undertaking to carry out the protection to the extent expressed in the Connery bill, it will cover not only the same goods but it will cover similar goods also. The language is:

Which goods are similar or comparable to goods produced in the United States of America.

That broadens the scope of the act to the point where he who runs may read the collision between these two principles, the principle of free trade as represented by the application of the Tariff Act of 1934 in the 15 treaties already made, and the principle of regimented trade among the several States, a complete upheaval and overturning of the principles under which American women and American men have developed to be the smartest women and the most capable men in all the world.

Again the question occurs to one studying the situation, When will the President request of us the power to open the doors to unrestricted immigration as an element of bargaining? He might as well, of course, let the immigrant in and have him do his work here as to leave him outside the door and permit his work to come in. In fact, from an economic point of view, probably it would be better for the working people of this country if he were brought in and his service put on the same plane of competition with the service of the workmen already here.

When will Japan ask the United States to raise the barriers to her nationals, to admit them freely to the United

States, as a consideration for the commercial advantages to the raisers of cotton in the United States? When the demand is made, why not expect to find the President of the United States sending to Congress a message, with a bill all drafted by him, granting to him that extraordinary power of legislating the policy, describing the schedules, formulating the restrictions, and thereupon himself ratifying the treaty?

A recent expression of the danger of foreign competition to labor is that of Matthew Woll, president of America's Wage Earners' Protective Conference. Let me say in passing that I regard him as an authority well worth while giving weight to on any matter that affects American workmen. In a radio address which he delivered February 4 this year he concluded as follows:

Against the background of this brief survey it seems imperative that American labor and American industry receive legislative answer to these questions:

1. Ordinary import duties are no defense against an invasion of the American market by aggressive foreign industries. What protection does our Government propose to make to protect our market from the invasion of these foreign-made goods subsidized by foreign governments?

Subsidized in many and various ways, not only for entry into this country but we find them subsidizing their goods for entry into other countries where we are natural competitors with them. So it is that not only does labor make an outcry at this intolerable situation which is permitted to go on in spite of the power given by us to the President to make these treaties, but also we find that the exporters, as represented in the national foreign trade convention of the National Foreign Trade Council, Inc., and the National Foreign Trade Association, recently held at Chicago, passed this broad resolution which constitutes not merely a request for something to be done but constitutes evidence of the condition which we complain exists:

We call attention to the fact that the reciprocal principle is vitiated when a country having a trade agreement with the United States permits uncontrolled entry from a third country of goods which have been subsidized in any form to a degree prejudicial to our ability to compete. We believe suitable steps should be taken to remedy this situation.

Here are employees and here are distributors speaking. We have the workmen, the employer, and the distributor all agreeing on the proposition that the protective principle must be preserved in order to save our workmen from being driven out of their employment ultimately by the competition of goods made abroad under conditions of service and under laws with respect to hours and wages with which we cannot possibly compete.

Again Mr. Woll said:

2. Barter deals by American and foreign firms result in acceptance in payment by such firms of articles of other and unrelated industries dumped on the American market without regard to effect on prices, wages, and employment. What protection may we expect against the dumping of foreign-made goods?

3. American sales in foreign markets are being destroyed by the discriminatory treatment of foreign governments, including the governments of the British Empire. What action, if any, is contemplated to secure the removal of Empire preferences and the resultant discriminations which are flourishing in various parts of the world?

Is there under consideration an adequate program of action to meet these dangerous problems, dangerous alike to labor, farm, and industry?

Mr. President, I invite attention to the fact that the Tariff Act of 1934 will be in effect for 3 years and 6 months after the effective date of the last tariff treaty which may be made under it. Nothing that we can do, legally or morally right, can stop that. The autocratic power granted to the President will continue until June 12, 1940, if House Joint Resolution 96 should become a law and should not go to the Supreme Court and be declared void.

There are those who are especially interested in international trade. We have observed that during the depression some of our manufacturers depended upon foreign markets to keep them alive. Although our foreign trade is historically less than 10 percent of our whole trade, nevertheless it is so specialized that it is important to our welfare that it be encouraged. Moreover, as consumers of some goods mainly produced abroad, it is for our benefit to reduce the price by

reducing the rate of duty or by putting such articles on the free list. There seems no room for debate over the proposition that if rates are too high or too low they come in conflict with our free economy at home and all of its beneficial objectives. The means of regulation of these rates of duty, therefore, should be scientific and flexible and capable of adaptability to emergencies and changing conditions.

In passing let me call attention again to what was so eloquently spoken of yesterday by the Senator from Michigan [Mr. VANDENBERG], contrasting the flexible, scientific, and capable manner of adapting rates to conditions and costs of production with this unconstitutional method of fiat by the Executive, proclaiming duties, proclaiming laws, proclaiming treaties without ratification. Six times in the year 1936 the Tariff Commission reported to the President that rates ought to be changed, and six times during that one year the President proclaimed the change of those rates; and five times out of the six he had to raise the rates, not lower them. The protective principle as an oaken beam supporting the economy of this country was recognized and saved by this scientific method of handling tariff rates. On the other hand, 100 percent of all the changes of rates made under this fixed and arbitrary plan of Presidential proclamation was to lower the duties.

Mr. LEWIS. Mr. President—

Mr. AUSTIN. I yield to the Senator from Illinois.

Mr. LEWIS. I interrupt the Senator from Vermont to ask him his legal opinion, recognizing him both as an able lawyer and as a student of constitutional government. Does he recall the exact distinctions which the Supreme Court of the United States made in *Field against Clark* as sustaining the provision of reciprocity and tariff reduction by commission, as then advanced under a tariff act which we speak of as the McKinley Act? Does my able friend from Vermont accept that decision as establishing a basis for the right of government to transfer these questions of tariff taxes to a President or to a commission instead of to Congress?

Mr. AUSTIN. Mr. President, I cannot claim such lucid and sound memory of cases as I accord to the distinguished and able Senator from Illinois. I have come to respect with awe his memory regarding cases; but I should say that my present recollection is—though I have not recently studied that case—that it turned upon this feature of the statute; namely, the establishment of a standard which should guide the Commission and the President in the performance of what is in effect a ministerial function, acting as the hand of the Congress of the United States, as it were, and that that standard and guide was the very principle for which I am arguing today, namely, the difference between the cost of production of goods here in America and the cost of production abroad. The act provided that between certain fixed limits—namely, 50 percent above and 50 percent below the existing amounts of duty—this scientific, nonpolitical Commission, actuated by the citizen or actuated by the Chief Executive or actuated by the Congress, could make an investigation in which that rule was employed, a rule of the Congress; and my recollection is that that was the essential thing that supported as constitutional that apparent delegation of power.

Does that answer the Senator's question?

Mr. LEWIS. I am quite sure the Senator is right as to that feature of the act. I did not mean to assume that I have a superior knowledge or memory to any other Senator touching their citations of the Supreme Court of the United States generally. I inform the Senator that my memory as to this particular case is impressed all the more as it arose in my city. It was a suit brought by Marshall Field's establishment, the great dry-goods house of Chicago, against the collector of customs, whose name at that time was Clark. It is my recollection that when that case reached the Supreme Court of the United States, the Court held that it was within the power of Congress to transmit to the President, or to such body as he might name, the power to suggest rates as equitable, and that when adopted by the President they afterward became the law of the land.

I may be slightly in error, and the Senator may be right in his statement.

Mr. AUSTIN. I do not recall that feature of the case. Undoubtedly the Senator from Illinois is correct.

Mr. LEWIS. I may be wrong in part of it, but that is my memory only, and I felt this:

I say now that I do not agree with the decision. I beg pardon of the Senator for saying that I belong to the class of Democrats who believe that tariffs are essential to this country and the just protection of our produce to the full extent as against other countries that levy similar burdens against us to protect themselves and place embarrassment against our produce. I felt that that decision opened the gates to taking away from Congress the privilege of creating the rates of tariffs and framing a tariff bill, and transmitting it to executive bodies—a power that was never intended by the Constitution to be thus vested.

Mr. AUSTIN. Mr. President, I thank the distinguished Senator from Illinois for his remarks. I have much respect for the position he takes; but I admit that my own view is that the delegation contained in the Tariff Act of 1930 of power to operate by means of a commission is a proper delegation of power, because it delegates a minor function, a function that is not of that primary importance which must be held to be legislation under our Constitution.

However, that takes me far afield from the thought I had in mind; and I now return to the proposition that the means of regulating these rates of duty should be scientific and flexible and capable of adaptability to emergencies and changing conditions. These means should not, however, be a device capable of arbitrarily destroying or injuring one activity for the benefit of another activity. Viewing the long-time welfare as well as the immediate promotion of business, we Americans must have the right to be heard in the levying of taxes which we pay. The Tariff Act of 1934 deprives us of this right, and is, therefore, not beneficial from the long-time point of view. With respect to immediate promotion of business, even here it cannot be determined with certainty that the exercise of arbitrary power in making the 15 treaties already in effect is the cause of increased business, or is of net financial benefit, or is fair to all activities. The length of time during which any treaty has been in effect is too short to afford decisive evidence. I suppose a good test of the effectiveness of this evidence would be to turn to the Belgian treaty, because the Belgian treaty went into effect on May 1, 1935, and therefore is one of the two oldest treaties in point of effectiveness.

Since under the Belgian treaty none of the import duties may be reduced during the life of the treaty, and since they are all extended to all other nations having most-favored-nation relations with us, and since the imports from Belgium of the commodities on which duties have been reduced have increased in quantity and value during the first 12 months of the treaty 111 percent, against an increase of exports granted concessions by Belgium of 10 percent, is it not reasonable to conclude that economic benefits to us have not been established by our experience under the Belgian treaty?

That is one of the most favorable treaties that could be considered from length of operation, as I view it; and yet it is obvious that if the benefits to Belgium by way of a gain or increase have equaled 111 percent, whereas our exports to Belgium have gained only 10 percent, we must conclude, if we are going to conclude from the mere fact of this experience, that the treaty is economically bad for us, instead of economically beneficial. But I would not be so intemperate as to make that claim here. What I am claiming is that the length of time during which any of these treaties has been in effect is too short to afford decisive evidence. Such reciprocal treaties, however, as we have heretofore lived under do afford some evidence of what the principle of reciprocity means to us, and it is rather significant that we did not see fit to maintain them.

During peace negotiations at the conclusion of the World War the United States Tariff Commission, pursuant to section 704 of title VII of the act of September 8, 1916, transmitted to the Congress a report on reciprocity and commercial treaties which shows, among other things, attempts to cultivate amicable relations with foreign states made through reciprocal provisions in commercial treaties.

We hear today the doctrine advanced that these commercial treaties will promote amicable relations and will tend to keep us out of the wars of the world. For my part, I doubt it. I believe that the more intimately connected with a foreign country we become by means of commercial ties, the more likelihood there is that we will be drawn into controversies of that country with its neighbors.

From time to time since 1854 the United States has made this beau geste both under Republican and Democratic administrations with rather disappointing results economically. The reciprocity experience of the United States, viewed in a perspective sufficiently long to minimize errors of judgment, lacks decisiveness.

Speaking of the efforts connected with the Canadian Treaty of 1854 to secure equality of opportunity in foreign markets by offering equality of opportunity to all countries seeking American markets on the basis of mutual concessions, the Tariff Commission reported:

During the 11 years of the reciprocity period, the total trade of the two countries increased approximately threefold, and, for the United States, the trade with Canada became second in importance only to that with Great Britain. How much of this was due to the improvement in general relations between the two countries and how much to the reciprocity provisions of the treaty cannot be determined. But it may safely be asserted that its several features in reciprocity arrangement contributed largely to the very considerable growth of trade and that both countries were benefited by it.

Under the Hawaiian reciprocity treaty of 1875, extended by negotiation in 1884, reciprocity was conspicuously effective in economical benefits to Hawaii, with political benefits to the United States. The Commission's comment was:

But when all the various factors have been taken into account, the conclusion is inevitable that the reciprocity relationship with Hawaii was economically unprofitable to the United States. However, in a comprehensive estimate the fact must not be overlooked that in entering into the reciprocity arrangement Congress had not been actuated primarily by economic considerations.

The trade treaties under the Tariff Act of 1890 providing for free entry of certain commodities between the United States and certain Latin American countries, with penalty duties against certain other countries, resulted in a substantial increase of trade in countries parties to the treaties, but these treaties were terminated in 1894 under a Democratic administration.

Reciprocity was again written into the tariff act by a Republican administration in 1897. Reciprocal commercial relations were set up thereunder with Spain, Bulgaria, Great Britain, the Netherlands, France, Portugal, and Italy, and resumed with Switzerland. These treaties are referred to historically as the Argol Agreements. They were terminated in 1909. The Commission characterized their effect upon trade as follows:

The only general conclusion derivable is negative. When reductions obtained by agreement are few and small and are shared by all or most of the competing countries, the agreements will have very limited influence on the amount or the direction of trade.

The Commission reported on the Brazilian preferential arrangement made under the provisions of the act of 1890 as follows:

It would appear that although preference did not secure the desired results with respect to the chief item, wheat flour, it was moderately successful in stimulating an expansion of American trade in general with Brazil.

The Cuban reciprocity treaty of 1902 expressed the fiduciary interest of the United States in the reconstruction of Cuba after the conclusion of the Spanish-American War. It was expressly specialized, and contained a provision—

That the reductions in duty specified should not be extended to any other country.

Currently with that treaty there was in operation another prescribing the conditions under which American military authority would be withdrawn and those under which it might be reinstated in the island. The guaranty of public order which this treaty insured to labor and capital so far contributed to the commercial development of the island that the Tariff Commission reported:

Any estimate of the effects of the first treaty must take into consideration the influence of the second.

The Canadian treaty under the present law has excited the criticism of farmers. The cause of the criticism might have been entirely prevented if fair hearings had been given agriculture before the treaty was concluded and the reduction of rates proclaimed. The same may be said with respect to lumber, which affects the Northwest, and furs, which affect the extreme South.

In passing it should be noted that this agreement is not entirely reciprocal. Canada has the benefit of the proclaimed duties under the nine treaties made effective on the same day as the Canadian treaty and subsequent thereto, so that there are added to the list of the agricultural commodities on which concessions were made in the Canadian treaty many other agricultural items by virtue of the most-favored-nation policy.

The duty on lumber was cut 50 percent. The revenue tax thereof was also cut in half, with a quantity limit on imports. We should not forget, in passing, that the lumber coming from Canada in Canadian bottoms enjoys a preferential freight rate of \$3 per thousand.

The duty on cattle and calves and dairy cows was cut 33½ percent, with a quantity limit.

Substantial reductions were made in the duty on cream, cheese, poultry, eggs, horses, honey, fish, barley, rice, hulled oats unfit for human consumption, cereal breakfast foods, fruit, grass and other forage, crop seeds, peas—green and unripe—seed potatoes, turnips, hay, and maple sugar.

I have been somewhat interested in studying the testimony which is reported in the transcript of the hearings on the pending measure to note that frequently use is made of the relative inferiority in amount of the total imports which have come in by virtue of the concessions made by us through these treaties compared with the entire production of the country, and to note an utter obliviousness to the fact that as to many of these items the effect is concentrated locally, and the real damage is done because the imports come into just a small section or area of the country, and all the pressure of that competition is borne down on that one spot.

For example, let us take cream. If Senators will examine the record of the importations of cream under the treaty, they will discover that of the quantity, which approximated for the calendar year 1936, from all countries 44,396 gallons, from Canada 44,053 gallons, almost all of it came into the State of Vermont; namely 43,767 gallons, and there is probably no place in the United States so dependent upon the dairy industry as is the State of Vermont. It is a basic industry with us. We provide two-thirds of all the fluid milk that goes into the Boston market every morning, and the effect of the dumping of approximately 44,000 gallons of cream into the State of Vermont, in the short period since that concession was made on cream, injures us. There are men within the sound of my voice who could point to other items, the importations of which have a local effect in a competitive way. It is injurious, although it is not related at all to the ratio of the quantity that is imported to the total quantity produced in this country.

By virtue of the most-favored-nation treatment, the concessions to other countries made by us on agricultural products added to Canada's benefits reductions in duty on herring, pearl barley, preserved cherries, red clover seed, other garden and field seeds not provided in the Canadian treaty, peas, prepared or preserved, split peas, cabbage in its natural state, certain manufactures wholly or in chief value of wool, boots and shoes wholly or in chief value of leather, spring clothes pins, spools wholly of wood, plywood wholly or in chief value of birch, and potato starch.

All these concessions extend to the 48 nations with which we have most-favored-nation treaties, and to approximately 40 other nations, under the act of 1934. If a notice and hearing on these commodities had been held, it is possible that the reductions made on them would not have been made. Moreover, if hearings had been given, it is possible that the psychological effect in this country, which is exceedingly important—for public opinion is the basis of public life here; it is the strength and power and the only strength and power of any law that we make—might have

been such that the farmers of this country might not have found fault with the rates and with the concessions made on their products.

The items to which I have called attention were sufficiently important to farmers to entitle them to be heard. What is more, we should have had credit for them in our trade and in our treaty with Canada.

Great Britain has benefited by all of these concessions without any treaty. She has had to make no concessions to us, and she has had a special and peculiar benefit by virtue of the Canadian treaty in this, that we have frozen for at least 3 years and 6 months the discrimination against us which she makes in the form of special privileges between herself and countries under her sovereignty.

Let me quote from the Canadian treaty.

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

Mr. AUSTIN. I yield.

Mr. LEWIS. May I ask the able Senator if it is his opinion, because we have a treaty with Canada, that under what is known as the most-favored-nation clause we could not avail ourselves of the benefit of the most-favored-nation clause, and obtain all the benefits we extend to Canada without her extending anything to us under an obligation to do so as an exchange for what she obtained under the most-favored-nation clause?

Mr. AUSTIN. Mr. President, I must confess I am not very clear as to the question.

Mr. LEWIS. What I mean to ask the Senator is this: Is it his opinion that Great Britain, recognizing that we have made a reciprocity treaty, stands upon the most-favored-nation clause to enjoy the benefit of the treaty we made with Canada, and obtains the benefits to herself under the most-favored-nation clause without extending anything toward us in exchange?

Mr. AUSTIN. Mr. President, one can readily conjecture that under the most-favored-nation treaty of many years ago—I think 1912—which cannot be denounced except upon at least 1 year's notice, and which differs from the particular extension of benefits provided in the act of 1934, Great Britain, receiving every benefit of concessions made by us to every other country as well as to the Dominion of Canada, may well not pay us any concession. Thus far she has not had to make any concessions to us. We are now bound to go on, if we continue in our policy of the Tariff Act of 1934, to make other treaties with other countries. Why? Because we have destroyed all our defenses. We repealed all the defensive provisions of the tariff law of the United States of America in the act of 1934. We are obliged to go forward under that act, or we must legislate and build up our defenses once more. Not only that, but we have contemptuously said to the citizens of America, "We are not going to be bothered with you. We will exercise this arbitrary power without any appeal by you. The rights granted to you under the tariff law of 1930 to come into a court of justice with your claim are also hereby repealed."

Mr. President, it is a natural and logical conjecture that a country which enjoys in volume great trade relations with us should sit smugly at the table and say nothing just so long as we, in the 15 treaties which we have already made and in the 80 or 90 treaties we may in the future make, extend to her all the benefits which we extend to all other countries.

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

Mr. AUSTIN. I yield.

Mr. WHITE. Is it not true that in addition to the advantage Great Britain gets as a favored nation in our markets, she has an advantage over us in the Canadian market through the fact that she gets the benefit of the lowest rates of duty of Canada, and our products at best get only the intermediate Canadian tariff rate?

Take, for illustration, textile goods. Textile goods enter Canada under a rate of duty which is lower than that which Canada accords to us, even under the treaty.

Mr. AUSTIN. Mr. President, I answer that inquiry in the affirmative positively and with certainty in my own mind. Not only did we freeze those preferences against us, but we also froze preferences that amounted to the difference between free entry and high duty—free entry on goods from

Great Britain into Canada and high duty on goods shipped by us into Canada—and we did it by this phrase, which I will read, contained in the treaty. I quote:

The advantages now accorded or which may hereafter be accorded by Canada exclusively to other territories under the sovereignty of His Majesty the King of Great Britain, Ireland, and the British dominions beyond the seas, Emperor of India, or under His Majesty's suzerainty or protection, shall be excepted from the operation of this agreement.

In other words, our deal with Canada let down the bars by lowering duty on those very competitive articles which the President in his Baltimore speech said he had no intention of reducing. We let down the bars on agricultural products, and at the same time we said to Canada, We do not ask to have any of those advantages on these products or any other products which you have accorded to Great Britain or any country under the suzerainty or protection of Great Britain.

Thus, with one of our most important markets, one of our greatest customers, we have frozen for 3 years and 6 months a preference, to the damage of the people of this country who produce on the farms and in the factories of this country.

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

Mr. AUSTIN. I yield to the Senator from Illinois.

Mr. LEWIS. I beg to say to the Senator from Vermont that the distinguished Senator from Rhode Island [Mr. GERRY] has just asked me if it is the clear suggestion of the Senator from Vermont and a statement from myself that should this arrangement which affects England, with respect to that which she has enjoyed, be regarded as burdensome and unjust, and should we desire to escape from the treaty, there is a clause therein which calls for notice for 1 year before we can escape the burden after having discovered the inequalities contained in the treaty?

Mr. AUSTIN. Mr. President, I speak from memory, and I now have nothing better to go on but my memory of that treaty of 1912—I believe that is the one—in which we established this relationship with Great Britain. It requires a year's notice under which to denounce the treaty.

I have observed, from such a study as I could make in the brief time since these hearings were printed, that the Cuban treaty is spoken of with some pride, and spoken of as if it afforded evidence that this new policy under our Tariff Act of 1934 is beneficial to this country; and I ask the Senate to consider whether the evidence is not just exactly in the opposite direction.

The treaty with Cuba is also special and peculiar. We must in any consideration of the evidentiary effect of the treaty with Cuba recognize the cost to us of the increased business which is pointed to as arising under that treaty. I give credit to the Honorable FRANK CROWTHER, a Representative in Congress from the State of New York, for bringing it to the attention of the American people early in an address printed in the CONGRESSIONAL RECORD of February 28, 1936, which shows that the cost of securing business valued at \$20,000,000 in 1934, \$17,000,000 of which occurred after the treaty took effect, involved a loss in duties, as between the new and old tariff rates, amounting to \$32,000,000; and, in addition thereto, a cost in the increase in the price of sugar paid by our citizens aggregating more than \$15,000,000, making a total cost of \$47,000,000. Estimating the cost for the present year he said:

The new tax laid upon the American people for the privilege of doing business with Cuba in the present year, therefore, will amount to more than \$80,000,000.

Mr. Sidney Morgan, secretary of the Tariff Commission, testifying before the subcommittee of the Committee on Appropriations of the House of Representatives on the independent offices appropriation bill for 1938, as reported in the hearings at pages 570 to 573, showed that the duty on sugar from Cuba was reduced 25 percent under Presidential proclamation effective June 8, 1934.

Let me digress to point out that that was a reduction based upon a nonpolitical, scientific investigation by the Tariff Commission and that finding of fact ought to have been a very important factor motivating the President of the United States if he should again within a short time

after that have undertaken to consider the rate of that duty. He did have to consider it very soon afterward, evidently. Having already by proclamation, based on a scientific finding, reduced the tariff 25 percent, he again reduced it by treaty to nine-tenths of a cent a pound.

I have given figures that are hardly in comparable form, so I will refer to them again. The reduction made June 8, 1934, was from 2 cents to 1½ cents a pound on raw sugar, 96° sweet. The reduction made on September 3, 1934—that is, within 6 months thereafter—was from 1½ cents a pound to nine-tenths of a cent a pound on raw sugar, 96° sweet. If the consumer in the United States had received the benefit of that reduction someone in this hall might rise and say, "Well there was at least that benefit from the transaction; there was the benefit, for example, that the wholesale price of sugar in America was reduced, or that the retail price to the housewives was reduced." But, Mr. President, do you hear anyone within the sound of my voice, whether a member of the committee or not a member of the committee, making such a claim? No; you do not. The fact is that the tables furnished by Dr. Sayre, the testimony of the secretary of the Tariff Commission, all the evidence without any controversy, prove that the first reduction in the tariff rate, as well as the second reduction resulted in no substantial reduction of the cost to the consumer.

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

Mr. AUSTIN. Yes; I yield.

Mr. ELLENDER. Was there not a processing tax put on sugar at that time of one-half cent?

Mr. AUSTIN. Let us see. The date was September 3, 1934; does the Senator think so?

Mr. ELLENDER. Did not that make up the difference caused by the reduction of the tariff, and might not that have been the reason for the sugar market to remain stable?

Mr. AUSTIN. I do not think so. This would be proceeding under section 15 (a) of the Triple A Act, and nothing that I have seen indicates that to be so. Does the Senator claim it to be so?

Mr. ELLENDER. As I recall, there was placed on sugar a processing tax of a half a cent, and, as I understand, there was a reduction in the tariff duty on Cuban sugar of a little over one-half, so that with the processing tax placed on sugar it had a tendency of balancing, in a measure, the duty reduction. Therefore I do not see how the Senator can argue that there should have been a reduction in the price of sugar.

Mr. AUSTIN. I think the Senator misapprehends the law. Section 15 (a) had for its objective keeping up the duty, not lowering it. That provision of the Triple A act was to guard against the situation that if the processing tax on domestic sugar made the cost of such sugar to the consumer in America greater than the cost of imported Cuban sugar after the tariff duty was paid on it, then the President, if complaint was made to him or if he saw fit to initiate the action, could lift the tariff rate so that the Cuban sugar would not have an advantage in the American market over the domestic sugar. So I suspect that this reduction was not under the Triple A; but whether it was or not makes no difference. The proposition is that there is absolutely no evidence—not even the evidence of a temporary benefit in price reduction to the housewife—that the trade treaty with Cuba has been an economic benefit to the United States of America.

Mr. President, speaking generally of international business, the record shows that no special deduction can as yet be made from the improvement occurring since the effective dates of the 15 treaties, 10 of which are less than 1 year old. As a matter of fact, the record shows that there was an increase in general trade before ever these treaties went into effect; that is, from a low in 1932 of one and six-tenths billion dollars our exports have increased as follows: In 1933, to one and seven-tenths billion dollars; in 1934, to two and one-tenth billion dollars; in 1935, to two and three tenths billion dollars; and in 1936, for the 10 months ending October 31—we have no data for the other months—one and nine-tenths billion dollars. Thus it is seen that before ever any of the reciprocal treaties went into effect there was a gain in export trade.

There is further special evidence in the figures as to our trade relations. It is significant that our sales abroad during 1934 exceeded those of 1933 by \$475,000,000, whereas our sales abroad during 1935 exceeded those of 1934 by only \$150,000,000. In other words, there was less gain in sales abroad under the treaties than without them by the enormous sum of \$307,000,000. Certainly the mere fact of trade expansion is not conclusive evidence, since both our import and export trade with the United Kingdom—a country with which we have not concluded an agreement—rose at a more rapid rate compared with the first half of 1935 than was the case with Canada. The experience of the last 2 years demonstrates that other factors than the trade agreement excited the growth of trade. These two treaties are unfortunate illustrations for the advocates of the Tariff Act of 1934, though they are often used as examples. They are not typical—they are extraordinary.

Mr. President, the economic situation of all countries is improved over that of 1932. For example, we find in the United Kingdom and in Sweden the index of production is now higher than it was in 1929. It is an axiom that the direction of trade is influenced largely by the price. Buyers will buy in our market if there is an advantage to them in price. They came to our markets notwithstanding the duties under the Tariff Act of 1934, as I have just proved.

Mr. President, we view, therefore, the discussion before us as largely theoretical, and so far as it affects the fundamentals of government it depends upon the character and genius of our people and their probable capacity in the future for self-government. Speed—speed of action was the underlying motive for taking the taxing power from Congress and placing it in the President. Speed was the motive asserted for taking the treaty-making power away from the Senate and placing it in the President. Even now, in relation to the pending measure, the urge for making as permanent as possible the transfer of the treaty-ratifying power from the Senate to the President is based on speed.

On the same theory that one will admit that autocracy is speedier than democracy, one can admit that the levying of taxes by proclamation is speedier than by legislation. It is admitted that one man can exercise the powers contained in the Tariff Act of 1934 more speedily than Congress can legislate rates and forms of import duties. He can amend the existing definition and classifications of articles and create entirely new definitions faster than Congress can. He can exact limitations, prohibitions, charges, and exactions other than duties imposed for the regulation of imports more expeditiously than Congress can. He can with great haste conclude the exclusive agreement with Cuba modifying the preferential customs treatment on any article.

The velocity of his action may surpass that of Congress in determining the legislative policy differently with different foreign nations. Thus, he may freeze, for the term of 3½ years, the consent of our people to tariff treatment of Canada by Great Britain and of all British countries by Canada, which discriminates against us; and he may make us pay Cuba an extravagant price for whatever increase in our exports to Cuba he may please.

However, the foregoing powers are legislative, and all legislative powers granted by the Constitution are vested in Congress. The foregoing powers relate to the treaty-making power and the Senate under the law is an indispensable agent in the creation of a treaty with a foreign power. Besides that, Congress has the sole power to lay and collect taxes, duties, imports, and excises, and to regulate commerce with foreign nations.

Speed? No great delay marks the history of ratification of reciprocity treaties in the past. The record shows graphically as follows:

The Canadian treaty of 1854 was ratified and made effective in 1855, and it endured 11 years.

The Hawaiian treaty, negotiated in 1875, was ratified in the same year 1875 and was effective 25 years. Its extension was negotiated in 1884, ratified in 1887, and that extension was effective 13 years.

Ten treaties with countries in the Western Hemisphere were negotiated and proclaimed in 1 year, 1891, and existed

until 1894, when a Democratic administration denounced and terminated them.

The Argol treaties under the act of 1897 show similar promptness of action. The first series proclaimed from 1898 to 1900 consisted of treaties with France, Portugal, Germany, and Italy, and an exceptional one with Switzerland. The second series of Argol agreements were concluded after, 1906 and 1908.

Although President McKinley gave continued support to a group of reciprocal treaties negotiated under another section of the Tariff Act of 1897, they failed of ratification by the Senate largely because the Republican Party favored reciprocity only—

So directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets.

President McKinley's last speech contained this statement:

The period of exclusiveness is past, the expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisal. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

The Argol Agreements were terminated by the Tariff Act of 1909. The treaty with Newfoundland was unratified. Therefore, speed is not a valid excuse for transferring the legislative and treaty-making power affecting the tariff to the exclusive judgment of the President.

In this case the transfer of power was made on the theory of emergency. Secretary Hull, addressing the Finance Committee, said:

There should, I repeat, be no misunderstanding as to the nature or the purpose of this measure. It is not an extraordinary plan to deal with ordinary or normal conditions nor an ordinary plan to deal with extraordinary conditions. Its support is only urged as an emergency measure to deal with a dangerous and threatening emergency situation. \* \* \* If the emergency requiring the proposed reciprocity trade agreements did not call for reasonably prompt action in many instances the special and temporary authority asked for would naturally not be sought.

Why not? We are not left to conjecture to know that Secretary Hull regarded this means of taxation and treaty making as unauthorized. As a member of the Ways and Means Committee of the House, in his minority report on the tariff bill of 1930, which contained the flexible tariff provisions by which the Tariff Commission and the President were authorized within certain limits and based on definite standards to adjust the rates, he stated that the provisions were—

Subversive of the plain functions of Congress.

On another occasion he declared that they—

Constituted an unjustifiable arrogance of power and authority to the President.

In a speech made on May 9, 1932, in another legislative body, he asserted that these provisions practically vested in the President the—

Supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution.

He also referred to the power granted to the President thereunder as a—

Vast and uncontrolled power, larger than had been surrendered by one great coordinate department of the Government to another since the British House of Commons wrenched the taxing power from an autocratic King.

In 1894 there was a large Democratic majority in the House of Representatives and a small Democratic majority in the Senate.

In its report recommending the repeal of the reciprocity provision of the Tariff Act of 1890, the Committee on Ways and Means of the House went on record as follows:

Moreover, we do not believe that Congress can rightly vest in the President of the United States any authority or power to impose or release taxes on our people by proclamation or otherwise or to suspend or dispense with the operation of a law of Congress.

The Tariff Act of 1934 is notably different from the acts so denounced by Secretary Hull and by the Ways and Means Committee of the House. The Tariff Act of 1934 differs from the acts of 1890 and 1930 in respect to the absence of detailed instruction affording a standard found in those acts. The act of 1934 authorizes the President to

make the treaties and to proclaim the duties, restrictions, and treatment of foreign trade without instructions, the only limitation being that he may not increase or decrease rates more than 50 per centum thereof, or transfer any article between the dutiable and the free list.

The penalty for such a revolutionary departure from government by the people is felt at once. A midwestern newspaper called attention to the situation thus:

Perhaps the heartiest chuckle Secretary Hull is enjoying these days results from the bitter charge frequently heard that the Department of State is negotiating the schedules of its reciprocal treaties "behind closed doors."

The departure from the fundamental law immediately brought to the front the danger of every such step, for it showed to our people that they could be taxed without representation. It showed that their property could be taken without their having any notice or real hearing.

