commemorating the landing of Cabrillo, and for other reasons; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BIERMANN: A bill (H. R. 8190) for the relief of Leland J. Belding; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 8191) for the relief of A. C. Williams; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 8192) for the relief of Herbert Joseph Dawson; to the Committee on Naval Affairs.

By Mr. FERGUSON: A bill (H. R. 8193) for the relief of the Long Bell Lumber Co., of Ponca City, Okla.; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 8194) granting a pension to Florence Jones; to the Committee on Invalid Pensions.

By Mr. KITCHENS: A bill (H. R. 8195) for the relief of Otis Winstead; to the Committee on Claims.

By Mr. O'BRIEN of Michigan: A bill (H. R. 8196) for the relief of Norman F. Grundy; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 8197) for the relief of James J. Hogan; to the Committee on Claims.

By Mr. TRANSUE: A bill (H. R. 8198) granting an increase of pension to Isabelle Call; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H. R. 8199) for the relief of Olive Fletcher Conklin; 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:

3177. By Mr. ROMJUE: Petition of Glenn D. Stickler and others, of Brimson, Mo., endorsing House bill 7681, providing Government aid to States in wildlife restoration projects, and for other purposes; to the Committee on Agriculture.

3178. Also, petition of the General Wildlife Federation of the States of Arkansas, Kentucky, Missouri, and Tennessee, endorsing Senate bill 2670 and House bill 7681 for Federal aid to State wildlife programs; to the Committee on Agriculture.

3179. By the SPEAKER: Petition of the Greer County Cotton Growers, Mangum, Okla., petitioning Congress to formulate an agriculture program; to the Committee on Agriculture.

3180. Mr. CULLEN: Petition of the Board of Estimate and Apportionment of New York City, urging the passage of the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3181. By the SPEAKER: Petition of the city of Cleveland, enclosing a certified copy of resolution file no. 107090 adopted by the council August 3, 1937; to the Committee on Appropriations.

3182. By Mr. CURLEY: Petition of the Central Union Label Council of Greater New York, urging enactment of the Allen-Schwellenbach bill providing for the reinstatement of all workers dismissed from Public Works Administration who have not found employment in private industry; to the Committee on Appropriations.

3183. By Mr. FITZPATRICK: Petition of the Board of Estimate and Apportionment of the City of New York, urging the passage of the Schwellenbach-Allen resolution in relation to the Works Progress Administration workers; to the Committee on Appropriations.

3184. By Mr. CURLEY: Petition of the Post Office Eligibles Association, urging support of House joint resolution introduced by Congressman CELLER; to the Committee on the Civil Service.

3185. Also, petition of the Washington Restaurant Association, opposing passage of House bill 8950 as it applies to the sale of spirituous liquors at open bars and lunch counters in the District of Columbia; to the Committee on the District of Columbia.

3186. Also, petition of the Grand Lodge, Brotherhood of Railroad Trainmen, urging enactment of Senate bill 69, known as the train-limit bill; to the Committee on Interstate and Foreign Commerce.

3187. By Mr. COLDEN: Resolution of the International Association of General Chairmen, Brotherhood of Railroad Trainmen, in session at Cleveland, Ohio, on August 4, 1937, urging the enactment by Congress before adjournment of the train-limit bill (S. 69); to the Committee on Interstate and Foreign Commerce.

3188. By Mr. ASHBROOK: Petition of Dr. G. W. Lower, of Millersburg, Ohio, and six other citizens, opposing House Joint Resolution 284, by Mr. SIROVICH, proposing a monument to Robert Ingersoll; to the Committee on the Library.

3189. By Mr. FITZPATRICK: Petition of the American Federation of Musicians, urging the passage of House bill 4947 and Senate bill 2369, to commission the band leaders of the Regular Army and the National Guard; to the Committee on Military Affairs.

3190. By Mr. PETERSON of Georgia: Petition of citizens of Emanuel and Chatham Counties, Ga., concerning the old-age pension bill (H. R. 2257); to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 10, 1937

(Legislative day of Monday, Aug. 9, 1937)

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

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, August 9, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest, in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the Office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday; and

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes.

CALL OF THE ROLL

Mr. LEWIS. As pending legislation requires the presence of a quorum, I suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Clark	Johnson, Colo.	Overton
Andrews	Connally	King	Pepper
Ashurst	Copeland	La Follette	Pittman
Austin	Davis	Lee	Pope
Barkley	Dieterich	Lewis	Radcliffe
Berry	Ellender	Lodge	Reynolds
Bilbo	Frazier	Logan	Schwartz
Black	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gillette	McAdoo	Smathers
Bridges	Glass	McCarran	Smith
Brown, Mich.	Green	McGill	Steiwer
Brown, N. H.	Guffey	McKellar	Thomas, Okla.
Bulkley	Hale	McNary	Thomas, Utah
Bulow	Harrison	Maloney	Townsend
Burke	Hatch	Minton	Truman
Byrd	Herring	Moore	Vandenberg
Byrnes	Hitchcock	Murray	Van Nuys
Capper	Holt	Neely	Walsh
Caraway	Hughes	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent in the performance of official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

The Senator from New York [Mr. WAGNER] is absent in attendance on the funeral of the late Representative Peyser, of New York.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the performance of official duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

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

MESSAGES FROM THE PRESIDENT

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

PETITIONS

Mr. COPELAND presented a resolution adopted by the Milton-on-Hudson Grange, in the State of New York, favoring the adoption of the so-called Ludlow resolution, providing for a Nation-wide referendum before a declaration of war, except in case of invasion, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by members of the Ladies Aid Society of the Methodist Protestant Church at Garwoods, N. Y., favoring the maintenance of peace for the Nation, which was referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES

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

H. R. 4489. A bill for the relief of Stella Van Dewerker (Rept. No. 1151);

H. R. 5927. A bill for the relief of Walter G. Anderson (Rept. No. 1152); and

H. R. 7172. A bill for the relief of Jesse A. LaRue (Rept. No. 1153).

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

H. R. 2657. A bill authorizing the Secretary of the Navy to advance on the retired list of the Navy, David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired (Rept. No. 1154); and

H. R. 3372. A bill for the relief of Luke Francis Brennan (Rept. No. 1155).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 6167) to provide a surcharge on certain air mail carried in Alaska, reported it without amendment and submitted a report (No. 1156) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. ADAMS:

A bill (S. 2935) to authorize the use of certain facilities of national parks and national monuments for elementary school purposes;

A bill (S. 2936) to establish the San Juan National Monument, P. R., and for other purposes; and

A bill (S. 2937) to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 2938) authorizing the award of appropriate service medals to American officers and seamen who served on American or allied merchant vessels in the submarine zones during the period of the World War; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2939) for the relief of John January; to the Committee on Claims.

By Mr. HATCH (for himself and Mr. CHAVEZ):

A joint resolution (S. J. Res. 204) authorizing the President to issue a proclamation with respect to commemoration of the four hundredth anniversary of the journey and explorations of Coronado in western America; to the Committee on the Library.

PORTRAIT OF THE LATE SENATOR ROBINSON

Mrs. CARAWAY submitted the following resolution (S. Res. 173), which was referred to the Committee on the Library:

Resolved, That the Architect of the Capitol is authorized and directed to accept a portrait of Hon. Joseph T. Robinson, late a Senator from the State of Arkansas, as a gift to the Senate of the United States from certain friends of his, and to cause such portrait to be hung in a suitable place in the Senate wing of the National Capitol.

HOME OWNERS' LOAN CORPORATION AND HOME OWNERSHIP—ADDRESS BY SENATOR COPELAND

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address delivered on May 19, 1937, by Senator COPELAND on the subject The Home Owners' Loan Corporation and Home Ownership, which appears in the Appendix.]

BILLIONS OUT AND BILLIONS BACK—ARTICLE BY JESSE H. JONES

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article by Jesse H. Jones, published in the Saturday Evening Post of June 26, 1937, entitled "Billions Out and Billions Back", which appears in the Appendix.]

WILDLIFE RESTORATION PROJECTS

The Senate resumed the consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

Mr. PITTMAN. Mr. President, since this bill was taken up yesterday there have been some conferences between Senators who are particularly interested in the measure, and agreement has been reached on certain perfecting amendments, which I send to the desk and ask to have stated.

The VICE PRESIDENT. Does the Senator desire that committee amendments be first considered?

Mr. PITTMAN. I ask unanimous consent that committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered, and the clerk will state the committee amendments.

The amendments of the Special Committee on Conservation of Wildlife Resources were, in section 3, page 3, line 8, after the date "June 30", to strike out "1938" and insert "1939"; in section 5, on page 5, line 16, after the date "June 30", to strike out "1938" and insert "1939"; and in section 12, on page 9, line 17, after the words "from the", to strike out "date of its passage" and insert "1st day of July 1938", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized to cooperate with the States, through their respective State fish and game departments, in wildlife-restoration projects as hereinafter set forth; but no money apportioned under this act to any State shall be expended therein until its legislature shall have assented to the provision of this act and shall have passed laws for the conservation of wildlife which meet the minimum requirements of the said Secretary of Agriculture, which requirements shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of said State fish and game department, except that, until the final adjournment of the first regular session of the legislature held after the passage of this act, the assent of the Governor of the State shall be sufficient. The Secretary of Agriculture and the State fish and game department of each State accepting the benefits of this act shall agree upon the wildlife-restoration projects to be aided in such State under the terms of this act and all projects shall conform to the standards fixed by the Secretary of Agriculture.

SEC. 2. For the purposes of this act the term "wildlife-restoration project" shall be construed to mean and include the selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition by purchase, condemnation, lease, or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor, and the construction thereon or therein of such works as may be necessary to make them available for such purposes and also including such research into problems of wildlife management as may be necessary to efficient administration affecting wildlife resources, and such preliminary or incidental costs and expenses as may be incurred in and about such projects; the term "State fish and game department" shall be construed to mean and include any department or division of department of another name, or commission, or official or officials, of a State empowered under its laws to exercise the functions ordinarily exercised by a State fish and game department.

SEC. 3. An amount equal to the revenue accruing during the fiscal year ending June 30, 1939, and each fiscal year thereafter, from the tax imposed by section 610, title IV, of the Revenue Act of 1932 (47 Stat. 169), as heretofore or hereafter extended and amended, on firearms, shells, and cartridges shall be set apart in the Treasury as a special fund to be known as "The Federal aid to wildlife restoration fund" and is hereby appropriated and made available until expended for the purposes of this act. So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof shall be available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this act which is unexpended or unobligated at the end of the period during which it is available for expenditure on any project shall then be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 4. So much, not to exceed 8 percent, of the revenue covered into said fund in each fiscal year as the Secretary of Agriculture may estimate to be necessary for his expenses in the administration and execution of this act and the Migratory Bird Conservation Act shall be deducted for that purpose, and such sum shall be available therefor until the expiration of the next succeeding fiscal year, and within 60 days after the close of such fiscal year the Secretary of Agriculture shall apportion such part thereof as remains unexpended by him, if any, and make certificate thereof to the Secretary of the Treasury and to the State fish and game departments on the same basis and in the same manner as is provided as to other amounts authorized by this act to be apportioned among the States for such current fiscal year. The Secretary of Agriculture, after making the aforesaid deduction, shall apportion the remainder of the revenues in said fund for each fiscal year among the several States in the following manner, that is to say, one-half in the ratio which the area of each State bears to the total area of all the States and one-half in the ratio which the number of paid hunting-license holders of each State in the preceding fiscal year, as certified to said Secretary by the State fish and game departments, bears to the total number of paid hunting-license holders of all the States: *Provided*, That the apportionment for any one State shall not exceed the sum of $150,000 annually: *Provided further*, That where the apportionment to any State under this section is less than $15,000 annually, the Secretary of Agriculture may allocate not more than $15,000 of said fund to said State to carry out the purposes of this act when said State certifies to the Secretary of Agriculture that it has set aside not less than $5,000 from its fish and game funds or has made, through its legislature, an appropriation in this amount, for said purposes.

SEC. 5. Within 60 days after the approval of this act the Secretary of Agriculture shall certify to the Secretary of the Treasury and to each State fish and game department the sum which he has estimated to be deducted for administering and executing this act and the Migratory Bird Conservation Act and the sum which he has apportioned to each State for the fiscal year ending June 30, 1939, and on or before February 20 next preceding the commencement of each succeeding fiscal year shall make like certificates for such fiscal year. Any State desiring to avail itself of the benefits of this act shall notify the Secretary of Agriculture to this effect within 60 days after it has received the certification referred to in this section. The sum apportioned to any State which fails to notify the Secretary of Agriculture as herein provided shall be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 6. Any State desiring to avail itself of the benefits of this act shall by its State fish and game department submit to the Secretary of Agriculture full and detailed statements of any wildlife-restoration project proposed for that State. If the Secretary of Agriculture finds that such project meets with the standards set up by him and approves said project, the State fish and game department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: *Provided, however*, That the Secretary of Agriculture shall approve only such projects as

may be substantial in character and design and the expenditure of funds hereby authorized shall be applied only to such approved projects and if otherwise applied they shall be replaced by the State before it may participate in any further apportionment under this act. Items included for engineering, inspection, and unforeseen contingencies in connection with any works to be constructed shall not exceed 10 percent of the cost of such works and shall be paid by the State as a part of its contribution to the total cost of such works. If the Secretary of Agriculture approves the plans, specifications, and estimates for the project, he shall notify the State fish and game department and immediately certify the fact to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon set aside so much of said fund as represents the share of the United States payable under this act on account of such project, which sum so set aside shall not exceed 75 percent of the total estimated cost thereof. No payment of any money apportioned under this act shall be made on any project until such statement of the project and the plans, specifications, and estimates thereof shall have been submitted to and approved by the Secretary of Agriculture.

SEC. 7. When the Secretary of Agriculture shall find that any project approved by him has been completed or, if involving research relating to wildlife, is being conducted, in compliance with said plans and specifications, he shall cause to be paid to the proper authority of said State the amount set aside for said project: *Provided*, That the Secretary of Agriculture may, in his discretion, from time to time, make payments on said project as the same progresses; but these payments, including previous payments, if any, shall not be more than the United States' prorata share of the project in conformity with said plans and specifications. Any construction work and labor in each State shall be performed in accordance with its laws and under the direct supervision of the State fish and game department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with rules and regulations made pursuant to this act. The Secretary of Agriculture and the State fish and game department of each State may jointly determine at what times and in what amounts payments, as work progresses, shall be made under this act. Such payments shall be made by the Secretary of the Treasury, on warrants drawn by the Secretary of Agriculture against the said fund to such official or officials, or depository, as may be designated by the State fish and game department and authorized under the laws of the State to receive public funds of the State.

SEC. 8. To maintain wildlife restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws. If at any time the Secretary of Agriculture shall find that any wildlife restoration project in any State established under the provisions of this act is not being properly maintained, he shall give notice of such fact to the fish and game department of such State, and if within 3 months from the receipt of said notice such wildlife restoration project has not been put in the proper condition of maintenance, the Secretary of Agriculture shall thereafter refuse to approve any further wildlife restoration project in that State until such project has been put in proper condition of maintenance.

SEC. 9. Out of the deductions set aside for administering and executing this act and the Migratory Bird Conservation Act, the Secretary of Agriculture is authorized to employ such assistants, clerks, and other persons in the city of Washington and elsewhere, to be taken from the eligible lists of the civil service; to rent or construct buildings outside of the city of Washington; to purchase such supplies, materials, equipment, office fixtures, and apparatus; and to incur such travel and other expenses, including purchase, maintenance, and hire of passenger-carrying motor vehicles, as he may deem necessary for carrying out the purposes of this act.

SEC. 10. The Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act.

SEC. 11. The Secretary of Agriculture shall make an annual report to the Congress of the sum set apart in "the Federal aid to wildlife restoration fund", giving detailed information as to the projects and expenditures therefor.

SEC. 12. This act shall be in force from the 1st day of July 1938.

The amendments were agreed to.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I wish to ask the Senator a general question or two about the bill. Am I correct in understanding that it proposes to divert an existing excise tax for a special purpose?

Mr. PITTMAN. That is true.

Mr. VANDENBERG. How much is involved?

Mr. PITTMAN. Probably five hundred or six hundred thousand dollars.

Mr. VANDENBERG. It would have the same effect, of course, as making a new appropriation to a new facility, would it not?

Mr. PITTMAN. I will state to the Senator that the object of this tax originally—and it was discussed for many years—was for the benefit of the migratory-bird law which Congress enacted. That was the real object of the particular tax on sporting goods, shells, and firearms.

Mr. VANDENBERG. The proceeds of the tax are now going into the general revenues, are they not?

Mr. PITTMAN. Yes; they are.

Mr. VANDENBERG. And this is a withdrawal from the general revenues, and, to that extent, is a contribution made to the particular purpose?

Mr. PITTMAN. I should say that is true. However, I may say that it is necessary, or, at least, proper, for our Government to carry out its migratory-bird treaty with Canada. In the migratory-bird treaty with Canada both Governments assume certain obligations for the protection of migratory birds. In our efforts to provide a special fund for that purpose we imposed a special tax on sporting goods, firearms, shells, and cartridges. The intent was perfectly plain—to be able to carry out the treaty with Canada.

Mr. VANDENBERG. Has the Treasury Department reported one way or the other upon the bill?

Mr. PITTMAN. Not at the present session of Congress. There was a report at a prior session of Congress.

Mr. VANDENBERG. What was the nature of the report?

Mr. PITTMAN. The report was favorable in the prior session.

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

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. PITTMAN. I yield.

Mr. CLARK. I inquire of the Senator if the committee amendments have been adopted?

Mr. PITTMAN. The committee amendments have been adopted, but I should like to have reported the amendments just sent to the desk by me.

The VICE PRESIDENT. The clerk will state the amendments offered by the Senator from Nevada.

The LEGISLATIVE CLERK. In section 1, on page 1, at the beginning of line 10, it is proposed to strike out "meet the minimum requirements of the said Secretary of Agriculture, which requirements."

Mr. PITTMAN. I ask to have the amendment I have just presented adopted.

The VICE PRESIDENT. Is there objection to the amendment offered by the Senator from Nevada?

Mr. KING. Mr. President, unfortunately I was delayed on my way to the Chamber. I inquire if the Senator has explained the bill and its cost and the extent to which it will encroach upon the rights of the States in the control of their own fish and game preserves.

Mr. PITTMAN. The Senator from Nevada a few days ago, when the matter first came up and when he asked unanimous consent to proceed with the consideration of the bill, by consent of the Senate, made a brief statement. However, after the adoption of the perfecting amendments, the Senator from Nevada will make a brief statement, and I think other Senators will also do so. I should like action taken on the amendment offered by me which has just been read.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment offered by the Senator from Nevada.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "legislature", it is proposed to insert the words "or other State agency authorized by the State constitution to make laws governing the conservation of wildlife."

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

Mr. PITTMAN. Mr. President, if there is no objection, I will ask the Senator from Missouri to explain the last amendment.

Mr. CLARK. Mr. President, the purpose of that amendment is simply to provide for a situation which, I think, exists only in the State of Missouri. By a constitutional amendment, adopted by an overwhelming majority in a

popular vote of the people of Missouri at the last election, we have set up a conservation commission in the State of Missouri which has authority to legislate directly as to the control of the wildlife resources of the State without the necessity of recourse to the State legislature. This amendment is to take care of that situation and any other situation of a similar sort which may develop.

While I am on my feet, Mr. President, if the Senator from Nevada will permit me for just a moment, I should like to say a few words in support of this measure.

Mr. PITTMAN. I shall be glad to have the Senator do so.

Mr. CLARK. The State of Missouri is extremely proud of the fact that she has taken the latest and most forward step for the administration of wildlife within her borders. Missouri is the first State to set up within its constitution a complete authority for the administration of wildlife. The conservationists and sportsmen of my State are justly proud of this accomplishment.

The enjoyment of our wildlife areas is an important factor in the happiness and contentment of our people. We must preserve these values for posterity. We must not permit a further depletion of our wildlife population, nor the extinction of any more species.

The pending bill, introduced and sponsored by the Senator from Nevada [Mr. PITTMAN], will provide the needed impetus to bring about more quickly a restoration of wildlife species throughout the Nation in a manner somewhat similar to that which has brought about our wonderful system of State and National highways throughout the United States.

Thirteen million people in the United States annually take out hunting and fishing licenses. Many millions more are interested in the out of doors and the perpetuation of its living creatures. To all these the pending bill offers a new hope that our wildlife will increase and multiply so that in a comparatively short time it may be restored to some semblance of its former abundance.

I trust and hope that in pursuance of this movement, under the impetus to be given by this bill, other States may follow the example of Missouri and set up independent conservation commissions authorized to take the necessary steps to accomplish this much desired purpose.

Mr. CHAVEZ. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In section 8, on page 8, beginning in line 11, after the word "laws" and the period, it is proposed to strike out the remainder of the section, as follows:

If at any time the Secretary of Agriculture shall find that any wildlife-restoration project in any State established under the provisions of this act is not being properly maintained, he shall give notice of such fact to the fish and game department of such State, and if within 3 months from the receipt of said notice such wildlife restoration project has not been put in the proper condition of maintenance, the Secretary of Agriculture shall thereafter refuse to approve any further wildlife restoration project in that State until such project has been put in proper condition of maintenance.

Mr. KING. Mr. President, will the Senator from New Mexico explain the amendment?

Mr. CHAVEZ. Section 8 provides for the maintenance of wildlife-restoration projects under the terms of the bill. If my amendment should be adopted, section 8 would then read:

SEC. 8. To maintain wildlife-restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws.

All language of the section would be stricken out which would give to the Secretary of Agriculture the ultimate decision as to whether or not the maintenance was being provided according to law. We maintain that as long as maintenance of the respective projects is to be left to the States according to their laws, they should have the ultimate decision as to how the projects should be maintained. I propose to strike out of the section only that provision which would give full control and authority of the matter to the Secretary of Agriculture.

Mr. HATCH. Mr. President, will my colleague yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to his colleague?

Mr. CHAVEZ. I yield.