The provision in the act of 1934 for public notice was construed by the President as not relating to notice of what rates and schedules are intended to be discussed. The vague provision "reasonable public notice of the intention to negotiate an agreement with such government or instrumentally shall be given" evidently was intended merely as a pacifier, because the President wrote to the Senator [Mr. STREIWER] on April 8, 1935, as shown by the CONGRESSIONAL RECORD of April 26, 1935, among other things, as follows:

Because of this and other considerations, I believe that the present procedure of announcing only the name of the foreign country concerned and making readily available statistical and other information concerning the trade between the United States and the country is quite satisfactory.

Just think of that. Making readily available statistical and other information concerning the trade between the United States and the foreign country is satisfactory as a notice.

Mr. President, if you want to lose a pebble, throw it on the beach. If you want to lose a leaf, cast it in the forest. If you desire to hide a commodity, throw it into statistical information concerning the trade between the United States and other countries.

Citizens are not eager to beg the question with the Government. Farmers who had been informed by the President, through his Baltimore speech, that there was no intention of lowering their protection would not regard that kind of a notice as a cause for them to appear before the committee for reciprocity information. In fact, no citizen would rush in to defend a right that he did not know was going to be attacked.

I ask a question: Assuming that the commodity committee, or committees, prepare the schedules of concessions to be requested by foreign countries and the concessions which might be granted by this country, and assuming that the commodity committees prepare data with respect to a class or group of commodities to be involved in trade negotiations, would it not be feasible and wise, even under the law as it is and without any amendment of it, to make available to the public the reports of these two committees so far as they indicate what commodities and what import restrictions thereon will be considered for change, and especially if they contemplate changing the description of a schedule—for example, changing the description of what will be regarded as manufactured and what will be regarded as unmanufactured granite—so that the parties to be affected thereby may have notice before hearings and be afforded a full opportunity to present their views with respect to the specific change considered?

On competitive commodities, a rule should be fixed that the rate changes should be adjusted to equalize the difference between foreign and domestic production costs for the protection of our laborers and farmers.

I have read part of the hearings. I know it was claimed therein that it is futile to attempt to arrive at foreign costs and domestic costs. Well, the man who is in competition with foreign goods has no difficulty at all in recognizing the difference between the prices at which those foreign goods and his goods sell in the same market; and if we have not enough intelligence in our Government to ascertain

the difference—at least the superficial difference, if nothing more—between wholesale prices here or landed prices here and the cost of our own production, then we had better give up; then we had better not try to compete with the rest of the world.

Another thing: Legislative policy should be determined and expressed in detail in the act relating to form of import duties, classification of articles, limitations, prohibitions, charges, and exactions other than duties imposed on importations or imposed for regulation of imports.

The most casual study of this record shows a conflict of opinion regarding the meaning of the law itself when it speaks of "charges other than duties" and speaks of "excises." It should not be left to the Chief Executive to determine the definition of what those taxes are. For that reason I am very anxious that the amendment which is offered here, which would exclude from this arbitrary power any right to levy or to interfere with our domestic taxes, should be adopted and that power removed from the bill.

The committee or other agency of government which is to pass on the public good or necessity of change should be a creature of the Congress, not a creature of the Executive, and its powers should be defined, and notices should inform the public what duties and other import restrictions are intended to be considered. Hearings should be accorded to all interested parties, not by grace, not only when the department sees fit to grant this privilege, but by the law.

I am well aware of the testimony of Dr. Sayre that since a certain time—and I am quite well acquainted with that time—the authorities have begun to practice giving an opportunity to be heard on the specific items; but we are dealing with the law. We are dealing with a means of government. We are dealing with a fundamental right of the people; and I say we cannot effectively turn over to the Executive this legislative function.

Concessions made to one country in exchange for compensating concessions should not be given general application to all other countries without compensation. Reciprocity and most-favored-nation treatments should be defined so that they cannot be made to mean one thing with one country like Great Britain and another thing with another country like Belgium. The reciprocal principle is vitiated when a country having a trade agreement with the United States permits uncontrolled entry from a third country of goods which have been subsidized in any form to a degree prejudicial to our ability to compete.

Mr. President, while we continue our generosity to all other nations, let us try to prevent injury to our form of government and hindrance of our economic recovery.

Mr. BORAH obtained the floor.

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

The PRESIDING OFFICER (Mr. HATCH in the chair). The clerk will call the roll.

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

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lewis	Reynolds
Bachman	Duffy	Lodge	Robinson
Bailey	Ellender	Logan	Russell
Barkley	Frazier	Lonergan	Schwartz
Black	George	Lundeen	Schwellenbach
Bone	Gerry	McCarran	Sheppard
Borah	Gibson	McGill	Steiwer
Bridges	Gillette	McKellar	Thomas, Okla.
Brown, Mich.	Green	McNary	Thomas, Utah.
Bulkley	Guffey	Maloney	Townsend
Bulow	Harrison	Moore	Truman
Burke	Hatch	Murray	Tydings
Byrd	Hayden	Neely	Vandenberg
Byrnes	Herring	Norris	Van Nuys
Capper	Hitchcock	Nye	Wagner
Caraway	Holt	O'Mahoney	Walsh
Chavez	Hughes	Overton	Wheeler
Clark	Johnson, Calif.	Pepper	White

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

Mr. BORAH. Mr. President, we have had the subject of reciprocal trade agreements before this body in different forms since 1911, when the then President of the United

States, Mr. Taft, sought to establish a reciprocal trade agreement with Canada. I shall come back to that later in my remarks as an illustration of what I contend—that is, that the burden of these reciprocal trade agreements falls upon agriculture. It is almost inevitable, due to economic factors, that it should fall upon agriculture.

We have been operating under the present program now about 2 years. We are able to get some idea as to its operation, and possibly form some conclusion as to its future effect.

As I understand the reciprocity principle, and as I gather that principle from those who have advocated it on other occasions, I find no objection to it whatever. But I feel that the operation of the principle under the present program is not working to the interest of agriculture. I doubt if it is in the interest of the country as a whole.

The President of the United States, in his famous letter to the London Conference of 1933, used this paragraph:

Restoration of world trade is an important partner both in the means and in the result. Here also temporary exchange fixing is not the true answer. We must rather mitigate existing embargoes to make easier the exchange of products of which one nation has and the other nation has not.

In my opinion, that states all there is to international trade. To the extent that we can build up a trade based upon the principle of exchanging the products which one nation has and another has not, we are building upon a perfectly sound principle, and when we go beyond that it seems to me that we are no longer upon a sound principle of international trade.

I can see no possible benefit from engaging in an international trade which brings into our country that which we already have, which we are prepared to supply, and which our people are ready and anxious to supply. If we can build a trade by the interchange of those articles which we have not and which we desire to secure, or vice versa, it has its decided advantage. I repeat that in this line from the President's letter of 1933 is found, in my judgment, the extent of fruitful and desirable international trade. And furthermore, it is perfectly clear from these agreements already made that regardless of what we may do, other nations are not opening their markets to our commodities when they at home are prepared to produce them or where it is calculated to do injury to their producers. Every nation is fighting for self-containment. However much they may talk as to theories, in practice they are vigilantly protecting their own.

The President had prior to that time amplified this view in his statement in October 1932, when he said:

It is absurd to talk of lowering tariff duties on farm products.

Why absurd? Because we have the farm products, we have the capacity to produce them to the full demands of the American market. It is unreasonable and unsound in principle to bring into the American market through reciprocal trade agreements that which we have or that which we are prepared and ready and anxious to supply. It was further said by the President:

I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture, and raising the prices of farmers' products. I know of no effective excessively high-tariff duties on farm products. I do not intend that any such duties shall be lowered.

In my opinion that is in perfect harmony with the principle which he later announced in his letter, and a principle with which I am in entire accord. If we were engaged now, through the reciprocal-trade agreements, in interchanging those products which we have not in our market but which we desire, no possible objection could be raised to the program. But under these principles announced by the President, how can we lower tariff duties on farm products?

I think this was in a measure the idea which Dr. Sayre had in mind when the bill first passed the Senate, when he said:

It is not to my mind a proceeding which will mean a tariff revision. It is a proceeding which will mean finding bargains which will prove of advantage to foreign trade without injury to the American producer. Those responsible for this program

will have the program and a real program of finding just how trade can be increased without injury to American producers.

It has been called to our attention that this program is in harmony with the doctrine announced by President McKinley in what I believe was the last speech he ever made; and the principle announced by President McKinley was exactly the principle which was announced by the present President in his letter, to find a market for our products by exchanging the things which we are prepared to produce. One is almost forced to conclude that some of those who point us to McKinley as a justification of this program are as unfamiliar with the rule announced by McKinley as they are disregarding of the rule announced by President Roosevelt.

President McKinley said:

The end in view is always to be opening up of new markets for the protection of our country, and granting concessions to the products of other lands that we need and cannot ourselves produce, and which do not involve any loss of labor to our own people but tend to increase the employment.

To build up our market by securing those things which we have not which other countries do produce, but not bringing into our market those things of which we have an ample amount or perhaps a surplus, as we have in regard to agriculture. I can readily support that kind of reciprocity.

As I understand the contention of the proponents, especially of the able Secretary of State, Mr. Hull, and his supporters, it is that by building up the foreign purchasing power of nations it enables them to buy our products and our commodities. That by permitting them to sell in our market and we buy of them we increase their purchasing power, and thereby increase their capacity to buy our products. That was the idea advanced by Mr. Wallace in his appearance before the committee 2 years ago. The theory is sound. But the question arises, Mr. President, when we are trying to determine how this is affecting particular products of agriculture, how does the foreigner use this increased purchasing power? Does he use it to purchase the products of the American farm, or is he using it to any extent of any moment whatever in purchasing our commodities? I think I will be able to show, Mr. President, from the records of the Government that if we have succeeded in building up the purchasing power of the foreigner he is not using that purchasing power to any appreciable extent for the purchase of American products, and especially the products of the American farm. He is purchasing those things, as we shall see, which in no sense serves the farmer of this country.

I call attention that in 1933 the agricultural exports of this country increased \$32,000,000. In 1934 they increased \$39,000,000. In 1935 they increased \$14,000,000. In 1936 they decreased \$38,000,000. It must be apparent that the increased imports in the United States of 1935 and 1936 did not help American agriculture in general. It must be apparent that if we did enlarge the purchasing power of these nations that they did not use it to purchase the products of the American farm.

Let us look for a moment at the balance of trade. In 1933 our favorable balance of merchandise trade was \$225,000,000. In 1934 it was \$478,000,000. In 1935 it was \$235,000,000. In 1936 it was \$34,000,000. It will be observed there was a falling off of our favorable balance of trade of \$201,000,000 between 1935 and 1936. This item has been taken notice of by Mr. Wallace and others, and the explanation which has been advanced—I am quoting now:

While the so-called favorable trade balance was off \$201,131,000 from 1935, the position of the United States was bettered through the increased payments of interest on foreign loans—estimated by one authority at more than \$350,000,000—made possible by an increase of \$371,744,000 in imports.

And in an article released in London sometime ago the Secretary said:

\* \* \* The least controversial and most realistic way to state the situation—

With reference to the unfavorable balance of trade—  
is to say that the United States in the year 1936 has probably received over \$350,000,000 more in interest and dividends and

payments on war debts from the outside world than she had paid out to the outside world.

The fact that the balance of trade ran against us \$201,000,000 in a single year was not supporting the theory that as we build up their foreign purchasing power they would increase their purchases here and directly or indirectly our farmers would be benefited. But they were rapidly decreasing their purchases here until we were near zero on the balance of trade.

In other words, while it is conceded that the balance of trade has run against us from \$235,000,000 down to \$34,000,000 it is claimed that that is explained and we are compensated by reason of the fact that there has been a payment of war debts and interest on war debts and private investments to the amount of \$350,000,000 or \$400,000,000. Assuming, for the sake of the argument for just a moment, that that is true, I ask what benefit has American agriculture received from the transaction? If its products have been decreased in value by reason of the imports and foreigners did not purchase in return the products of the American farm, but paid interest and paid on the foreign debt, it would be of very little value to the American farmer.

But that is not what happened. In 1933 we received on war debts \$20,000,000. In 1934 we received \$1,000,000. In 1935 we received \$396,000. In 1936 we received \$396,000. And at the end of 1936 the amount previously due and unpaid on war debts had increased approximately \$1,300,000,000. I presume the \$396,000 is from honest Finland; she declines to repudiate her contract. It is perfectly apparent that this increased purchasing power which had been established in the foreign nations had gone neither to the farmer nor to pay the foreign debt nor the interest upon the foreign debt.

Let us look at the private investments and private debt. Perhaps this increase in purchasing power was applied there. It might have been, but it was not. In 1933 interest paid to American investors holding foreign bonds was \$267,000,000. In 1934 it was \$215,000,000. In 1935 it was \$188,000,000. In 1936 it was \$160,000,000, estimated. Even if the foreign nations had paid interest on these investments, what particular benefit would have inured to agriculture?

So the payments upon the foreign private investments had continued to fall from 1933 to 1936. Is it not apparent that they were not paying interest either upon the public debt or the private debt by reason of the fact that they had gained some advantages in our foreign market? But, Mr. President, I think it can be explained where this increased purchasing power went. The earnings of the American branch factories established by the Fords and the du Ponts and the General Motors in foreign countries—in practically all the countries with which we deal—was \$105,000,000 in 1933, \$200,000,000 in 1934, \$320,000,000 in 1935, and \$400,000,000 in 1936. That is the only place where I have been able to discover that this increased purchasing power might have gone. They might have purchased the General Motors automobiles in South America, or in the Netherlands, or elsewhere, and perhaps did, with their increased purchasing power; or they might have purchased Fords, or the du Pont factories might have been accommodated—and possibly these figures demonstrate the fact that such was the case—but if the foreigners did not, then they did not use their increased purchasing power of any moment in the United States.

It will be instructive if we compare the purchases of our farm commodities and other commodities with the purchases of securities in the United States. We will see that the American farmer is suffering a reduction of his tariff, and possibly of his prices, to furnish money to enable foreigners to buy American securities.

In 1935 foreign nations purchased from the United States agricultural commodities, aside from leaf tobacco and unmanufactured cotton, of a value of \$233,100,000; but they purchased United States securities to the extent of \$1,411,415,000. These nations are unable to find the money with which to pay the debts they owe, but they find the dollars with which to purchase \$1,411,415,000 in 1 year of American securities; and that condition, Mr. President, has ramifica-

tions other than those affecting the question of reciprocal trade agreements and their effect.

Let me go a little further with these figures. Of American farm commodities, including leaf tobacco and unmanufactured cotton, foreign nations in 1935 purchased \$747,700,000 all told, as against \$1,411,415,000 of United States securities.

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

Mr. BORAH. I yield.

Mr. KING. Would it not be fair to state that those investments in American securities during the period alluded to were made by private individuals, and, in part, were due to the troubled if not turbulent conditions in Europe which made those who happened to have funds a little fearful as to the results of the future and apprehensive possibly of the confiscation of their funds and property?

Mr. BORAH. Yes, Mr. President; those securities were undoubtedly purchased by private individuals generally, and so would farm commodities be if they were going to buy them. The increased purchasing power of which we speak is supposed to flow into the pockets of the people and enable them to buy more farm commodities or more merchandise of the United States. That is the theory upon which the program is built. I am only seeking to show that while individuals had money with which to buy securities, they chose to buy securities rather than to buy farm commodities.

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

Mr. BORAH. I yield.

Mr. COPELAND. I do not think the Senator made quite an informative answer to the Senator from Utah [Mr. KING], when he said, in view of the disturbed conditions in Europe and the fear of private investors, that possibly they had sent funds here for investment instead of making use of them at home. Was not that the form of the question?

Mr. BORAH. Possibly that is true. I do not know what actuated them; I only know that the American farmer was left out of the picture; I only know that he has had the agricultural products of foreign nations put into the American market to compete with him, upon the theory that, in turn, they would buy our farm commodities, but that has not happened. I do not myself think there is scare behind these purchases. I think they were buying what they wanted and because they wanted it.

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

Mr. BORAH. I yield.

Mr. HARRISON. Has the Senator the figures to show whether there has been an increase of exports from the United States during the last few years into these countries with which we have trade agreements in comparison with our trade with all the other nations of the world with whom we have no trade agreements?

Mr. BORAH. I have not them all, but I have some which, I think, prove the rule. Take the Netherlands, for instance. The Netherlands purchased of our farm commodities, except manufactured cotton, in 1936, \$7,700,000, but they purchased \$80,469,000 of United States securities.

Mr. HARRISON. I am not debating with the Senator the question of securities. Of course, that has been bothering the Federal Reserve Board and some others in the executive department.

Mr. BORAH. It will bother us more, because it is a very serious matter, as I said a few moments ago.

Mr. HARRISON. It is a serious matter, and it may be that the Senate may vote on a proposal that will stop it at an early day.

Mr. BORAH. One way that I would stop it would be to refuse to permit the American farmer to contribute to it.

Mr. HARRISON. The Senator has made his statement, but the facts show, if the Senator from Idaho will permit me, that with countries with which we have entered into trade agreements in 1934 our exports were \$752,000,000, while in 1936 they were \$864,000,000, a percentage of increase of over 15. With all the other countries of the world with which we have not entered into trade agreements our exports in 1935 were \$1,490,000,000 and in 1936, \$1,559,000,000, showing an increase of only 4 percent. In other words, we

have increased our exports to the countries with which we have entered into reciprocal agreements 15 percent, while we have increased our exports to all other countries only 4 percent.

Mr. BORAH. How much was the purchase of American farm commodities increased?

Mr. HARRISON. Most of the increase, in my opinion, has been in farm commodities.

Mr. BORAH. I think the Senator perhaps is mistaken about that.

Mr. HARRISON. I may be mistaken, but a good part of the increase has been in farm commodities.

Mr. BORAH. Let me give some more figures. I think we entered into one of the reciprocal trade agreements with Switzerland.

Mr. HARRISON. We did.

Mr. BORAH. In 1936 Switzerland purchased \$866,000 worth of farm commodities, except unmanufactured cotton, but she purchased \$167,250,000 worth of the United States securities.

Mr. President, if the honorable chairman of the Committee on Finance will observe, what I am contending for is that the theory which we had in mind and upon which we built this program was that it would result in an increased purchase of farm commodities; but that has not happened, because, as I stated a few moments ago, our export of farm commodities, as compared to the previous year, decreased in 1936, \$38,000,000.

In 1911 the then President of the United States, Mr. Taft, and his supporters, made no concealment of the fact that any reciprocal arrangement would inevitably fall with its heaviest weight upon agriculture, for the reason that it was our agricultural market into which foreign nations so much desired to enter, and about the only thing on which they would trade was agricultural commodities. Certain Republican leaders proposed to trade off the American farmer for the benefit of the manufacturing interests of the East; there was no concealment of the fact; and, while it is contended in the case of the reciprocal trade agreements, that a different result is happening, my observation and my investigation lead me to believe that, whatever the intention was, the same thing is happening in this case and that the great weight is falling upon American agriculture.

Mr. HARRISON. Mr. President, may I ask the Senator what particular agricultural product has been affected by virtue, for example, of the Canadian agreement to which he is now particularly referring? Does the Senator think the price of cattle has been affected by the 156,000 head permitted to come in from Canada?

Mr. BORAH. I heard the Senator say yesterday that not enough came in to make any difference; but if not enough came in to hurt the American farmer, not enough came in to help the Canadian farmer. Why the agreement?

Mr. HARRISON. The Senator does not expect us to get concessions from a foreign country if we cannot give some concessions to that country, does he?

Mr. BORAH. That is what I said a moment ago: that the very nature of the situation makes it impossible to negotiate these trade treaties without putting the great burden upon the American farmer, because agriculture furnishes the commodities as to which we have got to make concessions, and agricultural commodities are the only things other nations will trade on.

Mr. HARRISON. I do not agree with the Senator about that, because, naturally, we have got a great many surpluses in certain agricultural products; it is those surpluses that affect the price of the agricultural products; and if we can find markets for them, it greatly helps the farmer.

Mr. BORAH. Everybody knows that the cattle industry has been in a distressed condition since away back in 1920. Only for short periods has it at any time during the interim been in any degree prosperous. We have had ample cattle to supply the American market. It is true that there were admitted only, as I recall, 156,000 head of cattle from Canada. Was not that the figure?

Mr. HARRISON. Yes; 156,000 head.

Mr. BORAH. But I ask, in all candor, why admit any cattle into the American market when we have a surplus of cattle?

Mr. HARRISON. What is the price of cattle today as compared with the price before we entered into the trade agreement?

Mr. BORAH. The price of everything has gone up, so far as that is concerned; we are not proceeding upon the prices which were created by the depression. I say to the Senator that my personal experience covers one instance, which, I presume, might be multiplied, although perhaps not very many times; but in traveling in the West last summer I met a cattleman who had just shipped his cattle into the Omaha stockyards or Chicago—I do not remember which. He told me that on the day the cattle reached the stockyards there was a very heavy supply of cattle from Canada. Generally speaking, that would not affect the price throughout the United States, but he said it did depress the price in the stockyards at that time, on that day, and he lost a certain amount, the figures of which he gave me. The effect of the lowering of the price in the Omaha stockyards, according to the trader, would be reflected in the Chicago stockyards whether or not Canadian cattle were in that market. In other words, if the price of cattle went down to a certain point in Omaha it would likewise go down in Chicago, regardless of whether or not Canadian cattle were there.

I do not contend that the number of cattle which has been shipped in has of itself had the universal effect of depressing prices; I make no such contention; but I do contend that it is not sound to import anything into the domestic market when there is on hand a surplus which has been produced by American farmers and cattle growers. Whatever effect it has must be adverse to the producers. And if the program is continued as it is now proposed it must work very marked injury.

Mr. HARRISON. I merely suggest to the Senator that the facts revealed to the committee show that the prices had declined on other characters of cattle than those imported from Canada.

Mr. BORAH. Of course, it may be, as the Senator said yesterday, and as I understand he contends today, that the amount was not sufficient to work any permanent or universal injury to the cattle industry. That may be true. But temporary injury must become permanent if the program is permanent.

Mr. NORRIS. Mr. President—

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

Mr. BORAH. I yield.

Mr. NORRIS. I should like to submit to the Senator—and I do it without any information on the subject—that in passing on whether there should be any cattle admitted we should take into consideration what concessions the American Government got when it agreed to let in any cattle.

Mr. BORAH. I agree to that. If the concessions or if the general result had inured to the benefit of the cattle raiser or of the farmer by reason of the fact that he could sell more goods in this country or sell more stock in this country, if the people shipping merchandise found a market in Canada and by reason of that market they had to provide a greater supply of merchandise and therefore increased wages and increased the demand for foodstuffs and that sort of thing, I quite agree that that item should be taken into consideration. But I have undertaken to show, and it is my contention, that it has not resulted in that benefit to the American farmer.

Mr. President, I think I gave some of these figures, but I am not sure that I covered them all. Great Britain in 1936 purchased \$102,400,000 worth of our commodities. She purchased \$225,270,000 in United States securities.

Germany purchased \$7,800,000 worth of farm products. Of course we had not any trade agreement with these nations, I understand, but Germany purchased \$7,800,000 worth of farm products and \$37,269,000 worth of United States securities.

The Netherlands, with whom we have a trade agreement, purchased \$7,700,000 worth of farm commodities and \$80,469,000 worth of United States securities.

Switzerland is another country with which we have a trade agreement. Switzerland purchased \$866,000 worth of farm commodities and \$167,250,000 worth of United States securities.

The grand total of the purchases of farm commodities in the United States in 1936 was \$238,400,000, outside of unmanufactured cotton. The grand total of purchases of United States securities was \$870,244,000.

I now invite attention, Mr. President, to some items with reference to the effect of these trade agreements upon the farm and dairy interests. I first invite attention to some testimony from Mr. Holman. Mr. Holman is the National Cooperative Milk Producers' representative in this city. At page 359 he said:

It is perfectly apparent from the combination of these figures and the analysis of them that certain phases of agriculture are being asked to pay the cost of the trade-agreements program. This is further sustained by the Department of Agriculture's analysis of the trade with Canada, issued on December 28, 1936, in which, for the months running through the month of October, the first 10 months, they show that our imports from Canada of nonagricultural products had increased by \$38,809,000. Our increases of direct agricultural products were \$29,127,000.

Our exports to Canada, for that same period, of nonagricultural products was \$34,435,000, and of agricultural products only \$7,809,000.

I have a letter from one of the large dairy cooperative organizations, in which it is said:

Trade agreements have been made with Canada, the Netherlands, Switzerland, Finland, and France by which import duties on dairy products are affected. Cheese import duties have been substantially lowered and there has been an influx of Canadian cheese during 1936 of around 14 times the quantity that came from them in 1935.

Reports are current that butter may be included in further trade agreements to come under a further lowering of the present duty of 14 cents per pound, and if this should be done, our price level on butter will drop overnight the amount of the lowering of the duty. And if our people are stampeded as they usually are, the price will be depressed several cents more than the duty reduction.

The Department of Agriculture advocates a program of higher prices for farm products and in these trade agreements we see a program set up which has the effect of lowering those same products.

The Dairymen's Cooperative Creamery of Boise Valley manufactures approximately 5,000,000 pounds of butter yearly. If the tariff is lowered 5 cents a pound, this would mean, in all probability, a loss to our members of \$250,000 in a year's time, and assuming that we handle one-half of the butterfat in the Boise Valley, the yearly loss to the valley would be \$500,000, and an immense sum to the whole industry.

We have no objection to a truly reciprocal trade agreement; by that I mean an exchange of products under certain conditions advantageous to both parties, and such products as are not produced in both the contracting countries.

That is stating in another way and not quite so briefly the exact position stated by the President in his letter to the London Conference.

This might be beneficial to the automobile maker or other manufacturers, but it hits the dairymen below the belt.

I ask to have the entire letter placed in the RECORD at the close of my remarks.

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

(See exhibit A.)

Mr. BORAH. I omitted a few moments ago to refer to an article, parts of which have a bearing on this question of the Government using increased-purchasing power to purchase American securities, an article written by Mr. Lindley in the Saturday Evening Post of February 14, 1937. It was a very illuminating article. From the article I quote:

Popular discovery of the growth of a great foreign stake in the United States is menacing to at least two ideas which have been preached sedulously in this country. The first of these is summarized by the assertion that to sell more goods abroad we must buy more goods from abroad. The important place occupied by movements of capital in international transactions exposes that idea as only half true, or, at best, only theoretically and ultimately true. Likewise, if we lend more money to foreigners, we do not necessarily increase our exports, but may only provide foreigners with more dollars to invest in our own

securities. Likewise, also imports of gold and silver may be converted into American investments rather than into purchases of American goods.

Mr. President, I ask that this article also may be inserted in the RECORD at the close of my remarks.

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

(See exhibit B.)

Mr. President, what is the condition of agriculture in the United States today?

In 1929 the income of the American farm was about \$11,500,000,000. It dropped down in 1932 to a point where it was about \$5,500,000,000. It is now back to where it is about \$8,500,000,000 or possibly \$9,000,000,000. It is about three or three and a half billion dollars below where it was in 1929. We know what the condition on the farm was in 1929. We know that farmers were constantly going behind on their income. We know that mortgages were being foreclosed, and that tenancy was spreading, and that the condition upon the farm was such as to call for special attention from Congress and from both the political parties. At this time, nevertheless, we are about three and a half billion dollars behind the point where we were in 1929.

Mr. President, I believe that the American market belongs exclusively to the American farmer to the full extent of his ability to supply it. I know that he is able to supply the American market today; and unless he is given the American market he cannot hope to recover the position where he has any degree of prosperity upon the American farm.

The American farmer must have the cost of production if he is to stay on the farm; and I maintain that that is utterly impossible if he is made to compete even in a limited degree with those agricultural nations which produce for about three-fourths or one-half what it costs the American farmer to produce.

I am not concerned with this particular instance or that particular instance, or the effect of this particular treaty or that particular treaty. I am concerned with the program which proceeds step by step, whether it is in the case of American cattle or babassu oil, to encroach upon the market which belongs to the American farmer. It may be small, but its effect upon him under present circumstances is very great. The competition, which seems to us here of no concern, is of very great concern to the man who ships his cattle into the stockyards; and the very fact that the manufacturer and those concerned in buying raw material as cheaply as they can buy it know that this program is in progress will cause them to purchase their raw material as scantily as possible, until, step by step, the American market is taken possession of, to a limited degree at least, by the foreign producer. Why add a single item of burden to agriculture when it is fighting for existence?

A report which was filed a few days ago shows the following facts:

Counting only the heads of families, which in these groups include many having much more than the average number of children and dependents, the 1935 farm census listed 2,865,155 farms operated by tenants, representing 42.1 percent of the total of 6,812,350 farm operators.

This was a percentage decrease of four-tenths of 1 percent from the 1930 tenancy ratio; but the actual number of farm tenants increased from 2,664,365 in 1930 to 2,865,155 in 1935, the number of operators in 1930 having been 6,288,648. Farm acreage, meanwhile, increased from 986,771,016 to 1,054,515,111.

These figures show, as has been shown by the report made to the President, that there are today on the American farm conditions which it is practically beyond the power of human language to describe.

We may do something for the tenant; we may give him some help; we may relieve his condition; we may loan money to the farmer and relieve his condition; but unless we give him a market at a reasonable price we cannot solve the farm question or the tenant question or the agricultural question. Unless we can find for him a market for his products at a reasonable price, it is impossible to have any permanent result from these remedies which, however humanitarian or desirable they may be, cannot be permanent in their nature.

I repeat, while we have this farm condition, and while we have the American farmer ready and prepared to supply the market, why put him in competition in any respect whatever with the producer of foreign agricultural products? Of course, it is said that that may result in a little cheaper mutton for the cities, or cheaper food products for the cities; but let me say to the gentlemen who represent the great cities and the great manufacturing centers that there is not a better market for them anywhere than a prosperous American agriculture. The American farmer is the best buyer under the flag when he has the means with which to buy; and he has not a thing on his farm today—his granaries, his barns, his fences, his plows—everything but which call for what you have to sell.

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

Mr. BORAH. I yield.

Mr. COPELAND. I have always said of my city that the only time we have prosperity there is when there is prosperity on the farm. The manufactured products of our city are not used in the city. They are sold largely to the farm. Therefore, so far as I am concerned, representing a large urban population, I am in full sympathy with what the Senator has said.

Mr. BORAH. Mr. President, I was looking at the Senator from New York, but I was not singling him out particularly for my remarks. [Laughter.]

Go back, however, to the debates in 1911 and 1912, and it will be found that the great Elihu Root, and other leaders of protection, stood upon the floor here and argued that the time had come when the people would not any longer submit to having duties upon foodstuffs or farm products. When he was asked if people did not also have to wear clothes, and whether he was in favor of having duties upon clothing, he said that that was upon a little different principle. There was no concealment at that time of the fact that what was then proposed was for the purpose of enabling the manufacturers to buy their raw material in a cheaper market; and whether or not that is the design now, it is the result of the transaction.

Mr. LEWIS. Mr. President—

Mr. BORAH. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask the Senator from Idaho, whose exposition of this problem must attract us, whether he contends, or would insist, that the remedy for the evil which he indicates exists is that of a tariff which would prohibit and prevent the shipment into America of any form of agricultural production from foreign countries?

Mr. BORAH. Mr. President, I do not know that I should say that I would be in favor of an embargo upon agricultural products; but, in view of the condition of the American farmer, I think some drastic measures should be taken to protect his market.

I certainly should maintain rigidly a tariff which represents the difference between the cost of production which the farmer in this country sustains and the cost to the farmer of a foreign country. I do not know that I would go so far as to put on an embargo, but I would protect his market. I am a firm believer, especially since I have read these recent reports, in the theory that our agricultural people are passing very rapidly to a state of peasantry. Anybody who will read the report which came in, made up by the committee appointed by the President of the United States, cannot come to any other conclusion than that we have in the midst of the body politic an economic cancer which is eating the very heart out of American life. These American girls and boys on these farms have no place to go. They have no hope and therefore little aspiration. They live from day to day and from year to year and from decade to decade, if they live, utterly without any hope of escaping from the iron economic condition which has been fastened on them.

Mr. LEWIS. Mr. President, does not my eminent friend concede that the administrations, without regard to any party alignments, have been making efforts with the object and professed purpose of relieving the very situation the Senator so aptly describes?

Mr. BORAH. I concede that every effort is being made to find a remedy. So far no effective remedy has been found.

Mr. LEWIS. Has my able friend had time to contemplate what he thinks will be a sufficient remedy?

Mr. BORAH. I am now dealing with the proposition that the basis for any successful rehabilitation of American agriculture is to give over to the American farmer the American market. That is the foundation upon which we must build.

Mr. LEWIS. The able Senator really feels that if we could convert the American market to the uses of the American farmer we would by such act protect him from the difficulties under which he presently labors?

Mr. BORAH. No; I do not contend that. I contend that is a basic consideration; but I know there are other elements which enter into it. I know that the question of interest and the question of commercial loans as applied to the farmer are crushing in their effect. He cannot live under the present commercial system so far as loans and interest are concerned. I know that also, and my opinion is that he cannot live under our present monetary system.

Mr. LEWIS. If I do not misunderstand the Senator, he feels that the remedy lies in a pretty general reform and change in the present methods touching economics generally as to all citizens, particularly as to the farmer?

Mr. BORAH. Yes; I agree with that.

Mr. GEORGE. Mr. President, may I ask the Senator from Idaho a question?

Mr. BORAH. I yield.

Mr. GEORGE. I think the Senator must agree that the basic principle which he asserts must be taken into consideration in forming any sound farm policy, that is to say the American farmer is entitled to the American market if he is able to supply it. Nevertheless, the Senator leaves out of consideration the farmer who produces for export.

Mr. BORAH. I agree with that. The Senator has reference, I suppose, particularly to the cotton industry?

Mr. GEORGE. Yes, Mr. President; cotton is the principal export crop.

Mr. BORAH. I am frank to say that I should be glad to have the Senator suggest what he has in mind. I do not know just what the remedy is with reference to cotton. I know that a number of the great cotton-using nations of the world are turning their attention to other countries for the purchase of their cotton. Great Britain is purchasing from Brazil, and she is also developing in Egypt.

Mr. GEORGE. The Senator is quite right about that, and obviously, if the basic consideration which the Senator lays down is to form the basis of our farm program or policy, the producer of a crop sold 50 percent or more in export must abandon that crop or else he will always be at a very great disadvantage.

Mr. BORAH. I do not concede that anything I have said would affect the cotton market at all.

Mr. GEORGE. I do not know that it would, but what I am trying to say to the Senator is that there are producers of farm products who have an interest in foreign commerce as well as in domestic commerce, and it seems obvious to me that the producer of cotton who sells 50 to 60 percent of his annual production in the foreign market would, upon the basis of the doctrine of American markets for the American farmer, accompanied, of course, by such protective measures as would absolutely give them to him, necessarily deprive the cotton farmer of the full enjoyment of a profitable foreign market. I am not finding fault with the Senator's proposition; I am merely calling his attention to the fact that there are farmers in this country who are dependent both upon the domestic and upon the foreign market, and in that view of it, I think they should not be greatly blamed for looking with favor upon anything which might tend to increase or better the foreign market, provided, of course, it does not destroy the domestic market of other American farmers.

Mr. BORAH. I would join the Senator in any program which would increase the foreign market for the American cotton farmer, and if the present program were working to that end I would not be discussing it now. But let me call attention to the fact that in 1933 cotton exports increased \$53,000,000; in 1934 they decreased \$25,000,000; in 1935 they

increased \$18,000,000; in 1936 they decreased \$30,000,000. It does not seem that this program is having any considerable effect upon the cotton market to its advantage.

Mr. President, there are other matters touching this measure which I hope to have an opportunity to discuss later.

## EXHIBIT A

DAIRYMEN'S CO-OP CREAMERY OF BOISE VALLEY,  
Caldwell, Idaho, February 4, 1937.

HON. WILLIAM E. BORAH,

United States Senate, Washington, D. C.

DEAR SIR: I feel impelled to write you today to apprise you of a grave situation that is confronting the dairy farmers of the Nation. I do this because I know of your genuine interest in the welfare of the farmers and because you are a member of our body of national lawmakers, and closely connected with all foreign affairs.

As manager of the Dairymen's Cooperative Creamery of Boise Valley, a cooperative organization owned and operated by more than 4,000 farmer stockholders for the processing and manufacturing of milk and milk products, I have first-hand knowledge as to how dairymen are affected.

I refer to the so-called reciprocal-trade agreements now in effect between the United States and other countries, and trade agreements that may be entered into. The act authorizing such agreements was signed in 1934 by the President, and unless extended will die June 12 of this year. By the terms of this act, the President is given the power to ratify trade agreements, with the only limitation that he cannot reduce duties more than one-half of existing rates.

Trade agreements have been made with Canada, the Netherlands, Switzerland, Finland, and France, by which import duties on dairy products are affected. Cheese import duties have been substantially lowered and there has been an influx of Canadian cheese during 1936 of around 14 times the quantity that came from them in 1935.

Reports are current that butter may be included in further trade agreements to come under a further lowering of the present duty of 14 cents per pound, and if this should be done, our price level on butter will drop overnight the amount of the lowering of the duty. And if our people are stampeded, as they usually are, the price will be depressed several cents more than the duty reduction.

The Department of Agriculture advocates a program of higher prices for farm products, and in these trade agreements we see a program set up which has the effect of lowering those same products.

The Dairymen's Cooperative Creamery of Boise Valley manufactures approximately 5,000,000 pounds of butter yearly. If the tariff is lowered 5 cents a pound, this would mean, in all probability, a loss to our members of \$250,000 in a year's time, and assuming that we handle one-half of the butterfat in the Boise Valley, the yearly loss to the valley would be \$500,000 and an immense sum to the whole industry.

We have no objection to a truly reciprocal-trade agreement. By that I mean an exchange of products under certain conditions advantageous to both parties, and such products as are not produced in both the contracting countries.

We could well exchange with some coffee-producing country, but when we get dairy products from outside they come into direct competition with one of our own basic industries. This might be beneficial to the automobile maker or other manufacturers, but it hits the dairymen below the belt.

I am aware that the impression that farmers are accepting the idea of reciprocal trade is more or less general, but the farmers are not accepting the idea of using our basic products as trading stock.

I wonder if the actual conditions surrounding this industry are clearly understood by the average Member of Congress, or whether this may be considered as a minor matter, comparatively speaking, and therefore is not receiving the attention we dairymen feel it deserves.

I am sending copies of this letter to the other Idaho congressional delegates, as I have no doubt that the Idaho delegation at times considers jointly the problems that affect the residents of their State.

I will be pleased to have your views on this matter, and if you desire further information as to how we are affected, please advise me and I will try to get it for you.

Very truly yours,

J. R. BROWN, Manager.

JEROME COOPERATIVE CREAMERY,  
Jerome, Idaho, February 12, 1937.

HON. WILLIAM E. BORAH,

United States Senate, Washington, D. C.

DEAR SENATOR: Knowing your interest in affairs affecting the farmers of Idaho, we are enclosing herewith resolutions approved at the twenty-second annual membership meeting of the Jerome Cooperative Creamery, held at Jerome, Idaho, February 9, 1937. For your information, the present membership of this organization includes over 4,000 farmers residing in south central Idaho.

Thanking you for any support you are in a position to give in connection with the program referred to, we are,

Yours very truly,

JEROME COOPERATIVE CREAMERY,  
By ROY D. SMITH, General Manager.

RESOLUTIONS APPROVED BY THE MEMBERSHIP OF THE JEROME COOPERATIVE CREAMERY AT ANNUAL MEETING, FEBRUARY 9, 1937, JEROME, IDAHO

## Resolution 1

Whereas the reciprocal-trade policy of our Federal Government has, through the reduction of tariff protection on certain dairy products, proven harmful to dairy farmers;

Whereas we have reasons to believe that additional reciprocal trade agreements, with further tariff reduction on dairy products, including butter and casein, are being considered;

Whereas we regard this program of reducing the dairy tariff structure as being detrimental to dairy farmers and inconsistent with any governmental program aimed at the achievement of better conditions for dairy farmers: Therefore be it

Resolved, That this association urge that in the consideration of any additional trade agreements no further concessions be made insofar as the tariff structure on dairy products is concerned; be it further

Resolved, That this association request that as soon as possible the tariff duties on dairy products which have been reduced be restored to the provisions as fixed in the Tariff Act of 1930.

## Resolution 2

Whereas the present tax on foreign fats and oils does not adequately protect the dairy industry; and

Whereas such protection is paramount to the success of the industry: Therefore be it

Resolved, That we urge the enactment of additional Federal taxes on all foreign fats and oils which will provide a coordinated tax or tariff structure of at least 5 cents per pound on all foreign fats and oils and an equivalent rate of duty on the seeds or nuts from which these fats and oils are extracted. Where any such foreign fats and oils are now covered by trade agreements, we believe the tax should be made effective upon the expiration date of such trade agreement.

## Resolution 3

Whereas oleomargarine competition continues to be one of the most aggravating problems confronting the dairy industry. During the year of 1936 oleomargarine production increased 10,000,000 pounds over the production during the same period in 1935. This increased production is occasioned in no small degree by cheap materials used by the oleomargarine industry, many of which are of foreign origin, and by the fact that the oleomargarine industry does not bear a share of the State and Federal tax burden commensurate to that being carried by dairy farmers: Therefore be it

Resolved, That the twenty-second annual Jerome Cooperative Creamery membership meeting go on record as favoring the immediate enactment of legislation imposing an additional Federal tax of at least 5 cents per pound on all oleomargarine manufactured and sold in the United States. This association further requests the enactment of Federal legislation which will prevent the shipment of oleomargarine in interstate commerce into States having oleo taxes where such interstate shipments are being utilized by the oleomargarine industry to defeat the taxes imposed upon this product by State legislatures.

## EXHIBIT B

[From the Saturday Evening Post of Feb. 13, 1937]

CAN \$8,000,000,000 STAY NEUTRAL?

By Ernest K. Lindley

For 3 years our bankers and Government officials have watched with growing concern the rise of foreign investments and deposits in the United States to the unprecedented total of between seven and one-half and eight billion dollars. These billions helped to push up the prices of American securities and piled up an embarrassing excess of bank reserves. To guard against the dangers of a speculative inflation, the Federal Reserve authorities have increased reserve requirements, and in late December the Treasury began to neutralize the effect of the continuing inflow on our banking system by sterilizing new gold imports in the currency-stabilization fund. The possibility of a temporary unsettlement of our financial markets and banking system by the sudden withdrawal, in the form of gold, of any substantial amount of these foreign deposits and investments also has caused some concern.

But for 3 years the gravest danger of this huge foreign stake in the United States received no more than the barest of passing attention. That danger is the use that could be made of these foreign investments and deposits in the event of another World War.

This foreign stake is a potential war chest. It is stored-up buying power. In large part, it could be withdrawn in the form of American raw materials and manufactured products. In the event of major wars abroad, some of it almost certainly will be withdrawn in exactly that way, unless the United States adopts effective preventive measures. Up to now, we have taken no such measures except an embargo on the export of actual munitions to nations at war. Except for a limited number of manufactured products under the heading of "arms, ammunition, and implements of war", this foreign stake in the United States is capable of creating for us the kind of war boom which we experienced in 1915 and 1916, and which, if it was not the underlying cause of our entry into the World War, at least created an economic condition which made it extremely difficult for us to remain aloof.

As the outlook in Europe and the Far East has become more ominous, the American people have shown in many ways that they are at present determined to have no part in any war abroad. Congress enacted the Johnson Act, closing the American loan market to nations which have defaulted on their debts to us. It passed temporary neutrality legislation in August 1935 and re-

newed it in amplified form last year. The present neutrality legislation expires on the 1st of May, but certainly will be reenacted in some form. Meanwhile the Senate munitions investigation, under the chairmanship of Senator GERALD P. NYE, had made its intensive study of American policy from 1914 to 1917, and of the circumstances of our entry into the World War.

All this activity has been inspired by a determination to learn and apply the lessons of 1914-17, with the hope of preventing a repetition of the consequences of that period to us.

WAR PROFITS

Underlying all the efforts to remove, in advance, incidental causes of controversy which might imperil our peace has been a growing realization that if we are to remain at peace we must prevent a war boom. Walter Millis, in his Road to War, and the studies of the Nye committee have shown how a swelling tide of prosperity, induced by war orders, swept us in 1914-17 to the point where, when the financial resources of the Allies were exhausted, we could no longer have remained aloof without precipitating a depression at home. The basic importance of preventing a war boom is recognized even by those who hold that in the event of a general war in Europe it will be impossible for us to remain neutral in fact—they bolster this view largely by the argument that our manufacturers, merchants, and farmers will not be able to resist the opportunities to make money. Certainly, if general wars occur, pressures at home are likely to make difficult the maintenance of self-denying legislation. These pressures may be manageable if we can prevent the growth of a boom based on war trade. But if we allow our productive system to be geared up to supply an export market suddenly expanded by the demands for goods from belligerent nations, certainly the difficulty of preserving our neutrality during a prolonged war will be greatly increased.

The main purpose, probably, of the ban on credits and loans to belligerent nations is to prevent the growth of such a war boom. This purpose is also inherent in the proposal of Bernard M. Baruch that we limit our sales to belligerents to what they can buy with cash and carry away in their own bottoms. It has been widely assumed that if we don't extend credits or loans, belligerent nations will be unable to obtain the dollars with which to buy large quantities of our products in wartime. This assumption has been encouraged, perhaps unintentionally, by the pleas of certain nations that they were unable to make payments on their war debts to us. It has been encouraged, too, by constant emphasis on the fact that the United States is now a creditor nation, whereas in 1914-17 it was a debtor nation. In 1914 several billion dollars of foreign investments in this country, with only a small offset in American investments abroad, were the evidence of our indebtedness to the world. The sale of a large part of these foreign investments in the United States was one of the main sources of the foreign purchasing power which produced the war boom of 1915-17. The transfer of gold to the United States was a second major source. Loans and credits were the third—but it is often forgotten that most of the private loans and credits extended to the Allies before our entry into the war were based upon collateral, and a large part of this collateral consisted of foreign-owned American securities. Thus the foreign stake in the United States, or as much of it as could be commanded by the Allies, was used in two ways to build up our war boom: By selling American securities and using the dollar proceeds to buy our goods, and by posting them as collateral for loans which, in turn, were used to buy our goods.

THE DANGER OF ANOTHER WAR BOOM

Now we are a net creditor Nation. If the war debts are counted, our claims on foreign nations substantially exceed foreign claims on the United States. To what extent, if any, we are a net creditor nation if war debts are excluded depends largely on how some of our dubious foreign assets are valued. But our net position is not of primary importance in considering our vulnerability to a war boom. For foreign investors and depositors enjoy the right to withdraw their investments and deposits, when they wish, in gold or goods. We do not enjoy the same privilege with respect to many of our holdings abroad. We would be likely to lose the privilege in a few of the countries where we still enjoy it, if they went to war, and our investors might not exercise the privilege even if they had it. In short, foreign nationals or their governments can convert their stake in the United States into goods and present us with a war boom without expecting, under existing law, any substantial offsets or retaliations, such as by the withdrawal of American investments abroad.

Although we are a net creditor Nation, we are also a debtor Nation to a greater extent, probably, than ever before in our history. Our extreme vulnerability to a war boom is indicated by the fact that foreign investments and deposits in the United States are now from three to three and one-half billion dollars greater than they were estimated to be at the outset of the World War. The December 1936 issue of the Federal Reserve Bulletin estimated the size of this foreign stake in the United States at from six to six and one-half billion dollars in long-term investments, of which, perhaps, two-thirds are readily marketable stocks and bonds, plus nearly one and one-half billion dollars in short-term balances, as of September 30, or a grand total of from seven and one-half to eight billion dollars. The commonly used estimate of the extent of foreign investments in the United States in 1914 is \$4,500,000,000. The part of this smaller sum which was under the control of the Allies was quite ample, in conjunction with loans and gold shipments, to create for us a full-sized war boom.

During the World War, about half of all foreign investments in the United States passed into the hands of American owners. The

foreign stake accordingly was reduced to a low point of approximately two and one-quarter billion dollars. Much of the undisturbed balance was owned in nations which had remained neutral during the World War, or was in the form of real estate and other tangible properties owned in belligerent nations, although the British retained until the end, and were allowed to take home, a large bloc of American securities that they had posted as collateral for loans.

During the post-war period, foreign funds again flowed into this country in large amounts. In effect, a substantial part of the dollar exchange which we made available to foreigners by our lavish lending during the post-war decade was used by them to buy American securities. During the early depression years, both American-owned and foreign-owned capital flowed out of this country. But, with the devaluation of the dollar and its return to a modified gold-bullion standard in January 1934, the flow of capital again headed into the United States.

THE FOREIGN STAKE IN THE UNITED STATES

Until now, except for a short period while we were in the World War, we have never tried to keep an accurate check on the movement of investment funds in and out of our country. At the end of 1935 the Department of Commerce took a census of foreign investments in the United States. Although it had to rely on estimates for some items, its conclusion that foreign long-term investments here totaled more than \$5,000,000,000 is probably the most reliable available figure. Beginning January 1935, the Treasury Department has tried to keep full statistics of capital movements between the United States and foreign countries and of purchases and sales of foreign exchange in the United States. By combining the Department of Commerce and Treasury data and making allowance for rises in the value of securities, the Federal Reserve Bulletin achieved its estimate that as of September 30, 1936, foreign long-term capital in the United States totaled between six and six and one-half billion dollars, apart from approximately one and one-half billions in short-term capital. The heavy inflow of short-term capital was attributable in part to successive financial and political crises in the former gold-bloc countries. Only a few degrees removed, of course, are the main reasons why foreign money has sought haven in the United States during the last 3 years—fears of wars or civil disturbances abroad, combined with the prospect of making a profit here.

The Department of Commerce census separated long-term investments in the United States at the end of 1935 into the following categories:

	[In millions of dollars]	
Common stocks (market value).....		2, 015
Preferred stock (par value).....		329
Bonds (par value).....		607
Direct investments (book value).....		1, 045
Other investments (various bases of value).....		1, 039
<b>Total</b> .....		<b>5, 035</b>

The foregoing table does not include the already liquid, short-term balances, which amounted to almost one and one-half billion dollars on September 30, 1936. Money of this type shifts easily. Short-term balances in this country, on the outbreak of another war, might be either substantially larger or smaller than they are now. In the quick movements in international finance which would occur on the outbreak of war they might be partly canceled by the withdrawal of some of the short-term balances we have abroad. These amounted to more than \$800,000,000 on September 30, 1936.

Direct investments, as totaled in the table, are for the year 1934, but the figures from the Treasury indicate that only about \$24,000,000 in new foreign capital was added to direct investments during 1935.

More important than the aggregate figures is the geographical distribution of the ownership of these investments and deposits. With respect to long-term investments at the end of 1935 the Department of Commerce found this to be as follows:

	[In millions of dollars]					
	Direct invest- ments	Common stocks	Preferred stocks	Bonds	Other invest- ments	Total
Canada.....	322	408	66	49	161	1, 006
Great Britain.....	362	372	146	91	403	1, 374
France.....	14	142	19	53	54	282
Netherlands.....	249	196	13	220	106	784
Switzerland.....	13	214	32	65	75	399
Other Europe.....	62	350	80	87	123	652
Latin America.....	5	19	3	8	8	43
Other countries.....	18	314	20	34	109	495

Almost 70 percent of long-term investments of all types were owned in European nations. Great Britain alone owned more than 27 percent. Great Britain and Canada together owned more than 47 percent. Great Britain, Canada, and France, combined, owned almost 53 percent. Judging from past experience, the ultimate ownership of many investments made via other nations is likely to lie, or to be controlled, in Great Britain. Even without allowance for that, a war which found the British Commonwealth of Nations and France fighting on the same side would find them in possession of half of the foreign stake in the United States. A large part of the balance rests in the hands of friendly

powers or neutrals where British and French finance are influential.

#### THE BRITISH LION'S SHARE

We imported more than \$225,000,000 in new British capital during the first 9 months of 1936. With the rise in security values, Great Britain's direct claims on us may now aggregate in the neighborhood of \$2,000,000,000. Canadian claims probably have risen to one and one-half billion dollars or more. By mobilizing the investments of her nationals and those of her allies and economic affiliates, Great Britain might be able to muster a grand total of \$5,000,000,000 or more in claims on the United States—more, incidentally, than our claim on Great Britain on account of her war debt to us, and probably more than the total of our private claims on Great Britain. By selling to residents of the United States some of her choice investments in Canada, Argentina, and other countries at a discreet distance from the theater of war, Great Britain probably could add a few billion dollars more to the total sum of American dollars on which she could put her hands.

#### ECONOMIC SUCTION

A mere two or three billion dollars, used rapidly for the purchase of American supplies, would be enough to give us a good size war boom. That much or more is readily available to the British Government in bank balances and easily marketable American securities.

During that portion of the World War in which we were a neutral, our exports to the four great Allies—Great Britain, France, Russia, and Italy—were worth approximately \$7,000,000,000.

If general war breaks out again in Europe the economic suction applicable to us through the conversion of foreign savings in this country into purchasing power would be fully as great as that applied to us in 1914-17. To an even greater degree than then, this suction is likely to come from one direction, Great Britain.

During the World War, the British treasury mobilized, from among British investors, approximately \$1,423,000,000 worth of American securities. It sold about two-thirds of these in the United States and used the remainder as collateral. In addition, it mobilized and sent to the United States, as security for loans, several hundred million dollars' worth of Canadian, West Indian, Egyptian, New Zealand, South African, and South American bonds, followed finally by some British railway and municipal bonds. But even when Great Britain was fighting for its very existence, it conserved as best it could its great international investment fund which represents its commercial empire.

During the Nye investigation, the late Henry P. Davison, Morgan partner, was quoted as having told the Federal Reserve Board, as late as November 1916 that he thought the British were holding back from \$500,000,000 to \$800,000,000 in first-class American securities. That was near the peak of the Allied financial crisis. After the war the British took home a huge bloc of securities which they had deposited in this country as collateral for private loans, including some \$350,000,000 in American securities. Yet they sold what they needed to sell to obtain our goods. During the first three-quarters of 1916 the sale of American securities in the United States through J. P. Morgan & Co. provided more than one-third of the revenue used to buy war supplies from us.

Modern war requires the full mobilization of a nation's resources at home and abroad. If another general war comes, nations will commandeer the foreign investments of their nationals. Recently Germany and Italy have shown the extreme devices to which governments can resort when they are in imperative need of foreign exchange. There are devious ways by which particular investments may escape detection or commandeering, but the great bulk of the foreign investments of any nation strong enough to remain united in war can be mobilized and used to such purposes as its government deems useful and other nations will permit.

Popular discovery of the growth of a great foreign stake in the United States is menacing to at least two ideas which have been preached sedulously in this country. The first of these is summarized by the assertion that to sell more goods abroad we must buy more goods from abroad. The important place occupied by movements of capital in international transactions exposes that idea as only half true, or, at best, only theoretically and ultimately true. Likewise, if we lend more money to foreigners, we do not necessarily increase our exports, but may only provide foreigners with more dollars to invest in our own securities. Likewise, also, imports of gold and silver may be converted into American investments rather than into purchases of American goods.

The second major conception that is disrupted is that some of our war debtors have been unable to make payments because they have been unable to obtain dollar exchange. Of particular nations that is true, but of others it obviously is not, since their citizens have been able to obtain dollars in ample amount for investments—investments which, in turn, can be commandeered in wartime by their governments and used to buy American goods.

#### A STITCH IN TIME

This train of thought may suggest that it also would be possible for the Government of the United States to seize control of investments which belligerent nations have in this country, to assure that they are not used in any way inimical to our own interests. In the event of major wars abroad, the sterilization of some of these foreign funds in the United States might suggest itself as sensible. We could afford to let them be withdrawn in gold, of which we have a troublesome surplus.

To permit them to be withdrawn in valuable American materials and manufactured products would demonstrate again our cele-

brated capacity for quixotic generosity mixed with immovable determination to get our fingers burned.

Our present neutrality legislation contains nothing designed to cope with the dangers of a war boom inherent in foreign investments and deposits in this country. Nothing suggested during the congressional hearings and debates on neutrality legislation would touch them except a general embargo on exports or Secretary Hull's proposal that exports to belligerents of materials used in war be limited to normal peacetime quantities. Either would be difficult to administer. A general embargo would so disrupt our own economy as to be unenforceable, in all probability. Secretary Hull's normal-trade formula aroused vigorous resistance when the administration attempted to apply it by moral suasion during the Ethiopian crisis.

Congress apparently thought that it was striking at the root of the dangers of a war boom and of economic alliance with belligerent nations by a ban on credits and loans. But the Nye committee threw a bright light on the chain of economic causes and consequences in 1914-17.

#### THE LESSON OF 1914

As early as October 1914, by a verbal approval quietly conveyed to interested bankers, President Wilson exempted credits from the ban on loans to belligerents laid down in August by Secretary of State Bryan. By the summer of 1915 we were enjoying a thriving and growing export trade, but it was evident that it could not be maintained much longer unless loans were extended. The choice was between lending money to our customers and precipitating a domestic depression. The administration removed the ban on loans. Loans were made, the Allies sent us more gold and more American securities, and in 1916 our prosperity zoomed.

To strengthen his hands in negotiating with the British concerning interference with our mails and our trade with neutral nations, Congress gave the President the power of embargo. But he could not use it without hurting ourselves as well as our best customers.

When the Allies reached the end of their ability to borrow private funds, we entered the war and financed their purchases, as well as most of our own enormous war needs, with Government credit.

Whatever view one may hold of the specific causes of our entry into the World War, economic suction drew us toward the Allies. In another war the United States might consider it to be its national interest to profit as much as it can and while it can from exports, even if that trade is largely or exclusively with one side in the conflict. But it should not start along that road without the realization that a halt is likely to be difficult, if not impossible, and without recognizing that an economic alliance behind the lines is likely to be only the prelude to an alliance on the battlefield.

Without effective control over the use of foreign investments in the United States in wartime, we may rapidly lose the chance to make a cool choice. The ban on loans and credits, desirable as it is, would not be effective, because several possible belligerents already have a large supply of dollars in the form of American securities and bank balances.

A war boom started by cash buying would be no less difficult to handle than one started with loans. It might easily brush aside our present noble determination that it shan't happen to us again.

Mr. HARRISON. Mr. President, it is evident that we cannot finish the consideration of the joint resolution this afternoon. Several Senators have inquired of me whether there will be a vote today. I assume there will not be a vote this afternoon, but it is hoped that before adjournment today some kind of an agreement can be entered into which may limit discussion on the joint resolution and amendments to 10 or 15 or 20 minutes for each Senator.

Mr. HARRISON subsequently said: Mr. President, I ask unanimous consent that on tomorrow, February 25, 1937, beginning at 3 o'clock p. m., no Senator shall speak more than once nor longer than 30 minutes on the joint resolution and 15 minutes on any amendment that may be offered.

The PRESIDING OFFICER (Mr. HUGHES in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. DAVIS. Mr. President, I believe in reciprocal-trade agreements if and when they are the product of the considered judgment of the representatives of American labor, agriculture, and industry, worked out openly by students of domestic and foreign trade whose first loyalty is to our own people, brought to action without damage to our domestic markets, and affording opportunity for an interchange of commodities which can be produced elsewhere to a better advantage for us than in our own borders.

Mr. President, House Joint Resolution 96 provides for a 3-year extension in the life of the so-called Reciprocal Trade Agreements Act enacted June 12, 1934, and which will expire on June 12 of this year. This act goes much further even than tariff revision, in that it permits agreements with foreign countries that Congress will not, for a series of years, exer-

cise its right to revise what the President does. It goes still further in that it permits revision of the revenue laws, excise taxes, and so forth, and apparently permits agreements with foreign countries that Congress will not, for a series of years, exercise its right to impose excise or other taxes, for revenue or other purposes, or to revise excise and other taxes now on the statute books. Furthermore, the act does not provide for "reciprocity" in the generally accepted meaning of that term.

The act of 1934, which it is proposed by House Joint Resolution 96 to extend for 3 years, provides that any rate of duty may be increased or decreased by not to exceed 50 percent of the rates in the Tariff Act of 1930. It is significant that in the dozen or more agreements already entered into there have been no increases in rates. In other words, the whole program has been a general downward revision of all rates. An analysis of the progress to date shows 448 reductions in rates of duty, as follows:

	Reductions
On agricultural products.....	99
On fibers and textiles.....	56
On chemicals, oils, paints, etc.....	58
On earthenware, earthenware, and glassware.....	36
On metals and manufactures.....	116
On wood and manufactures, including paper and books.....	24
On sundry miscellaneous products.....	58
<b>Total.....</b>	<b>448</b>

Mr. President, in order not to be unfair, it should be added that in a few cases, where the countries dealt with were the principal suppliers, duties were not reduced but bound against increase. Thus, while 448 reductions were being made, 49 items were bound against increase; but many of these were duplicates. When duplicates are eliminated, it appears that only 28 rates of duty were left without reductions but with an agreement made that present rates would not be increased. Furthermore, while trading with these countries, 78 different items on the free list were bound with agreements that Congress would not place duties upon them.

So the result of the so-called reciprocal-trade agreements thus far has been to make 448 reductions in rates of duty, to bind 28 rates of duty against increase, and to bind 78 items on the free list. It seems clear to me that in no case was there an increase in rate of duty; and Congress not only has delegated this authority to revise the tariff generally downward but apparently has delegated authority to agree that in the future Congress will not change any of these rates.

WHAT IS THE BASIS FOR THE REDUCTIONS MADE?

Mr. President, apparently it is the opinion of the President and the distinguished Secretary of State that rates of duty in the Tariff Acts of 1922 and 1930 were too high. Let us go back and examine past experience. For 150 years we have been trying to raise the standards of living of American workmen and farmers. One important way has been to shut out cheap labor and cheap goods, whether made by workers in factories or by farmers. It is not necessary here to review the first 100 years—1775 to 1875. Let us look at the record since 1875.

From 1876 to 1880 the ratio of duties to value of dutiable goods imported averaged 43.77 percent. From 1881 to 1885 the ratio was 43.15 percent; from 1886 to 1890 it was 45.89 percent; from 1891 to 1895 it was 47.39 percent; and from 1896 to 1900 it was 46.65 percent. Thus, for the 25-year period 1876 to 1900 the average ratio of duties to value of dutiable goods imported was 45.37 percent.

Mr. President, we now come to the pre-war period—1900 to 1915. During that 15-year period the average ratio was 43.35 percent. It was slightly lower than for the 25 years 1876-1900 because of reductions in the Underwood Act of 1913.

Rates of duty under the Underwood Act of 1913 continued during the war and until the emergency act of May 27, 1921. Prices during the war period were so abnormal, and trade so disturbed, that rates of duty meant little. So let us look at the rates of duty from 1921 to 1935—the post-war period of 15 years. The average ratio of duties to value of dutiable goods imported for this 15-year period was 41.75 percent.

To summarize, the ratio of duties collected to value of dutiable goods imported—

	Percent
For the 25 years 1876-1900 averaged.....	45.37
For the 15 years 1900-15 averaged.....	43.35
For the 15 years 1921-35 averaged.....	41.75

Mr. President, from this it does not appear that rates of duty on the whole were higher on the average since the war than from 1875 to 1915.

In contrast we find that during the first 11 months of 1936 the average of all rates of duty to values of dutiable imports was down to 38.7 percent. It is perfectly obvious that the whole program, if carried through, is a general reduction; and apparently, when the job is completed, the average will be down to not more than from 20 to 30 percent.

WHAT IS THE TEST AS TO RATE OF DUTY?

Mr. President, a hundred years ago our policy was to impose duties on practically all imports. Revenue, as well as protection to infant industries, was involved. From 1820 to 1830 only 6 percent of our imports were free of duty. By 1875-80 we allowed about 33 1/3 percent of all imports to come in free of duty. This included such items as tea and coffee, silk, bananas, and so forth, which we did not produce. As time went on, the percentage free of duty increased. By 1900-1915 almost 50 percent of our imports were free of duty, and from 1920-35 almost 66 2/3 percent were free of duty.

During that period imports of dutiable goods increased in spite of the tariff. Even though duties averaged from 40 to 45 percent, our imports of dutiable goods increased as follows:

Average annual imports:	Dutiable imports
1901-05.....	\$528,061,000
1906-10.....	712,721,000
1911-15.....	731,887,000
1921-25.....	1,333,816,000
1926-30.....	1,374,740,000

Mr. President, the collapse in imports from 1930 to 1935 was due to the collapse in prices and the general depression, not in any degree to the rates of duty or the tariff. This is easily demonstrated. Here are the figures:

Calendar year	Imports for consumption		Dutiable imports
	Total imports	Imports free of duty	
1929.....	\$4,338,572,000	\$2,880,128,000	\$1,450,444,000
1933.....	1,433,013,000	903,547,000	529,466,000
Decrease.....	2,905,559,000	1,976,581,000	928,978,000
Percent decrease.....	66.9	68.6	63.7

Here we see that the value of imports free of duty declined 68.6 percent between 1929 and 1933. Certainly this was not due to the tariff, but to price decline and the depression. Decrease in value of imports subject to duty was 63.7 percent, or slightly less, and this decline was due to the same causes.

Mr. President, we now have clearly before us the question, What is the test as to rate of duty? Goods which we do not produce, but need, such as tea, coffee, cocoa, silk, rubber, bananas, and so forth, we keep on the free list; goods we can produce as cheaply or more cheaply than can other countries, such as middling cotton, we keep on the free list; but goods produced by cheap foreign labor, or controlled by foreign cartels and monopolies, and which are put into our markets in competition with our own products our tariff laws should protect. We must protect our own market in order to protect our farmers and wage earners.

What is the measure? How much tariff do we need? Each product is a problem by itself. On some items 5 percent or 10 percent is enough to protect our market. Sometimes it is necessary to have 33 1/3 percent to 50 percent. Our test for many years has been the difference between the cost of production in the United States, with our hours much shorter than in most countries, with our wages higher, and so forth, and in the principal competing country.