Mr. HATCH. My colleague has previously stated the objections to that part of the section which he now proposes to strike out. In addition I believe he will remember that the game commission of our State objected to certain features of the bill which it was thought would largely turn over to the Secretary of Agriculture the control and direction of wildlife conservation within the State of New Mexico, taking it out of the hands of our local authorities. Is not that correct?

Mr. CHAVEZ. That is correct.

Mr. HATCH. I also understand the bill has now been amended by striking out the provisions on the first page of the bill which would have given the Secretary of Agriculture possible control over our own State laws. Has not that provision been eliminated?

Mr. CHAVEZ. That is correct.

Mr. HATCH. The amendment which the Senator now offers would take from the bill certain objectionable features which would seem to interfere with local control and management, and would give our local authority within the State that control which we think it should have over our own projects.

Mr. CHAVEZ. My colleague is correct in his statement.

I invite the attention of the Senator from Nevada [Mr. PITTMAN] to the fact that after this amendment is adopted, if it shall be adopted, it is my desire to offer another amendment, on page 8, line 11, after the word "laws", to insert "and ability." I should like to have action on my pending amendment, and then I shall offer the amendment which I have just suggested.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. CHAVEZ. I now offer the amendment to which I just referred and ask that it may be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In section 8, on page 8, line 11, after the word "laws", it is proposed to insert "and ability", so that the section would read:

To maintain wildlife-restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws and ability.

Mr. PITTMAN. Mr. President, it would seem to me the Senator's amendment would remove any consideration for the contribution of 75 percent by the Federal Government. The Federal Government is to contribute 75 percent toward the State project, the consideration being a 25-percent contribution on the part of the States, to be taken out of the State license fund. It would seem that the Senator, by inserting the words "and ability", is attempting to take from the Secretary of Agriculture all power to stop the 75-percent contribution.

Mr. CHAVEZ. Let me explain what I have in mind. The Senator from Nevada knows, as I know, that most of the Western States are small States with very little revenue. The bill as now constituted under section 8, leaving the maintenance to the individual States, puts upon those States quite a problem for maintenance.

Mr. WHITE. Mr. President, will the Senator from New Mexico yield at that point?

Mr. CHAVEZ. I yield.

Mr. WHITE. Of course, the maintenance depends entirely upon the action of the State in the first instance, because whatever projects are set up in the State will be set up on the volition of the State itself. I seems to me if the words "and ability" are added it would inject an absolutely uncertain element. When a State acts according to its laws, that is something definite and ascertainable, but if we add the words "and ability", then there is absolutely no standard by which anyone can determine the desirability of the project.

It always comes back to the thought that the projects in the States are the projects of the States themselves and of their own choosing. I assume that a State would not sanc-

tion a project in the first instance unless the State were satisfied of its ability to carry on the project.

Mr. CHAVEZ. Perhaps I can clarify the matter. I have talked today with the chairman of our State game commission, Hon. Colin Neblett, Federal judge of that particular district. This is what he had in mind in regard to the suggested amendment which would add the words "and ability." It is his contention that in instances a game commission, whether it be the New Mexico Game Commission or the game commission of any other State that has a small revenue, would perhaps suggest a project to the Federal Government. It would be approved, but in time the State would find that it would be impossible, because of the small revenues collected by the State, to keep up maintenance of such a project. Would the State be permitted under the terms of the bill, if it did not contain the amendment suggested by me, to drop that particular project?

Mr. WHITE. The Senator from Nevada [Mr. PITTMAN] is better acquainted with the terms of the bill than am I, but I assume there is no mandatory provision requiring the State to keep up a project which it has once undertaken.

Mr. CHAVEZ. That is what I want to know from the chairman of the committee. Does the Senator from Nevada [Mr. PITTMAN], who has charge of the bill, understand, if any State were to initiate a project and then, after maintaining it several years, found it impossible under their revenue to keep up the project and maintain it according to regulations and the terms of the bill, that the State would have the power and the right under the terms of the bill to drop the project?

Mr. PITTMAN. Mr. President, under the terms of the bill, the State having established a project which has been approved by the Secretary of Agriculture and having agreed to maintain it under the State laws, I think the abandonment of it would be subject to the approval of the Secretary of Agriculture, but if he refused to approve it, the State could simply refuse to participate under this act.

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

Mr. PITTMAN. I yield to the Senator from New Mexico.

Mr. HATCH. So long as the obligation is only to maintain the project in accordance with the State law, could not the State itself, under the provisions of this bill, modify a particular law if its terms should prove to be too onerous?

Mr. PITTMAN. I should assume that if the State, by State law, abandoned it, it would come within the provisions the Senator suggests. I should not say that the game commission could take that action, however.

Mr. CHAVEZ. I withdraw the amendment.

The VICE PRESIDENT. The Senator from New Mexico withdraws the amendment. The question is on the engrossment and third reading of the bill.

Mr. WHITE. Mr. President, I desire to express to the Senate my complete approval of the purposes of this bill and of its provisions.

We have seen in our country, as our forests have been razed and our fields plowed up, the breeding grounds of our upland game disappear. With respect to our waterfowl, we find much the same situation. We have drained our lakes, and tens of millions of acres of marshland which have been the home of waterfowl. We have seen our coastal waters polluted and dams put across streams, preventing access of fish to breeding grounds. Our fish resources have been depleted. We face the time in this country when many species of our game life will disappear altogether unless the people of the country arouse themselves, and unless there are adopted measures of conservation and measures of restoration.

The two things are not identical. When we think of conservation measures, we ordinarily think of restrictions or limitations upon the killing of game. We think in terms of the sort of guns that may be used. We think of limitations upon the number of shells that may be carried in the automatic gun. We think of limitations upon the sort of fishing tackle that may be employed.

We think also in some degree of limitations of time for killing game. These things have made their contribution, and I think they have stayed somewhat the depletion which has been going on; but we need vastly more than that in America if we are to save what we have been blessed with in the past. We must adopt definite restorative measures; and restorative measures mean making adequate provision for homes for our wild animals, for feeding our wild animals, for their resting and breeding.

This bill recognizes this great necessity. I believe the American people are in sympathy with the efforts of our fish and game associations and the efforts of our States, and I believe the people of the country will give wholehearted approval to the efforts of the Congress to stay the wanton destruction of our game life which has been going on over the years.

I very much hope the bill will have the approval of the Congress.

EXPORTATION OF SCRAP IRON AND STEEL

Mr. NYE. Mr. President, I beg leave to take the attention of the Senate away from the pending bill for a matter of only 5 or 6 minutes.

There has been pending before this session of Congress a proposal for an embargo which would forbid the exportation of scrap iron from the United States. The proposal is pending before the Senate Military Affairs Committee. A subcommittee thereof has arranged for rather extensive hearings, to be conducted late this year or early in January.

There are certain phases of the subject which I am hopeful the subcommittee may take into consideration in the conduct of its inquiry.

It seems to me it is a significant thing, taken in connection with the Chinese-Japanese movement at the present time, that our exports of scrap iron and steel for the month of June reached the second highest monthly level in the entire history of the United States.

In June we exported 514,651 tons, as reported by the Department of Commerce only last week. That brings the first 6-month total for this year up to 2,134,000 tons, which exceeds the entire export for 1936. There is no secret about where this scrap iron is going. A great part of this raw material is going into the making of war. It is being shipped very largely to Japan. It is also alarmingly true to anyone who has made any study of the subject that in exporting this material abroad we are also stripping our own country of resources vital to the national defense and to our peacetime economy.

Statistics given out only yesterday reveal that the current price of no. 1 scrap is from $22.75 to $23.75 per ton at this time. This price constitutes an increase of at least $6 per ton for scrap developing during the past 3 months. American industry is using on an average of 20,000,000 tons of this no. 1 scrap steel annually. Thus we find that the exportation of scrap from this country at this time is on a scale which will cost the consumers of steel and iron in the United States $120,000,000 annually—a figure far in excess of any return that any Americans may realize from the sale of this scrap.

It can hardly be said, then, that the return from this foreign trade is in keeping with our best interests in this country. Indeed, it seems to me that the only return we may expect from a continuation of this exportation, aside from the munificent return in dollars to the several exporting companies, is the probability that one day we may receive this scrap back home here in the form of shrapnel in the flesh and in the bodies of our sons.

The War Department and the Navy Department are both aware of the danger of dissipating our resources of scrap iron and steel. During the 11-year period from 1923 to 1933 our exports of scrap iron and steel averaged less than 300,000 tons a year. During the past 6 months we have exported nearly seven times as much as we shipped abroad in any one of those normal years. If the present rate continues, as it certainly will if it is not restricted, we shall be sending abroad in the

year 1937 more than we exported in all of the previous 11 years combined.

This commodity, scrap iron and scrap steel, is a basic material for war. Approximately 50 percent of the present exportation is going to Japan. Let us look at another phase of the situation. Practically every major country excepting the United States has restricted the exportation of its scrap. I do not know how many innocent women and children have been murdered in Spain by instruments of death fashioned from scrap metal exported from our country; but we cannot close our eyes to the fact that we are assisting in enriching merchants of death at the Nation's expense when we permit them to operate as they are now doing.

Who are the beneficiaries of this traffic, and why should they be permitted to benefit at such a deadly cost?

There are not more than a half dozen companies in the United States doing any considerable business in the exportation of scrap iron and steel. One of these—Luria Bros., of Philadelphia—sold last year 2,200,000 tons of scrap for a record take of $32,000,000. In fact, this firm is so prosperous that, in addition to its seven yards scattered throughout the country, it has now found it necessary to establish a separate concern to handle the enormously increased volume of export business. I have reliable information that Luria Bros. and their immediate relatives and associates divided a net profit of more than $3,000,000 last year, which represents, according to my information, a return of 150 percent on their capital stock.

I remind the Senate that the colossal success of this enterprise, and the four or five or six similar enterprises, is at the expense of this country of ours as a whole. There is no justification, morally, ethically, or nationally, for subsidizing these individuals while our country's resources are being drained for personal profit.

I suggest that it would be extremely advisable, and certainly informative, for the Senate Military Affairs Committee to investigate the profits growing out of this business, coming especially to Luria Bros. and their relatives and associates, and also to inquire if there has been any tax evading through the establishment of dummy holding companies or other devices.

I believe it is of interest to the country to know to what extent these dealers in death have profited and are profiting, and what bonuses, subsidies, and other methods of distribution of enormous profits have been employed.

Scrap iron and scrap steel are vital to our industrial economy, as well as to our national defense. Governmental experts predict that our basic supply of iron ore is very definitely limited. Scrap iron and steel become each year more vital components of finished metal products. Our resources are being used by foreigners for foreign wars. It is quite conceivable that our exports may one day be used for war against our own country.

WILDLIFE-RESTORATION PROJECTS

The Senate resumed the consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

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

Mr. KING. Mr. President, before the bill is passed I wish to state that I have received a telegram from Mr. N. B. Cook, the efficient fish and game commissioner of Utah, in which he requests that the Senate withhold action on the bill until after the western international game conferences are held during this month. I am advised by the Senator from Nevada, in charge of the bill, that the objection which is voiced indirectly in this telegram has been met by the amendment which was offered by the Senator from New Mexico [Mr. CHAVEZ].

Mr. PITTMAN. Mr. President, I feel certain that that is true, because there is in my possession a letter signed by the gentleman who sent the telegram, in which he expressed his hearty approval of the bill. There was one question, however, which I think he desired to submit to the conference, the same question raised by the junior Senator from New Mexico, which the Senator from New Mexico has covered in his amendment. I am therefore convinced that the gentleman who sent the telegram would be satisfied with the bill.

Mr. KING. This telegram was dated August 4, apparently after the communication to which the Senator referred. But assuming he had in mind the proposal suggested by the Senator from New Mexico, and that the objection has been successfully met, I will not object to the measure.

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

The bill (S. 2670) was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF PROPERTY OWNED BY FOREIGN GOVERNMENTS

Mr. PITTMAN. Mr. President, I ask that the Senate proceed to the consideration of Senate Joint Resolution 191.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 191) to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes, which had been reported from the Committee on Foreign Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That it shall be unlawful to display any flag, banner, or device designed or adapted to bring into public notice any party, organization, or movement, or the political, social, or economic acts, views, or purposes of any individual, party, group, or organization, within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this resolution; and any person convicted of violating any of the provisions of this resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Mr. PITTMAN. Mr. President, I offer an amendment as a substitute for the amendments of the committee. The amendment I offer is lying on the table. It has been printed in the CONGRESSIONAL RECORD, and I ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 22, it is proposed to strike out all the language of the committee amendment and in lieu thereof to insert the following:

That it shall be unlawful to display any flag, banner, placard, or device designed or adapted to intimidate, coerce, or bring into public odium any foreign government, party, or organization, or any officer or officers thereof, or to bring into public disrepute political, social, or economic acts, views or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass or bring into public disrepute any officer or officers or diplomatic or consular representatives of any foreign government, or to interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representative or representatives as an embassy, legation, consulate, or for other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this joint resolution; and any person convicted of violating any of the provisions of this joint resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Mr. PITTMAN. Mr. President, the object of the pending joint resolution is quite plain from the language used in it. It is intended to protect foreign diplomats in our country in their embassies and legations from harassment and annoyance from acts which would bring into odium the countries they represent, which would bring into disrepute their officers, and which would nullify the inviolability of ambassadors and ministers as they are protected in every country throughout the world.

I believe that since the beginning of government the inviolability of ambassadors and ministers has been universally recognized in all civilized countries. Even in times of vicious wars special ambassadors from one of the hostile countries to the other have gone without guards, realizing that the honor of the country to which they were going was sufficient to protect their lives and to protect them in the performance of their duties. If this were not so, intercourse between governments would be practically impossible. The peace of the world largely depends upon the treatment by governments of all foreign ambassadors and ministers within their borders. I think it is more important to us than to any other government in the world that at this time we maintain this policy.

Mr. President, I consider this a very important question. I feel that if we treat negligently or without consideration or regard an important subject such as this, we endanger the lives of our citizens in countries where there are today serious conflicts. I feel that if we do not take a step to protect foreign ambassadors and ministers and diplomatic officers and their homes, their embassies, and their chancelleries, we cannot expect any different treatment of our ambassadors, our ministers, our embassies, and our legations in other countries of the world.

A few days ago I took occasion to state on the floor of the Senate that there are 500 citizens of our country in Peiping, in a little compound, where they are threatened with destruction at any moment, not through action of the armed forces of either Japan or China, but through action of the great mobs which always follow armies.

The same situation exists today in Tientsin, as well as in Hankow, and our citizens are in the same situation in nearly all countries where there are conflicts today. Yet the subject is treated lightly; it is looked on with little interest. There is a disposition to treat foreign ambassadors as we treat citizens of the United States or unofficial foreigners who come here expecting only the same protection as a citizen of the United States.

We can go far back in legal and diplomatic literature to find references to this subject. We can consult Kent's Commentaries, we can go back to the earliest writers on international law, and we will find that the universal policy and rule has constantly governed in these matters. Let me read from Kent's Commentaries:

> Ambassadors form an exception to the general case of foreigners resident in the country, and they are exempted absolutely from all allegiance and from all responsibility to the laws of the country to which they are deputed. As they are representatives of their sovereigns, and requisite for negotiations and friendly intercourse, their persons, by the consent of all nations, have been deemed inviolable, and the instances are rare in which popular passions, or perfidious policy, have violated this immunity. Some very honorable examples of respect for the rights of ambassadors, even when their privileges would seem in justice to have been forfeited on account of the gross abuse of them, are to be met with in the ancient Roman annals, notwithstanding the extreme arrogance of their pretensions, and the intemperance of their military spirit. If, however, ambassadors should be so regardless of their duty, and of the object of their privilege, as to insult, or openly attack the laws or government of the nation to whom they are sent, their functions may be suspended by a refusal to treat with them, or application can be made to their own sovereign for their recall, or they may be dismissed, and required to depart within reasonable time.

That is the universal law of nations, and has been from the very beginning of governments. As I have said, we cannot treat them as we treat other foreigners within our borders who do not come here under special privileges. Other foreigners are subject to our laws. Such a condition is impossible in the case of an ambassador or a minister. They represent a government. Their embassies and their legations are part of the government they represent. To all intents and purposes, and under legal construction, their embassies, their chancelleries, and their homes are part of a foreign territory.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I call attention to the language of the joint resolution on page 2, beginning on line 3, making it illegal—

> To interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises—

And so forth. Is it legal to interfere with the free and safe pursuit of their duties everywhere else except within 500 feet of the buildings referred to?

Mr. PITTMAN. No; it is not. As a matter of fact, I strained this language very much so as to conform to the very strict interpretation by some of those for whom I have very high respect of the constitutional right of free speech and assemblage.

Mr. VANDENBERG. I ask the Senator what the implication is at this point? Here we definitely state that they must be protected in the free and safe pursuit of their diplomatic privileges within 500 feet of their legation or embassy. Does that not carry the implication that beyond 500 feet they do not have such protection?

Mr. PITTMAN. Beyond 500 feet they would undoubtedly have the protection that every American citizen has. What the joint resolution seeks to do is to protect these sanctuaries and the diplomats and their families within them. It has no other purpose. I seek not to protect its occupants so much from insult as to provide for their safety, to protect against the arousing of the hatred of a people because of mistreatment of the representatives of their government, to protect them in the free and safe use and enjoyment of their sanctuaries.

Mr. President, we have reports from the police department as to a number of incidents that have occurred here during the past year or so in front of various embassies. Not only do such incidents amount to discourtesy, not only is it what amounts to a refusal to protect and maintain the inviolability of the homes of ministers and ambassadors and their families, but it evidences a failure to protect their safety, when demonstrations in any form are allowed to be made before a legation or an embassy which are likely to incite mob violence.

I do not believe that the people themselves who display the banners and placards have in their hearts the intention of doing injury or damage. What is the result of such display and such demonstration? Do Senators think the wife of the ambassador or the children of the ambassador in the building know the intent of the people who are marching up and down in front of the building, with all kinds of devices which display inscriptions that are critical of the ambassador or his country or which tend to bring into odium or disrepute their country or their ambassador? Do Senators think the wife and the children know what the people who are on the outside are going to do? No. They are in their home in fear and trembling.

As a matter of fact, I think we can prove, if it shall be necessary, that some foreign representatives have found it necessary to move their families away from their official homes during such periods of picketing.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. The Senator from Nevada referred to untoward instances which occurred during the past year or so. I ask the Senator if such incidents could not be prohibited under the terms of the substitute presented by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. PITTMAN. It is the opinion of the Assistant Solicitor in the Department of Justice that they could not be. That is also the opinion of the Attorney General. The Attorney General is very anxious to assure foreign diplomats that they will have the time-honored inviolability that we on our part have demanded in their countries. The Attorney General is very anxious to assure them that their homes will be safe from any attacks, that their families will be safe from any attacks or intimidation, that their government shall not be brought into disrepute, and that odium shall not be placed

upon them right in their faces by the display of placards and banners in front of their embassies or legations.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I share all the Senator's aspirations to which he has just adverted, and I would join him in hoping to provide all the essential immunities. The fact remains that there is involved in this matter an abstract question of the right of free speech and free assembly, in which the whole American people have some concern.

Referring again to the proposal of the Senator from Wisconsin, which seeks to amend the existing law by prohibiting the use of banners, placards, and other means, and which seeks definitely to prohibit not only the things to which the Senator's resolution refers but a great many other things, I confess my inability to understand why the proposal submitted by the Senator from Wisconsin would not cover the legitimate cases of complaint; and I shall be obliged to the Senator from Nevada if he will indicate some incidents that would not be covered by the proposal of the Senator from Wisconsin.

Mr. PITTMAN. Very well. I think I have sufficiently covered the purposes of the joint resolution. A letter from the Secretary of State, most earnestly urging the adoption of this resolution, has been placed in the RECORD. It will be found in the CONGRESSIONAL RECORD of August 7, on page 8486.

Let me read the provision of the District Code. Here is section 117 of the District of Columbia Code. As proposed to be amended by the Senator from Wisconsin [Mr. LA FOLLETTE], it would read, as printed in the RECORD, on page 8519, the change being indicated by italics. This section, I believe, was adopted in 1892:

Unlawful assembly; profanity, etc., in public places, etc.: It shall not be lawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in or around any public building or enclosure.

The Senator from Wisconsin would add these words:

Including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes)—

Then the language of the section follows:

or any park or reservation, or at the entrance of any private building or inclosure, and engage in loud and boisterous talking or other disorderly conduct—

We will assume that they do not engage in any loud or boisterous conduct, or other disorderly conduct, but are walking up and down in front of an embassy with banners on which is contained language bringing into odium and disrepute their own governments, their own rulers.

The section continues:

or to insult—

And then follows the language proposed by the Senator from Wisconsin:

(by the use of banners, placards, or otherwise)—

I continue reading from section 117:

or to make rude or obscene gestures or comments or observations on persons passing by—

I am not interested in persons passing by. The language continues:

or in their hearing—

I am not interested in the question of the hearing of persons passing by. I continue to read:

or to crowd, obstruct, or incommode the free use of any such street, avenue, alley, road, highway, or any of the foot pavements thereof—

That is a matter of minor consideration to me.

or the free entrance into any public or private building or inclosure; it shall not be lawful for any person or persons to curse, swear, or make use of any profane language or indecent or obscene words—

That is a matter of small consideration to me in this matter—

or engage in any disorderly conduct in any street, avenue, alley, road, highway, public park or inclosure, public building, church, or assembly room, or in any other public place, or in any place wherefrom the same may be heard in any street, avenue, alley, road, highway, public park or inclosure, or other building, or in any premises other than those where the offense was committed, under a penalty of not more than $25 for each and every such offense.

I say in the first place that the amendment of the Senator from Wisconsin, while it does not meet the material questions at all, is in the nature of an insult to the very principle and policy that the nations have recognized with regard to ambassadors and ministers since the beginning of government. We are to put them in the same position, it is understood, as passersby on the street; if the picketers do not indulge in any swearing or use obscene language, then the ambassadors or ministers have no right whatsoever to complain.

Mr. LA FOLLETTE. Mr. President——

Mr. PITTMAN. Just a moment, until I finish the sentence; then I shall yield. We are to place the ambassadors and the ministers, the homes in which they and their families live as guests in this country, on the same basis that we place a slum tenement house, such as those we are endeavoring to destroy under the Wagner bill.