If wages are low, hours of labor long in a foreign country, and standards of living are correspondingly low, frequently their cost of production is much lower than in this country.

They can enter our markets and either force our wages down and lengthen our hours of labor in an effort to meet the foreign competition or force our people out of employment.

Mr. President, the Tariff Act of 1922 carried a provision that if any citizen thought the rates of duty too high or too low, he might appeal to the Tariff Commission to make an investigation, and there was provided a way to raise or lower the rate of duty according to the facts. Hundreds of investigations were made and many rates of duty were either raised or lowered. This was a truly scientific way to check our tariff. In 1930, when Congress reviewed the entire tariff, again provision was made for necessary investigations and changes in rates to fit new conditions or changes in costs here or abroad. The purpose was to protect the American market for the American farmers and factory workmen.

What do we get under the so-called Reciprocal Trade Agreements Act of 1934? No tests as to foreign costs, wages, hours, or other items; no check against lower standards of living in other countries, or longer hours, or lower wages; no check on foreign cartels and monopolies. Unemployment is still with us; we shall see our wage earners increasingly losing their jobs as imports increase, or see them forced to work longer hours or accept lower wages in order to meet the foreign competition; and we shall see our farmers forced to accept lower prices for their products in order to hold the home market against an ever-increasing flood of imports.

Mr. President, already the movement has begun. With only a few trade agreements in effect, our imports in 1936 increased over 1935 from \$2,038,905,000 to \$2,421,056,000, an increase of \$382,151,000, or 18.7 percent.

We were told that our exports would increase even more because of concessions other countries would grant to us and because others would buy from us if they could sell to us. But what has happened? Our exports increased between 1935 and 1936 from \$2,243,081,000 to \$2,416,477,000, an increase of only \$173,396,000, or only 7.7 percent. So our imports increased more than twice as much as our exports. Evidently we are giving most of the concessions and getting little in return.

It has been said that if we did not import, we could not export—the foreigners could not buy our surplus farm products or our factory products. But it now appears that foreigners are shipping us not only more goods, but gold and silver, and instead of buying from us, they are buying our stocks and bonds and investing their surplus in this country. The plan has already failed. Why extend it another 3 years?

#### ESTABLISHMENT OF NEW INDUSTRIES

Mr. President, for more than a hundred years we have been building up our standards of living—raising wages, shortening hours, building better and more efficient factories, fostering inventions and new discoveries, and above all encouraging new industries so as to give profitable employment to our ever-increasing population. We have been building the policy of "the American markets for our own American farmers and factory workers." Now, under the new policy, we are opening up the American market for the low-cost goods from foreign lands and not even getting equivalent concessions from them in return. Last year imports increased \$382,151,000 over 1935, while exports increased only \$173,396,000 over 1935. Thus imports increased over \$200,000,000 more than exports.

Much of the increase in exports which we did make was to help Europe prepare for war. What if Europe should declare a "5-year peace program"? Much of our exports to them would disappear and our imports from them, under this trade program, would increase by leaps and bounds.

Lower wages, longer hours, increasing unemployment, lower prices for our farmers, these would be some of the penalties we would pay. We would be forced to defend ourselves against low foreign wages, long hours, low living standards, low price levels, foreign cartels, monopolies, and so forth.

Mr. President, is it not highly significant that evidently great care has been taken not to negotiate agreements as

yet with countries which ordinarily would ship large quantities of manufactured goods to us, which at the same time have low production costs, low wage rates, long working hours, and so forth, such as Japan, the United Kingdom, Germany, Italy, and others?

In 1931, according to the list of countries furnished by the Assistant Secretary of State, the Honorable Francis Sayre, our dutiable imports were valued at \$709,199,000. Dutiable imports from Belgium, Brazil, the Netherlands, Sweden, and Switzerland combined amounted to only \$76,171,000, or less than 11 percent of the value of all dutiable imports. Most of the imports from Cuba consisted of sugar, which does not compete with American factories and organized labor. Most of the imports from France are made up of luxuries such as wines, perfumes, and so forth. Most of the imports from Canada are lumber, pulp, pulpwood, paper, and so forth.

Dutiable imports from the United Kingdom alone amounted to \$66,113,000 in 1931, or about equal to those from the five countries noted above. Dutiable imports from Germany amounted to \$84,093,000, or more than those from the five trade-agreement countries combined. Italy and Japan sent us dutiable imports valued at \$78,843,000, or more than those from the five countries combined.

Mr. President, have agreements with United Kingdom, Germany, Japan, been delayed to quiet the fears of organized labor? Will trade agreements now be negotiated when a new 3-year extension is granted and the election is over? When these industrialized countries have completed their preparedness programs and the products of millions of soldiers and other millions of factory workers are offered for sale in our markets after our tariff has been reduced to a nonprotective basis, what will be the reaction of our wage earners, organized and unorganized?

#### CAN WE NOT AGREE ON SOME CONCESSIONS BY THE ADMINISTRATION?

Mr. President, if the administration is determined to go forward with this program for another 3 years under House Joint Resolution 96, will it not grant some concessions to our own people?

First. Will it not agree to examine the difference in cost of production between this country and the country with which it is negotiating? Will it not at least check wage levels, hours of employment, standards of living, and other items?

Second. Will it not at least agree not to negotiate with those who are in default or refuse to pay their debts to us?

Third. Will it not agree to limit the concessions to the one country with which it is dealing?

Fourth. Will it not agree to leave out further reductions in our internal taxes and promises to foreign countries that such foreign countries shall henceforth decide for us what taxes we shall impose?

Fifth. Will it not agree to submit agreements, when made, to Congress or at least to the Senate for study for a 30-day period before they are made effective, thus giving the representatives of the people a chance to suggest errors or changes?

Sixth. Will it not make public the terms of the agreement it has tentatively entered into and give the American citizens a 30-day chance to study them and file suggestions? American farmers, manufacturers, and laborers should have at least a chance to study the proposals and a chance to make suggestions.

Seventh. Will it not at least make public all of our economic transactions with each country, not just merchandise exports and imports, but also exports and imports of gold and silver, capital transactions, invisible items such as shipping, insurance, tourists' expenditures, and status of war debts?

Eighth. If the administration will make no concessions except to the foreigners with whom it is negotiating and is determined to go through with a complete general revision downward of every item in the Tariff Act and thus reverse the 100-year policy of this country, should not Congress write into House Joint Resolution 96 as a reservation an escape clause claiming the right to cancel all these agreements whenever it gets a mandate from the people,

without being put in the position of breaking what are in fact treaties with all foreign countries?

Mr. President, I desire now to refresh the memory of the distinguished chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON], with reference to the long fight in the Congress and the great service he rendered to the country in passing restrictive and selective immigration laws in the years 1921 to 1924.

As Secretary of Labor for 10 years and responsible for the administration of our immigration laws, I know the demands that certain countries are constantly making to increase their quotas of immigrants, and especially the demand that has been and is now being made to extend the quota limitation law to the oriental and barred-zone countries. My experience as administrator of our immigration laws prompts me to inquire whether the delegated powers now exercised by the State Department relating to tariff agreements and treaties will be assumed in the future by this Department to apply to immigration laws as well? Will the proposed legislation be used to set aside our immigration laws? Will foreign countries use it as an entering wedge to barter away our rights of protection in the now barred zones of China, Japan, and India? Will the proposed legislation carry with it further commitments of delegated power in fields not now under our consideration?

With American machinery and the products of our heavy-goods industries moving into Europe and Asia with increasing economic force, what further invasion of our protective rights may we not soon expect? In the neighborhood where I was born in South Wales a \$40,000,000 strip mill is now being erected. I am told that its product can be made at such low cost that it can be produced there and sold here so as to compete successfully with our domestic market under our present tariff schedules. With foreign labor abundant, wages low, hours long, and with our tariff protection falling, the prospect of work for those who are now unemployed in America under the proposed legislation is far from bright.

Mr. President, we must keep in mind that the American market has a buying power equal to that of all of Europe and, in light of that fact, we are called upon to determine how much of our market we wish to share with the rest of the world and upon what terms.

Many plans are being launched today to increase our foreign trade, which is now and has been but a very small fraction of our total trade. All of us are interested in foreign trade. It is important. Complete isolation is certainly impractical. We should do business with every country in the world that has something to sell without detriment to our own producers. In other words, that which we cannot produce we should buy from others, and others in turn should buy from us the things they cannot as satisfactorily produce as we can.

Mr. President, we have no assurance that the reduction of our tariff as accomplished during the last 3 years will result in increased business advantages to our own country, for the savings thus secured to others may often be used for their trade elsewhere rather than with us. Personally, I should want to make a close inspection of imports to ascertain the number of factories which we shall be forced to close down if we give a part of our own productive trade to foreign competitors.

This afternoon I listened with great interest to the distinguished Senator from Idaho [Mr. BORAH]. I fully agree with the following statement which he made in the course of his remarks:

I believe that the American market belongs exclusively to the American farmer to the full extent of his ability to supply, and I know he is able to supply the American market today.

I, too, Mr. President, believe that the American market belongs to American labor and American industry to the full extent of their ability to supply it.

Mr. WALSH. Mr. President, I send to the desk a telegram bearing on the subject under discussion which I ask to have read.

The PRESIDING OFFICER. Without objection the clerk will read, as requested.

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The legislative clerk read the telegram as follows:

BOSTON, Mass., February 24, 1937.

HON. DAVID I. WALSH,

Senate Office Building:

Boston Chamber of Commerce respectfully urges your support of bill extending reciprocal trade-agreement program. Feel plan already of definite benefit to New England business and important factor in increasing trade at port of Boston. Believe proposed 3-year extension desirable for fully testing worth of program.

IRVING T. SORGE,

Chairman, Committee on Foreign Trade,  
Boston Chamber of Commerce.

#### EXECUTIVE SESSION

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

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

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of George Keller, of Iowa, to be State administrator for Iowa in the Works Progress Administration.

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

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Alfred P. Murrah, of Oklahoma, to be United States district judge, eastern, northern, and western districts of Oklahoma, to fill an existing vacancy.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in order the nominations on the calendar.

#### DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Sam E. Whitaker, of Tennessee, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

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

The PRESIDING OFFICER. Without objection, it is so ordered. That completes the Executive Calendar.

#### RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 25, 1937, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate February 24, 1937*

#### WORKS PROGRESS ADMINISTRATION

A. P. Morgan, Jr., of Alabama, to be State administrator in the Works Progress Administration for Alabama, vice Thad Holt, resigned.

James H. Crutcher, of Louisiana, to be State administrator in the Works Progress Administration for Louisiana.

#### APPOINTMENTS IN THE REGULAR ARMY

##### MEDICAL CORPS

*To be first lieutenants with rank from date of appointment*

First Lt. Nicholas Fred Atria, Medical Corps Reserve.

First Lt. Joseph Rich, Medical Corps Reserve.

## MEDICAL ADMINISTRATIVE CORPS

*To be second lieutenants with rank from date of appointment*  
Second Lt. Glenn Keith Smith, Infantry Reserve.  
Howard Brim Nelson, of Utah.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY  
TO QUARTERMASTER CORPS

Maj. Hugh Bryan Hester, Field Artillery, with rank from November 1, 1935.  
Capt. Albert Newton Stubblebine, Jr., Field Artillery, with rank from August 1, 1935.

## PROMOTIONS IN THE REGULAR ARMY

*To be colonel*

Lt. Col. Thomas Jefferson Johnson, Quartermaster Corps, from February 16, 1937.

*To be lieutenant colonel*

Maj. Daniel Allman Connor, Field Artillery, from February 16, 1937.

*To be major*

Capt. Oliver Stevenson Ferson, Air Corps (temporary major, Air Corps), from February 16, 1937.

## MEDICAL CORPS

*To be colonels*

Lt. Col. Harley James Hallett, Medical Corps, from March 2, 1937.  
Lt. Col. Sanford Williams French, Medical Corps, from March 4, 1937.  
Lt. Col. Thomas Joseph Flynn, Medical Corps, from March 5, 1937.  
Lt. Col. William Denton, Medical Corps, from March 12, 1937.  
Lt. Col. John Joseph Reddy, Medical Corps, from March 15, 1937.  
Lt. Col. Lloyd Ambrose Kefauver, Medical Corps, from March 17, 1937.  
Lt. Col. John Roy McKnight, Medical Corps, from March 19, 1937.

*To be lieutenant colonels*

Maj. Edward Augustus Coates, Jr., Medical Corps, from March 1, 1937, subject to examination required by law.  
Maj. Leroy Taylor Howard, Medical Corps, from March 3, 1937.  
Maj. James Albertus Bethea, Medical Corps, from March 4, 1937.  
Maj. Asa Margrave Lehman, Medical Corps, from March 5, 1937.  
Maj. Thomas Lee Gore, Medical Corps, from March 7, 1937.  
Maj. Oramel Henry Stanley, Medical Corps, from March 8, 1937.  
Maj. Sewell Munson Corbett, Medical Corps, from March 9, 1937.  
Maj. Samuel Reily Norris, Medical Corps, from March 11, 1937.  
Maj. Benjamin Norris, Medical Corps, from March 12, 1937.

*To be majors*

Capt. Emery Ernest Alling, Medical Corps, from March 1, 1937.  
Capt. John Allison Worrell, Medical Corps, from March 15, 1937.

*To be captains*

First Lt. Claude Cordray Dodson, Medical Corps, from December 7, 1936.  
First Lt. William Darrell Willis, Medical Corps, from December 7, 1936.  
First Lt. James Emile Graham, Medical Corps, from March 1, 1937.  
First Lt. Jay Franchel Gamel, Medical Corps, from March 1, 1937.  
First Lt. Aubrey L. Jennings, Medical Corps, from March 7, 1937.

## VETERINARY CORPS

*To be lieutenant colonels*

Maj. Allen Chamberlain Wight, Veterinary Corps, from March 24, 1937.  
Maj. Elwood Luke Nye, Veterinary Corps, from March 24, 1937.

## CHAPLAIN

*To be chaplain with the rank of lieutenant colonel*

Chaplain (Maj.) Nathaniel Alexander Jones, United States Army, from March 23, 1937.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate February 24, 1937*

## ASSISTANT ATTORNEY GENERAL

Sam E. Whitaker to be Assistant Attorney General of the United States.

## POSTMASTERS

## ILLINOIS

Leslie B. Paddock, Barrington.  
Emanuel J. Shafranski, Lemont.

## MICHIGAN

Vernon E. Johnstone, Chesaning.

## MISSOURI

Arvel F. Collins, Kirksville.

## NORTH DAKOTA

Ella E. Morin, Neche.

## WYOMING

Ella K. Peck, Saratoga.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 24, 1937

The House met at 12 o'clock noon.

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

Thou Almighty One, changeless from age to age, on Thee we build our faith. We can trust Thee in darkness and in the light, for ourselves and all whom we love, for time and eternity. Our Father, enable us to accept what cannot be avoided and sustain us with the peace of God, the higher calm and the eternal poise. Do Thou enrich us with Thy grace; it ripens to sweetness and joy; it softens prejudice and weakens bigotry and makes more beautiful this world home of ours. Blessed Lord, be Thou the comforter of any who may be suffering from undue care and anxiety; be with those of our Members who are ill. We beseech Thee to penetrate the shadows and give promise of health and strength. Merciful Father, draw very near our beloved Speaker and the Congress. In our Savior's name. Amen.

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

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 212. Joint resolution to amend the act entitled "An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes", approved August 29, 1935.

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

S. J. Res. 84. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days.

The message also announced that the Senate had passed the following resolution on February 23, 1937:

Senate Resolution 85

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. JAMES P. BUCHANAN, late a Representative from the State of Texas.

*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.

*Resolved*, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

COMMITTEE TO ATTEND FUNERAL OF THE LATE JAMES P. BUCHANAN

The SPEAKER. Pursuant to the provisions of House Resolution 128 and the special order agreed to on yesterday, the Chair did appoint the following Members of the House to attend the funeral of the late James P. Buchanan: MESSRS. CANNON of Missouri, JOHNSON of Texas, LUDLOW, KLEBERG, THOMASON of Texas, WEST, RABAUT, POAGE, TREADWAY, and TABER.

PUBLIC WORKS ADMINISTRATION

Mr. COCHRAN. Mr. Speaker, I offer a privileged report on House Resolution 121 for immediate consideration.

The Clerk read as follows:

House Resolution 121

*Resolved*, That the Secretary of the Interior is hereby requested to furnish the House the following information:

(1) A list of non-Federal projects pending in the Federal Emergency Administration of Public Works, which have been approved by said Administration but for which allocations have not been made because of lack of funds available to such Administration for such projects, such list to indicate as to each project (a) its location; (b) its type; (c) its estimated cost; (d) the amount of loan requested; (e) the amount of grant requested.

(2) A list of non-Federal projects pending in the Federal Emergency Administration of Public Works, which have not yet been finally disapproved by said Administration, such list to indicate as to each project (a) its location; (b) its type; (c) its estimated cost; (d) the amount of loan requested; (e) the amount of grant requested.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the report may be read. It is very brief.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question.

I understand that these P. W. A. proposals were submitted to the Members of Congress and that we had that information.

Mr. COCHRAN. The information, I may say to the gentleman from Pennsylvania, is in my office and will be in the office of the Committee on Expenditures, where any Member of Congress can see it. There is, therefore, no reason for the adoption of the resolution.

Mr. RICH. That is what I understand, that the gentleman has the information, and that it can be obtained in his office.

Mr. COCHRAN. I am going to move to lay the resolution on the table if the gentleman will give me the opportunity.

Mr. RICH. If this information were printed, would the cost come out of P. W. A. funds or Interior Department funds?

Mr. COCHRAN. It would come out of funds of the Congress.

Mr. RICH. I appreciate that, but where are we going to get the funds?

Mr. COCHRAN. The gentleman is a member of the Committee on Printing. It cannot be printed, under the rules, unless the gentleman's committee authorizes it to be printed.

Mr. RICH. If the gentleman has the information in his office, I can promise him that its printing will not be authorized.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that the report be read?

There was no objection.

The Clerk read as follows:

[H. Rept. No. 295, 75th Cong., 1st sess.]

DIRECTING THE SECRETARY OF THE INTERIOR TO FURNISH THE HOUSE OF REPRESENTATIVES WITH A CERTAIN REPORT

Mr. COCHRAN, from the Committee on Expenditures in the Executive Departments submitted the following adverse report (to accompany H. Res. 121):

The Committee on Expenditures in the Executive Departments to whom was referred the resolution (H. Res. 121) requesting the Secretary of the Interior to furnish certain information relative to non-Federal projects pending before the Federal Emergency Administration of Public Works which have been approved by said Administration but for which allocations have not been made because of lack of funds, to the House of Representatives, having considered the same, report thereon with the recommendation that it do not pass.

The Federal Emergency Administrator of Public Works has submitted to the Committee on Expenditures in the Executive Departments the information desired in the resolution and it is on file in the office of the committee, room 304, House Office Building, where it can be seen by anyone interested.

The letter received from the Federal Emergency Relief Administrator of Public Works which accompanied the report follows:

FEDERAL EMERGENCY ADMINISTRATOR OF PUBLIC WORKS,

Washington, February 23, 1937.

HON. JOHN J. COCHRAN,

House of Representatives.

MY DEAR MR. COCHRAN: In the absence of Administrator Ickes, I have your letter of February 18.

In response to your request, I am enclosing for the information of your committee the material which would be furnished to the House of Representatives in the event that House Resolution No. 121, introduced by Mr. BEITER, of New York, were acted upon favorably.

Sincerely yours,

HORATIO B. HACKETT,  
Assistant Administrator.

Mr. COCHRAN. Mr. Speaker, the resolution speaks for itself. I move to lay the resolution on the table.

Mr. MAPES. Mr. Speaker, will the gentleman yield for a question?

Mr. COCHRAN. I yield for a question only.

Mr. MAPES. Inasmuch as this information has been prepared by the Department and furnished to the gentleman's committee, what would be the objection to transmitting it to the House so that every Member could have the benefit of it?

Mr. COCHRAN. That would require that the report be printed. The Committee on Expenditures does not desire the report printed. It therefore can be printed only as a document, by the introduction of a resolution referred to the Committee on Printing, reported, and passed by the House.

Mr. MAPES. But if the gentleman's committee should make a favorable report upon this resolution it would be passed by the House; that action would authorize the printing of the information.

Mr. COCHRAN. The committee does not feel justified in expending the amount of money necessary to print this report.

Mr. MAPES. How much would it cost to print it?

Mr. COCHRAN. I am not a judge of that; the Committee on Printing can decide that; offhand I would say at least a thousand dollars.

Mr. MAPES. Certainly we do a lot more printing that is a great deal more expensive for things which are of very much less importance.

Mr. COCHRAN. It is a matter over which I have no control.

Mr. Speaker, I move to lay the resolution on the table.

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

The SPEAKER (after counting). One hundred and thirty-five Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Aleshire	Ditter	Lanham	Schulte
Allen, Del.	Englebright	May	Shannon
Bernard	Ford, Miss.	Meeks	Snell
Buckley, N. Y.	Gasque	Mosier, Ohio	Stubbs
Burdick	Goldsborough	Mouton	Sweeney
Chapman	Hancock, N. C.	Nichols	Tolan
Cluett	Higgins	Norton	Towey
Crowe	Jenks, N. H.	Parsons	Wolcott
Dies	Johnson, Minn.	Rogers, Okla.	
Dingell	Knutson	Romjue	

The SPEAKER. Three hundred and ninety-three Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

Mr. COCHRAN. Mr. Speaker, for the moment I withdraw my motion in order to make a brief explanation for the benefit of Members who were not on the floor prior to the roll call.

Mr. TABER. Will the gentleman yield for a question?

Mr. COCHRAN. I will yield to the gentleman in just a moment.

Mr. Speaker, by direction of the Committee on Expenditures, I called up a privileged resolution introduced by the gentleman from New York [Mr. BEITER], which requested certain information from the Public Works Administration relative to pending projects. The Public Works Administration has supplied the Committee on Expenditures with the desired information. The committee therefore directed me to make an adverse report, which I have presented.

This information is in possession of the committee, and any Member who desires to see it may see it at any time.

I now yield to the gentleman from New York for a question only.

Mr. TABER. Do I understand this information is available so that any Member may see it?

Mr. COCHRAN. Any Member of Congress or citizen may see it.

Mr. Speaker, I move to lay the resolution on the table.

The motion was agreed to, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I have not been permitted to speak on this resolution; therefore I ask unanimous consent to extend my remarks in the RECORD at this point on my own resolution.

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

Mr. COCHRAN. Mr. Speaker, reserving the right to object, the gentleman does not intend to include the report from the P. W. A., copy of which I gave him?

Mr. BEITER. No.

Mr. COCHRAN. I refer specifically to the report made by the Public Works Administrator?

Mr. BEITER. No.

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

There was no objection.

Mr. BEITER. Mr. Speaker, I have a resolution now before us requesting the Secretary of the Interior to furnish the House with a list of non-Federal projects pending in the Federal Emergency Administration of Public Works which have been approved by said Administration and for which no allocations have been made because of lack of funds. The resolution would also authorize the Secretary to furnish a list of non-Federal projects now pending before the Federal Emergency Administration of Public Works which have not been finally acted upon by said Administration.

From conversations I have had with various Members of the House, it is clear that the intent and purposes of the resolution are not fully understood, and I take this opportunity, with your kind permission, to explain my reasons for presenting the resolution at this time.

I have previously introduced in the House a bill to extend the authority of the Federal Emergency Administration of Public Works for 2 years from June 30, 1937, and to authorize an appropriation of \$300,000,000 to be used in allocating funds for projects already approved by the Public Works Administration and for which no funds are now available. This list of approved projects totals 2,940 and represents the efforts of various municipalities throughout the country to restore purchasing power through the construction of useful public works and the encouragement of long-range planning in the field of public works.

Many of these municipalities have gone to great expense to draft plans for these projects, and in most cases referendums have been held and the voters have agreed to share the cost of the construction. The projects have been re-

viewed and approved by the engineering, finance, economics, statistics, and legal divisions of the Public Works Administration, and the municipalities have been led to believe that allocations will be forthcoming in the form of loans and grants to cover the cost of the work. Allotments for work are made on the basis of social benefit, economic feasibility, and financial, legal, and engineering soundness. To deny the municipalities who have approved projects pending an opportunity to benefit from the public-works program would result in unduly burdening the communities involved with debt or causing them to abandon altogether their long-range public-works programs of development.

Requests for a break-down by States of the projects included in this list of 2,940 have been coming in such frequency at the Public Works Administration offices that it is not always possible to furnish the information when desired. These requests usually include an inquiry regarding the nature and type of project, the amount of loan and grant, and the status of same, as well as the estimated cost. Time and expense are involved in furnishing detailed information of this character.

The list of pending non-Federal projects which have not yet been finally acted upon by the Public Works Administration totals 1,754, bringing the total of projects in both lists to 4,694. Every State in the Union is represented in this list, and I dare say every Member of this House is interested in one or more of the projects included therein. It is safe to assume that every congressional district in the United States has a project of some kind included in that list, whether it be a waterworks development, a sewer project, municipal power plant, hospital building, school addition, highway construction, bridge construction, or projects for the transmission of electrical energy.

I have proposed that a complete list of the projects pending be submitted to the House, but I am not going to press for action on this resolution but will submit today another one authorizing the printing of 5,000 copies of the list of pending non-Federal P. W. A. projects which have been approved or which have not yet been finally disapproved by the Federal Emergency Administration of Public Works. My purpose in doing this is to provide each Member of the House and Senate and others interested with a copy of the list, since I believe this information to be of widespread interest not only to the Congress but to the public bodies, municipalities, school districts, drainage districts, and others who have been induced to undertake construction of useful works. Certainly it will prove helpful to every Member of the Congress who is called upon to furnish information concerning the status of pending projects to the applying municipalities in his district.

I hope that each Member of this House will join with me in asking for favorable action on this resolution so that full information regarding this important matter may be made available not only to us but to those in our congressional districts who have a vital interest in the public-works program.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WILCOX. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of business on the Speaker's table, I may be permitted to address the House for 25 minutes.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, there are two Members on this side who would like to speak tomorrow. We have withheld asking unanimous consent because we thought an appropriation bill was coming up for consideration and general debate would be in order. May I ask the majority leader what the program is for tomorrow?

Mr. RAYBURN. On yesterday, after the death of our colleague the chairman of the Appropriations Committee, the members of the Subcommittee on Naval Appropriations felt that they did not care to go ahead tomorrow. Therefore there is nothing on the program for tomorrow, and I have accordingly suggested to several gentlemen who have spoken

to me about getting time to speak that they submit a unanimous-consent request to address the House tomorrow.

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

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal, the disposition of matters on the Speaker's table, and the previous order heretofore made, I may be permitted to address the House for 30 minutes.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal, the disposition of matters on the Speaker's table, and previous orders heretofore entered, the gentleman from Michigan [Mr. HOFFMAN] may be permitted to address the House for 25 minutes.

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

There was no objection.

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal, the disposition of matters on the Speaker's table, and the previous orders heretofore entered, I may be permitted to address the House for 20 minutes.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal, the disposition of matters on the Speaker's table, and previous orders heretofore made, the gentleman from Minnesota [Mr. KNUTSON] may be permitted to address the House for 15 minutes.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reference to the subject of an interstate sales tax.

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

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a speech delivered by myself over the radio.

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

There was no objection.

#### FOOD, DRUGS, AND COSMETICS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

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

There was no objection.

Mrs. O'DAY. Mr. Speaker, I am getting a great many inquiries from women all over the country asking what action Congress is taking in protecting consumers of drugs, food, and cosmetics. They call my attention to the necessity for action on the drugs and food bill, because of the harm that is being done by the misleading and fraudulent advertisements of patent medicines during the last influenza epidemic. In spite of the fact the United States Public Health Service has so widely advertised that there are no preventives for flu and that preventive medicine or cures should not be depended upon, many people who are easily fooled have depended on such so-called cures until it was too late for medical care to save them.

The Federal Government at present has no way of preventing these misleading advertisements. A food and drugs bill was brought in about 3½ years ago, but no action has been taken on it, and the women of the country have asked me to bring this matter to the attention of the House. [Applause.]

#### EXTENSION OF REMARKS

Mr. REILLY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an editorial written by Charles E. Broughton, editor of the Sheboygan Press, one of the leading papers of Wisconsin, on the President's program.

Mr. RICH. Mr. Speaker, I shall have to object to that request.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and after the previous unanimous-consent requests have been finished, I may be permitted to address the House for 20 minutes.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on tomorrow, after the other speeches have been concluded, I may be permitted to address the House for 25 minutes.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert a short reference to George Washington, prepared by myself.

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

There was no objection.

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting in the Appendix thereof an address delivered by Mr. Harllee Branch, the Second Assistant Postmaster General, before the Transportation Club.

Mr. WADSWORTH. Mr. Speaker, reserving the right to object, is this by the Second Assistant Postmaster General?

Mr. HAINES. Yes; it is not a political address. It is a speech delivered before the Transportation Club in the city of Washington.

Mr. WADSWORTH. I have no doubt it is excellent; but, Mr. Speaker, I object.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

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

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio speech delivered by me.

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

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech which I delivered recently.

The SPEAKER. Is there objection?

There was no objection.

#### THE RECORD

Mr. BOYLAN of New York. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOYLAN of New York. Mr. Speaker, I take this occasion to say a few words to the House in connection with the objections raised here to printing certain matter in the RECORD. Sometime, several years ago, I made a campaign about this matter and considerable debate was had and a more liberal spirit existed in regard to inserting matters in the

RECORD. Lately, during this session, there appears to be a reversal of opinion relative to this practice. I have always felt, and I feel now, that the House has taken the part of the subservient member of the legislative body of this great country. We are apparently suffering from an inferiority complex; we are worrying about the cost of printing matters in the RECORD; and yet, what do we find? We permit ourselves to labor under a delusion, because if a matter is offered here and objection is made by some one of the great watchdogs of the Treasury, immediately the Member whose request is refused hies himself to another part of the Capitol and presents the matter to another Member of Congress; and, lo and behold, what was refused here is permitted over there, and the next day we see it in the RECORD. I cannot understand why the House takes this attitude. I would heartily agree if the same methods were pursued at the other end of the Capitol; but if we are going to be the small boys of the Congress, resting under the lash of the big brothers on the other end, naturally that is a matter for us to consider.

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

Mr. BOYLAN of New York. Yes.

Mr. RICH. I may say for the information of my colleague that at the last meeting of the Joint Committee on Printing the Senators made the statement to the Members of the House that they were going to try, if possible, to keep the RECORD a record of the proceedings of the House and Senate, and they were going to do all within their power to eliminate from the RECORD all the articles published by individuals outside, so that one would know that it is a record of the actual proceedings of the House and Senate which it is supposed to be. And I feel sure they will try their best to do so.

Mr. BOYLAN of New York. Oh, that is the old story. I have heard that for years, yet they go on merrily printing editorials and magazine articles and every conceivable kind of manuscript, and yet here when we request that an address which has been delivered by some official of the Government be inserted in the RECORD we are denied that right. When are we going to wake up?

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

Mr. BOYLAN of New York. Yes.

Mr. RICH. Was the gentleman ever denied the privilege of putting anything in the RECORD that he would like to, so far as his being a Member of the House of Representatives is concerned?

Mr. BOYLAN of New York. Yes.

Mr. RICH. Then the man who denied the gentleman that privilege ought to be shot. [Laughter.]

Mr. BOYLAN of New York. I agree with the gentleman.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN of New York. Yes.

Mr. O'CONNOR of New York. The gentleman from Pennsylvania [Mr. RICH], a distinguished member of the Joint Committee on Printing, could work this out readily, if he would, by getting the Senators on that committee to object in the Senate to the insertion in the RECORD of any matter which has been refused insertion in the House.

Mr. RICH. I will say to the gentleman from New York we tried to get them to do that, and I think we are going to get some real action on that point from the Senators, and I am in hopes that they will ask every Member of Congress if he tried to have it inserted in the RECORD in the House; and if he gives the Senator an affirmative reply, then the Senator should have the courage to say "no"; I will not have it inserted in the Senate if you have been refused permission in the House of Representatives.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BOYLAN of New York. Mr. Speaker, I ask unanimous consent to proceed for 2 or 3 minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for 2 or 3 minutes. Is there objection?

There was no objection.

Mr. BOYLAN of New York. The gentleman has hopes that something will be accomplished, but I have no hope, because I have been watching this thing now for about 15 years. We hear the same old story. Always somebody springs up here and says, "Oh, we have to keep down the cost of printing", yet the other body keeps right on piling it up. When are we going to get away from this inferiority complex? Are we not of equal importance with another branch of the Congress, or are we willing to be considered the small boy, the subservient member of the family, always yielding to the elder one, letting him do as he wishes, while we do as we are told? Let us have it either one way or the other; let all the matter go in here that is requested, the same as in the Senate, or cut it all out. I would be in favor of limiting matter in the RECORD, if it is the will of the House or the Senate, to matters actually spoken of and discussed on the floor; but if we are going to inject extraneous matter, let us do it as well as the other body.

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

Mr. BOYLAN of New York. Yes.

Mr. RICH. Would two wrongs make a right?

Mr. BOYLAN of New York. Oh, the gentleman gets up here and shouts, "Where are you going to get the money?"

Mr. RICH. And the gentleman has never found anyone on his side of the House who can answer it, nor on this side as well.

Mr. KELLER. I did.

Mr. BOYLAN of New York. I never heard the gentleman answer his own question.

Mr. RICH. I am unable to answer it; the question is a great one.

The SPEAKER. The gentleman from New York has consumed 2½ minutes.

Mr. BOYLAN of New York. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

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

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN of New York. I yield.

Mr. WHITE of Idaho. Has the gentleman in mind the amount of money that printing and binding costs the Government?

Mr. BOYLAN of New York. I do not think the Appropriations Committee has ever objected to the cost of printing the RECORD.

Mr. WHITE of Idaho. I find that the departments are spending millions, but we deny ourselves the right to get a reflection of public sentiment in this country as evidenced in editorials and other such expressions. I think it will be found valuable 50 years from now to know what influenced the Congress in the formation of Government policy. I think it is appropriate and very valuable that such matters should go into the RECORD.

Mr. BOYLAN of New York. There is no question about it; I agree with the gentleman entirely. [Applause.]

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. RICH. Mr. Speaker, I call the attention of the distinguished gentleman from New York [Mr. BOYLAN] to Government expenses; now I refer to the statement of the condition of the United States Treasury issued by Mr. Morgenthau on February 19, which I hold in my hand, showing the national deficit to be \$34,550,781,583.15. The statement also shows that on that date the receipts were less than the expenditures by \$15,449,540; that is about the average daily loss. Total expenditures this year over receipts has been \$2,002,576,248.72.

I wish the gentleman from New York, or somebody on his side of the House, would tell us where we are going to get

the money. It is high time Congress does economize. [Applause.]

[Here the gavel fell.]

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the first committee.

Mr. CHANDLER (when the Committee on the Judiciary was called). Mr. Speaker, by direction of the Committee on the Judiciary, I call up the bill (H. R. 137) to amend section 64 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The Clerk read as follows:

*Be it enacted, etc.*, That subdivision 5 of paragraph (b) of section 64 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, be, and is hereby, amended to read as follows:

"(5) wages due to workmen, clerks, traveling or city salesmen on salary or commission basis, whole or part time, or servants, which have earned within 3 months before the date of the commencement of proceedings, not to exceed \$600 to each claimant.

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. This bill is on the House Calendar. The gentleman's request is not necessary. The gentleman is recognized.

Mr. CHANDLER. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I introduced this bill in the previous Congress. It passed the House by unanimous consent.

Mr. Speaker, this is merely a clarifying amendment. Some referees in bankruptcy permit a traveling salesman to make claims as wages for commissions that are owed him; other referees in bankruptcy do not. It is to give the traveling salesman the same right as that enjoyed by every other employee of a corporation or partnership that goes into bankruptcy that this amendment is offered. That is all the bill does. I am sure all agree the salesman working on a commission should be recognized the same as any other employee in bankruptcy proceedings.

Mr. Speaker, I yield back the balance of my time.

Mr. CHANDLER. Mr. Speaker, I yield back the balance of my time.

Mr. MICHENER. Mr. Speaker, I would like to be heard on the bill.

The SPEAKER. The gentleman from Michigan is recognized.

Mr. MICHENER. Mr. Speaker, I think everybody who understands this bill is for it. I do not think there should be any opposition to it. The bill merely takes care of the commission man—the wage earner working on a commission—as it takes care of the man working on a salary.

The necessity for this bill was brought about during the depression when practically all traveling salesmen were laid off. Their employers could not hire them longer on a salary basis, but said to them they could continue to sell on a commission basis. Such a man went out on his own resources; he had no guaranty. It might happen that, while he was working, his employer went into bankruptcy. This man then found himself in a position different than he would be in had he been working on a salary. The pending bill gives him the status of a salaried employee—a wage earner. I hope everybody will support the bill.

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

Mr. MICHENER. I yield.

Mr. CRAWFORD. Why is the amount limited to \$600?

Mr. MICHENER. To bring the commission man under this bill he has to be treated as the ordinary wage earner. If the gentleman is familiar with the bankruptcy law he will appreciate the situation. It is reasonable protection.

Mr. CRAWFORD. In many lines of industry a man working on commission may in a day sell goods to keep his customers going from 3 to 6 months. In that one day his earn-

ings may be \$1,500 or \$2,000, but he may not earn any more for 6 months.

Mr. MICHENER. The purpose of this section of the bankruptcy law is the protection of wage earners in a reasonable wage. It must be remembered that under the original bankruptcy law a wage earner was declared to be a person who earned not more than \$1,200 a year. This is a very fair provision.

[Here the gavel fell.]

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

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

ESTABLISHMENT OF A TERM OF UNITED STATES DISTRICT COURT AT ORLANDO, FLA.

Mr. WALTER. Mr. Speaker, by direction of the Committee on the Judiciary, I call up the bill (H. R. 2905) to amend an act entitled "An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.", approved June 15, 1933, and ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act entitled "An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.", approved June 15, 1933, be, and the same is hereby, amended by adding at the end thereof the following proviso, to wit: "Provided further, That nothing in this act shall be construed to prevent the construction of quarters for the officers of said court and appropriate courtrooms for the holding of the sessions of said court in any new Federal building which may be constructed in Orlando, Fla."

With the following committee amendment:

On page 2, line 1, strike out "construction" and insert in lieu thereof "provision."

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

There was no objection.

Mr. WALTER. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Speaker, the bill now before the House is not a bill I introduced, but in view of the fact I was the author of the original bill establishing the United States court at Orlando, my colleague the gentleman from Florida [Mr. HENDRICKS] asked me to make a brief explanation of the purposes of this bill.

The act establishing a term of court at Orlando provided that the city of Orlando should supply to the United States Government, without cost, the quarters within which to hold court. Since that time the Federal Government has determined upon the possibility of constructing a new Federal building in that city.

The present bill simply provides that in event the Federal Government does build a new Federal building in the city of Orlando nothing in the act establishing this term of court down there shall be construed as preventing the Government from making provision for a courtroom in its new building. In other words, unless and until the Government decides to build and does actually construct a new Federal building, the old arrangement will continue. The city of Orlando will continue to furnish a courtroom and quarters for the officials of the court.

Mr. Speaker, this bill does not request the expenditure of any additional sum of money, nor does it require the Government to go to additional expense; but in event the Government does build a new building it will include quarters for a court in such new building as may be constructed.

Unless there is objection to the passage of this bill or there are questions that may be pertinent, I believe that is about the only explanation that I care to offer at this time. If there are any questions as to the propriety of the bill, I shall be glad to answer any question which any Member may wish to ask.

Mr. MICHENER. Will the gentleman yield?

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

Mr. MICHENER. The gentleman used very adroit language when he said the "possibility of the construction" of a building had been determined upon. I think that is true to an extent. The possibility of construction has been determined upon, but the actual construction has not been determined upon. For my part, I want it distinctly understood—and I think this is the feeling of the committee—when we passed the bill in the last Congress it was understood there would be no expense attaching to the United States Government, and that court would be held in quarters provided by the city of Orlando. The gentleman from Florida [Mr. Wilcox] has just stated that this measure would not involve the expenditure of an additional penny.

Here is what this will do: If a post-office building is constructed, additional quarters will be required for the holding of court, and this will include not only a courtroom but a complete set-up in the way of floor space for a marshal's office, a clerk's office, and so forth, and that will cost additional money. If court is held, quarters must be provided. The next thing that will follow will be the appointment of a United States marshal at Orlando, and following that a clerk will be appointed for Orlando. This bill should not be passed with the understanding it is not going to involve additional cost, because it is. First the building will cost more, if they are to construct a building there. I want the Procurement Division to take notice of what is stated here today when they are determining upon the possibility of constructing a building down there, and understand that it is not necessary to build this building because of court necessities.

Mr. WILCOX. May I say to the gentleman, in order that he may understand the exact situation which exists, the city of Orlando is located in almost the exact geographic center of the State of Florida. It is a very rapidly developing city and in a rapidly developing section.

The Procurement Division and the Post Office Department have found that the present quarters in the post-office building are inadequate even for the post office itself.

[Here the gavel fell.]

Mr. WALTER. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. WILCOX. Mr. Speaker, in addition to the necessity for enlarged post-office quarters, there are located in the city of Orlando the branches of various Government activities, such, for example, as the collector of internal revenue, the Agricultural Department, and various other agencies of the Government. Those offices are scattered throughout the city in privately owned office buildings, and the rentals paid involve considerable expense to the Government. The Procurement Division, while it has not definitely determined it will build a new building down there, has reached a point in its consideration where it is now preparing plans for a building. In those plans they are providing not only for quarters for the Post Office Department but also providing offices for the Treasury Department, for the collector of internal revenue, the Department of Agriculture, and the various other Government activities. The Procurement Division has suggested in view of the fact they will probably construct a new building in that city in the near future that the Federal Government should house all of its activities in its own building.

Mr. Speaker, the city of Orlando has no desire to welch on this proposition of furnishing quarters. Until a new Federal building is built the city of Orlando is perfectly willing to continue its bargain, even though it may run a hundred years, of supplying quarters for the United States court and the officials thereof. It seems only reasonable, in view of the fact the Government is going to build a building to house the Post Office, the Treasury Department, the Agricultural Department, and other Government activities, that it should include quarters and a courtroom for the United States court. Of course, a building that is big enough to have a courtroom will cost a little more than a building that is not big enough for a courtroom, but may I call attention to the fact this will have to be a two-story building, anyway, because a one-story building would not be sufficient, and the additional cost of constructing a courtroom in this Federal

building, if and when constructed, will not be sufficient to cause us a great deal of anxiety about additional cost.

Mr. MICHENER. How long does the court sit in Orlando each year?

Mr. WILCOX. I believe the court sits there 6 weeks out of the year.

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

Mr. WILCOX. Yes; I yield to my colleague from Florida, who is thoroughly familiar with the facts.

Mr. HENDRICKS. I would like to correct the statement of my colleague the gentleman from Florida. The court sits in Orlando 3 months out of the year.

Mr. MICHENER. I may say to the gentleman from Florida [Mr. Wilcox] that he usually convinces us because he is sincere. I am sure the gentleman will do just what he says he will do, and I am sure Orlando will do what it has stated it will do, if it is in the gentleman's district, and I make no further objection.

Mr. WILCOX. Mr. Speaker, Orlando is not now in my district, but it was at the time of the passage of the original act. It was because of my statement to the House when you passed the original act for me to the effect that the city of Orlando would furnish quarters without cost that I am now taking up the time of the House to make this explanation.

The author of this bill is my colleague the gentleman from Florida [Mr. Hendricks], who now represents the territory in which the city of Orlando is located, and he asked me to make this explanation because of my familiarity with the original act.

Mr. GREEN. If my colleague will yield, is it not a further fact that this court at Orlando serves an unusually large territory and a great number of people?

Mr. WILCOX. It is my understanding, from what my colleague the gentleman from Florida [Mr. Hendricks] has told me, that approximately 35 percent of the business of that division of the southern district of Florida is transacted in this court at Orlando.

The SPEAKER pro tempore (Mr. DRIVER). The question is on the committee amendment.

The committee amendment was agreed to.

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

The SPEAKER pro tempore. Is there any further business from the Committee on the Judiciary?

Mr. WALTER. No, Mr. Speaker.

Mr. MICHENER. Mr. Speaker, this is the Judiciary Committee's day, and the committee instructed its chairman to call up the bill (H. R. 2260) providing for appeals when constitutional questions are raised, which is a part of the President's proposal.

This bill was introduced in the Congress January 8, before the President made any suggestions. It was given thorough consideration by the Committee on the Judiciary and was to be considered on our last Calendar Wednesday day, when suddenly the House was adjourned in the middle of the afternoon. This is our next day, and it is possibly the last day we will get this session. I hope the gentleman from Pennsylvania [Mr. Walter] will call up this bill that the President wants considered. It has the approval of the committee and would have passed the House on last Calendar Wednesday if the majority leader had not adjourned the House.

Mr. WALTER. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The regular order is demanded. The Clerk will call the roll of committees.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MICHENER. Mr. Speaker, where a bill has been reported favorably by a committee, and the chairman of the committee is authorized to call the bill up on Calendar Wednesday, when the chairman absents himself from the floor, and when other members of the committee are present, is it proper for one of the other members to call up the bill?

The SPEAKER pro tempore. The Chair will state to the gentleman that under the rules only the chairman or the

member designated by the committee is authorized to call up a bill.

Mr. MICHENER. I thank the Chair.

The SPEAKER pro tempore. The Clerk will call the roll of committees.

COLLATERAL SECURITY FOR FEDERAL RESERVE NOTES

Mr. STEAGALL (when the Committee on Banking and Currency was called). Mr. Speaker, by direction of the Committee on Banking and Currency, I call up the bill (S. 417) to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve notes.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the second paragraph of section 16 of the Federal Reserve Act, as amended, is amended to read as follows:

"Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates: *Provided, however,* That until June 30, 1939, the Board of Governors of the Federal Reserve System may, should it deem it in the public interest, upon the affirmative vote of not less than a majority of its members, authorize the Federal Reserve banks to offer, and the Federal Reserve agents to accept, as such collateral security, direct obligations of the United States. At the close of business on such date, or sooner should the Board of Governors of the Federal Reserve System so decide, such authorization shall terminate and such obligations of the United States be retired as security for Federal Reserve notes. In no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The said Board of Governors of the Federal Reserve System may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it."

Mr. WOLCOTT rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Michigan rise?

Mr. WOLCOTT. I thought possibly, for the benefit of the House, the gentleman from Alabama [Mr. STEAGALL] would wish to take 5 minutes to explain what the bill is, and that I might take 5 minutes later on in further explanation.

Mr. STEAGALL. Mr. Speaker, on February 27, 1932, the Congress passed an act authorizing the Federal Reserve Board, as it was called at that time, now the Board of Governors of the Federal Reserve System, to permit the use of Government obligations as collateral security for Federal Reserve notes. At that time there were outstanding \$4,497,000,000, in round figures, of Federal Reserve notes, secured by \$2,400,000,000 of gold certificates and only \$900,000,000 of eligible paper. Our supply of gold at that time—our complete stock of gold—amounted, in round figures, to about \$4,000,000,000. Paper covering commercial and agricultural transactions, that made up the eligible securities used by the Federal Reserve banks as collateral for Federal Reserve notes, had dwindled to the amount of \$900,000,000, so that we were maintaining as cover for Federal Reserve notes somewhere above 80 percent in gold, whereas the requirements of the law necessitate the use of only 40 percent of gold as a basis for Federal Reserve notes. There were many reasons for the action that was taken that would require considerable time to explain. Everybody understands that the depression was on, that currency was being hoarded, that banks were failing, and many of them that had not closed were in embarrassment. The act was in the nature of a relief measure. Our

gold position was imperiled, the country at that time being on the gold standard, and there being large foreign balances, and gold, of course, being liable at any time to be withdrawn to a point that would be embarrassing to the Government. In 1933, on the 3d day of March, we passed an act extending the original 1932 act for the period of 1 year, and on March 6, 1934, we passed another extension act for the period of 1 year, with authority conferred on the President to extend for an additional year, and an order was granted by the President providing such extension, so that this authority will expire on the 3d day of March 1937.

At the moment there may not be any overpowering necessity for the continuance of this law, but certain it is that eligible paper in the Federal Reserve banks has dwindled to a vanishing point at this time, such paper in the Federal Reserve banks at this time amounting to what is comparatively speaking the infinitesimal sum of \$4,000,000. So that as a precautionary measure that seems clearly justified by the experience of the years in which we found ourselves in so much difficulty, and in order to safeguard possible unfortunate developments in the future it is desired that this authority be continued as provided in the measure before us for an additional 2 years. In conclusion, I wish to say that the bill was reported favorably by unanimous vote of the Committee on Banking and Currency, and simply continues existing law upon which the Congress has voted directly three times in the past.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last two words. The Republicans on the Banking and Currency Committee did not see fit to contest this bill in the committee for the reason that there is an academic question involved which we thought we might have some time to discuss on the floor, realizing also the futility of trying to defeat a measure merely upon the premise that it is inconsistent with an announced policy on the part of the administration. This bill is, as the chairman has said, and as the Chairman of the Board of Governors of the Federal Reserve Board has said, inflationary in character in that it is for the purpose of offsetting an outflow of gold from the United States, or in any other manner to bolster up the commodity price index by cheapening the purchase power of currency by increasing the volume of Federal Reserve notes. I point that out to show that at the present there is a studied endeavor on the part of the Federal Reserve Board to prevent inflation or an unwarranted, unnatural rise in the commodity price index by raising reserve requirements, thereby stopping the flow of credit which naturally flows from banks to industry and agriculture and business, and it is anticipated that in the near future there will be a rise in the rediscount rates as well as reserve requirements for the same purpose. On the one hand the policy of the Federal Reserve Board is deflationary in that we are blocking up this flow of credit from the banks to industry, agriculture, and business, and on the other hand we are asked to pass this bill which will allow them to expand the currency.

The need for this arises only from the fact that at some time in the future there may be trade balances in favor of foreign countries which will accept gold in settlement of the exchange balances. That is about the only possibility there is that there will be any appreciable depletion of the ten-odd billions of gold which we have stored down in Kentucky. The only possibility, of course, of there being unfavorable trade balances with foreign countries will be due largely to the fact that foreign countries are given encouragement to sell more goods in the United States than we can sell in the foreign countries. This, in turn, brings us around to another academic question concerning the advisability of continuing the policy of the administration concerning reciprocal trade agreements, which I will not discuss. I just want to point out that we should know where we are going with respect to these money matters before we establish a policy.

When once we establish a policy the administration will have no trouble whatsoever in getting the Members on the Republican side of the House to go along with that policy so long as it is sound. One of the reasons why the Republican

side of the House has not been privileged to go along with this administration on these monetary policies is that they are so inconsistent that we do not know which policy they are going to accept at any particular time.

For these reasons we use this bill merely as a sounding board to advise you, who do not know what your monetary policies are, that there is such a gross inconsistency in them that even the members of the majority party have not been able to determine what they are. For this reason we may be excused this once for not contributing to these inconsistencies which are creating so much uncertainty in business and industry throughout the Nation today. [Applause.]

[Here the gavel fell.]

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

Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 15 minutes.

#### GOVERNMENT BONDS AS ELIGIBLE PAPER FOR ISSUANCE CURRENCY

Mr. PATMAN. Mr. Speaker, although I am not in sympathy with the purposes of this bill, I am not opposing it. In the past I have opposed this proposal. Since that time, however, a situation has developed which I believe justifies my vote for the bill. It provides that it shall be effective for only 2 years. If a vote against it would cause a change in the banking system that I believe has caused the only argument in its favor, I would vote that way.

Mr. Speaker, under certain facts and circumstances with which I am acquainted, I am not going to make a speech in opposition to the bill and will vote for it. If this bill provided for a permanent extension, as proposed by a few in authority, I would oppose it in every honorable way that I could oppose it.

#### RIDICULOUS SITUATION

It seems ridiculous to me that the Government should issue a bond drawing 3 percent interest, sell that bond to a bank, then permit the bank to deposit the bond with the Federal Reserve bank and get its face value in new money by paying the rediscount rate of 1½ or 2 percent and continue to get 3 percent on the bond. Then the Federal Reserve bank by paying the cost of the printing, about 27 cents for every \$1,000, may get Federal Reserve notes—new money—on this bond without paying the Government a penny for the use of its credit, which guarantees the money, and will collect from the member bank the rediscount rate of 1½ or 2 percent. Possibly this makes sense to some people, but it does not make sense to me. I am just a new member of the Banking and Currency Committee. Undoubtedly I will learn a lot I do not know, but I am afraid no one will ever be able to explain to me that the Government should pay banks for the use of its own credit.

I am going to take advantage of this opportunity to invite your attention to some very serious inconsistencies in regard to our banking system; that is, what I considered to be inconsistencies.

#### ORIGINAL INTENTIONS OF FEDERAL RESERVE LAW

In the first place, when the Federal Reserve banks were organized back in 1914—I believe the bill providing for their formation was passed 2 days before Christmas in 1913—it was contemplated that people engaged in agriculture, industry, and commerce would make application to their local banks for credit, give their notes for this credit, the notes to be accepted by the bank, and then that the bank, being a member of a Federal Reserve bank, would be permitted to deposit these notes with the Federal Reserve bank and receive currency or Federal Reserve notes in return for the individual notes given by the customers; and then when the customers paid back their money or Federal Reserve notes it would be returned to the Federal Reserve bank. The customer's notes would be returned to the member banks, the money canceled and the notes canceled. It was a beautiful theory. The law has been substantially changed from its original purposes.

This bill carries a substantial change, but only temporary, we hope.

Mr. FOCHT. Mr. Speaker, will the gentleman yield at that point?

Mr. PATMAN. No; I cannot yield.

Mr. FOCHT. But right there the gentleman is dead wrong.

Mr. PATMAN. If the gentleman says I am wrong, I will certainly yield.

Mr. FOCHT. I am certain the gentleman is wrong, because when the bank presents the individual notes to the Federal Reserve bank it must also give collateral, must it not?

Mr. PATMAN. To take an illustrative case, the bank puts up this note of the gentleman's—

Mr. FOCHT. And collateral.

Mr. PATMAN. Well, the note itself is collateral.

Mr. FOCHT. But the bank must put up additional collateral; must put up bonds.

Mr. PATMAN. The bank puts it up with the Federal Reserve.

Mr. FOCHT. And it also puts up bonds along with the notes.

Mr. PATMAN. Then the Federal Reserve bank, not the gentleman's local bank, takes the gentleman's note—we will say it is for \$1,000—and deposits it with the Federal Reserve bank's agent, together with 40 percent gold which the bank has, and in that way the gentleman's bank will obtain from the Federal Reserve bank of his district \$1,000 in currency or Federal Reserve notes.

Mr. FOCHT. The gentleman forgot about that 40 percent gold, did he not?

Mr. PATMAN. The gentleman did not give me a chance to finish. Had he permitted, I would have spoken of it. The gentleman seemed to have the mistaken idea that his bank would put up 40 percent gold with his note to the Federal Reserve bank. I am sorry the gentleman interrupted me, but he said I was wrong. He found out, however, that I was not wrong.

Mr. FOCHT. I beg the gentleman's pardon.

#### BANKS HAVE BECOME COMMERCIAL BOOKKEEPERS AND SPECULATORS IN GOVERNMENT BONDS

Mr. PATMAN. In that way money is acquired from the Federal Reserve banks. That was a beautiful theory, it was very elastic, but in recent years the banks have been getting into a different kind of business. This law that was so good in the beginning had had many so-called perfecting amendments. The banks have been getting into the business of speculating in Government bonds, and in order to make more money for themselves they have been making service charges to their customers. Many of them have become commercial bookkeepers and bond speculators. They have been getting out of the banking business. I am now referring to local banks and not to the 12 Federal Reserve banks.

#### WILL THIS BILL ENCOURAGE BANKS TO STAY OUT OF REAL BANKING FUNCTIONS

The principal objection I have to the pending bill is that it looks to me like an encouragement to the banks to stay in this business rather than to get back into the business for which they were originally formed. According to this bill a bank may put up Government bonds instead of eligible paper such as was originally intended; instead of putting up the paper of agriculturists, the industrialists, or the merchants they just put up Government bonds and get money. This was all right during an emergency and we are not entirely free from an emergency even now.

Let us see what the effect of it is. Today the 14,000 banks of this Nation have approximately eighteen billions in Government securities.

#### ONE HUNDRED AND NINE BANKS REPRESENT 50 PERCENT CAPITAL OF ALL BANKS

There are 109 banks in this country that own 67 percent of all the bonds that all the banks hold. They have 50.1 percent of the capital stock of all 14,120 banks and 56.2 percent of the assets. It occurs to me that this policy has led to a situation where the banks cannot afford to get back into the banking business.

#### CAN BANKS AFFORD TO MAKE LOANS?

I wonder if they want to get back to furnishing industrial loans or loans for commerce and agriculture and make

money easy and create new loans with interest rates increasing, as they will. If the banks were to do that and the interest rates were to increase, which they would, what effect would that have upon their principal asset, the \$18,000,000,000 in Government bonds? These bonds bear an average interest rate of 2.2. This increase in interest rates caused by easier money would cause those bonds to decrease in value.

#### EFFECT OF BOND DECREASE

Let us see what effect that would have upon the 14,120 banks. Although the banks hold \$18,000,000,000 which are invested in Government securities, including \$2,430,000,000 held by the 12 Federal Reserve banks, all the capital stock, surplus, and undivided profits of all the banks in this Nation only aggregate \$7,000,000,000. Therefore the bonds would not have to depreciate a great deal in value until it would wipe out a substantial part of that \$7,000,000,000. It seems to me instead of passing legislation of this kind we should pass a bill that would be more substantial and one which would get to the root of the problem. Obviously we cannot do that now so we will submit to the passage of this one. I am afraid this is in the direction of creating an incentive in the minds of the bankers to stay in this bond-speculating business and not get back into the banking business.

#### WHAT WILL BE OUTCOME?

I confess I do not know what is going to be the outcome. I hope the people in charge have a goal toward which they are steering a straight course, and one that will solve the situation, but it does look very unusual to me that the House and Senate would permit a situation to develop in which the banks could not afford to get out and engage in the banking business for fear it would destroy or depreciate the value of their principal asset, that is, \$18,000,000,000 in Government bonds. If the Social Security reserve fund was large enough to buy the \$18,000,000,000 in bonds held by these banks, the problem would be solved. Then interest would be paid by the Government on the bonds but it would go to our aged people and not to these banks. The bonds would be tax exempt as they are now but no one would object because the Government and the aged would be getting the benefit of such exemption. The banks would have the money now invested in bonds to extend loans to agriculture, commerce, and industry without fearing the depreciation of the value of Government bonds as they are now. This could not be done quickly but could be done gradually. If the Government owned the Federal Reserve banks, they could buy these Government bonds from the 14,120 banks and give them credit for them. Then the Government would not be compelled to pay interest on its own obligations. This could be done gradually, not quickly, without upsetting our banking system.

The Republican leadership has already commenced a campaign to change the Social Security reserve fund. They want the Government to pay interest to the banks instead of paying it to the fund for the aged.

The 109 large banks and the large insurance companies are going to put up a stiff fight to change that reserve-fund requirement in the Social Security law.

Mr. BIERMANN. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. BIERMANN. Can the gentleman tell us how much of these Government securities have been put up by the Federal Reserve banks as security for note issues?

Mr. PATMAN. Only a very small, insignificant amount. I am glad the gentleman mentioned that.

#### ENORMOUS BUSINESS OF 12 FEDERAL RESERVE BANKS

There are 12 Federal Reserve banks, as the gentleman knows. Originally it was intended that all member banks should invest 6 percent of their capital and surplus in capital stock in the Federal Reserve banks; but they have never invested 6 percent. They have only paid in 3 percent; that is all they have been requested to pay, which aggregates only about \$140,000,000. This is stated for information and not in criticism.

With that \$140,000,000 these 12 Federal Reserve banks are doing a business totaling sometimes two or three hun-

dred billion dollars a year. Obviously it is not the small amount that the banks paid in which permitted these 12 Federal Reserve banks to operate on such a large scale. It is the Government credit that permits them to operate on such a large scale.

Here is the way it works. If the 12 Federal Reserve banks buy bonds, they buy the bonds with the Government's own credit. That is what they buy them with. They hold \$2,430,000,000 worth of them already, and instead of canceling the bonds, as should be done when bonds are purchased with the Government's credit, these bonds are held in the vaults of these 12 banks, and the Government continues to pay interest on them as though they had not been bought with the Government's own credit. I have introduced a bill providing that the Government shall take over and operate these 12 Federal Reserve banks since they are operated principally on the Government credit and pay the member banks the \$140,000,000 stock investment they have in them.

#### THREE BIG CONCESSIONS MADE BY HOUSE TO GET FEDERAL DEPOSIT INSURANCE

When this law was passed in 1913, there was contained in it section 16 relating to eligible paper and the issuance of Federal Reserve notes. I hope you gentlemen will get a copy of the hearings held before the committee on February 16 and 18, 1937. I think you will find some interesting information in these hearings. Governor Eccles, of the Board of Governors of the Federal Reserve Board, testified. He was questioned for several hours and I know the Members will get some interesting information from these printed hearings which are available.

When these 12 Federal Reserve banks were organized it was contemplated that after the expenses were paid and a 6-percent dividend paid to the member banks for the amount that was put up as capital stock, the remainder would go into the Treasury of the United States. This surplus or excess earnings went to pay for the franchise, so-called. In other words, it would pay the Government something for the use of its own credit.

May I commend the chairman of the committee for his efforts in the direction of getting a Federal deposit-insurance law passed in 1933. That bill was first sponsored in the House, and it was passed by this House. In order for him to get the bill enacted into law, when it went over to the other body and a different bill passed which forced a conference, he had to make three big concessions. One provided that hereafter the local or individual banks shall not be required to pay interest on demand deposits. Not a penny interest was to be paid on demand deposits; made it a violation of the law to contract for such interest payment. Another was that the Board could regulate the interest paid by local banks on time deposits. The third was that the excess earnings of the 12 Federal Reserve banks would not go into the Treasury as intended, but would go into the surplus of the Federal Reserve banks themselves. Those three great concessions were made.

#### POSSIBLY OVER HALF A BILLION DOLLARS SAVED ANNUALLY

Let me tell you what they amount to. On demand deposits, Governor Eccles' testimony, together with tables I have inserted, will disclose that the 7,000 member banks of the Federal Reserve System, one-half of all banks, have possibly been saving about \$300,000,000 a year since 1933 on that one concession; that is, on demand deposits. They have possibly been saving \$200,000,000 a year on the concession involving time deposits, because the interest rate has been reduced and the excess-earnings law involving the 12 Federal Reserve banks changed so that all profits when made will go into the surplus fund of each bank instead of into the Treasury as part payment for the use of this valuable franchise. I insert herewith a statement prepared for me by the Federal Reserve Board relating to interest payments before the 1933 law and since. I realize that possibly the amounts would have been reduced anyway. However, it should be realized that these savings, or possible savings, were for 7,000 member banks only, or about one-half the number of banks in the Nation, although they represent the largest banks in the Nation.

Interest paid and interest received by member banks, Jan. 1, 1927—June 30, 1936  
[Amounts in thousands of dollars]

	1927	1928	1929	1930	1931	1932	1933			1934	1935	First half of 1936
							Total for year	First half	Second half			
Interest paid by member banks on—												
Deposits of other member and nonmember banks <sup>1</sup> .....	81,642	75,352	68,131	72,847	52,935	34,599	13,424	11,747	1,677	3,498	2,695	1,101
Other demand deposits.....	225,685	234,926	246,493	225,280	140,691	97,862	42,802	34,437	8,365	12,494	9,298	3,706
Other time deposits.....	405,711	439,384	444,636	450,895	387,284	301,863	231,765	115,947	115,818	227,371	196,490	88,210
Average amounts of member bank deposits: <sup>2</sup>												
Deposits of other member and nonmember banks <sup>1</sup> .....	4,119,000	4,185,000	3,947,000	4,473,000	4,399,000	3,484,000	3,284,000	3,293,000	3,284,000	4,252,000	5,604,000	6,534,000
Other demand deposits <sup>1</sup> .....	17,862,000	18,103,000	18,541,000	17,923,000	16,609,000	14,161,000	14,005,000	13,723,000	14,005,000	16,425,000	19,342,000	21,466,000
Other time deposits.....	12,138,000	13,146,000	13,158,000	13,302,000	12,716,000	10,694,000	8,983,000	8,890,000	8,983,000	9,497,000	10,036,000	10,394,000
Average rate <sup>3</sup> of interest paid by member banks on—												
Deposits of other member and nonmember banks <sup>1</sup> ..... percent.....	2.0	1.8	1.7	1.6	1.2	1.0	0.4	0.7	0.1	0.1	0.048	0.034
Other demand deposits <sup>1</sup> ..... do.....	1.3	1.3	1.3	1.3	.8	.7	.3	.5	.1	.1	.048	.034
Other time deposits..... do.....	3.3	3.3	3.4	3.4	3.0	2.8	2.6	2.6	2.4	2.4	2.0	1.7
Interest earned by member banks on—												
Loans.....	1,254,289	1,374,130	1,562,769	1,349,364	1,072,927	851,007	604,297	307,908	296,389	540,014	498,419	253,059
Investments (including dividends on stock).....	458,401	498,420	472,868	472,351	480,296	457,712	426,391	210,770	215,621	473,791	467,217	235,227
Balances deposited with other banks.....	36,318	33,178	33,264	35,799	28,682	16,759	7,705	6,190	1,515	2,425	1,681	596
Average rate <sup>4</sup> of interest earned by member banks:												
On loans..... percent.....	5.5	5.7	6.1	5.4	4.9	5.1	4.7	4.8	4.6	4.3	4.2	4.1
On investments..... do.....	4.7	4.7	4.7	4.6	4.1	3.9	3.5	3.5	3.6	3.3	2.8	2.5

<sup>1</sup> Including both demand and time balances.  
<sup>2</sup> Averages of figures reported on call dates.  
<sup>3</sup> Exclusive of certified and officers' checks and cash letters of credit and travelers' checks.  
<sup>4</sup> These are not averages of the prevailing rates but simply ratios obtained by dividing interest payments by average deposits.  
<sup>5</sup> Annual basis.  
<sup>6</sup> These are not averages of the prevailing rates, but simply ratios obtained by dividing interest received by average loans and average investments, respectively.