I now yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, will the Senator please tell the Senate, if my amendment were agreed to, what could take place that the Senator would consider objectionable if the police officers and the law-enforcement department of the District government enforced the law?

Mr. PITTMAN. Just exactly what the gentlemen who send us telegrams want to do. Let me read some telegrams.

Mr. LA FOLLETTE. Give us some specific examples.

Mr. PITTMAN. I will tell the Senator if he will be patient. I am not going to forget what the Senator has asked. I will show the Senate what could be done and what it is desired to do. But, in the first place, it will be understood, an attempt is being made to influence us to destroy the inviolability of ambassadors and ministers and their residences and their chancelleries, a principle which has been recognized for years, under the foolish assumption that the Constitution in guarding the right of free speech and free assembly, places no restriction thereon. Of course the Senator from Wisconsin knows that there are restrictions on that right. The Congress and State legislatures can prescribe reasonable regulations. True, the statute I have read is a restriction.

Let me read some of these communications by which it is sought to influence the Congress of the United States. This telegram is addressed to me as chairman of the committee:

Many Washington organizations and liberals throughout the country back us in demanding open public hearing on Senate Joint Resolution 191 and opportunity to express our considered opposition on grounds that measure violates letter and spirit of constitutional rights.

AMERICAN CIVIL LIBERTIES UNION.

Here is another telegram:

Strongly protest pending legislation to curb democratic rights in our country to please foreign and domestic Fascists. This refers to Senator PITTMAN'S bill to prohibit picketing before foreign consulates and embassies. Request our legislators use their efforts for benefit of our people instead of for Hitler, Mussolini, Franco, Mikado.

Let me comment on that telegram. When persons picket a legation what is the object of doing so? The object of picketing a legation, as they have said in their letters and speeches time and time again, is to show that the government or the ruler of the government whose representative resides in the embassy or legation is cruel or murderous.

They want to show that a certain ruler is a murderer. How are they going to show it unless they have something on their banners and placards to indicate their sentiments and views? Otherwise they do not accomplish what they desire.

Let me read another telegram coming from New York:

North American Committee to Aid Spanish Democracy vigorously protests bill abolishing right of picketing of foreign embassies and legations in District of Columbia as encroachment on elementary American right to protest acts of barbarity and of repression no matter where originated. This bill would deprive great section of American people of their right to bring to the attention of governments concerned their position on issues which overstep the boundaries of states and affects all peoples throughout the world, the outstanding issue being that of fascism versus democracy. Americans must retain the right to demonstrate for democracy and human liberties. This right lost constitutes a betrayal of our great democratic heritage. We believe this issue to be of such importance that we are bringing it to the attention of the American public whose interests are most intimately affected by any denial of democratic rights.

HERMAN F. REISSIG,
Executive Secretary, N. A. C. A. S. D.

Let me ask what they can do besides insult? What can they do without using obscene language? What can they do without swearing? Those are the acts against which the statute protects. What can they do? They can inscribe on a banner and hold it right in front of the entrance of an embassy, "We believe that the Japanese are guilty of violating their treaties; we believe that the Japanese are without excuse in invading China and murdering innocent Chinese people."

Mr. LA FOLLETTE. Mr. President, does the Senator think that such placards would be considered as insults?

Mr. PITTMAN. They would constitute an expression of the belief of those displaying the banner. They would have an absolute right to say as much in any newspaper; they would have a right to say it in any speech wherever they wanted to.

Mr. LA FOLLETTE. If the amendment which I suggest to section 117 of the District Code should prevail, obviously they could not violate the statute if it were enforced.

Mr. PITTMAN. I understand.

Mr. LA FOLLETTE. The statute does not even permit any groups to congregate or assemble.

Mr. PITTMAN. That is all true enough.

Mr. LA FOLLETTE. Under the amendment which I have offered they would be prevented from insulting anyone by word of mouth or by the use of a banner, placard, device, or otherwise.

Mr. PITTMAN. But the question is, Is it necessary to go as far as an insult? Should people who may make speeches which would not be subject to punishment if made in a park be permitted to go to the front door of an embassy and make the same speeches?

Mr. LA FOLLETTE. Let us understand. If the Senator desires, and if it is the objective of his resolution, to prevent any person, no matter how orderly or how peaceful or how properly he may be acting in the exercise of his constitutional right, to go within 500 feet of an embassy or legation or a chancellery, then, of course, I grant the amendment which I have suggested would not take care of the situation.

Mr. PITTMAN. I know it would not take care of the situation.

Mr. LA FOLLETTE. But I contend, if the Senator will permit me, that the amendments which I have suggested are all that are necessary in order to protect the premises or to protect the occupants of the premises from any insult or any untoward incident such as the Senator has stated in the main burden of his argument it was the objective of his resolution to protect against.

Mr. PITTMAN. I say that, under the Constitution, anyone has a right to express his or her opinion with regard to any ruler or with regard to any government, but I say that they have not the constitutional right—if prohibited by law—to make an offensive demonstration in front of an embassy or in front of a legation, the residence of a diplomat, who is our guest here, who depends on us wholly for his protection not only against murder, not only against insult, but against any character of annoyance or interference that will bring the hatred of the people of his country against our people.

Mr. LA FOLLETTE. Then, as I understand, the Senator frankly desires to prevent any person, no matter how well behaved he may be or how orderly he may be, or how respectful he may be, from coming within 500 feet on a public highway of any embassy, chancellery, or legation, unless he actually has business to transact there?

Mr. PITTMAN. Not at all. If the Senator from Nevada indicated any such position, he went beyond his amendment. I will read the amendment again and let the Senator comment on my amendment, since I am commenting on his. Here it is:

That it shall be unlawful to display any flag, banner, placard, or device designed or adapted to intimidate, coerce, or bring into public odium any foreign government, party, or organization, or any officer or officers thereof, or to bring into public disrepute, political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute any officer or officers or diplomatic or consular representatives of any foreign government, or to interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises within the District of Columbia, used or occupied by any foreign government or its representative or representatives as an embassy, legation, consulate, or for other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

Let us consider the provisions of the amendment:

That it shall be unlawful to display any flag, banner * * * designed or adapted * * * to bring into public odium any foreign government.

The very object of the picketing is to do that. The telegrams all indicate that the desire is to bring into odium the government whose embassy or legation is being picketed. Otherwise, the picketers do not accomplish anything. They want, as they say in their letters, to let the foreign governments, whose representatives they are picketing, know that they are odious, to know that they are in disrepute. That is their privilege, they say. I say they have not a right to any such privilege in front of an embassy, because it not only threatens safety from mob violence of the men, women, and children in that embassy but it threatens the peace of the United States. It threatens to bring the hatred of people upon us whose embassy is thus besmirched. I say to you, Mr. President, that all the armies that can be furnished will not protect our men and women in China and Japan if we arouse and incur the hatred not of those Governments but of their people by speaking unkindly or in a manner to bring into odium their Governments and their people.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. LA FOLLETTE. The Senator mentions the danger of mob violence. The Senator must realize that there is now on the statute books of the District of Columbia a statute which makes it unlawful for any person or group of persons to congregate or assemble on a public street, highway, or alley. If, under existing statutes, which are adequate to prevent such assemblage, the police department permits a mob to gather in front of an embassy, the passage of the Senator's joint resolution is not going to afford one iota of increased protection. What the Senator is complaining about, if he is alarmed concerning the danger of mob violence, is that the police department of the District of Columbia does not enforce existing law.

Mr. PITTMAN. The police department of the District of Columbia are trying to follow the law. They do not want to arrest a great many people and risk being charged with false arrest and false imprisonment. They have already stated that the language of the present act is quite indefinite, and the reports which I have put into the RECORD disclose the fact that the act is not adequate. But be that as it may, if there be only five or six beautiful women walking up and

down in front of an embassy with placards over their shoulders intended to bring and bringing into actual odium the country represented by the ambassador inside that building, it is liable to arouse a spirit of mob violence that will have its effect before any police force can reach there.

Take our own situation today in Peiping and in Tientsin. In Tientsin we have no compound. In Tientsin we have been allotted a little space of about 3 acres in the former German Embassy grounds not surrounded by a wall. There are a million people in that town. Mobs congregate there as anywhere else, far more mobs and larger than we ever see in this country. In China and in other countries where there are a million people in one community, milling backward and forward, mobs are usually out for murder and loot. The whole history of the world conclusively proves that after every great fight, murder and loot have followed.

The Secretary of State has been appealing to the Japanese Ambassador and to the Chinese Ambassador to protect our legations and our compounds in China, not to protect them from the Armies, but to protect them from mob violence. Let us assume today, Peiping being in control of the Japanese and there being a large Japanese population there, that we permit demonstrations toward the Japanese Ambassador in this city that would bring his country in disrepute or odium. What would be the result? The Japanese people would be angered. Their hatred would be aroused against us. When the hatred of a people is aroused against another people it takes large armies to prevent the wreaking of their vengeance.

The danger to our people in Tientsin and Peiping and Hankow is not from the Japanese Army or the Chinese Army, because they are being moved backward and forward constantly. The danger there is that the sentiment of the Chinese and the Japanese should be aroused against the American people. The sentiment of the Japanese and Chinese at this time is one of friendliness and respect for our people, which is the greatest protection they can possibly have.

But if we attempt to treat this matter as a little police court affair, if we attempt to control it with amendments to the police code under the ordinances of the District of Columbia, if we refuse to recognize the great principle which has come down through history, that our legations and embassies, our ambassadors and consuls shall be considered inviolate throughout the world, as every other ambassador and consul, every embassy and consulate is considered inviolate here, then we would not only destroy one of the greatest agencies for peace in the world but we would tend to bring down the contempt and hatred of the people of the world upon us.

Whence come these protests against the joint resolution? Have we heard the American Legion appealing to us not to protect foreign ambassadors and ministers and their families, their embassies and legations. Have we heard the Veterans of the Foreign Wars appealing to us not to give such protection? Have we heard the Daughters of the American Revolution protesting that by the enactment of this resolution we are destroying constitutional rights? Have we heard any great farm organization making such protest? Have we heard any labor or other great organizations of citizens protesting to us that this would destroy the freedom of press, freedom of speech, or freedom of peaceful assemblage?

No! Telegrams are coming to us, but who are they from? Some day before our committee we will find out who is sending them, but I say now that the forces which desire to put on a show in front of foreign embassies in our national Capital, no matter on which side of a foreign controversy they may be, have no standing whatsoever in this body.

Mr. LA FOLLETTE. Mr. President, I had hoped we might discuss this question with a little more light and a little less heat. So far as I am concerned, I am just as anxious as is any other Member of the Senate to protect the lives of American citizens who happen, unfortunately, to be located at the moment in areas where armed conflicts are in progress; but in the effort to afford such protection I do not desire to have citizens of this country deprived of their constitutional rights.

As I suggested the other day, as a Government we have existed for a great many years without any such statute as that proposed by the joint resolution now pending before the Senate. I do not believe, and I do not think any other Senator believes, that the protection of American lives and American property in China or elsewhere is dependent upon the passage of this joint resolution. The protection of American lives and property will depend upon the action of governments which are engaged in the conflict.

The Senator from Nevada has suggested that the danger to our people in Tientsin, for example, is from a mob. Assuming that the joint resolution which the Senator has introduced were a law and on our statute books, does any Senator imagine for a moment that any mob which intended violence against American citizens in Tientsin would stop to get a permit from the chief of police of that community before committing an act of violence? The proposition is not tenable, as I see it.

In the District of Columbia we have a statute covering the case. It is section 117 of the District Code. I contend that the amendment which I have offered to that section of the code would meet the very situation which the Senator from Nevada has described. That section of the code reads:

117. Unlawful assembly; profanity, etc., in public places, etc.: It shall not be lawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in or around any public building or inclosure.

At that point I propose to insert:

Including any building or premises used or occupied by an foreign government or its representatives as an embassy or for diplomatic or other official purposes.

If the amendment which I have suggested to that section of the code were adopted, it would be unlawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in any public building or inclosure, including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or for other official purposes. It seems to me that would completely dispose of any argument concerning the danger of mob violence or even the threat of it.

If the section of the code were amended as I have suggested, the police department and the officials of the District of Columbia would be completely and absolutely derelict in their duty if they permitted a mob or even a group of persons to congregate on the streets or sidewalks or in the alleys adjacent to any building or premises occupied by any diplomatic or foreign mission accredited to this Government.

We do not need to have any worry about the picture which the Senator from Nevada in his enthusiasm has drawn of the danger of mob violence. That is completely disposed of, because, after all, the entire question of whether or not the laws are enforced rests upon the officials of the District of Columbia and the police department.

What is it that people may not do under the section of the code to which I have referred, if my amendment should be adopted?—

Engage in loud and boisterous talking or other disorderly conduct.

That is as sweeping as the English language can make it.

Or to insult—

That is a broad term, Mr. President. It covers every possible act that could be criticized; but in order to make certain that it shall not only include acts which might come under the very broad term, "insult", which might be committed by word of mouth, I propose to insert the words:

by the use of banners, placards, or otherwise.

Mr. BORAH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Nevada has amended his original joint resolution by offering a substitute. From a constitutional standpoint, what is the difference between the two proposals—that is, from the viewpoint of the constitutional right of peaceful assemblage?

Mr. LA FOLLETTE. Mr. President, as I see it, the Senator from Nevada is opposed to the harassment or the annoyance—that is the term he has used on several occasions—of representatives of foreign governments.

The issue on these two propositions is very clear and very plain. The Senator from Nevada proposes to create an area on the public streets and highways within 500 feet of any premises occupied by a representative of a foreign government accredited to this Government where no person may go, no matter how well-behaved he may be, no matter how proper his conduct may be, unless he has business to transact there.

Mr. PITTMAN. I do not see where the Senator finds that in the amendment I have offered. Of course, he may use any language he desires to use. He is correct in thinking that I object to harassment and annoyance of the representatives of foreign governments.

Mr. HUGHES. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Delaware.

Mr. HUGHES. Does the Senator mean that a person could not pass by an embassy within 500 yards?

Mr. LA FOLLETTE. No; I mean that the Senator from Nevada proposes to create an area of 500 feet where no person may harass or annoy, or go there for any purpose, excepting as he may have a legitimate purpose of transacting business there.

Mr. PITTMAN. I do not find that provision in the joint resolution. That is in the Senator's imagination.

Mr. LA FOLLETTE. Mr. President, I have gathered it from some of the remarks which the Senator from Nevada has used when his imagination was running away with him.

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

Mr. LA FOLLETTE. I yield.

Mr. SCHWELLENBACH. Looking at the Senator's amendment, after the words "or to insult", the Senator has inserted the words "by the use of banners, placards, or otherwise."

The original law is not quite clear as to who is to be insulted; but I take it, from reading the law, that it means insults to persons passing by, or within their hearing. There is that distinction between the Senator's amendment and the joint resolution of the Senator from Nevada; is there not?

The joint resolution of the Senator from Nevada attempts to prevent insults to foreign governments or the occupants of their embassies—it does not use the same words—while the amendment of the Senator from Wisconsin to the existing act is limited to preventing insults to persons passing by, or within their hearing.

Mr. LA FOLLETTE. Or persons sufficiently near the act, if it may be called an act to carry a banner, so that they may see or read the banner. The difficulty with the language used by the Senator from Nevada in his proposal is that it is too sweeping.

Mr. SCHWELLENBACH. I take it, from reading the joint resolution of the Senator from Nevada, that he wishes to prevent bringing into public odium any foreign government, party, or organization, or any officer or officers thereof.

Mr. LA FOLLETTE. "Or to bring into public disrepute political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass"—and the Senator from Nevada himself has given to the word "harass" the connotation of the word "annoy."

Mr. SCHWELLENBACH. I thought merely about the part of the Senator's amendment which inserts the words "by the use of banners, placards, or otherwise." I am wondering whether or not the Senator from Wisconsin would be willing to extend that portion of it by adding, after the words "persons passing by, or in their hearing", language similar to the language of the Senator from Nevada—"foreign government, party, or organization, or any officer or officers thereof."

Mr. LA FOLLETTE. Yes, Mr. President, I should be willing to modify my amendment accordingly; but I am not willing to accept the language "or to bring into public disrepute political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute", because the Senator from Nevada has given to that language the connotation that he does not want anyone to come within 500 feet of these embassies or legations who may be there for a purpose that might be interpreted as an intent to annoy the occupants of the embassies or legations. I think it is going too far to attempt to deprive American citizens of the right to be on public highways or streets, so long as their conduct is orderly, so long as they do not congregate into a group, so long as their conduct is above reproach, and so long as they do not attempt to insult anyone or to commit any act, either by word of mouth or by banner, placard, or device which could be construed to be an insult or be construed to be provocative of violence, or any of the dire things which the Senator from Nevada has suggested he is alarmed about.

Mr. SCHWELLENBACH. Mr. President, I think I am as anxious to protect the constitutional rights of our citizens as is the Senator from Wisconsin.

Mr. LA FOLLETTE. I grant that.

Mr. SCHWELLENBACH. But I cannot see that anybody has a constitutional right to go out with some wisecracking placard and insult foreign governments. The inevitable result of enough of that is to lead this Government into hostilities with the foreign governments; and I do not think there is a constitutional right to do that. Personally, I feel that it is entirely proper to make such amendments as are necessary to prevent that sort of activity upon the part of our citizens. As I understand, the Senator would have no objection to amending his amendment to include "foreign governments and their officers" after the word "insult", so that they would be the object of that sentence.

Mr. LA FOLLETTE. No; I should not have any objection to that.

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

Mr. LA FOLLETTE. I yield to the Senator from Michigan.

Mr. VANDENBERG. From one point of view, the Senator from Wisconsin is offering foreign countries and foreign diplomats a greater measure of protection than is the Senator from Nevada, for under the proposal of the Senator from Wisconsin, if it is appropriately worded in line with the suggestion of the Senator from Washington, the Senator from Wisconsin is going to prevent the display of insulting placards, and so forth, anywhere in the city of Washington, instead of just within 500 feet of an embassy.

Mr. PITTMAN. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. There are other things besides insults. The Senator from Michigan ought to know that. There are many things that may be said that will bring a country or the rulers of a country into disrepute that are not insulting. There is no doubt about that. In other words, the Senator is trying to limit the thing down to the action of rowdies on the streets.

Mr. VANDENBERG. In the absence from the floor temporarily of the Senator from Nevada, the Senator from Wisconsin has been discussing an enlargement of his language which would specifically cover the situation which the Senator is now discussing.

Mr. PITTMAN. He has not attempted so far to do it.

Mr. LA FOLLETTE. Mr. President, just one word in reply to the suggestion of the Senator from Nevada, which he has made on several occasions, that it is disgraceful for protection to be provided to representatives of foreign governments in sections of statutes which have to do with other acts which are of an unfortunate character. Of course, the fact remains that all of our statutes are drawn

to cover a great many different situations; and I cannot conceive that any foreign government, or the representatives of any foreign government, could be annoyed, or could feel that they had not been treated with the proper deference and courtesy, if we were to extend to them the same protection which is extended to all other persons in the District of Columbia, and to extend to them protection which is now enjoyed under this statute by our own governmental officials and the property which they occupy.

Mr. PITTMAN. Mr. President, may I ask the Senator a question?

Mr. LA FOLLETTE. Yes, sir.

Mr. PITTMAN. Does not the Senator believe that the wives and daughters of ambassadors, such as the Chinese Ambassador or the Mexican Ambassador, are justified in being extremely frightened by any form of picketing in front of an embassy or legation?

Mr. LA FOLLETTE. Mr. President, in my judgment, it all depends on the conduct and the character of the representations which are made. The Senator knows that the decisions of our own courts, so far as labor disputes are concerned, are filled with many decisions in which a very clear distinction has been made between peaceful picketing and picketing which is not peaceful.

Mr. PITTMAN. I agree with the Senator on that subject, and I am not an opponent of picketing in matters of domestic affairs; but again I say that the wives and children of foreign diplomats have a right to be frightened at picketing in front of their embassies and legations when the object of the picketing is criticism of their governments and their rulers, even if the criticism does not go to the extent of insult; and I regret to say that I think it is true that certain diplomats here have become so frightened that they have had their wives and families temporarily leave the city.

Mr. LA FOLLETTE. If that be true, then the complaint should be made to the officials of the District of Columbia and to the police department.

Mr. PITTMAN. What would be the complaint?

Mr. LA FOLLETTE. That they have permitted, contrary to section 117 of the District Code, the assemblage of persons in the proximity of embassies in such numbers, or of persons who are conducting themselves in such a way, as to engender or arouse fear of bodily harm or damage to property or to any person who was occupying any legation or embassy.

Mr. PITTMAN. But in some cases there has been no great assemblage. There were only five or six persons. They were not interfering with the traffic of the street. They were not using any language at all, but they carried placards which were critical of the governments represented by the embassies. Back and forward they walked, all day long. That is not illegal under any law of which I know. I am trying to have it made illegal, provided such devices and banners carry upon them a reflection on the government represented by the ambassador, and if they bring that government into odium, no matter whether or not there is now a law against it. It is not illegal picketing in any sense of the word, but it is calculated to frighten those within the building. It has frightened them, and such things should not be permitted. I do not believe we should allow the picketing of a foreign ambassador or a foreign minister or any picketing so close to him that it will cause fright.

Mr. LA FOLLETTE. I have stated on several occasions that the issue is very clear. The Senator from Nevada wishes to prevent people from going within 500 feet of any buildings or premises occupied by representatives of foreign governments unless they are going to those buildings and premises for the purpose of transacting business, or unless they are walking or using the streets in the ordinary course of their progress to and from some other point.

Mr. PITTMAN. I wish the Senator would not get that impression.

Mr. LA FOLLETTE. The Senator from Nevada has once more repeated the statement which is the reason why I have gained the impression, and the Senator has given the connotation of the word "harass" in his amendment, that he does not propose that foreign representatives shall be annoyed. Of course, it might be annoying to some representatives if a man were to walk up and down in front of their premises with the Declaration of Independence printed in sufficiently large letters so that it could be read from the windows by those occupying the premises.