Mr. BIERMANN. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman for a question.

Mr. BIERMANN. Is it not a fact the law prevents stock in Federal Reserve banks paying more than 6 percent, and is it not a further fact whenever these banks are liquidated every bit of the surplus or undivided profits goes into the Treasury of the United States?

Mr. PATMAN. I am of the opinion, for reasons I shall express at another time, that the law preventing interest being paid on demand deposits substantially helps big banks and substantially harms little banks.

It is not contemplated by anyone that they will be liquidated. I hope the gentleman will not insist on diverting me to what I consider a minor matter compared with a matter of much greater importance at this time, in view of my own limited time.

Mr. BIERMANN. The gentleman's time has not been greatly limited. The gentleman has had three times as much as the usual time allowed, and when the gentleman casts out the idea that by these arrangements which have been made recently—

Mr. PATMAN. No; I made it plain that this was in 1914.

Mr. BIERMANN. Whereas the law has always limited them to 6 percent and up until the act of 1932 half of their profits went to the Treasury of the United States, and in 1933 they gave to the Federal Deposit Insurance Corporation \$150,000,000, or thereabouts; is not that correct?

Mr. PATMAN. I have not checked the gentleman's figures, but I know that 6 percent is the amount the banks received, and I know we appropriated approximately the amount stated by the gentleman from the fund stated for the purpose stated. They certainly would not ask for more than 6 percent, and all above 6 percent goes back to the surplus fund of the bank which they own under the new law. So certainly they are getting it all and not just 6 percent. At the proper time an effort will probably be made to distribute these earnings among the member banks. The earnings go to their own bank because the Federal Reserve banks, my dear sir, are not owned by the Government.

Mr. BIERMANN. I am just as well aware of that fact as is the gentleman.

FEDERAL RESERVE BANKS SUPERCORPORATION OWNED BY OTHER CORPORATIONS

Mr. PATMAN. The Federal Reserve banks are owned by 7,000 private banks of the country. The Government does not own one penny of stock in them. It could do so, but it never has. No individual owns a penny of stock in the Federal Reserve banks. All of the 12 Federal Reserve banks are owned by other banks. It is a supercorporation owned by other corporations.

Mr. BIERMANN. That is correct, and the dividend on the stock is limited to 6 percent, and has never gone under 6 percent in the history of the banks.

Mr. PATMAN. If not earned, it is paid out of surplus. I hope the gentleman will not insist on diverting me further.

HOW MONEY ISSUED ON GOVERNMENT BONDS

Under the original law, if a bank, for instance, here in Washington wants \$1,000,000, it will deliver, or it used to deliver, \$1,000,000 of eligible paper to the Federal Reserve bank in this district, which is at Richmond, Va., and the Richmond Federal Reserve Bank would let the local bank have that \$1,000,000. Now, the Federal Reserve bank in Richmond, in order to get the money, would, of course, deposit the collateral with the Federal Reserve agent there, and then get the Bureau of Engraving and Printing to print the Federal Reserve notes or currency in order to let the local bank here have the \$1,000,000.

[Here the gavel fell.]

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

Mr. BIERMANN and Mr. BLAND rose.

Mr. BIERMANN. If the gentleman will agree to yield for a few questions before he concludes, I will have no objection.

Mr. PATMAN. I hope the gentleman will not insist upon that. Of course, the gentleman can object.

Mr. BIERMANN. As the gentleman goes along, if he will submit to some questioning when he makes some preposterous statement—

Mr. PATMAN. I do not agree with the gentleman that I have been making preposterous statements. If the gentleman can show me that I am making such statements, I shall be very pleased to yield at any time, but the gentleman cannot do that.

Mr. BIERMANN. As I recall, the gentleman made the statement that the banks buy Government bonds with Government credit. That is a preposterous statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas to proceed for 5 additional minutes?

Mr. BLAND. Mr. Speaker, I reserve the right to object. I am not going to object to this request for 5 minutes, but I wish to remind the gentleman and the House that many committees are here awaiting the call of the calendar. I have an emergency matter to bring up today. Tomorrow, I believe, is to be "talk" day, and we had hoped to be able to proceed with other business today.

Mr. PATMAN. I thank the gentleman for his suggestion, and if granted this request will not take up any further time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

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

Mr. PATMAN. I hope the gentleman will ask me a question on this particular point.

Mr. CRAWFORD. Yes. In the gentleman's analysis, has he drawn any relationship between the amount the banks have earned through its interest item which you quoted a minute ago of over \$300,000,000 and the amount that the demand deposits would have earned on daily balances at the going rate of interest which prevailed under the old set-up?

LAW NOT BEING CARRIED OUT

Mr. PATMAN. I will ask the gentleman to refer to the hearings, where he will find information on that matter.

The point I am making is that under the law as originally contemplated, if the Federal bank at Richmond wanted to let the bank here have that \$1,000,000, it would charge this bank a rediscount rate. That is the present law, and I do not object to it. That rate is now 2 percent at all Federal Reserve banks, except New York and Cleveland; it is 1½ percent at these banks. However, when the Federal Reserve banks gets the money issued to itself, it does not pay the Government a penny. That is what I do object to. The law says:

But to the extent such application—

Meaning application for Federal Reserve notes or currency—

may be granted by the Federal Reserve Board, it shall, through its local reserve agent, supply Federal Reserve notes to the bank so applying, and such bank—

Listen to this—

and such bank shall be charged with the amount of such notes—

Meaning Federal Reserve notes or currency—

and shall pay such rate of interest on said amount as may be established by the Federal Reserve Board.

This is very plain. This is still the law. When the Government's credit is used the Federal Reserve bank that is using that credit shall pay, according to law now in effect, a certain rate of interest for its use. This rate of interest to be fixed by the Federal Reserve Board, but the Federal Reserve Board said in 1914 or 1915, substantially, "we will fix a zero rate of interest for the reason that all the surplus earnings of the 12 Federal Reserve banks go into the Treasury of the United States anyway, and there is no reason why

we should fix any rate of interest, since the excess goes into the Treasury." This was very reasonable; it sounded good. It was possibly good reasoning and perfectly logical until Mr. STEAGALL's bill went over to the Senate and they forced him to agree, in order to get the guarantee of bank deposits, that all excess earnings would go to the Federal Reserve banks themselves. This changed that law, and therefore, since the excess earnings do not go to the Government, why should not this provision of the law, which is still the law, be carried out? And when these Government bonds are placed on deposit and Federal Reserve notes, currency, issued in return for them, I just wonder why the Federal Reserve Board, or the Board of Governors as now established, does not require them to pay the interest rates that the law says they should pay.

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

Mr. PATMAN. Yes.

Mr. McCORMACK. Assuming a bank owns \$10,000,000 worth of Government bonds at the present time. Under this bill those bonds would be eligible as collateral for the issuance of Federal Reserve notes or currency.

Mr. PATMAN. Yes.

Mr. McCORMACK. And there would be a small service charge made. Is that right?

Mr. PATMAN. The rediscount rate would be paid, in New York 1½ percent and here 2 percent.

Mr. McCORMACK. In other words if \$10,000,000 worth of Government bonds were deposited, and approximately \$10,000,000 of Federal Reserve notes obtained, would the member bank pay the 2 percent in the various districts?

Mr. PATMAN. It would.

Mr. McCORMACK. For Federal Reserve notes that have been received?

Mr. PATMAN. Yes.

Mr. McCORMACK. They would receive the interest on the bonds?

Mr. PATMAN. That is true, and then the Federal Reserve bank would not have to pay anything for the issuance of notes, save the cost of printing, which is 27 cents a thousand.

Mr. McCORMACK. If the bonds are carrying 2½ percent interest, and this transaction took place in a discount district where the rate of discount is 2 percent, the member bank would be charged the 2 percent by the Federal Reserve bank and would obtain the 2½ percent interest from the Government.

Mr. PATMAN. That is true, but only a small amount is handled in that way.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a list of the 109 banks representing 50 percent of the capital stock of all of the 14,000 banks, to show the percentage of Government securities held by those banks, compared with the Government securities held by the others, and other information in connection therewith and in explanation of my remarks. The following information concerning the 109 banks representing 50.1 percent of the capital stock of all the 14,120 banks was furnished me by the Federal Deposit Insurance Corporation at my request.

Principal assets and liabilities of the 109 largest insured commercial banks in the United States

[In thousands of dollars]

Name and location of bank	Total assets <sup>1</sup>	U. S. Government securities <sup>1</sup>	Total capital account <sup>1</sup>	Total deposits <sup>2</sup>	Interbank deposits <sup>2</sup>
The Chase National Bank of the City of New York, New York, N. Y.	2,356,357	735,987	240,458	1,948,998	539,431
Guaranty Trust Co. of New York, New York, N. Y.	1,972,869	818,382	267,649	1,391,353	385,396
The National City Bank of New York, New York, N. Y.	1,909,852	622,645	194,401	1,388,736	345,282
Bank of America, National Trust & Savings Association, San Francisco, Calif.	1,366,549	492,485	105,036	1,219,705	39,584
Continental Illinois National Bank & Trust Co. of Chicago, Chicago, Ill.	1,364,755	610,964	110,428	1,085,907	274,122
Bankers Trust Co., New York N. Y.	1,123,819	581,413	110,048	920,457	278,969
The First National Bank of Chicago, Chicago, Ill.	972,969	198,110	61,876	849,962	170,066
Central Hanover Bank & Trust Co., New York, N. Y.	970,721	397,944	92,326	764,668	228,991
Manufacturers Trust Co., New York, N. Y.	721,544	257,427	89,897	600,248	100,817
The First National Bank of Boston, Boston, Mass.	752,308	141,507	89,144	583,747	106,211
Security-First National Bank of Los Angeles, Los Angeles, Calif.	610,630	150,986	63,705	539,817	25,854
The First National Bank of the City of New York, New York, N. Y.	630,094	251,464	105,568	537,489	168,895

<sup>1</sup> Figures as of June 30, 1936, from second edition of Rand McNally Bankers Directory.

<sup>2</sup> Figures from F. D. I. C. Form 89, Summary of Deposits, May 13, 1936, Federal Deposit Insurance Corporation.

Principal assets and liabilities of the 109 largest insured commercial banks in the United States—Continued

Name and location of bank	Total assets	U. S. Govern- ment securi- ties	Total capital account	Total de- posits	Interbank deposits
Irving Trust Co., New York, N. Y.	729,842	209,878	109,102	520,344	146,310
Chemical Bank & Trust Co., New York, N. Y.	635,115	156,571	82,493	497,259	176,339
Bank of the Manhattan Co., New York, N. Y.	561,647	104,024	48,350	472,150	100,545
The Philadelphia National Bank, Philadelphia, Pa.	461,393	141,100	40,569	388,418	143,482
The New York Trust Co., New York, N. Y.	437,659	163,196	45,787	368,953	101,797
National Bank of Detroit, Detroit, Mich.	427,413	183,454	26,366	359,402	44,098
Mellon National Bank, Pittsburgh, Pa.	354,193	214,001	39,717	308,756	93,548
The Cleveland Trust Co., Cleveland, Ohio.	348,412	70,854	32,477	302,795	13,134
The Northern Trust Co., Chicago, Ill.	334,492	168,278	20,757	298,164	50,436
The Union Trust Co. of Pittsburgh, Pittsburgh, Pa.	392,411	189,790	90,353	277,336	18,077
Corn Exchange Bank Trust Co., New York, N. Y.	329,306	150,279	32,471	274,122	26,713
American Trust Co., San Francisco, Calif.	288,181	33,586	23,209	271,974	17,631
The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pa.	255,611	47,892	24,305	236,146	51,171
Wells Fargo Bank & Union Trust Co., San Francisco, Calif.	247,636	98,649	17,482	219,449	46,296
First National Bank in St. Louis, St. Louis, Mo.	237,038	92,467	17,980	210,637	57,820
Harris Trust & Savings Bank, Chicago, Ill.	227,785	69,038	18,897	193,460	37,714
The Anglo California National Bank, San Francisco, Calif.	225,430	36,113	22,640	188,413	32,009
First National Bank of Baltimore, Baltimore, Md.	191,360	130,000	12,589	183,805	62,191
First Wisconsin National Bank, Milwaukee, Wis.	216,252	111,465	18,831	180,072	33,949
The National Shawmut Bank of Boston, Boston, Mass.	211,575	48,174	33,912	176,091	49,437
Commerce Trust Co., Kansas City, Mo.	181,694	37,077	9,418	164,612	81,635
Bank of New York & Trust Co., New York, N. Y.	186,146	60,547	19,274	162,252	50,163
The Marine Trust Co. of Buffalo, Buffalo, N. Y.	212,850	31,453	19,877	159,630	14,588
The San Francisco Bank, San Francisco, Calif.	171,078	62,318	14,606	153,425	1,796
Mercantile-Commerce Bank & Trust Co., St. Louis, Mo.	165,053	44,608	16,557	152,655	48,351
Fidelity Union Trust Co., Newark, N. J.	161,812	48,681	17,669	145,878	6,405
Fidelity-Philadelphia Trust Co., Philadelphia, Pa.	146,398	22,131	24,494	141,270	17,740
The Public National Bank & Trust Co. of New York, N. Y.	155,164	34,641	14,370	137,810	12,128
Central National Bank, Cleveland, Ohio.	168,271	57,619	15,262	133,971	14,536
First National Bank & Trust Co., Minneapolis, Minn.	159,500	59,343	13,787	127,448	37,230
The National City Bank of Cleveland, Cleveland, Ohio.	139,954	48,010	12,598	126,391	21,836
Crocker First National Bank of San Francisco, San Francisco, Calif.	142,653	52,401	14,085	124,701	16,668
Manufacturers National Bank of Detroit, Detroit, Mich.	139,449	23,883	6,682	124,539	11,705
Girard Trust Co., Philadelphia, Pa.	121,922	50,713	17,159	122,439	14,760
Seattle-First National Bank, Seattle, Wash.	143,012	39,295	11,773	120,571	17,532
First National Bank of St. Paul, St. Paul, Minn.	150,101	38,962	14,281	119,953	23,767
The Farmers and Merchants National Bank of Los Angeles, Los Angeles, Calif.	130,380	76,870	8,503	119,054	11,249
The Detroit Bank, Detroit, Mich.	129,998	44,584	6,500	118,742	8,977
Northwestern National Bank & Trust Co. of Minneapolis, Minneapolis, Minn.	131,137	39,435	12,250	116,827	33,314
Brooklyn Trust Co., Brooklyn, N. Y.	135,064	32,274	15,621	114,800	10,187
Industrial Trust Co., Providence, R. I.	131,227	43,094	15,546	114,435	2,943
First National Bank, Kansas City, Mo.	129,486	51,158	5,707	114,157	45,546
City National Bank & Trust Co., Chicago, Ill.	128,376	18,462	6,815	111,007	23,938
Citizens National Trust & Savings Bank of Los Angeles, Los Angeles, Calif.	118,074	21,842	9,890	106,893	10,077
Whitney National Bank of New Orleans, New Orleans, La.	119,212	43,983	8,394	106,178	21,643
The Bank of California, National Association, San Francisco, Calif.	129,379	28,313	15,276	105,700	15,260
The United States National Bank, Portland, Oreg.	114,603	47,520	9,003	104,949	10,904
First National Bank of Atlanta, Atlanta, Ga.	116,173	42,218	12,358	103,245	27,161
The Indiana National Bank of Indianapolis, Indianapolis, Ind.	108,715	50,607	7,454	99,233	20,453
The Marine Midland Trust Co. of New York, New York, N. Y.	120,522	25,985	13,685	98,408	26,456
First National Bank in Dallas, Dallas, Tex.	115,005	26,073	12,647	97,624	29,345
Corn Exchange National Bank & Trust Co., Philadelphia, Pa.	117,772	24,264	14,854	97,283	23,356
First National Bank at Pittsburgh, Pittsburgh, Pa.	114,915	43,162	12,282	96,320	29,100
The Riggs National Bank of Washington, D. C., Washington, D. C.	98,039	36,433	8,518	96,099	21,654
The Fifth Third Union Trust Co., Cincinnati, Ohio.	111,012	25,584	10,796	95,291	16,549
The Merchants National Bank of Boston, Boston, Mass.	98,267	27,123	8,846	93,091	31,726
Farmers Deposit National Bank, Pittsburgh, Pa.	107,500	62,579	15,693	91,606	23,431
Peoples-Pittsburgh Trust Co., Pittsburgh, Pa.	108,480	19,000	15,867	90,203	3,676
State Street Trust Co., Boston, Mass.	87,315	17,953	9,300	90,012	3,676
Manufacturers & Traders Trust Co., Buffalo, N. Y.	100,784	17,953	12,020	89,363	9,766
Mississippi Valley Trust Co., St. Louis, Mo.	95,548	31,388	8,824	87,847	20,814
The Hibernia Savings & Loan Society, San Francisco, Calif.	101,291	29,584	12,857	87,344	11
The Commercial National Bank & Trust Co. of New York, New York, N. Y.	108,406	32,769	16,997	84,591	21,670
California Bank, Los Angeles, Calif.	100,321	14,944	9,996	84,529	2,602
The First National Bank of Philadelphia, Philadelphia, Pa.	99,794	28,436	9,768	84,155	21,187
Citizens & Southern National Bank, Savannah, Ga.	90,513	16,054	7,736	80,755	20,849
The First National Bank of Portland, Portland, Oreg.	85,734	16,195	6,329	77,479	5,671
The Toledo Trust Co., Toledo, Ohio.	87,390	24,896	8,152	76,598	
The Second National Bank of Boston, Boston, Mass.	78,250	9,971	7,018	74,999	17,932
City Bank Farmers Trust Co., New York, N. Y.	106,880	32,897	24,661	74,477	900
First National Bank, Cincinnati, Ohio.	82,988	9,737	11,872	72,906	17,402
United States Trust Co. of New York, New York, N. Y.	106,308		32,194	72,683	6,589
The First National Bank of Scranton, Scranton, Pa.	82,703	30,472	10,032	70,831	2,033
Wachovia Bank & Trust Co., Winston-Salem, N. C.	85,518	29,705	6,050	70,286	21,475
Hartford National Bank & Trust Co., Hartford, Conn.	68,787	22,170	8,287	69,787	4,964
New York State National Bank, Albany, N. Y.	68,921	22,882	5,890	66,544	6,280
The Continental Bank & Trust Co. of New York, New York, N. Y.	75,655	7,641	9,596	65,774	5,305
Republic National Bank & Trust Co., Dallas, Tex.	77,675	20,199	8,243	65,495	19,917
First & Merchants National Bank of Richmond, Richmond, Va.	73,615	20,735	6,719	65,384	20,364
The Ohio National Bank, Columbus, Ohio.	72,265	25,808	6,772	64,700	7,022
Empire Trust Co., New York, N. Y.	73,477	16,051	7,708	63,993	7,986
The Central Trust Co., Cincinnati, Ohio.	72,164	25,225	7,151	62,722	5,039
National Bank of Tulsa, Tulsa, Okla.	63,356	16,671	8,670	61,930	10,638
Lincoln-Alliance Bank & Trust Co., Rochester, N. Y.	67,781	18,390	6,261	60,893	938
The National Bank of Commerce of Seattle, Seattle, Wash.	67,038	21,876	5,746	60,405	7,772
Commercial Trust Co. of New Jersey, Jersey City, N. J.	78,229	17,889	7,994	56,959	994
The First National Bank of Denver, Denver, Colo.	63,159	16,128	4,514	56,609	20,890
The Huntington National Bank of Columbus, Columbus, Ohio.	61,944	11,410	5,913	56,584	13,291
Provident Trust Co. of Philadelphia, Philadelphia, Pa.	63,685	16,755	18,017	55,142	5,272
First National Bank & Trust Co., Oklahoma City, Okla.	62,795	13,145	7,817	52,860	13,955
Central-Penn National Bank, Philadelphia, Philadelphia, Pa.	68,375	9,918	11,028	52,470	15,279
The Trust Co. of New Jersey, Jersey City, N. J.	60,661	12,888	7,268	52,416	471
First Trust & Deposit Co., Syracuse, N. Y.	63,513	6,812	10,132	51,926	2,406
Union Planters National Bank & Trust Co., Memphis, Tenn.	62,926	11,940	7,349	51,847	10,827
Citizens Union National Bank, Louisville, Ky.	54,454	20,207	3,977	51,503	20,935
The First National Bank of Birmingham, Birmingham, Ala.	63,755	16,097	11,794	51,382	10,782
Liberty Bank of Buffalo, Buffalo, N. Y.	60,538	17,492	8,684	50,701	2,452

The following statement was prepared by the Federal Deposit Insurance Corporation at my request:

Principal assets and liabilities of all insured commercial banks and of the 109 largest insured commercial banks in the United States

[In thousands of dollars]

	All banks (14,120 as of June 30, 1936)	109 largest banks	
		Amount	Percent of total
Total assets <sup>1</sup> .....	53,578,392	30,118,132	56.2
U. S. Government securities <sup>1</sup> .....	14,772,477	9,951,656	67.4
Total capital account <sup>1</sup> .....	6,298,583	3,156,616	50.1
Total deposits <sup>2</sup> .....	45,187,902	24,894,409	55.1
Interbank deposits <sup>2</sup> .....	6,315,339	5,155,371	81.6

<sup>1</sup> Figures for all insured commercial banks from the June 30, 1936, call report of the Federal Deposit Insurance Corporation. Figures for the 109 largest insured commercial banks as of June 30, 1936, from the final 1936 edition of Rand McNally Bankers Directory.

<sup>2</sup> Figures from F. D. I. C. form 89, Summary of Deposits, May 13, 1936, Federal Deposit Insurance Corporation.

It will be noticed that 109 banks of the 14,120 hold 67.4 percent of the Government securities held by all insured banks.

#### BRANCH BANKING

Gov. M. S. Eccles, Chairman of the Federal Reserve System, appeared before the Banking and Currency Committee in support of this bill. I interrogated him, in addition to other subjects, regarding his views on branch banking. A part of the testimony is as follows:

Mr. PATMAN. You have answered the question I asked. But I would like to ask another question. I know the time is getting late, but, as I said, we are interested in the direction you are going in this legislation and in similar legislation, and personally I would like to know about that. Perhaps all the other members of the committee know about it, but I am a new member on this committee. I would like to know how you feel about branch banking. Are you working in the direction of eventually having a branch-banking system in this country?

Mr. ECCLES. If you are speaking about any work that the Board has been doing, the matter has not been discussed, nor has it been mentioned. So far as I personally am concerned, I have done nothing, that is, I have done no work whatever, I have given no thought to the subject, and I have prepared no legislation, and I have not requested that any legislation be prepared with reference to the subject, in spite of the statements of some of the press and the bankers. So far as my position on branch banking is concerned, my position is well known. I stated my position before this committee 2 years ago and I still feel as strongly as I felt 2 years ago that a limited branch-bank development in this country is not only desirable in the public interest, as well as in the interest of the little bank, but it is inevitable.

Mr. PATMAN. I have here a list of the 109 largest banks in the United States, which I understand represent more than 50 percent of the total assets of all banks, and the amount of Government securities they hold and their deposits of interbank deposits. And one thing is very noticeable to me on this list. For instance, take the first three banks, which are New York banks, with assets of \$2,356,000,000 for the first one, and the second one with total assets of \$1,972,869,000, and the next one with total assets of \$1,969,852,000. And all of these banks have interbank deposits. We find the Bank of America at San Francisco has total assets of \$1,366,000,000.

The Bank of America at San Francisco has total assets of \$1,366,000,000, but it has only \$39,584,000 of interbank deposits. Then going down the list there is \$254,122,000 interbank deposits for a smaller bank, and then \$278,969,000, \$170,966,000, and \$228,991,000. It is noticeable that the larger banks have a large amount in interbank deposits except in the case of banks where there are branches. For instance, take the Los Angeles bank, the Security First National Bank of Los Angeles, and, although the bank compares in size with those just ahead of it, they have only \$25,845,000 in interbank deposits. The one just ahead of it on the list has \$106,000,000 in interbank deposits.

The First National Bank of New York is smaller, yet it has \$158,000,000 in interbank deposits.

I have reached the conclusion, whether it is well founded or not—and I hope the Governor will tell me whether it is—that where they have branch banks, like they do in California, that they want to do business only with their own banks, and consequently they do not have many large interbank deposit accounts.

For instance, take Los Angeles and San Francisco; if there were a bank needed in a town the large bank in San Francisco or in Los Angeles would have the first claim on it, because an independent bank would not be very successful unless it had a connection with one of these larger banks. Therefore I have reached the conclusion from analyzing these figures, Governor, that branch banking has a tendency of concentrating the credit system of the country in a few

hands, and that if we were to adopt a policy which led to branch banking that we would concentrate more power and wealth in the hands of a few. I presume the Governor may entertain an entirely different view than that.

Mr. ECCLES. Of course, this branch-banking question, I realize, is a very debatable question; and it has been for a long period of time. In other words, it is a hot subject. And for me to attempt to enter into a discussion with you, considering its advantages and its disadvantages—

Mr. PATMAN. I am not asking you to discuss it, Governor. Mr. ECCLES. I realize that there are always two sides to every question. But no one is more sympathetic to the place that the little bank has been in the community than I am. And no one would be more unwilling than I would be to do anything to put that little bank out of business so long as it is giving the best service to its community. I would not want to be understood as favoring branch banking that permitted the establishment of branches in any community that already had banking service.

Mr. PATMAN. But, Governor, if you permit it, and then if your larger bank will not become the correspondent of the smaller bank in a little town, the bank will eventually dry up if it cannot get the service, and if the branch-banking concern does not want to serve it, it can destroy the little bank and in that way create a demand for one of their own branches, can it not?

Mr. ECCLES. Any unit bank can get far more service from the Federal Reserve System than from a correspondent bank.

Mr. PATMAN. But suppose it is not in the Federal Reserve? Mr. ECCLES. Then it should join the Federal Reserve. I am also in favor of unification. Of course, there is the place where they should carry their balances. It is where the reserves should be kept, because the only place where a member of the System should keep his balance is with the Reserve bank.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks in the Record and to incorporate therein the matter he has indicated. Is there objection?

There was no objection.

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

Mr. FOCHT. Mr. Speaker, I move to strike out the last two words. When I heard Senator Aldridge in 1913, in the Senate, read the report on the Federal Reserve bank, the impression was clearly left with me, and I am sure with the country, that we were going to have a revolution in the matter of loans to businessmen, that there was to be a wide extension of credit and a flexibility that would enable businessmen to deposit with the banks commercial paper, and get credit for that much cash. This commercial paper was to be translated into cash, and the cash used in business at a rate of interest, I think of 5½ percent at that time. The bill itself became a law under President Wilson. It was mutually agreed, it was a nonpartisan proposal, in order to extend and expand business, and that is the reason I inquired of the gentleman from Texas [Mr. PATMAN] when he was hurriedly going over this matter and telling us with what facility you could get this money—by taking a businessman's note and depositing it with the Federal Reserve and getting the cash, which is something that you cannot do at all. That was a delusion and a deception. A change was made in that bill—or at least something happened to it after it was reported—and the result is, and I know it by practical experience, that when you try to get some money you cannot get it, unless you have collateral in the form of bonds, stocks, mortgages, or endorsements. That is all I wanted to say about this, excepting that there is nothing more complicated in the world, except possibly what you have to go through with your income tax than you have to go through with these finances, and my sympathies are much with the able gentleman from Alabama [Mr. STEAGALL], and the gentleman from Maryland [Mr. GOLDSBOROUGH], because they are endeavoring to illuminate something that has been going on for 25 years, and I doubt whether many bankers or officials know any more about the Federal Reserve System than we did when Mr Aldridge read that report.

Mr. KITCHENS. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: Page 2, line 19, after the word "notes", insert "Provided further, That upon approval of this act all interest on United States bonds deposited with the Treasurer of the United States and against which currency

has been or may be issued shall cease so long as held as such collateral."

Mr. WOLCOTT. Mr. Speaker, I make a point of order against the amendment.

The SPEAKER pro tempore. The gentleman will state the point of order.

Mr. WOLCOTT. Mr. Speaker, this bill has to do with the issuance of Federal Reserve notes and the collateral for those notes. The gentleman's amendment has to do with interest on direct obligations of the Federal Government and has nothing whatsoever to do with the issuance of Federal Reserve notes or the collateral thereunder. For that reason I submit that the amendment offered by the gentleman is not germane.

Mr. KITCHENS. Mr. Speaker, will the gentleman withhold his point of order until I make a statement?

Mr. WOLCOTT. I reserve the point of order.

Mr. KITCHENS. Mr. Speaker, during the past few years I have heard a great deal of discussion regarding the policy of this Government in reference to the handling of its financial system through the bankers of the country. I know that as far back as this country's history goes we have had panics and depressions, if you please, about every 7 years.

Immediately after the Civil War we had a panic, which was about 1866. In 1873 we had another panic. In 1880 we had another panic. In 1886 and 1887 we had another panic. In 1893 we had another one. In 1900 we had another one. In 1907 we had another one. In 1914 we had another one. In 1920 and 1921 we had another one, and since 1929 we have had one which has lasted for about 7 years.

So I blame the troubles of this country upon the economic and the financial system of America. It has been under the control of the bankers of this country.

Now, this is the only way, it seems to me, this Government can put out money to the country. It is in their hands to control. They can make it scarce or they can make it plentiful, according to how they judge the situation. You know, and I know, that the Federal Reserve System is made up of the private banks of this country, as the gentleman from Michigan admitted a while ago, and as the gentleman from Texas stated. They are owned by private individuals of this country. They can take as much as \$14,000,000,000, if they have that many bonds in their vaults today, walk to the Treasury of the United States, place those bonds on a table there, and demand of the Treasurer of the United States to print over there for nothing \$14,000,000,000 worth of notes—currency—bring them back there, and turn them over to the bankers. And do the bankers pay one penny of interest for that \$14,000,000,000 of currency? Not one penny in the world and at the same time they draw the interest on those bonds under the bankers' act, the National Bank Act of 1874, until the present time.

Today there are \$87,000,000 worth of bonds in the Treasury of the United States bearing up to 3½-percent interest, and the Treasury of the United States—the people of the United States, if you please—have issued currency to the Federal Reserve banks and they pay no interest, and yet the people of the United States have to pay that 3½-percent interest on those bonds, amounting to about \$2,500,000.

I see no reason for having a policy like this. If it is absolutely necessary that we handle the currency of this country through the bankers, I see no reason why they should be permitted to get currency for nothing and at the same time draw this interest on the bonds used as collateral with which to get the currency. This is just the same as if I should go to you and borrow \$1,000 and give you my note for the \$1,000 bearing 3-percent interest, and then you take my note, come back to me and borrow \$1,000 from me. I pay you interest on the note, but you do not pay me any interest on the \$1,000 that you get from me.

I may not understand this situation. I am a young Member of this House. I want to learn, and therefore I have introduced this amendment to find out a little something about the situation, because I have seen this in the papers and I have heard it discussed all over this country. I am here to learn, and if it is necessary to change the policy of

this Government, I stand ready to change it, because I am opposed to a panic or a depression that robs the people of this country and puts them in poverty and causes more suffering than all the wars of the world, and we have them every 7 years, and it is up to the Congress of the United States to devise some policy that will prevent such outrages upon the great American people. We have the greatest people in the world, yet we stand here or we come to Congress and permit such an outrage as this upon this great country of ours. [Applause.]

Mr. WOLCOTT. Mr. Speaker, I make the point of order against this amendment.

The SPEAKER pro tempore (Mr. DRIVER). The point of order is sustained.

Mr. STEAGALL. Mr. Speaker, much has been said here that I do not desire to undertake to review or to answer at this time. But for the RECORD I do want to call attention to the fact that in December 1936 we had Federal Reserve notes outstanding amounting to \$4,497,999,000, and against these notes there were pledged as collateral only \$88,000,000 of United States obligations, and at that time only a nominal amount of eligible paper. Against these notes were pledged nearly 100 percent of gold certificates. It will be seen that we are in a most unusual situation, a condition that no experience in our history would justify us in assuming will long continue. In this situation any considerable withdrawal of gold, in the absence of eligible paper, would disclose difficulties similar to those that existed at the time of the passage of the original act in 1932. We have an abnormal situation which nobody could expect to continue indefinitely. We do not wish a repetition of embarrassments such as confronted us in 1931 and 1932.

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

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. WOODRUFF) there were—ayes 67, noes 23.

Mr. WOODRUFF. Mr. Speaker, I make the point of order there is not a quorum present and object to the vote on that ground.

The SPEAKER pro tempore. Evidently there is not a quorum present.