Mr. PITTMAN. Mr. President, the banner or device must be calculated to bring into odium the country and in disrepute the officers, and that is the method in which it is harassing.

Mr. LA FOLLETTE. The Senator's amendment reads:

> To bring into public notice any * * * political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute—

And so forth. The Senator has again and again indicated that he does not believe that people in this country have the right or should have the right, no matter how well they may conduct themselves, no matter how proper or appropriate their representations may be, to go within 500 feet of any premises occupied by the representative of any government accredited to this country.

Mr. PITTMAN. There is hardly any use in discussing the matter any longer with the Senator. The language shows that it refers to the carrying of banners or devices. If the Senator still thinks that the offense is walking up and down, I cannot go along with him.

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

Mr. LA FOLLETTE. I yield.

Mr. BARKLEY. Does not the Senator recognize the difference between picketing a factory, or store, or any other establishment in the United States growing out of a labor dispute, or any other sort of dispute, and the picketing of an embassy or legation in the United States? Regardless of what any American citizen may feel with respect to the internal policy of any other nation, it strikes me that it is going a long way to allow American citizens to march up and down in front of a foreign embassy, or legation, or consulate, with placards, or in any other way, without placards, expressing their opinion of what is going on in the foreign country. It seems to me that, regardless of whether it annoys them or does not annoy them, it is asking quite a privilege to request that our citizens be allowed deliberately to take any action on the premises or within the precincts of a foreign embassy which is intended to show harsh criticism or disapproval of what may be going on in the foreign country, especially if it is a friendly country, and it would be, of course, if it had an embassy or an ambassador or a minister or consul here.

Mr. LA FOLLETTE. Mr. President, it is a privilege which has been enjoyed by the citizens of this country ever since this Government was established, and, so far as I have been able to ascertain, in not a single democratic government in the world is there any such provision on the statute books as is now proposed to be put on our books by the Senator from Nevada.

Mr. BARKLEY. Let us take the recent situation in China, where there has been quite an internal division among the Chinese people growing out of politics perhaps brought about indirectly by difficulties between China and Japan. At least there has been a division of sentiment in the Chinese Republic with respect to the kind of government they wanted established.

Suppose someone takes it on himself, or any number of people, who desire to side with one faction or another in China, take it on themselves for some reason to march up and down in front of the embassy here with placards, or make a demonstration of any sort. Or let us take the Mexican situation of a few years ago, when Huerta and Villa and Carranza and others were engaged in internal difficulties there, trying to work out their internal policies. Does the Senator believe we ought to allow Americans to take sides with the different factions in such a way as to show their

favoritism or partiality toward one faction or another by meeting at the embassy, or in front of it, or close enough to it to harass it? And if one side can do it, why not let the other side do it, and they might have a clash right in front of the embassy.

Mr. LA FOLLETTE. Bear in mind that no meeting can take place under the existing statute. People cannot even assemble or congregate.

Mr. PITTMAN. Under what?

Mr. LA FOLLETTE. Under section 117 of the District Code. The Senator from Kentucky suggested that rival meetings, public meetings involving conflict growing out of differences, might be held on the premises or near the premises adjacent to an embassy or other property occupied by foreign representatives.

Mr. BARKLEY. Mr. President, if one side can go along with banners and the other side decides it wants to have some banners, there is a conflict of banners, at least, in front of an embassy or legation. Of course, that may be an extreme illustration, but if we are going to allow the people of the United States to express their approval or disapproval of one side or one faction of people in a foreign country, we have to allow others, who may have a different view about it, to do the same, and there could very easily be a conflict of demonstrations.

Mr. LA FOLLETTE. Mr. President, I cannot convince any Senator who thinks we ought to extend around premises occupied by representatives of a foreign government an area of 500 feet where people should not be permitted to go, no matter how well behaved they may be or how appropriate or proper their representations may be. If that is what is desired, the thing to do is to adopt the amendment the Senator from Nevada has offered; but I am contending that we can take care of this matter by simply amending the existing statute, that it will afford adequate and ample protection against any act which ought to be prohibited or prevented on the part of citizens.

I offer as a substitute for the amendment offered by the Senator from Nevada the amendment now on the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert as a substitute for the amendment offered by the Senator from Nevada the following:

That sections 5 and 6, as amended, of the act entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia", approved July 29, 1892, are amended (1) by inserting after the words "any public building or inclosure" the phrase "(including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes)"; and (2) by inserting after the words "or to insult", the phrase "(by the use of banners, placards, or otherwise)."

Mr. PITTMAN. Mr. President, I merely wish to say that the amendment has been considered by the State Department, because I took it to them, and the Secretary of State feels that in view of the situation as it is now the amendment would not only be inadequate but would be a very undignified way of treating this matter.

Heretofore a letter of the Secretary of State touching this subject has been printed in our report, and I wish to have it printed at this place in the RECORD.

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

DEPARTMENT OF STATE,
Washington, August 3, 1937.

The Honorable KEY PITTMAN,
Chairman, Committee on Foreign Relations,
United States Senate.

MY DEAR SENATOR PITTMAN: I refer to Joint Resolution No. 191, to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes and to express my approval of the resolution.

As you know, diplomatic officers are clothed with certain immunities under international law to enable them to transact in countries to which they are accredited or assigned the business of their respective governments. The immunity, therefore, is for a practical purpose—i. e., to allow governments to transact official business free from interruption which might flow from molestation of or interference with their representatives. Governments also send to foreign countries representatives who are not clothed with diplomatic immunity in the strict sense of the word, but who are, because of their representative status, entitled to certain special protection under the local law, as, for example, consuls, trade commissioners, et cetera.

The United States with its 338 diplomatic missions and consulates is, perhaps more than any other country, interested in obtaining for its representatives the protection which they must have if they are to function effectively.

If we are to obtain for our representatives in foreign countries that degree of protection to which they are entitled, we should be in a position to show a like consideration for representatives of other governments in this country. Unless we extend such reasonable protection to representatives of other governments, we cannot hope to receive protection for our representatives abroad.

It is extremely embarrassing to the Department to be reminded by representatives of foreign governments in the United States that their missions are being interfered with by individuals or groups, particularly when existing domestic law does not seem to cover the situations of which complaint is made. By the comity of nations, representatives of foreign governments in countries where law and order are supposed to prevail are entitled to freedom from any attempted intimidation or coercion.

I therefore trust that you may find no difficulty in procuring passage of the resolution.

Sincerely yours,

CORDELL HULL.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin in the nature of a substitute for the amendment of the Senator from Nevada.

The amendment to the amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer an amendment to be inserted at the end of the amendment offered by the Senator from Nevada.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add at the end of the amendment offered by the Senator from Nevada the following words:

Provided, however, That nothing contained in this joint resolution shall be construed to prohibit picketing, as a result of bona-fide labor disputes regarding the alteration, repair, or construction of either buildings or premises occupied, for business purposes, wholly or in part, by representatives of foreign governments.

Mr. PITTMAN. I have no objection to that.

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

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada, as amended, to the committee amendment.

The amendment, as amended, to the committee amendment, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 191) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia."

CALL OF THE ROLL

Mr. BARKLEY. Mr. President, I make the point of order that no quorum is present.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Bulkley	Ellender	Holt
Andrews	Bulow	Frazier	Hughes
Ashurst	Burke	George	Johnson, Calif.
Austin	Byrd	Gerry	Johnson, Colo.
Barkley	Byrnes	Gillette	King
Berry	Capper	Glass	La Follette
Bilbo	Caraway	Green	Lee
Black	Chavez	Guffey	Lewis
Bone	Clark	Hale	Lodge
Borah	Connally	Harrison	Logan
Bridges	Copeland	Hatch	Lonergan
Brown, Mich.	Davis	Herring	Lundeen
Brown, N. H.	Dieterich	Hitchcock	McAdoo

McCarran	Neely	Reynolds	Thomas, Utah
McGill	Nye	Schwartz	Townsend
McKellar	O'Mahoney	Schwellenbach	Truman
McNary	Overton	Sheppard	Vandenberg
Maloney	Pepper	Smathers	Van Nuys
Minton	Pittman	Smith	Walsh
Moore	Pope	Steiwer	Wheeler
Murray	Radcliffe	Thomas, Okla.	White

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

RAILROAD TARIFF RATES

Mr. WHEELER. I move that the Senate proceed to the consideration of Senate bill 1261, to amend the Interstate Commerce Act, as amended, and for other purposes. The bill is recommended by the Interstate Commerce Commission.

Mr. WHITE. Mr. President, may I ask what the bill provides?

Mr. WHEELER. The bill for which I have asked consideration is Senate bill 1261, which was proposed by the Interstate Commerce Commission. My recollection is that it gives the Interstate Commerce Commission power to require railroads to publish in their tariff schedules the shorter route as well as the longer route. That practice was one in which the railroads engaged for 19 years. Then the Supreme Court of the United States said they had misinterpreted the law. They are now simply asking that the practice in which they engaged for 19 years previously be made lawful and that they be permitted to continue that practice.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. WHEELER].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment was, in section 1, page 1, line 5, after the word "following", to strike out "The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest" and to insert "If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest", so as to make the section read:

Be it enacted, etc., That paragraph (3) of section 15 of the Interstate Commerce Act, as amended, is further amended by adding the following: "If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

Mr. DAVIS. Mr. President, in the brief time that I shall occupy the floor, I shall devote my remarks not to the pending question but to another measure which is pending on the calendar, being House bill 1507, to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

Mr. President, this year has brought the problems of mob violence and unrestrained lawlessness to the attention of the Nation in a peculiarly emphatic way. Many people who have never allowed ruthless violence and mob hysteria to have a place in their thoughts are now distinctly disturbed by it. But while we have had disorder and confusion in the industrial world, our attention must not be directed away from the age-long villainy of lynching, which we should oppose, irrespective of the locality in which it occurs or the race or color of those affected by it.

Mr. President, all too long lynching has been regarded as a sectional problem. But the problem of maintaining law and order in the Nation—the police power of the country—is not a local but rather a national consideration and one which we cannot dodge or escape. The inevitable logic of the many national laws which have been enacted in the last few decades, especially during the last 5 years, points, beyond all question, to the strengthening of the police power of the States and through the States by the Federal Government. The place to begin the practical application of this power is not alone in the great industrial sections of the land but also in rural districts where, for an extended period of time, mobs have been allowed to work their uncontrolled will in brazen defiance of every law of God and man. We shall not have any success in quieting labor disturbances until we have made a sincere beginning to solve this older and more deeply intrenched resistance to the orderly institutions of government.

Mr. President, I know the kind, generous-hearted people of the South. I have lived and worked among them. As a youth I sought employment as a puddler in the then newly opened steel mills of the great city of Birmingham. There I had an opportunity to rise in my trade to the rank of master puddler. I know, from long personal association with these people, their warmth of heart, their hospitality, and noble generosity of purpose. As a representative of a fraternal order, I have traveled in every State of the South and have made life-long friendships with people in practically every southern city. Therefore what I shall say at this time is not to be construed, in any sense, as a criticism of the South.

Mr. President, I know the improvements that have come in the South since 1890. I know the teeming industry of the new South. I have witnessed during my lifetime the rise in standards of living there. Conditions which prevailed there in my youthful days were greatly improved during the days of the World War. Wages were increased and conditions of labor were lifted to higher standards. No one who has historical perspective will silently stand by to hear rabid criticism of the South, for who would dare to offer justification for the rule of the "carpet baggers" following the death of the great Lincoln? I believe that if Lincoln had lived on to extend his spirit of humanity and understanding to the people of the South, whom he understood so well, economic conditions such as have harassed the southern States for many decades would have been banished and the standards of wages and work would have measured well with conditions anywhere in the land.

Mr. President, in view of the concern which is now being expressed throughout the land over the maintenance of law and order in all of its different phases I believe the Senate should consider and pass House bill 1507 before adjournment. The House approved of this measure by a large majority. The recent Gallup poll showed that 65 percent of the people of the South, with a somewhat larger percentage for the Nation as a whole, favor a Federal antilynching bill. It must, therefore, be apparent that it is no longer to be regarded as a sectional issue.

Mr. President, the discredit which such occurrences bring upon this Nation abroad is not always as well understood as it should be. We read in the press of various attacks upon the citizens of other lands, and our blood boils at the deliberate insults directed against them. We must never forget that lynching, like every other example of lawlessness and violence, in one country reacts in every other and intensifies existing tendencies to resort to intolerance, cruelty, and tyranny. The oppression by foreign dictators of minority groups in Europe is no more reprehensible than are the attacks directed upon minorities here, even though they be of a different race. The abuses in concentration camps and prisons which shame mankind are interrelated with excesses in our own country for which there is absolutely no defense.

Mr. President, in April 1935 the Macon Telegraph, one of the most forceful journals of the cotton South, indicated that in its opinion—

Public sentiment in the South has about crystallized into the feeling that only by Federal intervention can we ever hope to wipe out lynching.

To this is added:

There will be a certain amount of opposition to a Federal measure to prohibit lynching in the South, but it is a fair question to ask, What else are we to do? Lynching goes on year after year, and punishment for the crime is practically unknown. One of the most revolting of these crimes was the latest to gain general attention, when a Florida mob near Marianna, after bringing the victim from an Alabama jail, where he had been taken for safekeeping, sent out invitations in the morning to attend the lynching, which resolved itself into slow torture, with gruesome details hardly fit to be printed.

The Chattanooga (Tenn.) News of April 5, 1935, declares of this incident:

Members of that mob were well known to the officers of the law, who, indeed, might have prevented the lynching in the first place if they had cared to do so; and yet no one was ever punished, as no one in that State has ever been punished for such a crime, although, as the women of the State themselves point out, there have been 30 lynchings.

Mr. President, this unspeakable condition cannot longer be tolerated. The States have had ample opportunity through the years to do something to prevent this barbaric crime. The time has come when something must be done; and a Federal antilynching bill appears to be the answer. If we put a National Labor Relations Act, a Social Security Act, a national wage and hour bill, a National Housing Act, and other Federal measures on the statute books of the land, certainly, by the same power and authority, a national antilynching law can be enacted if those who have sponsored these other extensions of Federal control desire to do so. And we make take for granted that if no antilynching legislation is now passed it is because the administration does not favor it and wishes to enforce its rulings on industry to the exclusion of a much older and a far less excusable breach of the law.

On March 15, 1935, the New Orleans (La.) Item carried the following statement:

A Mississippi mob lynched a Negro for killing a highway worker. It was no crime of lust or hate. The killer was simply drunk and having himself a time with a pistol, firing it promiscuously. The victim demanded that he stop firing lest he hurt someone. So the Negro shot him.

In this unhappy event the apologist for lynch law will seek in vain for any element that might pardonably stir a community to a frenzy of vengeful indignation. Even the brother of the dead man counseled that the law take its course, and sent out messengers to intercept the mob. Mobs must act swiftly, else reviving sanity or decency will disintegrate them. This one lynched its victim in a schoolyard.

A few public lectures in that schoolyard would be timely. The teacher should trace for the audience the connection between a drunken Negro, careering about with a pistol, and white man's laws which permit anybody, criminal, moron, or lunatic, to buy and carry firearms. He might also be able to convince them that they have made themselves in some degree responsible for the present campaign to take the disciplining of lynching away from States and give it to the Federal Government.

President Roosevelt has recognized the need for some practical solution for this problem in his current statement that "Crimes of organized banditry, cold-blooded shooting, lynching, and kidnaping have threatened our security." The graves of more than 5,000 lynch-mob victims killed in the past 50 years testify that local communities have not met this problem in an adequate way. While we are all aware of the fact that the National Association for the Advancement of Colored People favor Federal legislation, I am frank to say that I do not think this problem should be regarded as a racial or sectional one, for I believe that so long as we permit this view to dominate thinking on this subject, we shall have entirely discredited the philosophy and social understanding which has actuated the great national measures which have won the support of the Senate during the last few years. If a Federal law is good for the settlement of labor disputes in the several States, it should also be invoked to protect the entire land from the evils of mob violence and lynching.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an article by Franklyn Waltman on this subject, published in this morning's Washington Post.

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

[From the Washington Post of Aug. 10, 1937]

POLITICS AND PEOPLE

ANTILYNCHING BILL SHOULD BE CONSIDERED BY SENATE BEFORE ADJOURNMENT

(By Franklyn Waltman)

Now that the Senate has showed such speed in clearing its calendar of the administration's "must" legislation, there is opportunity for that body this week while waiting for bills from committee and conference reports to take action on a really worth-while measure.

This particular measure has the support of President Roosevelt, and it is a little difficult to understand why it is not on his "must" list. It has the support of approximately 70 percent of the people of this country, according to a Gallup poll. Actually it has received the support of 71 percent of the House membership on a roll call in that body in April. The Senate Judiciary Committee in June voted 13 to 3 in favor of this measure.

And yet this piece of legislation has been on the Senate calendar for almost 2 months without any action on it. But that is not surprising when one considers that the leadership of the Senate comes from the South—for, we make bold to say, this measure is the Wagner-Van Nuys-Gavagan antilynching bill.

It would be indefensible for the Senate to adjourn without a serious attempt to pass antilynching legislation. The only excuse made for not bringing the matter before the Senate—where there is reported to be an overwhelming majority in favor of it—is that it would occasion a filibuster. But that is no excuse at all. If a small handful of Senators is to be able to frighten the Congress away from passing legislation inspired by a sense of decency and morality, then the Senate might as well close its doors.

If a small group of Southern Senators wish to thwart majority rule by filibustering this bill to death, they should have the opportunity to do so. Nothing would be lost through an immediate attempt to pass this bill. The Senate has little of importance to do this week—nothing, if you please, as important as this bill.

Instead of adjourning early to play golf or attend baseball games the Senate might well spend the remainder of this week at least in an effort to get action on the antilynching bill, and if the effort fails we will know those responsible and certain people masquerading as liberals will have the masks torn from their faces.

There is great objection to rushing legislation to passage in the heat of the summer at the fag end of a grinding legislative session. But such an objection cannot be applied to this legislation. Federal steps to prevent lynching, and, in the event of failure, to punish those guilty, have been debated in this country since 1922.

It has received intensive consideration for the last 3 years. Not only in the North but throughout the South tens of thousands of thoughtful men and women have studied this subject and have gone on record in favor of Federal legislation. Indeed, some of the very best research work on lynchings in this country has been done by organizations and men and women in Southern States. Agitation for such legislation has come in large part from the best of the southern press.

Neither is the passage of such a bill an insult to the South, nor is it a force bill. The decent men and women of the South want such legislation, as demonstrated by the attitude of the southern press, by the action of southern organizations, and by the recent Gallup poll, which showed that 65 percent of the sentiment in the South—compared to 70 percent the Nation over—favored a Federal antilynching bill.

It is a peculiar thing that certain gentlemen from the South on Capitol Hill howl about State rights only when it is proposed to take effective steps to stop the lynching of colored men. They forget about State rights when they propose to have the Federal Government tell an employer what wages he may pay and that he must go to jail if he lets any of his employees work longer than a certain number of hours.

They make a mockery of State rights when they propose legislation penalizing a cotton farmer if he grows more cotton than a bureaucrat in Washington decrees. Oh, it is all right, good, and noble for the Federal Government to do these things. But, say they, it would dishonor the sacred memory of Thomas Jefferson for the Federal Government to take steps to save a poor colored man's life.

And passage of this legislation may now be the means of saving the lives of a few colored men between now and next winter; and let it ever be remembered that close to 200 persons, including 25 who were white, have been lynched in this country for crimes of which it subsequently was proved they were innocent. But, guilty or innocent, every person in this country is entitled to his day in court and to be protected from bloodthirsty frenzied mobs. That is the primary guarantee of the Constitution, and until that guarantee becomes a reality nothing else is of very much importance.

RAILROAD TARIFF RATES

The Senate resumed consideration of the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes.

Mr. WHEELER. Mr. President, I desire to make a brief explanation of the bill. The bill would eliminate the provision against short hauling and leave the Interstate Commerce Commission with the necessary right to require the establishment and maintenance of through routes between railroads which it finds to be necessary or desirable in the public interest, just as it can now do in the case of joint rail-and-water routes.

When the bill was drafted it was referred to the Interstate Commerce Commission. After consideration the Commission has recommended the passage of the bill. The Committee on Interstate Commerce held hearings on the bill on two different occasions.

Mr. Eastman wrote a report on the bill, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, February 25, 1937.

Hon. BURTON K. WHEELER,
Chairman, Committee on Interstate Commerce,
United States Senate.

MY DEAR SENATOR: The Chairman of the Commission has referred to our legislative committee your communication of February 2, 1937, requesting comments on S. 1261, introduced by yourself, "to amend the Interstate Commerce Act, as amended, and for other purposes." This bill has had the careful consideration of the legislative committee, and I am authorized to submit the following comments in its behalf:

S. 1261 proposes to amend paragraphs (3) and (4) of section 15 of part I of the Interstate Commerce Act. We shall discuss, first, the amendment to paragraph (4), as being the more important. This amendment would enable the Commission to do what it cannot now do, and that is establish through routes and joint rates between connecting railroad lines "whenever deemed by it to be necessary or desirable in the public interest after full hearing upon complaint or upon its own initiative without complaint." This power is now in terms granted by paragraph (3), but is in part negatived by paragraph (4), which now contains the following provision:

"In establishing any such through route the Commission shall not (except as provided in section 3, and except where one of the carriers is a water line) require any carrier by railroad, without its consent, to embrace in such route substantially less than the entire length of its railroad and of any intermediate railroad operated in conjunction and under a common management or control therewith, which lies between the termini of such proposed through route, unless such inclusion of lines would make the through route unreasonably long as compared with another practicable through route which could otherwise be established."

This is what is known as the prohibition against short hauling, and the effect of the amendment would be to eliminate this prohibition, leaving the Commission with an unrestricted right to require the establishment of through routes between railroads which it finds to be necessary or desirable in the public interest, just as it can now do in the case of joint rail-and-water routes.

The history of this provision is of interest and significance. A major defect of the original act to regulate commerce of 1887 was that the Commission was given no power to require the establishment of through routes and joint rates. This defect was repeatedly called to the attention of Congress by the Commission, and in 1906 an attempt was made to rectify it. The Commission was given the desired power, provided no reasonable or satisfactory through route existed. The Supreme Court held that the existence of such a route could be inquired into by the courts, notwithstanding a finding by the Commission, and that such existence precluded the establishment of any other through route by the Commission, however desirable it might be in the public interest. By the Mann-Elkins Act of 1910, this proviso, which made the power practically ineffective, was eliminated. However, against the opposition of the Commission the prohibition against short hauling was inserted, with the following explanation by Senator Elkins:

"The second exception to the grant of this power is one which has always been recognized in the transportation business of the country. The road that initiates the freight and starts it on its movement in interstate commerce should not be required where it is a line not unreasonably long, to transfer its business from its own road to that of a competitor, especially when the commerce initiated by it can be as promptly and safely transported from the point of shipment to the point of designation by its road as by the line of its competitor."

Until 1929 the Commission interpreted the prohibition in line with this explanation by Senator Elkins. In that year, however, the Supreme Court in *United States* v. *Missouri Pacific* (278 U. S. 269), held that the Commission had been wrong in this interpretation, and that it cannot require a through route to be established which will short-haul any carrier, whether originating, or intermediate, or delivering.

This decision was a shock to the Commission, because it goes far to nullify its power to establish through routes between connecting railroads. This is so because there are innumerable instances where it is impossible to find a route in which two or more railroads would participate which does not short-haul some one of them. If the originating line is given its long haul, the delivering line is left with a haul shorter than it would have over some other route, or vice versa; and if an intermediate line is introduced, the chances of short hauling are magnified. As the situation now stands, paragraph (3) of section 15 might almost as well not be in the law, so far as practical value is concerned.

This situation could be improved by amending paragraph (4) so that it would have the interpretation which the Commission almost uniformly placed upon it for 19 years prior to the decision of the Supreme Court in the above-cited case. But why stop there? In 1920 the prohibition against short hauling was made inapplicable where one of the participating carriers is a water line. Why should it cease to have virtue in such circumstances but continue to have virtue where all of the participating carriers happen to be railroads?

Railroads were built primarily to serve the public interest. If it can be shown that in any particular situation a through route made up of the connecting lines of two or more different railroads is "necessary or desirable in the public interest", why should not the Commission have the power to establish that route, regardless of who may be short-hauled? We know of no good reason. The railroads have no constitutional right to a long haul. The present prohibition in paragraph (4) is wholly a statutory provision, and what Congress has enacted it can repeal. The Commission opposed the prohibition when it was originally enacted.

The objections which trunk-line railroads have raised to this bill seem to rest on the assumption that the Commission will act arbitrarily and without regard to the real public interest. There is no basis for such an assumption. If the bill is passed, the railroads will have full opportunity to present to the Commission their objections to the establishment of any particular through route, and the courts will protect them against any arbitrary findings on the part of the Commission unsupported by substantial evidence.

S. 1261, however, proposes to add a new clause to paragraph (4), as amended, to the following effect:

"In fixing through routes and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another."

Inasmuch as paragraph (4), as it is proposed to be amended, is confined to a grant of authority to the Commission, "in time of shortage of equipment, congestion of traffic, or other emergency" to establish through routes temporarily in a summary manner, it would seem that the more appropriate place for the proposed new clause is paragraph (3), which contains the general grant of authority to establish through routes. To conform to the language of that paragraph, also, the second word in the new clause should be "establishing", rather than "fixing." We are not persuaded, however, that the new clause should be added. There may be instances where there are plenty of good through routes, so that no more are needed to accommodate the actual movement of traffic, but by adding a new through route, over which traffic can move economically, a railroad which is in financial straits but which it is desirable to preserve in the public interest would be given an opportunity to share in the through traffic which might mean to it the difference between life and death. There is a possibility that the proposed new clause would preclude the Commission from taking into consideration this phase of the public interest, and for this reason it does not meet with our approval.

In addition to the proposed amendment of paragraph (4), S. 1261 proposes to add the following clause to paragraph (3):

"The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest."

Probably this clause is intended merely to have the effect of putting the burden of proof upon the carriers which seek to eliminate an existing through route or joint rate, etc. Faced by such a declaration of the law, however, it would be difficult for the Commission to avoid suspending any such elimination for investigation, even if there were no protests. We suggest, therefore, that the clause take the following form:

"If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest."

With the exceptions mentioned above, S. 1261 meets with our approval.

Respectfully submitted.

JOSEPH B. EASTMAN,
Chairman, Legislative Committee.

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

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. From what was the Senator reading?

Mr. WHEELER. I was reading from a letter of Mr. Eastman, of the Interstate Commerce Commission. When this particular bill was referred to the Interstate Commerce Commission, they referred it to their legislative committee. I was reading Mr. Eastman's letter with relation to the provisions of the bill.

The only purpose of the bill is to give the Interstate Commerce Commission the power to require a railroad, when the Commission deems it to be in the public interest, to publish routes showing the long haul as well as the short haul. It would give the shipper the right to say whether or not he wants to have his goods shipped over the short route or the long route. That is all there is to the bill.

Hearings were held during the Seventy-fourth Congress on Senate bill 1636, which was similar to this proposed legislation, and testimony was received from railway officials and other interested parties.

Mr. DIETERICH. Mr. President, did the Senator say the bill would give the shipper the right to select the route?

Mr. WHEELER. Yes.

Mr. DIETERICH. Where does the Senator find any such provision in the bill?

Mr. WHEELER. The bill gives the shipper the right, because it provides that the railroads shall publish their routes showing the long route as well as the short route.

Mr. DIETERICH. It would give the Commission the absolute arbitrary right to tell the shipper over which route he must ship.

Mr. WHEELER. The Senator is entirely mistaken.

Mr. DIETERICH. Then I do not understand the language of the bill.

Mr. WHEELER. The bill simply gives the Commission the power to establish routes and to say, in effect, "Here is a route which is the short route and here is another route which is the long route." These routes must be published in the traffic rules and regulations issued by the railroads. The shipper then sees the routes as published, and is given the privilege and the right to ship over either of the routes he may desire. That is all there is to it.

Mr. CONNALLY. Mr. President, may I ask the Senator from Montana a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. Certainly.

Mr. CONNALLY. Under laws enacted heretofore by Congress the initial carrier is responsible to the shipper for the safe delivery of his goods at destination, is it not?

Mr. WHEELER. No. What happens is this——

Mr. CONNALLY. Why is it not? Is not that statute law of the United States?

Mr. WHEELER. It is not statute law of the United States; but the shipper collects from the road on which he ships. If the shipment is injured on some other railroad than the one on which it is shipped, the second man pays.

Mr. CONNALLY. That is the point I am trying to make. If the initial carrier is to assume legal responsibility for seeing that the shipment is delivered to the ultimate consignee, and is under legal liability for doing so, ought not the initial carrier to have some voice as to the route over which it will handle the shipment, and as to the promptness with which the other carrier will repay the initial carrier, and the convenience of the route?

Mr. WHEELER. I think the Senator is wrong in saying that the original carrier is responsible.

Mr. CONNALLY. How about the Carmack Act?

Mr. WHEELER. I do not dispute the Senator, because I must confess that I am not sure.

Mr. CONNALLY. I am asking the Senator because I thought, as chairman of the committee, he would know.

Mr. WHEELER. I am not familiar with that act, I shall have to confess.

Mr. CONNALLY. I have not looked it up since I have been in the Senate; but when I used to practice law I know it was the law that the initial carrier could be sued and compelled to pay damages, no matter where the damage occurred. If we are going to provide for that, we ought to give the initial carrier some right to say over what system it will ship the commodity.

Mr. WHEELER. If that is correct, then we ought to change the other law that is on the statute books at the present time and take away from the Commission the apparent right that they have at the present time to prescribe through routes. The Commission for 19 years exercised this power, thinking they had the right to do so under the law; and the late Senator Elkins, who was the author of the act, interpreted it upon the floor of the Senate to the effect that they did have the power. The Commission put the same interpretation upon the law that Senator Elkins did; but the Supreme Court, in the Missouri-Pacific case, said that they did not have that power. So they are only asking to have given to them the same power that they have been exercising for 19 years; and, as Mr. Eastman says, if they cannot do that, they feel that it is going to handicap them very much in making through routes for the benefit of the shippers.

The shippers of the country have almost uniformly been in favor of this amendment. When the hearings were held and testimony was taken, the shippers' organizations from all over the country, and I think, if I am not mistaken, the shippers' organizations of the State of Texas, favored it; the State utility commissions of Minnesota, Missouri, Idaho Wisconsin, Utah, Iowa, Louisiana, Ohio, Washington, North and South Dakota, and the District of Columbia urged the enactment of legislation designed to remove the prohibition against short hauling; and again at this session various shippers' organizations have written in from all over the country requesting that this bill be enacted.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I do.

Mr. DIETERICH. The Senator speaks of the hearings that were held. No hearings were held on this particular bill, were they?

Mr. WHEELER. Not on this particular bill; no.

Mr. DIETERICH. The hearings that were held were held during the last Congress and by the previous Committee on Interstate Commerce.

Mr. WHEELER. Yes.

Mr. DIETERICH. Not by the present Committee on Interstate Commerce?

Mr. WHEELER. Yes; by the present Committee on Interstate Commerce. There are now some new members of the Interstate Commerce Committee; but hearings were held upon the bill by the committee, and the hearings are available to anybody who wants them.

Mr. DIETERICH. What was the previous bill?

Mr. WHEELER. The previous bill was almost identical with this one.

Mr. DIETERICH. The Senator says "almost identical."

Mr. WHEELER. Yes; the same principle was involved.

Mr. DIETERICH. But it was not the same bill, and it was not exactly identical with this one.

Mr. WHEELER. No, that is true; but the same principle was involved.

Mr. DIETERICH. The hearings were held in the last Congress, and were held by the Interstate Commerce Committee of that Congress; and the Interstate Commerce Committee of this Congress has not had any hearings on this bill.

Mr. WHEELER. That is correct. The Interstate Commerce Committee of the Senate held hearings twice before upon the bill, and in addition the Interstate Commerce Commission recommended the passage of the bill on every occasion.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I do.

Mr. COPELAND. I am at a disadvantage for the reason that the information I have came to me so recently; but I am informed, as the Senator from Illinois [Mr. DIETERICH] has said, that there were no hearings on this bill, even though they were requested by the Association of

American Railroads. What has the Senator to say about that?

Mr. WHEELER. I am the chairman of the committee. If they ever requested any hearings upon this bill, I never knew anything about it, and I think I would have known about it if they had; but I never knew anything about any request from them for hearings upon the bill, and if they had made a request they would have been granted hearings.

Mr. COPELAND. The Senator from Montana has been engaged in a very much more important matter than this. He has been giving his life and energies to the successful battle to preserve the Constitution and the Supreme Court. Is it not quite probable that in view of his very proper preoccupation he may have overlooked the fact that there was a request from the Association of American Railroads for a hearing on this bill?

Mr. WHEELER. There was no request. If they ever wrote a letter to me requesting a hearing, I feel sure that the clerk of the committee would have brought it to my attention. I will send for the clerk of the committee and inquire about it, but I am sure no request was made for a hearing.

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

Mr. WHEELER. I yield.

Mr. VANDENBERG. Has there ever been a subject which has been more completely exhausted by hearings than this subject?

Mr. WHEELER. Not at all.

Mr. VANDENBERG. What could be developed in new hearings that has not already been brought out?

Mr. WHEELER. Nothing. For 19 years the Commission did exactly this thing, and no shipper ever complained that he was injured by it. All in the world that the bill does is simply to give the Commission the power, which they say it is necessary for them to have in order properly to carry out the law in the public interest, to say that a certain route shall be established. That does not mean that the shipper has to ship over that route at all.

He has a right to ship over that route, or he has a right to ship over some other route; but the bill gives him the right to say, "This is an established route, and that is an established route. I want to get my goods to market quicker than I can get them to market over this route, and consequently I want to ship them over that route."

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

Mr. WHEELER. I yield.

Mr. BARKLEY. I understand that the substance of the bill is that it authorizes the Interstate Commerce Commission to do what it did for 19 years; namely, that in making out their traffic and tariff schedules, the railroads shall make schedules for short as well as long hauls, so that the public may have that information, still leaving to the public the right of choice as to which route it shall ship its products over.

Mr. WHEELER. Absolutely.

Mr. BARKLEY. Is not that about what the bill does?

Mr. WHEELER. That is exactly what it does. The Commission acts only when it thinks it is in the public interest; and if any railroad is injured by it, the railroad has a right to have a hearing before the Commission, and it has a right to appeal to the courts if the Commission rules against it.

Mr. BARKLEY. In other words, a hearing before the Commission by any railroad which thought it might be aggrieved would be a much more important hearing than one before the committee here to determine whether or not the bill ought to pass.

Mr. WHEELER. Of course. As a matter of fact, the bill says:

> If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest.

That is all there is to it.

Mr. PEPPER. Mr. President——

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

Mr. WHEELER. I yield.

Mr. PEPPER. Since I observe that the bill purports to deal with tariffs and schedules, I desire to ask the Senator from Montana whether there is any possibility that it might have the effect of ameliorating the burdensome rate discriminations that exist against some sections of the country, notably the Southeastern States.

Mr. WHEELER. The bill does not affect those rates in any way, shape, or form, except that the shipment might be over a shorter route to some point. To that extent the bill might affect the rates, but that is all.

Mr. PEPPER. I hope it will not increase the burden.

Mr. WHEELER. The bill will not increase any burden. It simply gives the shipper this right: For instance, if a shipper were shipping citrus fruit from the State of Florida, and desired to get the fruit into Chicago by the shortest route, because time was of the essence of the situation, the shipper would have the right to say, "I want to ship my fruit partly over this route and partly over that one, because it will get my fruit into Chicago quicker than if it were shipped over the other route."

That is all the bill does. It gives the Commission the power to say, and have published, that "Here is a route that is a short route and here is a route that is a long route; and, Mr. Shipper, you have the choice of selecting the route over which you want to ship your product." That is all there is to the bill.

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

Mr. WHEELER. I yield to the Senator from Massachusetts.

Mr. WALSH. I should like to inquire of the Senator whether this bill has any relationship to the so-called Pettingill bill.

Mr. WHEELER. None whatever.

Mr. WALSH. That is what I assume. Some Senators seem to think it has some relation to it. It is an entirely different proposition?

Mr. WHEELER. Entirely different. It has no relation of any kind of character to the so-called long-and-short-haul bill. It is entirely different.

Mr. BONE. Mr. President——

Mr. WHEELER. I yield to the Senator from Washington.

Mr. BONE. For the purpose of my question, assume that a shipment was going from a point on the Pacific coast, Seattle or Tacoma, to St. Louis, and normally, through some harmonious arrangement between two of the western roads, it had been the common practice to send a car through Minneapolis and then divert it south to St. Louis, but there would be a shorter route by diverting the car, say, at Billings, Mont., and sending it down over the Burlington road to the Missouri River terminal.

Assume the route was 500 miles shorter by the Billings diversion. Would the fact that it was 500 miles shorter mean that there was a proportionately smaller charge for the shipment; or is there a through rate, which would not be changed?

Mr. WHEELER. There would be a through rate. In either case the railroads would get the same rate, but it would mean that the man who shipped the goods would say, "You are going to save me 2 days by this shipment by routing it through St. Louis, and I want to ship the goods over that route."

Mr. BONE. Then I take it that the most important element of the proposed amendment lies in the fact that it would expedite the handling of freight, such as perishables?

Mr. WHEELER. Yes. For instance, freight might originate at the present time in the State of Washington, be shipped through Montana, and then, if the shippers wanted it to go to a point north of North Dakota into Canada, or to a point north of South Dakota in North Dakota, the railroad originating it on the west coast would ship it clear to the east coast and then ship it back over some other road to North Dakota, whereas there is a short line coming up from South Dakota through North Dakota into Canada, and it would save the shipper a couple of days, or 2 or 3 days' time.

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

Mr. WHEELER. I yield.

Mr. POPE. It seems to me the measure proposes a very sensible arrangement, but I am wondering why the railroad companies do not ship their freight by the most direct route anyway. It seems to me it would be to their interest to do so.

Mr. WHEELER. The reason is that they want to claim all the freight charge, and if they shipped it over some other road which was a shorter route the company which first originated the freight shipment might lose a little portion of the charge. That is the only factor.

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

Mr. WHEELER. I yield.

Mr. COPELAND. In the Senator's report on page 3 he says:

> Railroads were built primarily to serve the public interest.

Mr. WHEELER. Let me call attention to the fact that that is what Mr. Eastman said. That should be in small type, but when it was printed, a mistake was made. That is Mr. Eastman's statement.

Mr. COPELAND. I will read it, anyway. It proceeds:

> If it can be shown that in any particular situation a through route made up of the connecting lines of two or more different railroads is "necessary or desirable in the public interest", why should not the Commission have the power to establish that route, regardless of who may be short-hauled?

The statement is made to me that it was established in the hearings, and rather conclusively, that thousands of miles of branch-line railroads are unprofitable, a statement with which I think we will all agree, and that the only excuse for their continued operation is the fact that the railroad will get this long haul. This bill takes away that right. It may result, I am informed, in the abandonment of thousands of miles of branch-line railroads.

Mr. WHEELER. The Senator means if the bill does not pass?

Mr. COPELAND. If it passes.

Mr. WHEELER. No; quite the contrary. If the bill does not pass, and the short lines, which were built for the purpose of serving the public, do not get any of the freight, and the great road which originates and controls the traffic does not permit any of the traffic to go over the short line, it may mean that the short lines all over the country will have to be abandoned.

Mr. COPELAND. The Senator is doubtless correct; but the statement made to me is that it may result in the abandonment of thousands of miles of branch-line railroads, seriously affect communities located thereon, decrease employment for railroad employees, and the consequence would be another step toward public ownership.

Mr. WHEELER. There is not a word of truth in that. Let me call attention to the fact that for 19 years, as Mr. Eastman said, this law was in operation and the great railroads of the country did not suffer; there was not anyone thrown out of employment. As a matter of fact, the railroads were employing more men then than they are employing now, and it was only recently that the law was knocked out by the Supreme Court in a decision which I thought was wrong and still think was wrong.

Mr. COPELAND. Was that in the Missouri Pacific case?

Mr. WHEELER. Yes.

Mr. COPELAND. Of course, I am not speaking from my own wisdom, but the statement made to me is that the right of a carrier to the long haul is a common-law right.

Mr. WHEELER. It is not a common-law right, because the only right it has is what the Congress of the United States granted to it, and we granted it that right. At least the Supreme Court claimed we granted them that right; and, if we granted them that right, we have the right to take it away from them, and to provide in the interest of the general public that the Interstate Commerce Commission, which was established for the purpose of making rates and for the purpose of fixing routes, should have the power to say, "When it is in the public interest, you shall have the privilege of choosing as between a long route, that takes you 2 or 3 days longer to get your commodity to its destination, and the route which gets it there 2 or 3 days sooner."

Mr. COPELAND. Let me finish my statement, and then I will not interrupt further. Referring to the Missouri Pacific case, if I correctly understand, the Commission in that case attempted to deprive the Missouri Pacific of the haul from its own terminus in Memphis to within 46 miles of its terminus in Fort Smith, 266 miles, and deprive it also of the revenue from that haul, in order to give the Subiaco Line a haul of 54 miles; and, as was said in the dissenting opinion, it was proposed to take $5 from Peter, the Missouri Pacific, and to give $1 to Paul, the Subiaco, a proceeding which had no justification from any point of view.

Mr. WHEELER. The Commission did not take anything away from anybody. The Commission simply says, "Here is a route and there is a route." The shipper can ship his goods over either.

Mr. MINTON. What it does is simply to give to the Interstate Commerce Commission the right to require the railroad company to file a tariff outlining not only the long route but the short route, and that is all it does.

Mr. WHEELER. That is correct.

Mr. DIETERICH. Mr. President, it might work both ways. If the initial carrier owned the short route, the shipper could also take that, or have the freight shipped over the long route.

Mr. WHEELER. Of course, he could ship it either way; and that is proper.

Mr. DIETERICH. As I understand, that is the opinion of the Interstate Commerce committee, as represented by the chairman.

Mr. WHEELER. Yes. There is not any doubt about it. I think the shipping public should have the right to ship goods in any way they choose, so long as they own the goods.

Mr. DIETERICH. Mr. President, I wish to take up just a little time in the discussion of the proposed amendment.

No hearings were held on this particular bill at this session of the Congress by the Committee on Interstate Commerce. That is the first proposition. If the Congress is going to function through committees, then the committees, if it is necessary to have hearings on a bill of this kind, should afford the interested parties opportunity of being heard. Such opportunity has not been afforded in the case of the particular bill now being discussed. There may have been a similar bill pending in the last Congress, and before the committee, and hearings may have been had on that bill, but no information is furnished as to the difference between the provisions of the previous bill and the provisions of the pending bill. I have not had opportunity to go into the bills, and I doubt whether other Senators have had the opportunity to do so.

It may be that the bills were similar, but the membership of the Committee on Interstate Commerce changes with every session of the Congress; and I protest against the practice which has been indulged in during this session by the Committee on Interstate Commerce, through its chairman, of reporting measures on which hearings were held previously but on which no hearings were afforded during this session.

The bill before us seeks to give the Interstate Commerce Commission the right to control routing over long and short hauls. The chairman of the committee says it gives the shipper that privilege. Possibly it does. There is one thing it does—it absolutely denies every right a railroad has to operate its own property, to make its own contracts with shippers, and to enjoy the advantage of the investment it has made in its effort to accommodate the public.

The matter of establishing long hauls has been the subject of a long fight in this country. It has meant millions of dollars of investment, and those long routes were established for the purpose of accommodating and facilitating the transportation of commodities for the benefit of the citizens of this country, and the railroads which established those routes should have some right to the enjoyment of the property they caused to be created.

This bill absolutely denies them that right. The initial railroad that enters into the contract with the shipper, and whose contract is binding, and which, if the property is damaged or delayed, must respond in damages to the shipper, cannot control the shipment of the commodity. The initial road can receive it, take the responsibility, and perhaps have it diverted, not over a short haul, but have it diverted over a long haul, to its destination. That is manifestly unjust. It is manifestly wrong.