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

The question was taken; and there were—yeas 280, nays 104, not voting 48, as follows:

[Roll No. 21]

YEAS—280

Allen, La.	Celler	Dorsey	Gray, Ind.
Allen, Pa.	Champion	Doughton	Gray, Pa.
Anderson, Mo.	Chapman	Doxey	Green
Arnold	Clark, Idaho	Drew, Pa.	Greenwood
Ashbrook	Clark, N. C.	Drewry, Va.	Greever
Atkinson	Claypool	Driver	Gregory
Bacon	Cochran	Duncan	Griffith
Barden	Coffee, Nebr.	Eberharter	Griswold
Barry	Colden	Eckert	Haines
Beam	Cole, Md.	Edmiston	Hamilton
Beiter	Collins	Evans	Harlan
Bell	Colmer	Faddis	Hart
Biermann	Cooley	Farley	Harter
Bland	Cooper	Ferguson	Hartley
Bloom	Costello	Fernandez	Havener
Boehne	Cox	Fitzpatrick	Hendricks
Boland, Pa.	Cravens	Flannagan	Hennings
Boren	Crawford	Flannery	Higgins
Boyer	Creal	Fieger	Hill, Ala.
Boykin	Crosby	Fletcher	Hill, Okla.
Boylan, N. Y.	Crosser	Forand	Hobbs
Bradley	Cullen	Ford, Calif.	Honeyman
Brooks	Curley	Frey, Pa.	Houston
Brown	Daly	Fries, Ill.	Hunter
Buck	Deen	Fuller	Imhoff
Buckley, N. Y.	Delaney	Gambrill	Izac
Bulwinkle	Dempsey	Garrett	Jacobsen
Burch	DeRouen	Gasque	Jarman
Byrne	Dickstein	Gavagan	Jenckes, Ind.
Caldwell	Dingell	Gifford	Jenkins, Ohio
Cannon, Mo.	Dirksen	Gildea	Johnson, Okla.
Cartwright	Dixon	Gingery	Johnson, Tex.
Casey, Mass.	Dockweller	Goldsbrough	Johnson, W. Va.

Jones	McSweeney	Phillips	Stegall
Kee	Mahon, S. C.	Poage	Sullivan
Kelly, Ill.	Mahon, Tex.	Polk	Summers, Tex.
Kelly, N. Y.	Maloney	Quinn	Sutphin
Kennedy, Md.	Mansfield	Rabaut	Swope
Kennedy, N. Y.	Martin, Colo.	Ramsay	Tarver
Kenney	Maverick	Ramspeck	Taylor, S. C.
Keogh	Mead	Randolph	Taylor, Tenn.
Kirwan	Meeks	Rankin	Terry
Kitchens	Merritt	Rayburn	Thom
Kleberg	Millard	Relly	Thomas, N. J.
Kloeb	Miller	Richards	Thomas, Tex.
Kniffin	Mills	Rigney	Thomason, Tex.
Kocialkowski	Mitchell, Ill.	Robertson	Thompson, Ill.
Kopplemann	Mitchell, Tenn.	Robinson, Utah	Tolan
Kramer	Murdock, Ariz.	Rogers, Mass.	Towey
Kvale	Nelson	Ryan	Transue
Lambeth	O'Brien, Ill.	Sabath	Turner
Larrabee	O'Brien, Mich.	Sacks	Umstead
Lea	O'Connor, Mont.	Sadowski	Vinson, Ga.
Lesinski	O'Connor, N. Y.	Sanders	Vinson, Ky.
Lewis, Colo.	O'Day	Schaefer, Ill.	Wadsworth
Long	O'Leary	Schuetz	Walter
Lucas	O'Neal, Ky.	Scrugham	Warren
Luce	O'Neill, N. J.	Secrest	Wearin
Ludlow	O'Toole	Shanley	Weaver
Luecke, Mich.	Pace	Sheppard	Wene
McAndrews	Palmisano	Smith, Conn.	West
McClellan	Patman	Smith, Va.	Whichel
McCormack	Patrick	Smith, W. Va.	Whittington
McGehee	Patton	Snyder, Pa.	Willcox
McGranery	Pearson	Somers, N. Y.	Williams
McGrath	Peterson, Fla.	South	Wolverton
McKeough	Peterson, Ga.	Sparkman	Wood
McLaughlin	Pettengill	Spence	Woodrum
McMillan	Peyster	Stack	Zimmerman
McReynolds	Pfeifer	Starnes	The Speaker

NAYS—104

Allen, Ill.	Englebright	Lemke	Robson, Ky.
Amlie	Fish	Lord	Rutherford
Andresen, Minn.	Fitzgerald	Luckey, Nebr.	Sauthoff
Arends	Focht	McFarlane	Schneider, Wis.
Bates	Gearhart	McLean	Scott
Bigelow	Gehrman	Maas	Seger
Binderup	Gilchrist	Magnuson	Shafer, Mich.
Boileau	Guy	Mapes	Short
Brewster	Gwynne	Martin, Mass.	Smith, Maine
Buckler, Minn.	Halleck	Mason	Smith, Wash.
Carlson	Hancock, N. Y.	Massingale	Stefan
Carter	Harrington	Michener	Taber
Church	Hildebrandt	Moser, Pa.	Teigan
Clason	Hill, Wash.	Murdock, Utah	Thurston
Coffee, Wash.	Hoffman	O'Connell, Mont.	Tinkham
Cole, N. Y.	Holmes	Oliver	Tobey
Crowther	Hook	O'Malley	Treadway
Culkin	Hope	Patterson	Voorhis
DeMuth	Hull	Pierce	Wallgren
Dondero	Jarrett	Plumley	Welch
Douglas	Johnson, Minn.	Powers	White, Idaho
Dowell	Keller	Reece, Tenn.	White, Ohio
Dunn	Kinzer	Reed, Ill.	Wigglesworth
Eaton	Lambertson	Reed, N. Y.	Withrow
Ellenbogen	Lanzetta	Rees, Kans.	Wolcott
Engel	Leavy	Rich	Woodruff

NOT VOTING—48

Aleshire	Cummings	Knutson	Owen
Allen, Del.	Dies	Lamneck	Parsons
Andrews	Disney	Lanham	Rogers, Okla.
Bernard	Ditter	Lewis, Md.	Romjue
Burdick	Eicher	McGroarty	Schulte
Cannon, Wis.	Ford, Miss.	May	Shannon
Case, S. Dak.	Fulmer	Mosier, Ohio	Sirovich
Chandler	Goodwin	Mott	Snell
Citron	Hancock, N. C.	Mouton	Stubbs
Cluett	Healey	Nichols	Sweeney
Connery	Jenks, N. H.	Norton	Taylor, Cole
Crowe	Kerr	O'Connell, R. I.	Wolfenden

So the bill was passed.

The Clerk announced the following pairs:  
General pairs:

- Mr. Taylor of Colorado with Mr. Snell.
- Mr. Dies with Mr. Cluett.
- Mr. Lanham with Mr. Ditter.
- Mr. Connery with Mr. Mott.
- Mr. Romjue with Mr. Wolfenden.
- Mr. Parsons with Mr. Andrews.
- Mr. Schulte with Mr. Case of South Dakota.
- Mr. Kerr with Mr. Goodwin.
- Mr. May with Mr. Burdick.
- Mr. Disney with Mr. Jenks of New Hampshire.
- Mrs. Norton with Mr. Aleshire.
- Mr. Sweeney with Mr. Cummings.
- Mr. Chandler with Mr. Sirovich.
- Mr. Fulmer with Mr. Mouton.
- Mr. Crowe with Mr. Stubbs.
- Mr. Hancock of North Carolina with Mr. McGroarty.
- Mr. Shannon with Mr. Allen of Delaware.
- Mr. Eicher with Mr. Rogers of Oklahoma.
- Mr. Cannon of Wisconsin with Mr. Healey.
- Mr. Owen with Mr. Citron.
- Mr. Nichols with Mr. Lamneck.
- Mr. Ford of Mississippi with Mr. Lewis of Maryland.

Mr. PATMAN. Mr. Speaker, the gentleman from Texas, my colleague, Mr. DIES, is unavoidably absent. If present, he would vote yea.

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

EXTENSION OF REMARKS

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to extend my remarks upon the construction of the Federal building at Orlando, Fla.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing in the Appendix an article upon silver by a former Director of the United States Mint, George P. Roberts, who is now vice president of the National City Bank.

The SPEAKER pro tempore. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. In the absence of the Republican member of the Committee on Printing, who is objecting to that sort of extension, I object.

CALL OF COMMITTEES

The SPEAKER pro tempore. The Clerk will call the committees.

OPERATOR LICENSES, RADIO STATIONS

Mr. LEA (when the Committee on Interstate and Foreign Commerce was called). Mr. Speaker, by authority of the Committee on Interstate and Foreign Commerce, I call up the bill (H. R. 3898) to amend section 318 of the Communications Act of 1934, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from California calls up the bill H. R. 3898 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill. The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 318 of the Communications Act of 1934 is hereby amended to read as follows:

"Sec. 318. The actual operation of all transmitting apparatus in any radio station for which a station license is required by this act shall be carried on only by a person holding an operator's license issued hereunder, and no person shall operate any such apparatus in such station except under and in accordance with an operator's license issued to him by the Commission: *Provided, however,* That the Commission may waive or modify the foregoing provisions of this section for the operation of any station except (1) stations for which licensed operators are required by international agreement, (2) stations for which licensed operators are required for safety purposes, (3) stations engaged in broadcasting, and (4) stations operated as common carriers on frequencies below 30,000 kilocycles.

With the following committee amendments:

Page 2, line 3, after the word "Commission", insert "if it shall find that the public interest, convenience, or necessity will be served thereby", and on page 2, line 11, after the word "kilocycles", strike out the period, insert a colon and the following: "*Provided further,* That the Commission shall have power to make special regulations governing the granting of licenses for the use of automatic radio devices and for the operation of such devices."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

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

Mr. MAPES. Mr. Speaker, I think there should be some explanation of the bill before it is passed.

Mr. LEA. Mr. Speaker, I move to strike out the last word. The gentleman from Maryland [Mr. COLE] reported the bill, and I yield to him.

Mr. COLE of Maryland. The purpose of this bill, stated briefly, is this: Under existing law, that is, section 318 of the Communications Act, the transmitting apparatus must be under the control of a licensed operator at all times. The Communications Commission having found that the language of the existing law when applied was entirely too

strict, recommended the changes incorporated in this bill, thereby vesting in the Commission certain discretion which it does not have at this time.

There are several reasons for this legislation, the first and most convincing being the situation at the Cruft Laboratory at Harvard University. Harvard University was permitted a license for a general experimental station and for several years operated under that license, making continuous observations of the ionosphere. The licensee, being Harvard University in this case, felt that it could not afford to keep a licensed operator on duty throughout the continuous operation but because of the absolute requirements of section 318, no waiver of that requirement could be made by the Communications Commission. Consequently, this valuable collaboration between Harvard University and the Commission and the tremendous value being derived therefrom had to be discontinued. Another reason is the possibility of using automatic transmitters on police cars which will be valuable in this emergency field. At present, a central operation but because of the absolute requirement of section licensed operators. It is felt with this new provision in the law, radio beacons could be operated automatically at stations too remote and too expensive to operate under existing law.

A letter from the Communications Commission to me dated February 19, 1937, expresses very fully and in a most convincing way the controlling reason for our committee reporting this bill.

I ask unanimous consent to extend my remarks and incorporate therein this letter.

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

There was no objection.

The letter referred to is as follows:

FEDERAL COMMUNICATIONS COMMISSION,  
Washington, D. C., February 19, 1937.

Hon. WM. P. COLE, Jr.,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN COLE: In respect to your request by telephone for a statement of the considerations which the Commission had in mind in proposing an amendment to section 318 of the Communications Act of 1934, which amendment is embodied in H. R. 3898 in the form in which it was originally introduced at this session, I beg to report as follows:

This amendment is designed to give the Commission discretion in certain instances to relax the absolute requirement of section 318 that all transmitting apparatus at all times of operation must be under the control of a licensed operator.

The need for such discretion was brought to the attention of the Commission forcibly by an application of the Cruft Laboratory, Harvard University. A general experimental station had been licensed to that institution for several years for the purpose of making continuous observations of the ionosphere. The value of this research depended on continuous operation of the station. The results of the operation were recorded automatically. There was no function which an operator could have performed in this connection other than to keep the station upon its proper frequency. The Cruft Laboratory, in consultation with the Engineering Department of the Commission, worked out an automatic device capable of preventing improper operation of the station. The licensee felt that it could not afford to keep an operator on duty throughout continuous operation and regarded such a requirement as unreasonable in view of the fact that no useful function could be performed by the operator. However, the absolute requirement of section 318 prohibited such operation. Consequently, this important piece of research had to be discontinued. This is but one of a number of instances in which the actual operation of a station by a licensed operator is impractical and unnecessary from an engineering viewpoint. Useful scientific research is inhibited by the present rigid requirement of section 318. Free balloons containing small automatic transmitters are useful in obtaining reports and in recording atmospheric conditions at great altitudes.

The use of automatic transmitters on police cars controlled by a central operator would be of value in this important field of emergency service. It would obviate the existing necessity of requiring that police driving such cars be also licensed operators. Since these stations operate only on the ultra-high frequencies, there is little danger of interference from such operation.

The development of radio to promote the safety of life and property in the air is also handicapped. Without such a requirement, radio beacons could be operated automatically at remote points where the attendance of an operator would be impractical both from a physical and a financial standpoint.

It is important to remember that control by the Commission over a station is not lost because it is automatically operated. The control over the license of the licensee remains to insure proper operation.

It should be noted that the amendment suggested by the Commission excluded four classes of stations from the field of discretion

of the Commission. These exceptions were carefully designed to avoid conflict with international agreements, to preserve safety, and to exclude stations operating with great power or on frequencies where considerable interference might be expected. It may be that the bill as amended before being reported out of committee confers somewhat greater discretion upon the Commission. However, the Commission believes that it can, in the exercise of its discretion, avoid any relaxation of the operator requirements where such relaxation would not be in the public interest.

Sincerely yours,

IRVIN STEWART, *Commissioner.*

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

A motion to reconsider the vote by which the bill was passed was, on motion of Mr. LEA, laid on the table.

The SPEAKER pro tempore. Has the Committee on Interstate and Foreign Commerce any further bills?

Mr. LEA. The committee has no further bills this afternoon, Mr. Speaker.

#### CALL OF COMMITTEES

The SPEAKER pro tempore. The Clerk will call the committees.

#### AMENDMENT OF MERCHANT MARINE ACT OF 1936

Mr. BLAND (when the Committee on Merchant Marine and Fisheries was called). Mr. Speaker, I call up the bill (H. R. 4951) to amend section 704 of the Merchant Marine Act of 1936 (49 Stat. L., 2008-2009).

The Clerk read the title of the bill.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

Mr. WEARIN. Mr. Speaker, reserving the right to object, if this request be granted, what will be the situation with reference to amendments to the bill?

Mr. BLAND. Amendments will be in order. My understanding is that the effect of this request is to eliminate general debate, that the bill is read under the 5-minute rule. As a matter of fact, when the bill is read I shall move to strike out the last word in order to make a statement.

The SPEAKER pro tempore. The Chair advises the gentleman from Iowa that the bill will be read under the 5-minute rule.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 704 of the Merchant Marine Act of 1936 (49 U. S. Stat. L. 2008-2009) be amended to read as follows:

"Sec. 704. All vessels transferred to or otherwise acquired by the Commission in any manner may be chartered or sold by the Commission pursuant to the further provisions of this act. All vessels transferred to the Commission by this act and now being operated by private operators on lines in foreign commerce of the United States shall be temporarily operated by the Commission for its account by private operators until such time and upon such operating agreements as the Commission may deem advantageous, preference to be given to present operators, and all operation of the Commission's vessels by private operators under such operating agreements shall be discontinued as soon as practicable after December 31, 1937: *Provided,* That nothing contained herein shall be construed as limiting or affecting the power of sale under provisions of section 705 of this act."

Mr. BLAND. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, it will be recalled that when the Merchant Marine Act of 1936 was passed there was no opportunity to go to conference, for it was during the closing hours of the session.

There was inserted in the Senate, and it first appeared by amendment on May 4, 1936, this section which we are seeking to amend, section 704. The pertinent portion as applicable to the situation before us deals with the operation of certain Government-owned lines that were operated by the Government and have been operated by the Government for many years. This section as originally passed provided that the Commission might continue the operation under agreements to be entered into with the operating managers and then provided that the operation should be discontinued within 1 year after the passage of the act. The act became a law on June 29, 1936. Five lines had

been in existence for many years operating Government ships. Some of them had tried to get ocean-mail contracts, but because of certain questions that arose—not with respect to these particular lines—they had been unable to do so. These lines are the America Pioneer Lines, which run to Australia and the Far East; the America-France Line, which runs from Hampton Roads and North Atlantic ports, Philadelphia, Boston, and New York to French ports; the American Hampton Roads Line-Yankee Line, which runs from the same ports to east ports of the United Kingdom; the Oriole Line, which runs from North Atlantic ports of the United States to west ports of the United Kingdom; and the American Republics Line, which runs to South America.

The act provided that the operation of these lines should be discontinued within 1 year from the passage of the act. Under section 704, as it was written, therefore, the operation of these lines would have to be discontinued as of June 29, 1937. Another question then arose, however, as to whether they could be operated up to June 29, 1937, for the reason that payments were made by the Government for the operation of the lines under the present operating agreement, based on a percentage of the net revenue.

The question was submitted to the Comptroller General, and the Comptroller General ruled that the operation must be discontinued by June 29, 1937. That resolved itself into this situation, that the lines running to the Far East take 120 days per trip. The last date on which a ship of those lines could sail would be March 3 of this year. Thereafter no ships would be permitted to run on that particular line, or if they did, no compensation would be paid them after June 29; and so with varying dates as to other lines. The effect of the ruling of the Comptroller General was to cut down the year that had been provided by Congress for the operation of these ships, as illustrated in the case of this particular line which could not make any sailings after March 3.

The Commission realizing, as it did, that these Government-owned lines should not be discontinued at this time, advertised them for a bare-boat charter. These bids are returnable on March 1.

[Here the gavel fell.]

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. The situation is that these bids will come in on March 1, and with respect to one particular line something would have to be done by March 3. The committee, after careful investigation, after full hearings, are convinced that it was the intent of Congress to provide the original year and that there would be grave danger in the disruption of these services and great injury to the merchant marine unless the time were extended as herein provided. Provision is also made in the pending bill that the lines may be continued upon operating agreements agreeable to the Commission. The Commission is studying the essentiality of the services. It is also studying other important matters as to which it has reached no conclusion. In the opinion of the committee, it is important to arrive at a conclusion or definite policy before these lines are disrupted.

Mr. Speaker, I also call attention to the fact the original intent was 1 year within which it should continue to study this act. The bill was passed on June 29, 1936. The present temporary Commission was not appointed until September 1936. I am not criticizing, but simply bring the facts to the attention of the House. The permanent Commission that was contemplated by the act has not been appointed. A temporary Commission has been appointed under recess appointment, consisting of three men, two naval officers and one a gentleman who has been connected with the Treasury Department.

I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was going to ask the gentleman a question in connection with that matter, but he has covered it to some extent. However, I would like to ask him whether or not the situation with reference to the tempo-

rary Commission has had an effect upon the delay which brought about the emergency which the gentleman has so properly called the attention of the Members of the House to?

Mr. BLAND. Unquestionably there was a delay until September in connection with the appointment and no study could be made by a commission in that time.

Mr. McCORMACK. And unless this bill is passed between now and March 3 there will be irreparable damage done that the Congress never intended?

Mr. BLAND. Yes; the committee thinks so. Another thing is that two established lines that have been in operation since 1928 were consolidated, one of those operators being in New York and the other in the Hampton Roads ports.

Mr. Speaker, the committee is of the opinion there should be a definite policy set up; and if these charters were made now, there would be grave danger that a monopoly might be created in the North Atlantic by having some of those who hold ocean-mail contracts come in with their charter bids and thus oust these people who have been building up a business since 1918 in one case and 1929 in another case. It is to the interest of the American merchant marine that these people shall know what they are bidding on when they do bid and that a definite policy shall have been worked out. We believe that policy ought to be worked out by a permanent commission.

[Here the gavel fell.]

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

Mr. Speaker, the purpose of this bill is to amend section 705 of the Merchant Marine Act of 1936 by extending the time from 1 year, as provided in the bill, to approximately 18 months, or, to be exact, from June 29 to December 31 of this year, within which to carry out the purposes of the act as referred to in this section. This section reads, in part, as follows:

It shall be the policy of the Commission to encourage the private operation of each essential steamship line now owned by the United States by selling such lines to citizens of the United States in the manner provided in section 7 of the Merchant Marine Act of 1920, and in strict accordance with the provisions of section 5 of said act or by demising its vessels on bare-boat charters to citizens of the United States who shall agree to maintain such line or lines in the manner hereinafter provided.

Mr. Speaker, this bill was considered very carefully by the Committee on Merchant Marine and Fisheries and was reported unanimously by the committee.

Mr. WEARIN. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Strike out all after the word "operators", on page 2, down to the colon in line 6, and insert in lieu thereof the following: "under existing operating agreements until a commission of five members is duly appointed and confirmed by the Senate, and thereafter may be so operated for a period not to exceed 6 months."

Mr. WEARIN. Mr. Speaker, I have been very much interested in merchant marine legislation for a long time. I compliment the distinguished chairman of the committee upon which I had the honor to serve until this year upon his excellent statement with reference to this bill. I believe it is generally agreed there is a necessity for some action with reference to this particular matter by virtue of the fact that the time is too limited for the temporary commission to proceed with the negotiations upon this particular matter. Furthermore, I am not so sure in my own mind that the present temporary commission, as constituted, has the authority to function as the maritime authority.

I would like to call attention to the fact that in the original Merchant Marine Act of 1936, which passed this House on June 29, certain principles were laid down. Among them was the outstanding one that the Merchant Marine Authority as appointed by the President and as confirmed by the Senate should have the authority to determine the policy with reference to a merchant marine, and great care was exercised to prevent the injection into that act of any intimation of preference to be granted to any particular

group. In this instance, and according to the language of the bill on page 2, it reads, beginning on page 1, line 8:

All vessels transferred to the Commission by this act and now being operated by private operators on lines in foreign commerce of the United States shall be temporarily operated by the Commission for its account by private operators until such time and upon such operating agreements as the Commission may deem as advantageous, preference to be given to present operators, and all operation of the Commission's vessels by private operators under such operating agreements shall be discontinued as soon as practicable after December 31, 1937.

I do not believe any intimation of preference to any particular group should be injected into the body of the act of 1936, the spirit of which was specifically stated and outlined in the text of the act itself. Furthermore, insofar as the present operators are concerned, it may not prove to mean as much as they think it does.

I would also remind the Members of the fact that under the present language of the bill the operators of the charter lines that belong to the United States Government will continue their operations until December 31, 1937. I do not say that those operators would not be granted that permission by the new maritime authority, but I do believe the Authority's hands should be kept clear of any impediments of that character, with the thought in mind that they can function in accordance with the principles of the act when they come into possession of their rightful authorities by virtue of confirmation on the part of the Senate.

There is an important principle involved in this legislation. I discussed the matter with the honorable chairman of the Merchant Marine Committee, and, in all fairness to him and to his committee, I may say they had an opportunity to consider the amendment that I am offering.

I think these two things are very outstanding: that the matter of preference should not be specifically granted to anyone in this act, and, furthermore, that the hands of the maritime authority, whenever it is appointed, should not be tied but it should be permitted to function in accordance with the principles of the act, and it may be that the policy represented by the particular type of operation that we have here under these chartered lines would not be continued as a permanent policy by the maritime authority.

[Here the gavel fell.]

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WEARIN. Now, the question may arise as to what would happen under this amendment to the bill in the event the commission is appointed tomorrow. That proposition would not affect an amended bill any more than it would affect the measure as it is now constituted. Furthermore, if the thought is advanced that the amendment under consideration involves uncertainty for the operators of the chartered lines, I would remind you that the language of the bill, as it is drawn now, does not give them any assurance as to what will happen to them beyond the fact that they are to be given preference, and what does that mean—no one has explained it.

We should by all means, I believe, maintain the spirit and the letter of the law that was enacted in 1936, at least until the maritime authority is appointed. After the authority assumes its duties and responsibilities, as such, it would, under my amendment, have an opportunity to proceed to establish a policy with reference to an American merchant marine immediately, which was obviously, and without doubt, and I say it without fear of any contradiction whatever, intended by the Congress in the original act. Furthermore, it would be able to do so without any limitations whatever, other than those provided in the original statute.

Remember that this language of mine is not offered with the intention of hamstringing this bill or doing the legislation any damage whatsoever, but in actually being of service to the legislation and of service to the American merchant marine, in which I am vitally interested, the same as every Member of the House, even though I represent a

district in the interior of the country, because I realize the importance of it.

I also want to remind you that under my amendment, following the appointment of the maritime authority, it would have 6 months in which to complete the establishment of its policy with reference to its chartered lines.

I would remind you also that it would have this 6 months' period regardless of when the authority is appointed. If it is appointed a month from now, it would have 6 months; or if it is not appointed until 6 months from now, it would still have 6 months. This would be a flexible arrangement for the protection of both operators and the Government. Where the present bill fixes the date at December 31 regardless of what happens, my amendment fixes it at 6 months after the appointment of the authority and is sufficiently elastic to permit the set-up to have at least that amount of time within which to act.

This appears to me to be a very fair and reasonable thing to do with this legislation in order to facilitate the operations of the maritime authority whenever it is appointed and confirmed, and I sincerely hope the distinguished chairman of this committee, as well as the committee itself, will subscribe to my earnest efforts to try to improve upon the bill and to assist the maritime authority in the avowed purpose that was set out in the act of 1936, namely, to determine a policy and launch immediately into the business of developing a merchant marine.

Mr. BLAND. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the speaker certainly, and I believe the entire committee, appreciate the effort of the gentleman from Iowa to improve the bill. I submit the amendment does not. It brings in the very defect that the gentleman is complaining about.

If you will read the original bill which we have introduced, you will realize that we say that the lines shall be operated by private operators upon such agreements as may be made with the Commission. We do not tie the hands of the Commission in the operating agreement that they have made. They have made what is known as the operating agreement of 1935. If our bill is passed and the Commission chooses to change that operating agreement it can do so, whereas under the amendment that is offered by my friend, they could not do so because it is the express mandate of Congress that they shall continue under existing operating agreements. The language "existing operating agreements" makes it more nearly certain that the present operators would continue than the bill as originally introduced and as reported by the committee. We say that the Commission shall operate upon an agreement that is satisfactory to the Commission or within the discretion of the Commission. If the Commission chooses within this period to change that operating agreement, then the present operators would be given a preference, but they would not absolutely have the right to get the agreement, whereas the amendment that is offered by my friend says, "Under existing operating agreements until a Commission of five members is appointed."

Suppose it should be the wisdom of the Commission that the present operating agreement is not a satisfactory one, and that another operating agreement more to the interest of the Government should be made. The Commission would have the right under the bill we presented to make a new operating agreement and then to say to the Roosevelt Steamship Co., to the Cosmopolitan Steamship Co., to any of the present operators, "Will you accept this?" They will give such operator the preference, because they have established contacts, they have agencies getting business throughout the country, they have their agencies operating abroad to secure business, they are in a position to carry on. They are given preference further because the act of 1936 and every act that has been passed by this Congress since 1920 says that in the sale and operation preference shall be given to those people who have the support, financial and otherwise, of the respective communities which they serve. We want to preserve that. There appeared before this committee representatives from Boston, representatives from New York, representatives from the Hampton Roads

territory, all testifying to the splendid service these operators have rendered. The amendment would provide that these operations could be terminated immediately after the appointment of the Commission, and may be operated for a period of 6 months. We have given a broader discretion to the Commission because we say that after December 31, 1937, they shall be discontinued as soon as practicable. As soon as practicable in the judgment of whom? In the judgment of the Commission, and the benefit of that provision over the other is that you do not throw those lines all on the market at the same time. It may be advisable to terminate the service as to one line and yet it would not be practicable to terminate that service as to another. I believe that upon reflection, if the committee would compare the bill with the proposed amendments, it would find the Committee on Merchant Marine and Fisheries has given greater discretion and liberality to the Commission than does the amendment proposed by my distinguished friend.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. CULKIN. Mr. Speaker, I move to strike out the last two words. The gentleman from Iowa [Mr. WEARIN] takes a just pride in the enactment of the Subsidy Act of last year. I fought shoulder to shoulder with him on that. He rendered able service in writing that legislation. I am compelled to believe, however, that unwittingly, and due to poor leadership in some quarter, in this instance he is rendering a disservice to the American merchant marine.

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

Mr. CULKIN. I cannot yield at this time. This pending bill was originally introduced by the gentleman from New York [Mr. O'LEARY], and provided for the extension of this period for a full year. As a result of full, adequate, and complete hearings, at which the gentleman from Iowa [Mr. WEARIN] was not present—he is no longer a member of the committee—the amendment offered by the chairman of the committee was written after full and careful consideration of all of the facts. I shall not undertake to criticize the Executive for failing to appoint a full-time, full-fledged commission, although it has seemed to me that that would be a most desirable thing. The amendment of the gentleman from Iowa offers bad draftsmanship, because it provides that this contingency shall continue until the President appoints five members to the Commission. He has appointed three so far, but they are only tentative. The gentleman from Iowa predicates his amendment and this proposed regulation for an extension of time upon some future act of the President.

It seems to me it is writing legislation on a contingency which involves the ability to peer into the mind of the distinguished occupant of the White House as to when he is going to appoint this commission. Much as I admire the distinguished gentleman from Iowa, I know that neither he nor any other American has that power, because the mind of the President is not only devious but it is also very able. I am saying that for the benefit of the other side. I am opposed to this amendment. It makes confusion worst confounded. I am strong in my devotion, and unyielding in that, to the cause of an adequate merchant marine, both in personnel and in shape. The amendment offered by this committee has been fully considered, carefully considered, and it does no violence to the questions raised by the gentleman from Iowa. I trust that in the interest of orderly legislation the amendment proposed by the gentleman from Iowa will be rejected. I now yield to the gentleman from Iowa.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CULKIN. I yield to the gentleman from Iowa.

Mr. WEARIN. Mr. Speaker, the gentleman infers that this amendment of mine with reference to granting a free hand to the commission or to the authority when it is appointed is befogging the issue. The gentleman understands, does he not, that under the language of the present bill—

Mr. CULKIN. Oh, I beg the gentleman not to lecture me.

Mr. WEARIN. The gentleman understands that under the present language of the bill you cannot by any means expect to make any changes in the present set-up until after December 31, no matter what happens.

Mr. CULKIN. That is a leading question, of course.

Mr. WEARIN. No; it is not leading; it is just an out-and-out statement of fact, a question of whether the gentleman agrees with it or does not.

Mr. CULKIN. Has the gentleman concluded?

Mr. WEARIN. I have concluded that one question.

Mr. CULKIN. I yielded the gentleman only 1 minute.

Mr. WEARIN. Does the gentleman want to answer the question?

Mr. CULKIN. I will answer this way: The amendment offered by the gentleman from Iowa confuses instead of clarifies this problem. I cannot, in the time I have, tell this House about the ramifications of the hearings before the committee. I can say only that the findings of the Commission, this passing, tentative Commission on this proposition, are oppressive and destructive of the interests of the merchant marine. Our committee, after due hearings, found that they were not in the public interest, but were disruptive of American service to France from Boston, New York, and southern ports. We had expert testimony, impartial testimony, not by the carriers interested but by impartial people concerned only with the building up of the merchant marine. After due consideration of the amendment offered by the gentleman from Iowa the committee unanimously rejected the proposed amendment and reported the pending bill. I trust that the amendment will be rejected and the bill as reported passed. [Applause.]

[Here the gavel fell.]

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

Mr. Speaker, I hope the amendment offered by the gentleman from Iowa will not be adopted. I appreciate the fact that the gentleman from Iowa is deeply interested in the furtherance of our merchant marine. His amendment, however, would work contrary to the best interests of those who are operating the vessels at the present time and contrary to the best interests of the Government.

His amendment is predicated upon an uncertainty. The amendment offered by the committee is definite and specific. The rights of the Government are definitely established by the bill which the committee has reported, and those who are operating the vessels at the present time definitely know what their rights will be. If the amendment of the gentleman from Iowa is adopted it would create an atmosphere of uncertainty. It is an amendment made in good faith and not in any hostile manner, but unconsciously and unintentionally it produces a result which will create uncertainty, first, as to the position of the Government, and, second, as to the position of those who are operating the vessels.

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

Mr. McCORMACK. Yes; I yield for a question. My friend is very philosophical and sometimes delves into things deeply.

Mr. WEARIN. I appreciate the generosity of the gentleman from Massachusetts.

Mr. McCORMACK. And may I say that I made that statement as a compliment? I wish I had the gentleman's mental capacity.

Mr. WEARIN. The gentleman surpasses me in that respect, and I am sure he realizes that this particular amendment of mine will protect the interest of the present charter operators better than it is protected by the present language of the bill. There is no uncertainty whatever for them under my amendment, and it will do so without violating the spirit of the 1936 act. I am sure that the gentleman from Massachusetts believes that the maritime authority should have the power to determine the policy with reference to our merchant marine; does he not?