I do not know that I could say anything that would influence Members of the Senate; but I did not want to see this bill enacted into law without registering my protest, first at the action of the Interstate Commerce Committee in not permitting hearings to be held on this particular bill, and secondly, against denying or destroying the legal property rights of the carriers.

Mr. President, this bill should be recommitted, and hearings should be held upon it, and a further investigation made. The bill should not become a law, because it seriously affects property rights and is based upon a hearing held by some previous committee, in some previous Congress, which the chairman of the Committee on Interstate Commerce of the Senate, in his wisdom, determined to be sufficient to take the place of a hearing upon this bill.

Mr. President, I realize that the chairman is a great protector of the rights of the people. I know that he is one of the most zealous guardians of the Constitution. I know that he is the outstanding protector of the Constitution. The trouble is, however, that he has not only taken to himself the chairmanship of the committee, but apparently he has taken to himself to be the committee, and his word on whatever is necessary or not necessary must not be questioned, because it could not be otherwise than correct. In view of the great zealousness that we have seen displayed to have things done exactly right, exactly according to the law, it must seem that it is somewhat irregular to have a hearing by a previous committee on another bill, and then have the chairman translate the findings of the previous committee to the present committee with the resultant amendment to the bill, because we find that the bill sought to be enacted is not even the original bill that was introduced in Congress.

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

Mr. DIETERICH. I yield.

Mr. WHEELER. As a matter of fact, the bill was taken up in the committee, and the committee voted to report it favorably. That was not the action of the chairman. If the Senator from Illinois would attend committee meetings once in a while at other times than when hearings are being held on utility holding-company bills, he would know what is going on in the committee.

Mr. DIETERICH. Mr. President, if every member felt as free as I do when attending the meetings of the committee, there would be just one member present, and that would be the chairman.

GREAT SMOKY MOUNTAINS NATIONAL PARK

Mr. McKELLAR. Mr. President, I know that the Senator in charge of the pending bill wants a vote to be had on it; but I am going to take only about 5 or 10 minutes to speak about another bill which is of the greatest interest to the people of my State and to the people of a great section of the country.

The Senator from Nevada [Mr. McCARRAN] introduced a bill, which is on the calendar, providing authorization for an appropriation to continue to carry forward a park proposal in Nevada. I am interested in a similar situation with respect to the Great Smoky Mountains National Park; and I am going to offer an amendment to the so-called McCarran bill, when it comes before the Senate for consideration, for the purpose of effecting for the Great Smoky Mountains National Park the same thing that is sought to be effected for the forest preserve in Nevada.

As everyone knows who has seen the Great Smoky Mountains National Park, which has been established in eastern Tennessee and western North Carolina, it is one of the most picturesque and beautiful parks in the country. The park was begun in 1926, when I introduced and obtained the passage of a bill providing that the land should be purchased by the States of North Carolina and Tennessee in equal proportions. The line between North Carolina and Tennessee is substantially on the top of the Great Smoky range of mountains.

The proposal made was that the State of Tennessee and the State of North Carolina should buy, in round figures, 436,000 acres of land and create a national park.

The money was raised, for the most part, by bonds issued by the States of Tennessee and North Carolina and also by private subscription. Before the money was raised the depression came in 1929 and the private subscriptions were not paid in full.

The park, as I have said, is composed of 436,000 acres of land, about one-half lying in the State of Tennessee and about one-half lying in the State of North Carolina. Generally speaking, the dividing line between North Carolina and Tennessee is, as I have said, on the top of the Great Smoky Mountains, and the park is divided by this line. All who have seen it know that it is one of the most beautiful spots in America. It is one of the most picturesque and, I believe, the most picturesque and beautiful park east of the Mississippi River.

Under the original proposal Tennessee was to furnish one-half of the land and North Carolina the other half, it being expected that the Government would improve the park after all the lands were donated to the Government. The lands have been donated with the exception I shall now state.

The first bill was introduced in 1926. In the 11 years that have passed there have already been acquired and accepted 383,358 acres, leaving 53,336 acres to be acquired. However, 27,320 acres have been tied up for a number of years by a lawsuit, which lawsuit has finally been adjusted. The money for the 27,320 acres is not in question here. That leaves 26,014 acres to be acquired, and in order to acquire the 26,014 acres within the boundaries of the proposed park it will be necessary to obtain $743,265.29, as proposed in the bill I shall offer as an amendment to the so-called McCarran bill.

After the original bill was passed in 1926 the States of North Carolina and Tennessee went diligently to work, and both provided for the issuance of bonds, and then both undertook to raise large sums of money by public and private subscription. Then the depression came on and the money was not available. The Park Service took the matter to the John D. Rockefeller Foundation, and, after going over the matter carefully, Mr. Rockefeller agreed to put up $5,000,000 upon condition that the park be fully established, one-half by the people of the States of North Carolina and Tennessee and one-half in memory of Laura Spelman Rockefeller. After the $5,000,000 was obtained it was found that in addition to what the States had already put up and what Mr. Rockefeller had put up it would require a little over $1,550,000 more to complete the park. The State of Tennessee could not put up any more under the economic conditions then existing. The State of North Carolina could not put up any more. Yet this $1,550,000 was absolutely needed to match the unmatched Rockefeller fund.

In these circumstances the President, by Executive order of December 28, 1933, allotted $1,550,000 for land acquisition for C. C. C. purposes, which, plus the $500,000 of Rockefeller funds, made available $2,050,000, the amount then considered necessary to acquire all the remaining lands in the park area, the estimates of the States being $2,004,368.

The estimates of the States of North Carolina and Tennessee, however, proved too low. North Carolina had been prosecuting a condemnation suit for a large timber tract. The court award was far in excess of the highest State estimate. The North Carolina timber tract happened to be the last large tract to be acquired by that State, and payment was made into court to stop heavy interest rates. North Carolina was fortunate in securing a larger advance from the $2,050,000 Federal and Rockefeller funds because of the urgency of paying the condemnation award into court, and therefore North Carolina got most of the $2,050,000 and left 26,014 acres of land to be acquired in Tennessee.

Mr. President, Tennessee should not be penalized by reason of this situation. The Government, through the Executive order, has already put up North Carolina's portion of the deficit; and I maintain that the Government should put up the remainder of Tennessee's portion, which is $743,265.29, the amount authorized to be appropriated in the bill to which I have referred.

I want to give the figures:

The total area of the proposed park within minimum taking lines prescribed by the Department now amounts to 436,694.92 acres.

Of this, there have been acquired and accepted 383,358.85 acres.

This leaves still to be acquired 53,336.07 acres.

Of the 53,336.07 acres, funds are in hand to acquire 27,320.57 acres.

Funds amounting to $743,265.29 are needed to acquire the balance, 26,014.50 acres.

When State funds failed, Mr. Rockefeller requested that the area for the park be reduced to 400,000 acres, provided the remainder necessary to acquire the other lands was in hand. Estimates from the two States indicated that $1,550,000 was necessary; but, as I have explained, the estimates were incorrect. But $1,550,000 was secured, and the act was passed. It was made clear in a report to Congress that this minimum was predicated entirely upon the funds in hand being sufficient to achieve the purpose. It later turned out that those figures were inaccurate and that $743,265.29 additional is needed.

I might say the cost originally estimated by North Carolina and Tennessee for the 436,000 acres of land prescribed by the act of May 22, 1936 (44 Stat. 616), as the minimum completed park area was, in round figures, $9,750,000. The States had secured about half the amount needed, or $4,875,000, by State bond issues, land donations, and private pledges, when, upon the Park Service approaching Mr. John D. Rockefeller, Jr., he agreed to match, and did match, those funds dollar for dollar, giving not exceeding $5,000,000 upon condition that the park be fully established "one-half by the peoples of North Carolina and Tennessee and one-half in memory of Laura Spelman Rockefeller."

After approximately $9,000,000 had been expended from these joint funds for the acquisition of approximately 380,000 acres by the two State park commissions, the depression came, as I have stated. Consequently, some private pledges, amounting to approximately $300,000, could not be collected. This left over $500,000 of Rockefeller funds unmatched. Federal funds became available for the acquisition of lands within the park area for C. C. C. purposes. Each State was asked to furnish estimates of the cost of the lands needed to complete the park. North Carolina's estimate was $1,145,540 and Tennessee's $858,828, or a total of $2,004,368. Based on these estimates, only $1,550,000 of Federal funds were needed if the unmatched Rockefeller balance of $500,000 could be used, which would make a total of $2,050,000 available for land acquisition, including nearly $50,000 for contingencies. Mr. Rockefeller agreed to make his $500,000 available to match Federal funds, provided Congress established the park on the basis of the acreage that his original $5,000,000 matched by State and Federal funds would acquire. This was computed at 400,000 acres, and Congress enacted the necessary legislation prescribing 400,000 acres as the minimum for the park, it being clearly understood, however, that the additional 36,000 acres would be needed to round out the park, and for which sufficient funds were then believed to be in hand.

It now appears that $743,000 additional will be required to complete the land acquisition. Therefore, unless Federal funds can be secured to supplement the original $1,550,000 made available by the Executive order of December 28, 1933, by $743,000, North Carolina's equitable share of this deficit is $398,000 and Tennessee's share is $347,000. Neither State is able to put up this sum allotted to them.

One excellent road has been built all the way through the park from Gatlinburg, Tenn., on the Tennessee side, to Bryson City, N. C., on the North Carolina side. Some other roads have been built but none of them have been completed.

Notwithstanding this uncompleted situation in the park, it has proved to be a most popular park. The visitors to the Great Smoky Mountains National Park in 1936 reached the enormous number of 620,222. This year to July 24, 1937, 458,469 have already been to the park and the year not much more than half spent. The figures this year show an increase in 1937 over the same period in 1936 of 129 percent. The park is destined to become one of the most popular and attractive parks in the world.

Compare these figures with those for Yellowstone Park, that famous park in the Middle West, known of all people, one of the most wonderful parks in the world. Compare the figures, I ask you, for that great park which has been established for more than a quarter of a century and, perhaps, for nearly a half century, with the figures for the Great Smoky Mountains National Park. In 1936 there were 432,570 visitors to the Yellowstone Park as compared to 620,222 to the Great Smoky Mountains Park, and to July 24, 1937, there were only 236,670 visitors to the Yellowstone National Park, an increase of only 10 percent, while the visitors to the Smoky Mountains Park numbered 458,000, or nearly double the number visiting the Yellowstone National Park.

Mr. President, it is wholly unfair to the State of Tennessee that this money has not been appropriated. It ought to be appropriated and the park completed, and I am sure that the Congress, believing in doing the fair thing, inasmuch as the money has been furnished for buying up all the necessary lands in North Carolina to complete the park, will furnish the additional sum with which to buy the necessary lands to complete the park in Tennessee.

I appeal to Senators, since the money has been furnished for buying up all the necessary lands in North Carolina, the State of my distinguished friend [Mr. REYNOLDS] who sits beside me, and who, I know, would be willing, as I believe other Senators would be willing, to do the fair thing by the State of Tennessee, to appropriate the necessary amount to buy the land in Tennessee which is necessary to complete the park.

Mr. REYNOLDS. Mr. President——

Mr. LEWIS. Mr. President, may I be permitted——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. McKELLAR. I yield.

Mr. LEWIS. May I be permitted to ask the Senator from Tennessee what is the position of Sir ROBERT REYNOLDS, the representative of the North Carolina and Asheville end of the park?

Mr. McKELLAR. I will say that if my good friend from North Carolina should not be 100 percent for making this appropriation for the benefit of the park in Tennessee I would be the most surprised man in the world, and I am almost tempted to say that I would agree to take my seat.

FOUR HUNDREDTH ANNIVERSARY OF SPANISH SETTLEMENT IN AMERICA

Mr. CHAVEZ. Mr. President, this morning my colleague, the senior Senator from New Mexico [Mr. HATCH] and I introduced a joint resolution (S. J. Res. 204) that will, if enacted into law, provide for Federal participation in the celebration of the four hundredth anniversary of the landing of the Spaniards in the American Southwest. I desire now, with the indulgence of the Senate, to speak briefly on that resolution and on the occasion of the celebration.

Mr. President, since taking my place in the Senate, I have tried to the best of my ability to comport myself in a manner respectful of the rules prescribed for the conduct of this body. I have tried to uphold the duties of the office, to represent a State different from all the rest by reason of its unique racial and historical origin.

In that time, Mr. President, I have addressed the Senate on but a few occasions and then briefly. I have felt that the

rules of decorum required that a new Member should maintain a period of silence and observation.

But today we are faced with events so portentous, the specter of the impending crisis in Europe and Asia is so serious that to remain silent would constitute forgetfulness of duty or evasion of responsibility.

The people of the United States must be made aware that the events transpiring today in Spain and China are but heralds of a New World catastrophe, a historical occurrence which will be more terrible than the last, a war which will bring an end to Old World civilization. War drums rumble in the Orient.

Our role in the event of such a disaster should be well defined. Such a war will not be our war; we must not be dragged into it.

It is well to speak of isolating ourselves from such an event, but we must, nevertheless, recognize the fact that no civilization has ever existed and prospered on a self-contained basis. It was only through the exchange of commerce in the Aegean and Mediterranean that the cultures of Greece and Rome, which remain to this day the greatest cultural landmarks of antiquity, flowered and developed.

Thus today we cannot hope to regain and maintain our prosperity on the basis of an isolated economy. We must create and maintain economic relations which, in the event of another war, will not be shattered, bringing us down into the depths of panic and depression.

Let us direct our foreign policy with practical intelligence and common sense. So far as countries across the seas are concerned, the legacy of the Middle Ages is destroyed.

Let us direct our attention where our natural interests lie. Our great leader, the President of the United States, has led the way. Columbia extends a hand of friendship to her sister republics to the south.

We must cultivate the friendship of Latin America. It will not be enough, however, that we merely give evidence of our friendship. The overbearing and swaggering attitude, both official and commercial, that has characterized our relations with these nations in the past left sores too deep to be healed simply by extending a hand of friendship. It will not be enough to give evidence to assure our neighbors that we are not going to box their ears if they do not do as we say. What we must show these nations is that we appreciate a culture which is in many ways totally different from our own. In place of disdain, we must demonstrate and give evidence of our respect for the Latin culture that characterizes the civilization that extends from the Rio Grande to the southernmost point of South America.

A culture introduced 450 years ago has proved so strong and lasting that it exists even to this day. The southwestern part of this great Nation 400 years ago felt the measured tread of Spanish adventurers. Their descendants retain the language, the customs, and psychology of their kindred folk of the South. They are Americans by the grace of God, and proud of it, but ever mindful, nevertheless, of their glorious past. New Mexico, Arizona, the panhandle of Texas, and the Spanish Southwest constitute a linguistic and ethnological treasure house. It is possible there to form a plowshare on which will turn the success of our Latin American policy.

By making use of the history, of the language, of the viewpoint of these American peoples we can demonstrate to our sister republics the sincerity of our new foreign policy.

Mr. President, I beg the indulgence of my colleagues while I elaborate in a few words upon an event which in my opinion cannot help but arouse the attention of Latin America to the fact that we, too, have felt the influence of Latin civilization and that we respect and admire it.

The year 1940 will be a memorable one in the annals of the State of New Mexico, which I am honored to represent in this body, and in the annals of Arizona and the Texas Panhandle. It will mark the four hundredth anniversary of the journey and vast explorations of New Mexico's explorer, Francisco Vasquez de Coronado. His discoveries in the years 1540 and 1541 gave to the world its first comprehensive knowledge of that part of western America now included within the United States, and embracing the States of Arizona, California, Kansas, New Mexico, Texas, and Oklahoma. This was the real discovery of western America.

So, Mr. President, in order that the memory of the phenomenal accomplishments of New Mexico's first white explorer may never be forgotten, we in New Mexico are now preparing to properly commemorate this event.

This amazing expedition, called by historians one of the greatest land expeditions the world has ever known, wrote the first pages of American history. I may remark that a bare 50 years after Columbus had stumbled upon the American continent and 80 years before the Pilgrim Fathers had landed upon the cold, wind-swept shores of the North Atlantic, Coronado and his intrepid band had fought their way north over the sweeping vastness that is now the American Southwest.

It is difficult for us, living in this different age, to fully appreciate the spirit of religious fervor, adventure, and romance which seized the entire world following the discovery by the Genoese admiral of the new and strange continent. The Spanish explorer, evangelist, and soldier of the fifteenth century are without peers in recorded history. Scarce a score of years had elapsed since the discovery of America before the Spanish had circumnavigated the globe, colonized the islands of the West Indies, conquered the fabulously rich empires of the Incas in Peru, and of the Aztecs in Mexico, and with a never-failing zeal and urge for further conquests covered most of the Western Hemisphere in their explorations.

A product of the day and age was Francisco Vasquez de Coronado. Governor of the Province of Nueva Galicia, he was sought by Mendoza, the first Viceroy of Mexico, as the leader of his expedition for the conquest of the fabulous Seven Cities of Cibola.

No single event in the history of New Spain produced the enthusiasm and excitement that did the expedition for the conquest of the Seven Cities of Cibola. In order to appreciate fully what is meant it is essential to have a little of its background.

In the year 1528 Panfilo de Narvaez, a Spanish sea captain, set sail from Santo Domingo with a fleet of 3 ships, 300 men, and 50 horses. His destination was Florida, which he proposed to colonize. Shipwrecked upon the southern coast of Florida, all his crew but four perished. These—Alvar Nunez Cabeza de Vaca, treasurer of the expedition; Alonzo de Castillo Maldonado; Andres Dorantes; and a Barbary Negro named Estevan, slave of Dorantes—after 8 years of wandering, in which they crossed the continent, met with the Spanish settlements at Culiacan, on the west coast. These four wanderers took back to Mexico the wonderful tidings of the fabulous Seven Cities of Cibola, where gold and silver and precious stones abounded.

The tidings spread quickly and reached the capital, where Mendoza, a calculating, shrewd, and ambitious individual, but above all a man of action, immediately moved to secure for himself any advantage which might result. Having entertained the wanderers in Mexico City and purchased the Negro from Dorantes, he immediately sent the Negro with a Franciscan friar named Marcos de Niza to investigate. Proceeding up the valley of the River Sonora into Arizona and on to New Mexico, Niza, having viewed from afar the tall, towering walls of the Indian pueblo of Zuni—Estevan had proceeded within the pueblo where the Indians killed him—walls rising tier upon tier, the like of which had never been seen before, glistening white as silver in the New Mexico sunshine, was quickly persuaded that he was gazing upon the mighty citadels of the first of the Seven Cities of Cibola, and returned posthaste to Mexico to report to Mendoza.

Mendoza immediately began to organize his army. Recruits flocked from the noblest families in the New World and men even journeyed from the mother country to take part in the expedition. Charles V gave the venture his personal support, supplying arms and accouterments from the royal arsenal and money from the royal treasury. The total expense has been estimated at $1,000,000.

Time does not permit me to follow the entire journey of Coronado. At Zuni he found not a fabulously wealthy city, but one of the many adobe pueblos innocent of wealth except for a few blue-sky turquoises. The Seven Cities of Cibola proved a myth. The gold-paved city of Quivira which Coronado sought and found far east in Kansas proved to be the home of the peaceful Wichita Indians.

In camp for the second winter on a site near the present pueblo of Sandia, thousands of miles from the nearest men of their own race, without means of communication, and almost devoid of food after a stay of 2 years, Coronado was wounded in a jousting match, and while he lay ill with fever his dispirited men and captains induced him to return to Mexico, which he did in the spring of 1541.

In the eyes of his day, Coronado was a failure. The mighty cities he was sent to conquer and the wealth anticipated proved a myth. But he executed an exploration of unbounded magnitude. His explorations led directly to those which followed into this vast country which later men were to colonize—a country of which men have come to realize the value; though not studded with diamonds or paved with gold, yet a country rich in its fertile valleys, wonderful forests, glorious in its majestic mountains and its golden sunshine.

The Coronado Cuarto Centennial will give proper place in history to these events which so long antedate the other beginnings of our country. In brilliant pageant in a series of State-wide celebrations the visitor to New Mexico will see relived the 400 years of our colorful and romantic history. The visitor to New Mexico will see, off the beaten paths, quaint Indian pueblos where life goes on almost as in the day of Coronado. He will see New Mexico the last outpost of Spanish endeavor in the New World where a medieval culture still lingers side by side with a modern American civilization.

New Mexico invites the Nation to be its guests in 1940, to visit and become acquainted with our natural wonders such as the Carlsbad Caverns, our prehistoric sites, scenic attractions, recreational and cultural values.

RAILROAD TARIFF RATES

The Senate resumed consideration of the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. LEE in the chair). The question is on agreeing to the amendment of the committee on page 1.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Interstate Commerce was, on page 2, to strike out lines 16, 17, 18, and 19, as follows:

> In fixing through routes, and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another.

The amendment was agreed to.

The bill (S. 1261) was ordered to be engrossed for a third reading, read the third time, and passed.

PRODUCTION AND USE OF HELIUM GAS

Mr. THOMAS of Utah. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 997, the bill (S. 1567) known as the helium gas bill.

Mr. BORAH. Mr. President, before the motion is acted on, I desire to ask the Senator from Utah a question or two. Upon his answers will depend my decision as to whether I shall oppose taking up the bill at this time.

Does the bill provide for the sale of helium to foreign countries?

Mr. THOMAS of Utah. It provides for the sale and exportation of helium to foreign countries under restrictions and regulations to be set up by our Government. There is no provision for the sale of helium to foreign countries as such.

Mr. BORAH. The bill provides for its sale, and it may be sold to foreign countries?

Mr. THOMAS of Utah. It may be sold to anyone under the regulations of our Government.

Mr. BORAH. What are those regulations?

Mr. THOMAS of Utah. The regulations are to be established in the future and are to be determined by an interdepartmental board. Exportation would be allowed only after the issuance of a license by the munitions control board, which in turn is under the direction of several departments.

Mr. BORAH. If the board should see fit, would it be empowered under the terms of the bill to sell helium, for instance, to the German Government?

Mr. THOMAS of Utah. I doubt whether the German Government would ever seek to buy helium as such. If we should sell helium to the German Government or to any other corporation, it could be used only for three purposes—scientific, commercial, and medical.

Mr. BORAH. No; it could be used for other purposes.

Mr. THOMAS of Utah. Including, of course, scientific purposes for use in connection with lighter-than-air craft, but merely for commercial purposes.

Mr. BORAH. The bill says "for medical, scientific, and commercial use, including inflation of passenger-carrying airships." As I understand, the sale might take place, if the board should see fit, for any of these purposes, to any government or to any individual within any government.

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

Mr. BORAH. I yield.

Mr. LODGE. I point out to the Senator that the provision which makes helium available to foreigners is in accordance with the recommendation signed by the Secretaries of the Interior, State, War, Navy, and Commerce. In their recommendation they advocate the export of helium on the ground that it is the duty of the United States to export helium gas "as a good neighbor" and for the sake of "promoting international good will"; and this recommendation was transmitted to the Congress by the President, who described it as expressing "a sound national policy." We may, therefore, assume that the power which the bill proposes to confer will actually be used and that gas will be exported.

Mr. BORAH. Yes; and for the "good neighbor" purposes.

Mr. LODGE. Yes, sir.

Mr. BORAH. It may be for the very opposite purposes.

Mr. LODGE. That is my contention.

Mr. BORAH. We have no control over how the foreign governments will use it, whether in a good-neighborly way or otherwise, after they get it.

Mr. THOMAS of Utah. Of course that is not true at all. The committee has gone into every phase of problems of that kind. The exportation is limited to peaceful purposes; and if, for example, a foreign government or a corporation in a foreign country should apply for helium to be used as a munition of war or to be used in aid of war craft, the Government of the United States would not export helium for that purpose.

Mr. BORAH. Mr. President, the bill provides, however, that it may be exported for medical, scientific, and commercial use; and if it is exported and sold for commercial use, after it is once purchased and in the possession of a foreign government, it may make such use of the helium as it pleases.

Mr. THOMAS of Utah. The meaning of "commercial use", as I interpret it, is not putting helium into commerce in the world for the purpose of buying and selling it, but the aircraft would be used primarily and entirely for commercial purposes.

It should be remembered, Mr. President, that we must become realists in discussing a bill of this kind.

Mr. BORAH. That is exactly what I am trying to do. I should like to know what it really is that we propose to do.

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

Mr. BORAH. I yield.

Mr. LODGE. In connection with the use of helium to inflate commercial airships, I think it is noteworthy that Dr. Hugo Eckener, who is the greatest authority in the world on lighter-than-air navigation, appeared before the committee and was asked for his estimate of the military value of the commercial airship; and he said:

I could very well imagine that in view of the geographical location of the United States, which is not surrounded by countries that have military airplanes, and where you have open coast lines and wide oceans dividing you from the next country, that such ships could be possibly effectively used as instruments of scouting.

In other words, he made the point that commercial airships do not have great military value in Europe, but would have considerable military value in operations against the United States.

Mr. LEWIS. Mr. President——

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

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. BORAH. I beg pardon; I thought I had. I will speak later.

Mr. THOMAS of Utah. Allow me to answer the Senator from Idaho by referring to the line at the bottom of page 11:

Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act.

And so forth. That is probably an answer to the questions asked.

I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I have joined the junior Senator from Massachusetts [Mr. LODGE] in a written protest in the form of a minority report from the Military Affairs Committee upon this particular measure. I desire to press upon the able chairman of the subcommittee this interrogatory:

In what way, under the name of "good neighbor" or by any other theory, can we prevent Germany—to use an illustration—once possessing helium from America, from transferring it to what is now known as her military adjunct, Japan, for Japan to use in war, in her conflict in the Orient, as against either those friendly to the United States or the United States itself? In what way is there any protection against those who have the helium using it for military purposes of their own after they have possessed it?

Mr. THOMAS of Utah. Questions of that kind, and questions even more complex than that one, were put to both the Army and the Navy authorities; and both the Army and the Navy authorities felt that there was no risk of that sort of thing.

In the first place, the transportation of helium gas is quite a problem. It is a very, very bulky substance. In the second place, its loss through dissipation is also another problem for those who try to retain it. In the third place, helium is probably the easiest discovered of all military aids, and therefore one of the hardest to be hidden. As a military risk, it is one of the least from the standpoint of its use under regulations against us, or for military purposes against any other nation.

I assure the Senator from Illinois that if there were the remotest chance that helium could be used or would be used against us, of course no member of the Committee on Military Affairs would be in favor of that. I also should like to say that if I thought there was the least bit of chance that the exportation of helium to any foreign country could result in the use of that helium in a military way against another country, I would also be opposed to its exportation.

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

Mr. THOMAS of Utah. I yield.

Mr. WALSH. Is helium gas produced in any other part of the world than in the United States?

Mr. THOMAS of Utah. The United States has a virtual monopoly of helium. It is claimed that there are other places in the world where helium may be found, but up to date we practically have a monopoly.

Mr. WALSH. Is it possible to produce helium in any other part of the United States than in Texas?

Mr. THOMAS of Utah. There are reserves in my State, there are a few reserves in Colorado, and the helium which is produced by a private corporation at the present time is produced in Kansas.

Mr. WALSH. Is it not correct that helium can be produced only from certain natural-gas deposits?

Mr. THOMAS of Utah. There are deposits where helium predominates. It is assumed now that by tapping certain oil pipe lines we may, through experimentation, discover a way of getting from other sources helium that is now going to waste.

Mr. WALSH. Is our supply of helium inexhaustible?

Mr. THOMAS of Utah. It is not inexhaustible, but the testimony of the Director of the Bureau of Mines, and also the testimony of both the Army and Navy officials, is to the effect that there is helium in great enough quantities so that that will not be a problem.

Mr. WALSH. So far we have used very little helium in this country?

Mr. THOMAS of Utah. Camparatively speaking, very little.

Mr. WALSH. A very small percentage of the total volume that can be produced has been used?

Mr. THOMAS of Utah. That is correct. We have used up practically all we have produced, because we keep it in reserves.

Mr. WALSH. We have now no lighter-than-air naval craft or Army craft which use the helium gas?

Mr. THOMAS of Utah. I understand that there are a few blimps, both in the Army and the Navy, but there is no great craft in which it is being used at the present time.

Mr. WALSH. I think the Senator is correct, that there are a few small ones in the Navy. Do all the departments of the Federal Government join in recommending the bill?

Mr. THOMAS of Utah. There were five departments associated in the recommendations of the committee. All recommend the bill favorably.

Mr. WALSH. How valuable is helium, if it can be measured in terms of value?

Mr. THOMAS of Utah. The price which the private manufacturers of helium attempt to get, which makes it too expensive for anyone to buy it, is somewhere between $25 and $30 a thousand cubic feet, if that is the measure. I may be wrong in the unit of measurement, but I think that is correct.

Mr. WALSH. Is it not true that in the process of obtaining helium inventions have been such as constantly to reduce the price?

Mr. THOMAS of Utah. If, for example, the experts are successful in taking helium from ordinary oil, from which gasoline is taken, helium will become an entirely new by-product; and if it were taken in sufficiently great quantities, it would become very, very cheap, of course.

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

Mr. THOMAS of Utah. I yield.

Mr. HATCH. I merely desire to ask the Senator from Utah a question in connection with the provision in the bill read by him a moment ago, from which I gathered that it was the intention of the legislation not to export helium for military purposes.

Mr. THOMAS of Utah. That is true.

Mr. HATCH. I find in the bill this further sentence, just preceding the one the Senator from Utah read:

That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State.

Then follows the language the Senator read. That convinces me that the intention is, as the Senator has expressed

it, that no helium shall be exported for military purposes. That is correct, is it?

Mr. THOMAS of Utah. That is absolutely true, and every safeguard we knew how to put into the proposed legislation to provide for just that has been inserted.

It should be remembered that helium has been conserved for two purposes—for the sake of conservation itself, and, second, for its use by our Army and our Navy. Of course, if we think of it only from a military standpoint, it would be very unwise to allow its export to foreign countries.

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

Mr. THOMAS of Utah. I yield.

Mr. LOGAN. I desire to make just one suggestion. The bill is one of considerable importance, and will require some discussion. It seems to me, rather than to ask the Senator from Utah these unrelated questions, if the motion to make the bill the unfinished business should be agreed to, then the Senator from Utah could go into his explanation, and we would all be able to understand the bill more thoroughly than we will by asking him scattering questions before the bill is taken up. So, I hope we may have a vote on the motion to take the bill up and then discuss it.

Mr. CONNALLY. Mr. President, I have been so impressed by the wisdom of the remarks of the Senator from Kentucky that I withhold an inquiry I had desired to make.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah [Mr. THOMAS].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1567) to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes' ", which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial areonautics, and for other purposes", approved March 3, 1925, as amended, is amended to read as follows:

"SECTION 1. That for the purpose of conserving, producing, and selling helium gas the Secretary of the Interior, through the Bureau of Mines, is authorized:

"(a) To acquire by purchase, lease, or condemnation, lands or interests therein or options thereon, including but not limited to sites, rights-of-way, and oil or gas leases containing obligations to pay rental in advance or damages arising out of the use and operation of such properties; but such lands or interests in lands may be acquired by condemnation only when necessary for the production or conservation of helium to meet the needs of the Army and Navy and other agencies of the Federal Government;

"(b) To make contracts and agreements (with optional provisions where necessary) for the acquisition, processing, or conservation of helium-bearing gas;

"(c) To construct or acquire plants, wells, pipe lines, compressor stations, camp buildings, and other facilities, for the production, storage, repurification, transportation, and sale of helium and helium-bearing gas; and to acquire patents or rights therein and reports of experimentation and research used in connection with the properties acquired or useful in the Government's helium operations;

"(d) To dispose by lease or sale of wells, lands, or interests therein, not valuable for helium production; to dispose of oil, gas, and byproducts of helium operations not needed for Government use; and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without interfering with the production of helium.

"Any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this amendatory act shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected: *Provided*, That as to any such properties not acquired within 6 months from date of this act, the Secretary of the Interior shall proceed by condemnation to acquire such properties; and prior to the acquisition thereof the Federal Government shall not sell helium as authorized under section 3 (b) of this act, so long as helium may be procured for medical, scientific, or commercial use, including inflation of passenger-carrying airships, at reasonable prices from the operators of such developed or constructed properties.

"Any known helium gas bearing land on the public domain not covered at the time by leases or permits under the act of February 25, 1920, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain', as amended, may be reserved for the purposes of this act, and the United States reserves the ownership and the right to extract, under such rules and regulations as shall be prescribed by the Secretary of the Interior, helium from all gas produced from lands so permitted, leased, or otherwise granted for development: *Provided*, That in the extraction of helium from gas produced from such lands, it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof.

"SEC. 2. That the Bureau of Mines, acting under the direction of the Secretary of the Interior, is authorized to maintain and operate helium production and repurification plants together with facilities and accessories thereto; to store and care for helium, to conduct exploration for and production of helium on and from the lands acquired, leased, or reserved; and to conduct experimentation and research for the purpose of discovering helium supplies and improving processes and methods of helium production, repurification, storage, and utilization.

"SEC. 3. (a) That the Army and Navy and other agencies of the Federal Government may requisition helium from the Bureau of Mines and make payments therefor from any applicable appropriations by advancing or repaying to and for the use of said Bureau proportionate shares of the expenses incident to the administration, operation, and maintenance of the Government's helium plants and properties.

"(b) That helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President, for medical, scientific, and commercial use, including inflation of passenger-carrying airships: *Provided*, That such sales of helium shall be at reasonable prices (established by said regulations) based upon the cost of acquiring, developing, maintaining, and operating the Government properties used for such helium production; and such sales of helium shall be upon condition that the Federal Government shall have a right to repurchase helium so sold that has not been lost or dissipated, when needed for Government use, under terms and at prices established by said regulations.

"(c) All moneys received under this act, including moneys from sale of helium or other products resulting from helium operations (except moneys received in payment for helium from Government departments or agencies under subsection (a) hereof), shall be credited to a special helium-production fund from which purchasers of helium may be reimbursed for payments for helium in excess of deliveries, and the Secretary of the Interior through the Bureau of Mines may draw on said fund to pay expenses of acquiring, administering, operating, maintaining, and developing helium properties. Amounts accumulating in said fund in excess of amounts the Secretary of the Interior deems necessary to assure payment of such expenses shall be deposited in the Treasury to the credit of miscellaneous receipts: *Provided*, That the Secretary of the Interior shall render to Congress on or before the 1st day of January of each year a report showing the amount of moneys credited to such helium-production fund and the amount of disbursements made therefrom during the preceding fiscal year, and the unexpended and unobligated balances on hand in such fund as of the end of such fiscal year.

"SEC. 4. No helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him on the joint recommendation of all the members of the National Munitions Control Board and the Secretary of the Interior: *Provided*, That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State without such specific recommendation. Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937 (Public Resolution No. 27, 75th Cong.) while such proclamations are in effect, and shall require exporters to submit a sworn statement to the Secretary of State showing the quantity, destination, consignee, and intended use of each proposed exportation.

"Any person violating any of the provisions of this section or of the regulations made pursuant hereto, shall be guilty of a misdemeanor and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment; and the Federal courts of the United States are hereby granted jurisdiction to try and determine all questions arising under this section.

"The National Munitions Control Board shall include in its Annual Report to the Congress full information concerning the licenses issued hereunder, together with such information and data collected by the Board as may be considered of value in the determination of questions related to the exportation of helium gas.

"SEC. 5. The Secretary of War and the Secretary of the Navy may each designate representatives to cooperate with the Department of the Interior in carrying out the purposes of this act, and shall have complete right of access to plants, data, and accounts."

Mr. THOMAS of Utah obtained the floor.

Mr. LOGAN. Mr. President, will the Senator from Utah yield for a statement?

Mr. THOMAS of Utah. I yield.

Mr. LOGAN. An amendment has been offered by me, which lies on the table, and which was agreed to by the subcommittee, and I believe by all the departments which are interested. With the consent of the Senator from Utah, I should like to be permitted to offer the amendment at this time and ask for its adoption, before the Senator from Utah discusses the bill, if he will be so kind as to consent to that.

Mr. THOMAS of Utah. Mr. President, the purpose of the amendment is identical with the purpose of one of the provisions appearing in the bill, and the committee has no objection to the new wording at all.

Mr. LOGAN. Then I ask that the amendment be stated from the desk so that it may be adopted, and then I will have finished my connection with the matter.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Kentucky [Mr. LOGAN], to the committee amendment.

The LEGISLATIVE CLERK. In the amendment of the committee it is proposed on page 8, beginning in line 3, to strike out:

Any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this amendatory act shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected: *Provided*, That as to any such properties not acquired within 6 months from date of this act, the Secretary of the Interior shall proceed by condemnation to acquire such properties; and prior to the acquisition thereof the Federal Government shall not sell helium as authorized under section 3 (b) of this act, so long as helium may be procured for medical, scientific, or commercial use, including inflation of passenger-carrying airships, at reasonable prices from the operators of such developed or constructed properties.

And to insert the following:

The Secretary of the Interior is hereby directed, if possible under the terms hereof, to acquire by purchase all properties developed or constructed by private parties prior to the passage of this act for helium production, such purchase to be at a price or prices recommended to be fair and reasonable by at least two of a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected. The Secretary of the Interior is authorized to incur obligations and enter into agreements for the purchase of such properties, and every such agreement shall be deemed a contractual obligation of the Government for the payment of the cost thereof, such payment to be made from any appropriations hereafter made for such purpose. Prior to the date of execution of an agreement or agreements for the purchase of such properties, the Government shall not sell helium as authorized in section 3 (b) of this act: *Provided*, That the foregoing restriction upon the sale of helium by the Government shall be inoperative in the event that (1) the owner of any such properties shall refuse or neglect to appoint an appraiser within 30 days after approval of this amendatory act, or (2) the owner of any such properties having so appointed an appraiser shall refuse or neglect to execute an agreement or agreements for the sale thereof, at the price recommended by at least two members of the board of appraisers, within 30 days after said appraisers shall have recommended such price.

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

Mr. THOMAS of Utah. I yield.

Mr. CONNALLY. I rise merely to suggest that the procedure now suggested by the Senator from Kentucky is hardly in harmony with what he suggested a while ago, to interrupt a speech to get an amendment adopted, when we have not had the bill explained and know nothing about the amendment. I have been trying for 30 minutes to get a copy of the bill, and just this moment have been able to get one.

Mr. LOGAN. If the Senator from Utah will allow me to respond to the Senator from Texas, I shall offer an excuse for making the suggestion at this time. I am not well, and I wish to get away. I am interested in the amendment I have offered because it affects only the people within my own State, the private producers of helium.

Mr. CONNALLY. I am perfectly willing, if the Senator from Utah desires to yield the floor and let the Senator from Kentucky offer his amendment——

Mr. LOGAN. I have not asked that.

Mr. CONNALLY. That is the only way it can be done.

Mr. LOGAN. If the Senator from Texas objects to this proceeding, I shall not press the amendment. I was making the request because the amendment has been agreed upon, and it affects no one except the private producers, who are people from my own State, in connection with some others. They are satisfied with the amendment, the Department of the Interior and other departments are satisfied, and the Senator from Utah is satisfied, so I thought there would be no objection to having the amendment adopted, as I do not desire to remain in the Senate for further consideration of it, because I do not feel able to.

Mr. CONNALLY. I desire to accommodate the Senator from Kentucky, and I think it is perfectly agreeable for the Senator from Utah to yield and allow the Senator to explain his amendment briefly, and I may be for it.

Mr. LOGAN. I have explained all there is to it.

Mr. CONNALLY. All I heard the Senator say was that it was satisfactory to some constituents of his in Kentucky, satisfactory to the Department, and satisfactory to the Senator from Utah, but the rest of us do not know whether or not it is satisfactory to us. We do not know anything about it.

Mr. LOGAN. The amendment takes care of those engaged in the private production of helium at this time. There is only one concern that is producing helium, and the property of that concern will be absolutely destroyed if this bill should be adopted without some provision for taking over their property. The Government is creating a monopoly. The purpose of the amendment is to provide a reasonable and fair way, satisfactory to all parties concerned, for taking over the private property. Otherwise the private property will be completely destroyed.

Mr. BARKLEY. The amendment would have no effect on the general bill at all.

Mr. LOGAN. None whatever.

Mr. BARKLEY. It provides the machinery by which the Government and private owners may get together.

Mr. CONNALLY. I imagine it would have some slight influence on the Treasury, because the money is to come out of the Treasury to pay for the plant. I am not objecting. I am interested in helium, because probably more helium is produced in my State than is produced in any other State, and we want to conserve it. I have no objection to the consideration of the amendment. I simply wanted to know what it was about.

Mr. LOGAN. I have tried to explain to the Senator the best I can, and if the Senator is not satisfied, I shall not press the amendment further.

Mr. McGILL. Mr. President, will the Senator from Utah yield to me?

Mr. THOMAS of Utah. I yield.

Mr. McGILL. I wish to accommodate the junior Senator from Kentucky [Mr. LOGAN] in every way I possibly can, but this is the first opportunity I have had to know anything about the proposed amendment. I did not know such an amendment was pending. From what the Senator has said, and from what I am able to learn from listening to the clerk read the amendment, it is proposed that the Government shall take over all property where helium is produced. Is that correct?

Mr. LOGAN. Let me say to the Senator, first, if the Senator from Utah will permit me, that the only difference between this amendment and the provision which is written on the face of the committee amendment is that my amendment would allow the Government to condemn the property if the parties could not reach an agreement. Property cannot be condemned except for public purposes, and being

afraid that a provision for condemnation of the property would render the whole measure illegal, that is eliminated, and it is provided that the private owners and the Secretary of the Interior shall appoint appraisers to arrive at a price for the property. That is the only difference the amendment makes in the bill as it has been reported, if I understand it correctly. The amendment was prepared by the Department of the Interior at my request.

Mr. McGILL. It appears to me that this is a very important amendment and a very important bill, and we ought to have more time than we are having this afternoon for consideration. Various States are interested in the production of helium, my own among them.

Mr. BARKLEY. Mr. President, as my colleague has said, there is only one private producer of helium at this time.

Mr. McGILL. One corporation that produces helium, or disposes of it on the market, and that is a corporation located in the State of Kentucky, I understand.

Mr. BARKLEY. And its property is in the State of Kansas.

Mr. McGILL. Its property is in the State of Kansas.

Mr. BARKLEY. The Government desires to acquire that property; and the amendment simply provides a method by which the value of it may be determined.

Mr. McGILL. I assume that what the Senator states is quite correct, but I have had no opportunity to look into the bill. I did not know it was to be brought up at this time. Certainly States where helium is produced are interested in the bill.

Mr. BARKLEY. That is undoubtedly true; but this does not at all affect the production of helium in any State. It is a long story.

Mr. McGILL. As I see it, the object is to enable the Government to take over all property where helium is produced, and I presume it would provide the rule affecting helium when it is discovered in the future, as well as for the present.

Mr. BARKLEY. It would provide a method by which, if the Department should desire to have helium as a Government monopoly—and it is desired, as I understand, by the Department involved, that there be only one producer of helium, outside of the Government—that could be done. It has been felt that the Government ought really to control the entire production of helium. While nobody can tell where helium may be discovered or how it may be produced in the future, the present situation is that if the Government is to be allowed, out of the production, in which it is now engaged, to sell helium for commercial purposes, of course the only private producer of helium will be completely put out of business. The Government does not wish to do that. Therefore, it is desired that the Government take over the private property that is now operating as a helium-producing plant, which happens to be in the State of Kansas, although the corporation is in the State of Kentucky. This amendment simply sets up fair machinery by which the value of that property may be ascertained; and if the parties cannot get together on it, then, of course, the right exists in the Government to condemn it, as in other matters. That right is reserved in the Government.

Mr. McGILL. Mr. President, is it contemplated that the Government will take over all the physical assets, including the oil rights, the oil royalties, the production of helium where helium is found, and the production of gas where helium is found?

Mr. BARKLEY. Not by this bill.

Mr. McGILL. They all go hand in hand.