Mr. McCORMACK. The gentleman goes pretty far afield. Let us review the history of this section. This provision was to become operative 1 year after June 29, 1936. Only three members have been appointed, and they have not yet been

confirmed by the Senate. They were not appointed until September; so, from June 29 until sometime in September went by before any action was taken. That time is taken out of the time allowed in the original section 704.

In justice to those who are operating these vessels, that should be given consideration. Three members of a commission of five have been appointed. There is justification for this delay, but it has created uncertainty. If the gentleman, I, or any three Members of the House were appointed tentatively and our appointments had not been confirmed, we would hesitate to establish any policy—first, because we were only three of five members; and, second, because we had not been confirmed by the Senate. All that works against the operators of the vessels.

The operators are entitled to equitable consideration. If there is to be an extension, which I urge, then, as between the uncertainty expressed in the amendment offered by the gentleman from Iowa and the certainty expressed in the bill reported by the committee, I feel that the House should go along with the committee with its expression of certainty, rather than the uncertainty of the amendment of the gentleman from Iowa.

Mr. WEARIN. Mr. Speaker, will the gentleman yield for a question?

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Iowa.

Mr. WEARIN. Mr. Speaker, I ask unanimous consent that the amendment may be read again.

The SPEAKER pro tempore. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk read as follows:

Mr. WEARIN moves to amend by striking all after the word "operators", in line 1 on page 2, as far as the colon in line 6, and inserting in lieu thereof the following: "under existing operating agreements until a commission of five members is duly appointed and confirmed by the Senate and thereafter may be so opened for a period not to exceed 6 months."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 9, noes 69.

So the amendment was rejected.

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

A motion to reconsider the vote by which the bill was passed was, on motion of Mr. BLAND, laid on the table.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks; and I also ask that this privilege be granted my colleague the gentleman from New York [Mr. O'LEARY], the author of the bill, who is detained on account of sickness.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Is there anything further from the Committee on Merchant Marine and Fisheries?

Mr. BLAND. The committee has nothing further at this time, Mr. Speaker.

#### EXTENSION OF REMARKS

Mr. WELCH, Mr. WEARIN, Mr. CULKIN, and Mr. McCORMACK asked and were given permission to revise and extend their remarks in the RECORD.

#### COMMITTEE ON MILITARY AFFAIRS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on World War Veterans' Legislation be discharged from the further consideration of the bill (H. R. 2692) to provide national flags for the burials of honorably discharged former service men and women, and that the bill be referred to the Committee on Military Affairs.

Mr. Speaker, I make this request as a result of a conference with the chairman of both these committees, this action being agreeable to them.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CROWE, for today, on account of official business.

To Mr. KELLY of New York, for 1 week, on account of business.

To Mr. MAY (at the request of Mr. SPENCE), indefinitely, on account of illness.

To Mr. ROMJUE (at the request of Mr. WILLIAMS), on account of important business.

To Mr. ALESHIRE (at the request of Mr. McSWEENEY), on account of illness.

To Mr. MOUTON, for 3 days, on account of important official business.

To Mr. RUTHERFORD, for Thursday and Friday, on account of business.

To Mr. HENNINGS (at the request of Mr. WILLIAMS), on account of official business.

To Mr. LANHAM (at the request of Mr. JOHNSON of Texas), for today, on account of illness.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent that on Monday next, after the reading of the Journal and disposition of matters on the Speaker's table, I may be permitted to address the House for 15 minutes.

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

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I would prefer that the gentleman make the request for later. Monday is set aside for consideration of bills on the Consent Calendar, and there are quite a number of bills on that calendar to be called up. Can the gentleman come in tomorrow and make his speech?

Mr. GEHRMANN. There are so many on for tomorrow, and I had not figured on making the speech until next week.

Mr. RAYBURN. I wish the gentleman would defer his request for the present. I do not know of a time when speeches were permitted on Consent Calendar day. The Members who have bills pending on that calendar are anxious to have them called. Tuesday, I may say to the gentleman, is Private Calendar day, and the Members are very anxious to have their bills called on that day.

Mr. BOILEAU. There have been speeches made on Tuesday during this session.

Mr. RAYBURN. May I ask the gentleman to withhold his request and I will talk with him tomorrow?

Mr. GEHRMANN. This is the first time I have asked for time, and I would like to have the opportunity as soon as possible. I could have made it Friday, but I understand there is not going to be a session on Friday, and that is the reason I made the request for Monday.

Mr. RAYBURN. Could not the gentleman make his speech tomorrow?

Mr. GEHRMANN. There are too many ahead of me.

Mr. BOILEAU. It will take all day tomorrow to take care of the speeches we have.

Mr. RAYBURN. I just want to protect the two calendars and the Members who have bills on those calendars. Of course, I would like to accede to the gentleman's desires, but if I agree to his request to speak on Monday, then someone else will want 15 minutes following him, and it would be a rather embarrassing situation.

Mr. BOILEAU. Is there going to be a session on Friday?

Mr. RAYBURN. The intention is to adjourn over.

Mr. DICKSTEIN. Will there be a Calendar Wednesday next week?

Mr. RAYBURN. Yes. Would the gentleman be satisfied to speak on Tuesday after the bills on the Private Calendar are called? I do not think that will take all afternoon.

Mr. GEHRMANN. That will be all right. Mr. Speaker, I ask unanimous consent that on Tuesday next, after dispo-

sition of bills on the Private Calendar, I may be permitted to address the House for 15 minutes.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

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

There was no objection.

Mr. TREADWAY. Mr. Speaker, as a member of the Committee on the Library, I am very much interested in the acceptance of the gift so generously made by Mr. Andrew W. Mellon. I do not expect to be able to be here when the measure is called up, as I am called to Texas upon a sad errand. The gentleman from Illinois [Mr. KELLER] tells me he hopes to be able to get it before the House for consideration quite soon. I wish to say that the Committee on the Library has made a very careful study of the measure and we had a very interesting hearing, one of the most interesting hearings I ever attended. There appeared at that hearing several witnesses who furnished the committee with much information, including representatives of the District administration, one of the Commissioners, the Secretary of the Smithsonian Institution, a member of the Fine Arts Commission, and at least two of those interested with Mr. Mellon, together with the architect of the building. We found that every interest in the city and in the Government is united in the merits of the proposition and a desire that the Government should follow the advice and request of President Roosevelt that this very generous gift on the part of Mr. Mellon be promptly accepted.

The chairman of the committee has circulated among the Members this afternoon copy of Report No. 291, which I commend to your attention. What I am saying now is practically covered in that report. One of the most interesting things to me in the hearing was an inquiry that I made of the gentleman in charge of the art itself as to the value of the donation to be made. His answer was that, of course, it was very difficult to give any actual cash value, but the paintings were rated as being valued in excess of \$50,000,000, and with a building to house then costing ten to twelve million dollars, you can see what a wonderful donation to education and art this will be. The building and the paintings will compare most favorably with the celebrated collections of the world.

Therefore, I join the other members of the Committee on the Library in a most urgent request that this gift be accepted by the Congress as soon as possible in order that work may be commenced on the preparation of detailed drawings, the change of roadway and the various other features that will be involved.

The architect, Mr. Pope, of New York, one of the leading architects in the country, has stated that the entire structure undoubtedly could be finished and the collection housed therein in about 2 years. So the sooner this donation is accepted, the quicker, of course, work can be commenced and the people begin to receive the benefit of viewing this marvelous collection of art in one of the finest buildings the world has ever known for such purposes. [Applause.]

EXTENSION OF REMARKS

Mr. RAMSAY asked and was given permission to extend his remarks in the RECORD.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 212. Joint resolution to amend the act entitled "An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes", approved August 29, 1935.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Thursday, February 25, 1937, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

386. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to define the exterior boundaries of the Ute Indian Reservation in the State of Utah, and for other purposes; to the Committee on Indian Affairs.

387. A letter from the Acting Secretary of the Interior, transmitting the draft of a bill to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes; to the Committee on the Public Lands.

388. A letter from the Acting Secretary of the Interior, transmitting the draft of a bill to make available for national park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.; to the Committee on the Public Lands.

389. A letter from the Acting Secretary of the Interior, transmitting the draft of a bill to authorize the Secretary of the Interior to accept donations of land, interests in land, buildings, or other property for the extension of national parks; to the Committee on the Public Lands.

390. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize the Secretary of the Interior to exchange certain lands and water rights in Inyo and Mono Counties, Calif., with the city of Los Angeles for the purpose of providing homes for the Indians living in Owens Valley, Calif.; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2565. A bill to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; without amendment (Rept. No. 296). 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. RYAN: Committee on Claims. H. R. 450. A bill for the relief of A. D. Hampton; with amendment (Rept. No. 297.) Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 591. A bill for the relief of John T. Clarkson; with amendment (Rept. No. 298). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 738. A bill for the relief of Asa C. Ketcham; with amendment (Rept. No. 299.) Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 886. A bill for the relief of Guido Biscaro, Giovanni Polin, Spiro Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin; with amendment (Rept. No. 300.) Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 937. A bill for the relief of Goldie Durham; with amendment (Rept. No. 301). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 988. A bill for the relief of Burton P. Cordle; with amendment

(Rept. No. 302.) Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 1254. A bill for the relief of William A. McMahan; with amendment (Rept. No. 303.) Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1690. A bill for the relief of Ralph Riesler; with amendment (Rept. No. 304.) Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2333. A bill to provide an appropriation for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; with amendment (Rept. No. 305). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2352. A bill for the relief of Donald L. Bookwalter; with amendment (Rept. No. 306). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 2774. A bill for the relief of certain employees of the Division of Investigation, Department of the Interior, and certain disbursing officers of the Department of the Interior; without amendment (Rept. No. 307). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2789. A bill for the relief of Cohen, Goldman & Co., Inc.; with amendment (Rept. No. 308). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2987. A bill for the relief of M. K. Fisher; with amendment (Rept. No. 309). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 3204. A bill for the relief of F. E. Booth Co.; with amendment (Rept. No. 310). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3738. A bill for the relief of Clifford Y. Long; without amendment (Rept. No. 311). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4683. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932; without amendment (Rept. No. 312). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4684. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval radio station, Eureka, Calif., on January 17, 1930; without amendment (Rept. No. 313). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4685. A bill to provide for the reimbursement of certain civilian employees of the naval operating base, Hampton Roads, Va., for the value of tools lost in a fire at Pier No. 7, at the naval operating base, on May 4, 1930; without amendment (Rept. No. 314). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4686. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost, damaged, or destroyed by fire at the Marine Barracks, Quantico, Va., on October 5, 1930; without amendment (Rept. No. 315). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DEEN: A bill (H. R. 5028) to furnish employment by providing for emergency construction of public highways and related projects, and for other purposes; to the Committee on Appropriations.

By Mr. FITZPATRICK: A bill (H. R. 5029) to authorize the Secretary of War to transfer and convey to the State of New York all right and title now vested in the United States to land and buildings thereon known as Fort Schuyler, N. Y.; to the Committee on Military Affairs.

By Mr. GASQUE: A bill (H. R. 5030) granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes; to the Committee on Pensions.

By Mrs. NORTON: A bill (H. R. 5031) to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property; to the Committee on the District of Columbia.

By Mr. SHAFER of Michigan: A bill (H. R. 5032) changing the name of Camp Custer, in Calhoun and Kalamazoo Counties, Mich., to Fort Custer; to the Committee on Military Affairs.

By Mr. STEAGALL: A bill (H. R. 5033) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States housing authority, and for other purposes; to the Committee on Banking and Currency.

By Mr. KNUTSON: A bill (H. R. 5034) to extend for a period of 2 years the insurance of loans and advances for improvements upon real property; to the Committee on Banking and Currency.

By Mr. RABAUT: A bill (H. R. 5035) to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Brussels, Belgium; to the Committee on Foreign Affairs.

By Mr. PATTON: A bill (H. R. 5036) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. COSTELLO: A bill (H. R. 5037) to provide for the advancement on the retired lists of certain officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. ANDERSON of Missouri: A bill (H. R. 5038) to prescribe 5-year minimum terms for broadcasting licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. ALLEN of Illinois: A bill (H. R. 5039) amending the act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, corporations other than national banks, licensed brokers, trust companies, savings banks, building and loan associations, and real-estate brokers in the District of Columbia", approved February 4, 1913, as amended; to the Committee on the District of Columbia.

By Mr. BERNARD: A bill (H. R. 5040) to provide for the establishment of three Coast Guard stations on the north shore of Lake Superior; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 5041) to investigate the claims of and to enroll certain persons, if entitled, with the Pottawatomie Tribe of Indians; to the Committee on Indian Affairs.

By Mr. BOREN: A bill (H. R. 5042) to govern the apportionment of appointments under civil service; to the Committee on the Civil Service.

By Mr. BYRNE: A bill (H. R. 5043) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the preservation of wildlife; to the Committee on Agriculture.

By Mr. DEMUTH: A bill (H. R. 5044) to provide for the completion of the 12-mile spacing of the horizontal-control and 5-mile spacing of vertical-control surveys in the State of Pennsylvania; to the Committee on Merchant Marine and Fisheries.

By Mr. DIMOND: A bill (H. R. 5045) to provide for the development of Alaska and authorizing an appropriation

therefor, and for other purposes; to the Committee on the Territories.

By Mr. BOREN: A bill (H. R. 5046) to make the Civilian Conservation Corps a permanent agency of the Government; to the Committee on Labor.

By Mr. MAAS: A bill (H. R. 5047) providing for naval and Marine Corps aviators who have qualified prior to April 1, 1917, and since disqualified for active duty to be advanced one grade on the retired list; to the Committee on Naval Affairs.

Also, a bill (H. R. 5048) prohibiting officers of the Navy from serving more than 4 years out of any consecutive 8 years on duty in the Navy Department, Washington, D. C.; to the Committee on Naval Affairs.

Also, a bill (H. R. 5049) to limit the consideration by boards convened by the Secretary of the Navy to select officers of the line and Staff Corps of the Navy for promotion to the professional records of eligible officers, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 5050) to authorize the appointments of cadets at the Military Academy through civil-service examination; to the Committee on Military Affairs.

By Mr. DREW of Pennsylvania: Resolution (H. Res. 131) to create a select committee to investigate highway plans for national defense; to the Committee on Rules.

Also, a resolution (H. Res. 132) to provide for the expenses authorized by House Resolution 131; to the Committee on Accounts.

By Mr. BIGELOW: Resolution (H. Res. 133) to make H. R. 1659, a bill providing for the coinage and issuance of money and to regulate the value thereof by establishing a bank of the United States, a special order of business; to the Committee on Rules.

By Mr. ELLENBOGEN: Resolution (H. Res. 134) to examine and investigate the economics of the iron and steel industry; to the Committee on Rules.

By Mr. MILLS: Resolution (H. Res. 135) providing for the establishment of a restaurant or coffee shop in each of the House Office Buildings; to the Committee on Accounts.

By Mr. CANNON of Wisconsin: Resolution (H. Res. 136) to create a select committee of the House to investigate the American Bar Association; to the Committee on Rules.

By Mr. MAAS: Resolution (H. Res. 137) to amend rules X and XI of the House of Representatives; to the Committee on Rules.

By Mr. BOYLAN of New York: Joint resolution (H. J. Res. 243) declaring the birthday of Thomas Jefferson to be a legal public holiday; to the Committee on the Judiciary.

By Mr. RIGNEY: Joint resolution (H. J. Res. 244) extending the appreciation of the United States Government to Robert M. Root for his painting *The Spirit of Flight*; to the Committee on the Post Office and Post Roads.

By Mr. STACK: Joint resolution (H. J. Res. 245) to provide for the construction and operation by the Secretary of the Navy of a Government steel plant in the vicinity of League Island, Philadelphia, Pa.; to the Committee on Naval Affairs.

By Mr. DIMOND: Joint resolution (H. J. Res. 246) authorizing a preliminary examination or survey of Grantley Harbor at Teller, Alaska; to the Committee on Rivers and Harbors.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDREWS: A bill (H. R. 5051) for the relief of William Francis Daniels; to the Committee on Naval Affairs.

By Mr. CANNON of Missouri: A bill (H. R. 5052) to extend the benefits of the Officers' Retirement Act to Buell Menefee; to the Committee on Military Affairs.

By Mr. CLASON: A bill (H. R. 5053) granting a pension to Pearl F. Hopper; to the Committee on Pensions.

Also, a bill (H. R. 5054) granting a pension to Mary R. Currier; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 5055) granting an increase of pension to Mary Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5056) for the relief of A. R. Wickham; to the Committee on Military Affairs.

By Mr. CRAWFORD: A bill (H. R. 5057) granting a pension to Ethelyn Palmer; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 5058) for the relief of W. W. Cook; to the Committee on Claims.

By Mr. DUNN: A bill (H. R. 5059) for the relief of John Bodrog; to the Committee on Immigration and Naturalization.

By Mr. FULMER: A bill (H. R. 5060) granting a pension to Hattie R. Sonntag; to the Committee on Pensions.

By Mr. GOODWIN: A bill (H. R. 5061) granting an increase of pension to Libbie Van Deusen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5062) granting a pension to Katherine Rinewell; to the Committee on Invalid Pensions.

By Mr. GRAY of Pennsylvania: A bill (H. R. 5063) for the relief of the Johnstown Coal & Coke Co.; to the Committee on Claims.

Also, a bill (H. R. 5064) for the relief of Joseph Kochinich; to the Committee on Military Affairs.

By Mr. GRIFFITH: A bill (H. R. 5065) for the relief of Carlo Levy McDaniel; to the Committee on War Claims.

Also, a bill (H. R. 5066) for the relief of Loyd Harrison Wayland; to the Committee on Naval Affairs.

By Mr. HIGGINS: A bill (H. R. 5067) for the relief of Ernest L. Viveiros; to the Committee on Naval Affairs.

Also, a bill (H. R. 5068) for the relief of Joseph Francis White; to the Committee on Naval Affairs.

Also, a bill (H. R. 5069) for the relief of William Reid; to the Committee on Naval Affairs.

Also, a bill (H. R. 5070) for the relief of John Raymond Sullivan; to the Committee on Naval Affairs.

Also, a bill (H. R. 5071) for the relief of John I. Peterson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5072) for the relief of Albert L. Sliney; to the Committee on Naval Affairs.

Also, a bill (H. R. 5073) for the relief of Joseph P. Lynch; to the Committee on Naval Affairs.

Also, a bill (H. R. 5074) for the relief of John J. Martin; to the Committee on Naval Affairs.

Also, a bill (H. R. 5075) for the relief of James Healey; to the Committee on Naval Affairs.

Also, a bill (H. R. 5076) for the relief of John F. Henneberry; to the Committee on Naval Affairs.

Also, a bill (H. R. 5077) for the relief of John Charles Gallagher; to the Committee on Naval Affairs.

Also, a bill (H. R. 5078) for the relief of Julian A. Hanson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5079) for the relief of Ralph Fern; to the Committee on Naval Affairs.

Also, a bill (H. R. 5080) for the relief of Thomas Theodore Foley; to the Committee on Naval Affairs.

Also, a bill (H. R. 5081) for the relief of Thomas F. Curry; to the Committee on Naval Affairs.

Also, a bill (H. R. 5082) for the relief of William J. Deasy; to the Committee on Naval Affairs.

Also, a bill (H. R. 5083) for the relief of Paul Lemar Blackmon; to the Committee on Naval Affairs.

Also, a bill (H. R. 5084) for the relief of James A. Cullinane; to the Committee on Naval Affairs.

Also, a bill (H. R. 5085) for the relief of Daniel J. O'Neill; to the Committee on Military Affairs.

Also, a bill (H. R. 5086) for the relief of Thomas Waters; to the Committee on Military Affairs.

Also, a bill (H. R. 5087) for the relief of Benjamin Wayler; to the Committee on Military Affairs.

Also, a bill (H. R. 5088) for the relief of Henry Clark; to the Committee on Naval Affairs.

Also, a bill (H. R. 5089) for the relief of Michael Calnan; to the Committee on Naval Affairs.

Also, a bill (H. R. 5090) for the relief of Thomas J. Boyan; to the Committee on Naval Affairs.

Also, a bill (H. R. 5091) for the relief of Andrew J. Bohn; to the Committee on Naval Affairs.

Also, a bill (H. R. 5092) for the relief of Michael Clark; to the Committee on Military Affairs.

Also, a bill (H. R. 5093) for the relief of William J. Duggan; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 5094) granting an increase of pension to Esther J. Kimberly; to the Committee on Invalid Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 5095) for the relief of Charles W. Sisk; to the Committee on Military Affairs.

Also, a bill (H. R. 5096) granting a pension to Nina G. Givens; to the Committee on Pensions.

By Mr. McCLELLAN: A bill (H. R. 5097) for the relief of Sam D. Carson; to the Committee on Claims.

By Mr. MILLS: A bill (H. R. 5098) for the relief of the heirs at law of the estate of Haller Nutt, deceased; to the Committee on Claims.

By Mrs. NORTON: A bill (H. R. 5099) for the relief of Vincent F. Leslie; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 5100) for the relief of Elmer D. Van Antwerp; to the Committee on Claims.

Also, a bill (H. R. 5101) granting a pension to Mary P. Morris; to the Committee on Pensions.

By Mr. PFEIFER: A bill (H. R. 5102) conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claim of Mr. and Mrs. Frank Muzio; to the Committee on Claims.

By Mr. RABAUT: A bill (H. R. 5103) for the relief of Joseph Zebelian; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5104) for the relief of the Acme Wire & Iron Works; to the Committee on Claims.

By Mr. REECE of Tennessee: A bill (H. R. 5105) granting a pension to John M. Saylor; to the Committee on Pensions.

Also, a bill (H. R. 5106) for the relief of Ike Kearney; to the Committee on Military Affairs.

Also, a bill (H. R. 5107) granting a pension to Chanley C. Freeman; to the Committee on Pensions.

Also, a bill (H. R. 5108) for the relief of W. S. Rosenbalm; to the Committee on Military Affairs.

By Mr. RIGNEY: A bill (H. R. 5109) granting a pension to Lawrence A. Golden; to the Committee on Pensions.

By Mr. ROBERTSON: A bill (H. R. 5110) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton; to the Committee on the District of Columbia.

By Mr. SCOTT: A bill (H. R. 5111) for the relief of Samuel S. Knox; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 5112) for the relief of Frank Lee Borney; to the Committee on Claims.

By Mr. TOLAN: A bill (H. R. 5113) for the relief of Charles W. Langridge; to the Committee on Claims.

By Mr. WEST: A bill (H. R. 5114) granting an increase of pension to John C. Denbo; to the Committee on Pensions.

By Mr. WOOD: A bill (H. R. 5115) for the relief of Charles Dominic and others; to the Committee on Claims.

#### PETITIONS, ETC.

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

491. By Mr. ANDREWS: Letter from the secretary of the Bar Association of Erie County, N. Y., having to do with the legislation affecting the Supreme Court of the United States; to the Committee on the Judiciary.

492. Also, petition of citizens of the city of Buffalo, N. Y., protesting against passage of legislation affecting the Supreme Court of the United States; to the Committee on the Judiciary.

493. By Mr. ASHBROOK: Petition of Mrs. F. M. Moor, of Polk, Ohio, and 36 other citizens, of Ashland, Ohio, protest-

ing against the President's Supreme Court proposal; to the Committee on the Judiciary.

494. By Mr. BOYLAN of New York: Resolution adopted by the New York Board of Trade, Inc., New York, N. Y., opposing any legislation now or about to be introduced aimed to change the Supreme Court; to the Committee on the Judiciary.

495. Also, resolution adopted by the Greater City Master Plumbers' Association, Inc., New York, N. Y., urging support for the extension of title I of the National Housing Act; to the Committee on Banking and Currency.

496. Also, resolution adopted by the New York Board of Trade, Inc., New York, N. Y., opposing legislation that would grant to the Department of Labor the power to subpoena witnesses and records in labor disputes; to the Committee on Labor.

497. Also, resolution adopted by the Sons of the American Revolution, Empire State Society, New York City, N. Y., at a meeting of the board of managers held February 11, 1937, opposing the enactment of a bill for the reorganization of the Federal Judiciary; to the Committee on the Judiciary.

498. By Mr. CULLEN: Petition of the Senate of the State of New York, respectfully memorializing the Congress of the United States to amend the War Risk Insurance Act so as to provide that the amounts payable for insurance to sailors for World War injuries be paid to soldiers and marines for like injuries; to the Committee on Military Affairs.

499. By Mr. COFFEE of Washington: Petition of the Women's Legislative Council of Washington, Seattle, Wash.; to the Committee on the Judiciary.

500. Also, petition of the Seattle Building Trades Council, Seattle, Wash.; to the Committee on Labor.

501. By Mr. CRAWFORD: Resolution of the Saginaw Bar Association, condemning the proposal to increase the size of the Supreme Court of the United States; to the Committee on the Judiciary.

502. Also, petition of Robert G. Leckie and 60 other residents, of Saginaw, Mich., protesting against the proposal to alter or subordinate the United States Supreme Court; to the Committee on the Judiciary.

503. Also, petition of S. H. Porterfield and 32 other residents of St. Johns, Mich., protesting against the proposed increase in the number of Judges of the Supreme Court; to the Committee on the Judiciary.

504. Also, petition of Willena Keiser and 43 other residents of St. Johns, Mich., protesting against the proposal to revise the Supreme Court; to the Committee on the Judiciary.

505. By Mr. DORSEY: Petition of 151 residents of the Fifth Pennsylvania Congressional District, favoring the proposal of President Roosevelt on reorganization of the judicial branch as it refers to increasing the present membership of the Supreme Court; to the Committee on the Judiciary.

506. Also, petition of 35 residents of the Fifth Pennsylvania Congressional District, favoring the proposal of President Roosevelt on reorganization of the judicial branch as it refers to increasing the present membership of the Supreme Court; to the Committee on the Judiciary.

507. By Mr. FITZGERALD: Memorial of the Connecticut Association of Postmasters, requesting that justice be done their membership by the restoration of their salary schedules on the basis of 100 percent of receipts, instead of the present basis of 90 percent; to the Committee on the Post Office and Post Roads.

508. By Mr. GOODWIN: Memorial of the New York State Legislature, to amend the War Risk Insurance Act, so as to provide that the amounts payable for insurance to sailors for World War injuries be paid to soldiers and marines for like injuries; to the Committee on Military Affairs.

509. By Mr. HART: Petition of the Hoboken Chamber of Commerce, expressing its disapproval of any measure which would permit the appointment of more Justices than are now on the bench of the United States Supreme Court; to the Committee on the Judiciary.

510. Also, petition of the International Ladies' Garment Workers' Union, Local No. 148, of Hudson County, heartily

endorsing the President's proposal for judiciary reform; to the Committee on the Judiciary.

511. Also, petition of the New Jersey State Chamber of Commerce, opposing the President's Supreme Court proposals; to the Committee on the Judiciary.

512. By Mr. HILDEBRANDT: Resolution urging Members of Congress to favor a Federal excise retail sales tax upon goods sold at retail and shipped in interstate commerce to a State having a retail sales tax in force; to the Committee on Interstate and Foreign Commerce.

513. Also, House Concurrent Resolution No. 6, Legislature of South Dakota, twenty-fifth session; to the Committee on Interstate and Foreign Commerce.

514. Also, resolutions favorable to labor; to the Committee on Labor.

515. Also, Concurrent Resolution No. 6 of the Legislature of South Dakota; to the Committee on Ways and Means.

516. Also, memorial memorializing Congress to extend additional time on Federal farm loans and to reduce the rate of interest; to the Committee on Agriculture.

517. Also, resolution memorializing Congress to enlarge the activities of the Civilian Conservation Corps camps; to the Committee on Ways and Means.

518. Also, resolution petitioning Congress to favor the continuance of the present embargo against animal products from Argentina; to the Committee on Ways and Means.

519. By Mr. HOUSTON: Petition of the Kansas Petroleum Industries Committees of the Fifth Congressional District of Kansas, urging immediate repeal of the Federal gasoline and lubricating-oil taxes; to the Committee on Interstate and Foreign Commerce.

520. By Mr. JOHNSON of Texas: Petition of O. H. McCollum, president of the Hearne Chamber of Commerce, Hearne, Tex., urging that in the reorganization of the executive departments of the Government that the Interstate Commerce Commission remain as an independent Government unit; to the Committee on Reorganization of the Executive Departments.

521. Also, petition of R. E. Cornforth, superintendent of the National Compress Co., Hearne, Tex., urging that in the reorganization of the executive departments of the Government that the Interstate Commerce Commission remain as an independent Government unit; to the Committee on Reorganization of the Executive Departments.

522. Also, petition of the East Texas Chamber of Commerce, favoring Federal appropriation for research laboratory for discovery of new uses of cotton; to the Committee on Appropriations.

523. By Mr. KEOGH: Petition of the Bayside Hills Civic Association, Bayside, N. Y., opposing tax of 1 cent per gallon on fuel oil when used for the generation of heat; to the Committee on Ways and Means.

524. Also, memorial of the Senate, State Legislature of New York, favoring amendment to the War Risk Insurance Act so as to provide that the amounts payable for insurance to sailors for World War injuries be paid to sailors and marines for like injuries; to the Committee on World War Veterans' Legislation.

525. By Mr. KING: Resolution of the Bar Association of Hawaii calling attention to the serious situation in Hawaii during the recent maritime strike; to the Committee on Merchant Marine and Fisheries.

526. Also, resolution of the Free Kindergarten and Children's Aid Association, calling attention to the serious situation in Hawaii during the recent maritime strike; to the Committee on Merchant Marine and Fisheries.

527. Also, resolution of the Uluniu Women's Swimming Club, calling attention to the serious situation in Hawaii during the recent maritime strike; to the Committee on Merchant Marine and Fisheries.

528. By Mr. LEAVY: Petition of 25 leading members of the Washington State Bar Association of Spokane County, urging impartial consideration of the President's recommendation on the Federal judiciary and supporting the proposals

made by the President of the United States in reference thereto; to the Committee on the Judiciary.

529. By Mr. MEAD: Petition of the Erie County committee of the American Legion, of Buffalo, N. Y., making certain recommendations for legislation affecting the United States Navy; to the Committee on Naval Affairs.

530. By Mr. MERRITT: Resolution of the board of directors of the Constitutional Democracy Association, Inc., requesting that the last Wednesday in March be officially declared a national holiday, known as Constitutional Government Day, and be appropriately observed and celebrated by the Nation, States, municipalities, and people; to the Committee on the Judiciary.

531. Also, resolution of the Harrison Teachers Association, requesting that a suitable system be established whereby monetary aid from the Federal Treasury may be distributed on an impartial basis to the individual States to be used for the purposes of education; and that it be understood that the control of all such funds shall be vested in the State and local school district; to the Committee on Ways and Means.

532. Also, resolution of the Republican Club of Staten Island, requesting that the members of the Republican Club of Staten Island, in meeting duly assembled, do record their strenuous opposition to the President's proposal, insofar as it affects the number or ages of the Supreme Court Judges, or in any way limits the judicial power of the Court as now constituted; to the Committee on the Judiciary.

533. Also, resolution of the board of directors of the Brooklyn Chamber of Commerce, requesting that the Brooklyn Chamber of Commerce is unalterably opposed to the enactment of the bill for the reorganization of the Federal judiciary submitted to Congress with the message of the President of the United States on February 5, 1937, or to any other bill the effect of which would be to increase the number of Justices of the Supreme Court of the United States or otherwise interfere with the balance of power between the legislative, executive, and judicial departments of the Federal Government; to the Committee on the Judiciary.

534. Also, resolution of the Geneva Chamber of Commerce, requesting that the proposal to enlarge the Supreme Court, or to force the appointment of new Justices to promote the program of the administration, presents a serious threat to our civic liberties, and we protest with conviction any subordination of the Supreme Court to the administration of the hour, no matter how benevolent that administration may be; to the Committee on the Judiciary.

535. By Mr. O'CONNOR of New York: Memorial of the Senate of the State of New York; to the Committee on Military Affairs.

536. By Mr. RICH: Petition of citizens of Wellsboro, Tioga County, Pa., protesting against the President's plan to reorganize the judiciary; to the Committee on the Judiciary.

537. By Mr. THOMAS of New Jersey: Resolution adopted by the Hackensack Chapter, Daughters of the American Revolution, Hackensack, N. J., opposing the President's proposal to change the membership of the United States Supreme Court; to the Committee on the Judiciary.

538. Also, resolution adopted by Colonel Lowrey Chapter, Daughters of American Revolution, Flemington, N. J., opposing President's proposal to increase the membership of the Supreme Court; to the Committee on the Judiciary.

539. Also, resolution adopted by Hillsdale Republican Club, Hillsdale, N. J., opposing the proposal to enlarge the Supreme Court; to the Committee on the Judiciary.

540. Also, petition of Elizabeth Van Emburgh and 22 other citizens of Hackensack, N. J., opposing the proposal to pack and control the Supreme Court; to the Committee on the Judiciary.

541. By the SPEAKER: Petition of the Federal Bar Association of New York, New Jersey, and Connecticut, requesting copies of reports on immigration and naturalization; to the Committee on Immigration and Naturalization.

542. Also, petition of F. E. Mueller and others, petitioning that the religious rights be upheld; to the Committee on the Judiciary.