Mr. BARKLEY. Of course, the question whether there will ever be any more helium discovered, or any more fields or areas where helium can be produced, outside of the possibility or probability that helium can be captured in oil and gasoline in ordinary oil fields, has not yet arisen. This amendment is only designed to take care of an acute situation which now exists with respect to one property which the Government desires to take over.

Mr. McGILL. Mr. President, it is my understanding from talking to some of the men who are interested in the corporation in the State of Kentucky that sources of helium are known by some of the producers to exist in this country, and it has not been generally made known just where those sources are located. There is quite a quantity of helium, as I understand, in the State of Kansas other than on the properties owned by the Kentucky corporation.

Mr. BARKLEY. I have no knowledge of that.

Mr. LOGAN. The amendment will not have anything to do with that. Of course, no one will enter into the helium-producing business after this bill shall be passed; and, of course, it will apply to all private producers. The only thing this amendment does is to prevent the United States Government from passing a law which absolutely destroys every nickel of investment of private producers, and they are the only ones affected. The amendment simply provides that the Government shall name one arbitrator, the company another arbitrator, that those two shall choose a third arbitrator, and that the arbitrators shall fix the price. If the owner does not accept the price fixed by the arbitrators within the 30 days in which he has to accept it, he will have to take his chances. The passage of this bill without such an amendment would completely and absolutely destroy the property.

Mr. BORAH. Mr. President, this is certainly a very important bill. It creates a Government monopoly of one of the very important natural resources. I wonder if the Senator from Utah [Mr. THOMAS] will permit the bill to go over until tomorrow. It came up unexpectedly, and there has been no opportunity presented to know the full import of the bill unless a Senator is a member of the committee. I do not know what the program is for tomorrow, but I take it that it will not be very crowded.

Mr. BARKLEY. Mr. President, if the Senator from Utah [Mr. THOMAS] will yield to me for that purpose, I wish now to ask unanimous consent that the Committee on Finance be authorized to make report during the recess of the Senate upon any legislation upon which it may take action.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I will say to the Senator from Idaho that it is expected that the Committee on Finance may take action this afternoon on the sugar bill, being House bill 7667. If it makes a favorable report on the bill, we hope to take up the bill tomorrow.

Mr. BORAH. I was advised by the chairman of the Finance Committee that while the committee were going to make a favorable report on the sugar bill, they would not, for certain reasons, take it up until the next day.

Mr. BARKLEY. Then we shall have tomorrow for the consideration of the bill now before the Senate.

Mr. BORAH. I should like to have it go over until tomorrow.

Mr. BARKLEY. It would be well to have the Senator from Utah [Mr. THOMAS] make an explanation of the bill today, and then consideration of the bill can go over until tomorrow.

Mr. THOMAS of Utah. Mr. President, I have no objection to the bill going over until tomorrow, providing it shall be the pending business, and that I then may start making an explanation of the bill.

Mr. BARKLEY. It will be the unfinished business. I thought the Senator from Utah would desire to make an explanation of the bill this afternoon.

Mr. THOMAS of Utah. I should like to do that.

Mr. SCHWELLENBACH. Mr. President, in the course of his explanation I should like to have the Senator from Utah discuss one question to which I shall call his attention.

I notice that the letter to the President, signed by various members of the Cabinet, contains this language:

> The United States would serve as a filling station, and no great amount of helium would be exported except in airships plying between this and other countries.

I cannot find in the bill a definite provision carrying out that suggestion in the letter. I should like to ask the Senator to discuss it if it is in the bill. If it is not in the bill, I

should like to have the Senator discuss the reason why that particular suggestion was not carried out in the bill.

It seems to me that if that suggestion is in the bill, it will completely answer the argument of the Senator from Idaho [Mr. BORAH] and the Senator from Massachusetts [Mr. WALSH].

Mr. THOMAS of Utah. Mr. President, I will answer that question now. There is no such provision as that in the Senate bill, and the reason why that provision is not here is because of the general limitation put upon the exportation of helium to all countries in the world. It was the feeling of the committee that if helium were allowed to be exported, we should not play favorites. It was suggested that such helium would be used only in ships plying between the United States and some foreign country; but upon analysis, and after going over the conditions in the world and the condition of the corporations in those countries that are able to enter into this kind of business, we discovered that such a provision would bring about a situation in which the only countries between which aircraft filled with helium would be flown would be the United States and Germany.

The committee saw no reason for making the provisions of the bill of such a nature that only one class of foreign users would be the beneficiaries of it, and was definitely opposed to such action. It was pointed out that if, in working out better facilities and a finer and better understanding of the weather and the control of these great ships, the world should come to the time when, for example, Holland would like to establish a line between Holland and the Dutch East Indies, it would be proper for the United States to sell helium to a corporation in Holland for that purpose. It would be just as proper to do that as it is for the United States to sell helium to a German corporation to use in ships which it operates between our country and Germany.

It must be constantly and always kept in mind that for a great number of years we shall get no further along than the experimental stages, and the bill provides an opportunity for the world to experiment with a safe gas in the development of lighter-than-air craft for commercial purposes.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. I dislike to interrupt the Senator at this point in his remarks, because I know he would probably prefer to continue his original exposition of the bill; but I wish to say that it is necessary for me to go to the Committee on Finance to attend a very important meeting of the committee.

I should like to ask the Senator how he or his committee proposes to insure that when we give over possession of helium gas it will be used for commercial purposes. In the hearings held during the munitions investigation we discovered, long before it had been disclosed that Germany was rearming, although at that time Germany was bound under the provisions of the Treaty of Versailles not to rearm, and several months before Mr. Hitler made his announcement of his accomplishments and his purposes, that Germany was buying American airplanes and American airplane parts, ostensibly for commercial use, but, as afterward transpired, actually for secret military purposes. There is no doubt that some of those planes which were purchased by Germany in the United States, ostensibly for commercial purposes but actually in violation of the Treaty of Versailles, were used in such bloodthirsty and heartrending expeditions as the bombing of the ancient capital of the Basques, when women and children, gathered at the market square on market day, were slaughtered by German planes.

What assurance have we now that if we allow Germany to have helium the Germans will not turn around and violate their agreement, as they previously violated the terms of the Treaty of Versailles, and convert some of these big helium-filled ships into bombers to bomb other innocent women and children?

Mr. THOMAS of Utah. The Senator will remember that under the present law we could lease helium to Germany for that very purpose right now.

Mr. CLARK. I will say to the Senator that I think the provisions of the present law are wrong, and we ought not to lease helium. The fact that we now have authority to lease helium does not to my mind justify two wrongs in order to make one right, by going one step further and selling it. I think we ought to cut off the supply, and keep it for ourselves.

Mr. THOMAS of Utah. If the Senator will think the matter through he will discover that we are not making two wrongs by trying to make one thing right, but we are making two things right. In the second place, there are private producers of helium in our country, and they may sell helium to whomever they choose. In the third place, we must always and constantly keep in mind that whenever war is the aim practically every country on earth will turn to a lighter gas than helium for war purposes. All other things being equal, in the case of two ships of the same size, a disadvantage exists in the case of the ship filled with helium gas.

Mr. CLARK. Mr. President, will the Senator permit me to interrupt him further?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. Of course, unquestionably there is less lifting power to helium than there is to lighter gases. Nevertheless, I think it is also unquestionable that helium is very much safer than any other gas, and the reason other countries have not used helium is that we have all the helium and they could not get it.

Mr. THOMAS of Utah. That is hardly correct. The reason other countries did not use helium was because of the expense of helium; it was assumed until the *Hindenburg* disaster that the risk in the use of other gases was not great, and it is assumed now by some authorities that the risk is not great.

Every military authority testified to the fact if lighter-than-air craft were used for war purposes that no military man would shrink from using lighter gas than helium gas. In the first place, the helium-propelled machine is slower; it is heavier. The lighter gas can drive the vessel faster and can enable the craft to carry more. So that, if you can lay aside the one single reason—that is, the destruction of the craft by burning—from the military standpoint the advantages are on the side of the gas which is lighter than helium, and probably that is the type of gas that would be used where risk was not the ultimately important factor.

Coming back to the original question, every safeguard that can be put upon the export of the commodity has been put into this bill. The storage of helium is practically impossible. Our military intelligence would know where every thousand cubic feet of it were. We know that it is dissipated; we know just how much gas is lost in a flight across the Atlantic, for example. We would be able to keep track of that at all times. From the standpoint of military risk both the authorities of the Army and the Navy mark it down as nil. I understand what Germany did, and I understand what some other nations have done, but they could not possibly take advantage of the purchase of the helium for doing what they did because of the physical characteristics of the gas, its bulk, the trouble in exporting it.

Dr. Eckener himself, when we asked the question, How are you going to get this gas over to Germany? said, "That is the biggest problem that faces us." And it is a big problem.

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

Mr. THOMAS of Utah. I yield.

Mr. CLARK. If a ship of the Zeppelin type were once filled with helium there would be no great difficulty in converting a ship of that type into a bomber, would there?

Mr. THOMAS of Utah. Not at all. If, for example, the use of the bomber were going to be begun immediately, if one wanted to he could paint a picture of this kind, the

Germans would probably build a ship in our country so that they could fill it with our gas; then use our bombs, and, then, instead of sailing across the ocean, drop the bombs on our country. Of course, that is painting a picture that is possible, but very improbable.

Mr. CLARK. I will say to the Senator that I was not immediately envisioning the picture of craft being used against us. I was thinking of such a situation as has just been before us, before our eyes, the Germans taking aircraft, bought ostensibly for commercial purposes, and using them against a defenseless people with whom they were not supposed to be at war, to wit, in the case of Spain.

(At this point Mr. THOMAS of Utah yielded to Mr. MCCARRAN to present a conference report and then to Mr. BARKLEY to have a resolution considered. The business thus transacted appears at the conclusion of the speech of Mr. THOMAS of Utah.)

Mr. THOMAS of Utah. Mr. President a moment or two may be spent in further explanation of the bill. I think it has been fairly well explained already, but I welcome questions, for it would be definitely wrong if we should pass a bill of this kind if any single person in the United States felt it was unwise, and we were adding to the uncertainty in the world by doing so.

It must be remembered that we now have a law on the statute books which creates, in a way but not absolutely, a monopoly of helium gas for the use of our Army and our Navy. That statute provides that we may lease the gas to anyone who wishes to use it. When the law was written it was assumed that if helium was an element it would never be lost, but experience has shown that it does dissipate into the air, that about 5 percent of the total gas is lost in the flight of an airship across the Atlantic, and that gas is never recovered. It was assumed that helium could be leased much as other products that do not dissipate could be leased, and that we could blend it and use it over again, which is done; but it was soon learned that it was impossible to carry out the leasing provisions, for the simple reason that those who did the leasing could not be responsible for the return of the gas.

Mr. President, as the result of the unsatisfactory condition of the leasing feature, the Bureau of Mines, Department of the Interior, suggested new legislation providing for the sale of helium. The bill was considered by the Committee on Military Affairs, reported favorably, and placed upon the calendar.

Just previous to the bill being placed upon the calendar the great *Hindenburg* disaster took place, and attention in a rather emotional way was attracted to helium. The bill was thereupon withdrawn from the calendar, recommitted to the Committee on Military Affairs, and further hearings were held. A new bill was then reported.

This new bill provides much the same as the first bill except that it adds to the provisions relating to the conserving, production, and sale of helium gas a provision for the creation of a virtual governmental monopoly of helium in our country.

That is where the bill stands today, so at this point I yield the floor.

COURT REFORM AND JUDICIAL PROCEDURE

During the delivery of the speech of Mr. THOMAS of Utah,

Mr. MCCARRAN. Mr. President, will the Senator from Utah yield to me in order that I may present a conference report?

Mr. THOMAS of Utah. I yield.

Mr. MCCARRAN. I present a conference report on Senate bill 2260 and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of Acts of Congress is involved, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

"That whenever the constitutionality of any Act of Congress affecting the public interest is drawn in question in any court of the United States in any suit or proceeding to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is not a party, the court having jurisdiction of the suit or proceeding shall certify such fact to the Attorney General. In any such case the court shall permit the United States to intervene and become a party for presentation of evidence (if evidence is otherwise receivable in such suit or proceeding) and argument upon the question of the constitutionality of such Act. In any such suit or proceeding the United States shall, subject to the applicable provisions of law, have all the rights of a party and the liabilities of a party as to court costs to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of such Act.

"SEC. 2. In any suit or proceeding in any court of the United States, to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is a party, or in which the United States has intervened and become a party, and in which the decision is against the constitutionality of any Act of Congress, an appeal may be taken directly to the Supreme Court of the United States by the United States or any other party to such suit or proceeding upon application therefor or notice thereof within thirty days after the entry of a final or interlocutory judgment, decree, or order; and in the event that any such appeal is taken, any appeal or cross-appeal by any party to the suit or proceeding taken previously, or taken within sixty days after notice of an appeal under this section, shall also be or be treated as taken directly to the Supreme Court of the United States. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 3. No interlocutory or permanent injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any Act of Congress upon the ground that such Act or any part thereof is repugnant to the Constitution of the United States shall be issued or granted by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, unless the application for the same shall be presented to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a circuit judge. When any such application is presented to a judge, he shall immediately request the senior circuit judge (or in his absence, the presiding circuit judge) of the circuit in which such district court is located to designate two other judges to participate in hearing and determining such application. It shall be the duty of the senior circuit judge or the presiding circuit judge, as the case may be, to designate immediately two other judges from such circuit for such purpose, and it shall be the duty of the judges so designated to participate in such hearing and determination. Such application shall not be heard or determined before at least five days' notice of the hearing has been given to the Attorney General and to such other persons as may be defendants in the suit: *Provided*, That if of opinion that irreparable loss or damage would result to the petitioner unless a temporary restraining order is granted, the judge to whom the application is made may grant such temporary restraining order at any time before the hearing and determination of the application, but such temporary restraining order shall remain in force only until such hearing and determination upon notice as aforesaid, and such temporary restraining order shall contain a specific finding, based upon evidence submitted to the court making the order and identified by reference thereto, that such irreparable loss or damage would result to the petitioner and specifying the nature of the loss or damage. The said court may, at the time of hearing such application, upon a like finding, continue the temporary stay or suspension, in whole or in part, until decision upon the application. The hearing upon any such application for an interlocutory or permanent injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day. An appeal may be taken directly to the Supreme Court of the United States upon application therefor or notice thereof within thirty days after the entry of the order, decree, or judgment granting or denying, after notice and hearing, an interlocutory or permanent injunction in such case. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme

Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 4. Section 13 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 17), is hereby amended to read as follows:

"'SEC. 13. Whenever any district judge by reason of any disability or absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or in his absence the senior associate justice, shall designate and assign a district judge of an adjoining judicial circuit if practicable, or if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided: *Provided, however,* That before any such designation or assignment is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned, as well as on the minutes of the Supreme Court of the United States, to the clerk of which both of such other clerks shall immediately report the fact and period of assignment.'

"SEC. 5. As used in this Act, the term 'court of the United States' means the courts of record of Alaska, Hawaii, and Puerto Rico, the United States Customs Court, the United States Court of Customs and Patent Appeals, the Court of Claims, any district court of the United States, any circuit court of appeals, and the Supreme Court of the United States; the term 'district court of the United States' includes the District Court of the United States for the District of Columbia; the term 'circuit court of appeals' includes the United States Court of Appeals for the District of Columbia; the term 'circuit' includes the District of Columbia; the term 'senior circuit judge' includes the Chief Justice of the United States Court of Appeals for the District of Columbia; and the term 'judge' includes justice."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
FREDERICK VAN NUYS,
WM. E. BORAH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

HATTON W. SUMNERS,
ZEBULON WEAVER,
FRANCIS E. WALTER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CLARENCE E. HANCOCK,
Managers on the part of the House.

Mr. McCARRAN. I move the adoption of the conference report.

The motion was agreed to.

PRICE OF AGRICULTURAL COMMODITIES

Mr. BARKLEY. Mr. President, I ask unanimous consent to call up Senate Resolution 158; and if my request shall be granted, I desire to offer an amendment to the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. THOMAS of Utah. May I ask what it is?

Mr. BARKLEY. It is a resolution from the Committee on Agriculture and Forestry which provides for hearings and investigations concerning farm legislation.

The PRESIDING OFFICER (Mr. MINTON in the chair). In the absence of objection, the resolution will be read.

The legislative clerk read the resolution (S. Res. 158), as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to conduct investigations and draft legislation to maintain both parity of prices paid to farmers for agricultural commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and, without interfering with the maintenance of such parity prices, to provide an ever-normal granary for each major agricultural commodity; and to conserve national soil resources and prevent the wasteful use of soil fertility; and, in particular, so to consider S. 2787, the committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fifth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. BARKLEY. Mr. President, there are amendments to the resolution as reported by the committee. The amendments were authorized this morning by the Committee on Agriculture and Forestry. I should like to have the amendments stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, line 12, after the name "Senate" and the comma, it is proposed to strike out "at the earliest practicable date" and insert in lieu thereof "within one week from the beginning of the next session of Congress", and on the same page, line 14, after the word "recommendations", to insert "for legislation upon the subject covered by this resolution."

The PRESIDING OFFICER. The question is on agreeing to the amendments.

Mr. BLACK. Mr. President, will the Senator from Kentucky yield for a question?

Mr. BARKLEY. I yield .

Mr. BLACK. The Senator from Kentucky is aware of the fact that I offered an amendment, which is pending, which would have required a report to be made or to be ready by October 15?

Mr. BARKLEY. Yes; I remember that.

Mr. BLACK. As I understand the amendments offered by the Senator from Kentucky—and I wish to have it made clear in the RECORD—if adopted, would require a report to be made by the committee during the first week of the next session, whether that session be a regular session or a specially called session of Congress?

Mr. BARKLEY. That is correct. At the time the Senator from Alabama offered his amendment fixing October 15, as indicated by the discussion at the time, it was impossible to ascertain or foresee whether the committee would be ready to report on that particular date if circumstances should make it advisable for an extra session of Congress to be called. Of course, it will be expected that the Executive will be in touch with the committee and its progress, and if the committee should have proposed legislation ready earlier than the regular session, and the President should be so advised, he would then, of course, decide whether Congress should be called together earlier than January; but, whether it be the regular session or any called session, the committee is required or instructed to report within 1 week from the beginning date of that session.

Mr. BLACK. Under those conditions I shall not insist upon the amendment which I have offered. I had, of course, personally hoped, and so expressed myself many times during the session, that we could have passed legislation before the Congress adjourned touching the farm situation; but, in view of the amendments to the resolution as reported by the Agricultural Committee, and with the understanding, which is very clear, as stated by the Senator from Kentucky, that the resolution, as now proposed to be amended, would require a report within a week of the beginning of the session, whether a regular or a special session, I will not offer the amendment which I had suggested.

The PRESIDING OFFICER. The amendment of the Senator from Alabama is withdrawn. Is there objection to the present consideration of the resolution?

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

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Kentucky.

The amendments were agreed to.

The resolution, as amended, was agreed to.

TAHOE NATIONAL FOREST, NEVADA

After the conclusion of the speech of Mr. THOMAS of Utah,

Mr. McCARRAN. Mr. President, during the call of the calendar recently the bill (S. 2583) to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and for other purposes, was passed over temporarily at the request of the Senator from Tennessee [Mr. McKELLAR]. He has withdrawn his objection. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2583) to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and for other purposes.

Mr. McCARRAN. Mr. President, I have several amendments which I desire to submit. I send them to the desk and ask that they may be stated.

The PRESIDING OFFICER. The first amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 9, after the word "purpose", it is proposed to strike out "except from the general fund of the Treasury", so as to read:

That the Secretary of Agriculture is hereby authorized to acquire, by purchase when purchasable at prices deemed by him reasonable, or by exchange under the provisions of the act of March 20, 1922, as amended, or by condemnation under the provisions of the act of August 1, 1888, on behalf of the United States with any fund or moneys available for such purpose, any of the following-described lands in the State of Nevada now in private ownership.

The amendment was agreed to.

The next amendment of Mr. McCARRAN was, on page 3, after line 11, to insert a new section 5, as follows:

SEC. 5. The Secretary of the Interior is hereby authorized to acquire on behalf of the United States by purchase, at prices deemed by him to be reasonable, the lands needed to complete the Great Smoky Mountains National Park in the State of Tennessee, in accordance with the provisions of the act of Congress approved May 22, 1926 (44 Stat. 616), and the Secretary of the Interior is further authorized when, in his opinion, unreasonable prices are asked for any of such lands, to acquire the same by condemnation under the provisions of the act of August 1, 1888.

The amendment was agreed to.

The next amendment of Mr. McCARRAN was, on page 3, to insert a new section 6, as follows:

SEC. 6. There is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $743,265.29 to complete the acquisition of lands within the limits of said park, such funds to be available until expended.

The amendment was agreed to.

The bill (S. 2583) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park in east Tennessee."

RECIPROCITY IN THE LUMBER TRADE

Mr. McNARY. Mr. President, we are now in the third year of the Reciprocal Trade Agreements Act. Under its authority, 16 trade agreements have been negotiated with foreign countries. Other important pacts are pending.

The renewal of the act for a second period of 3 years, at a time of economic recovery, makes it no longer a temporary or emergency measure. The United States has undertaken a continuing policy of world trade through reciprocal agreement. From now on, for practical purposes, our commerce with the rest of the world will not be governed by old-fashioned tariff legislation but by trade bargains made across the diplomatic table.

The avowed purpose of this policy is to remove barriers to trade between the United States and each contracting foreign nation, through a fair "quid pro quo"—to give him as good as he brings. It is rewriting the tariff structure of the United States and the tariffs and other trade controls of foreign nations on the business principle of a fair deal between willing buyer and willing seller.

It is not my purpose to debate the merits of this policy or to question its wisdom. I wish rather to point out the need for its consistent application to an important field of American industry and land use. To forest industry and to forestry, the foreign trade undertakings of the Government to date have spelled reciprocity in reverse.

I couple forestry with foresty industry deliberately. The trade problems of lumber and other wood products are like the trade problems of agriculture. They go right back to the use of the land. Forest industry represents the only profitable employment of one-fourth of the soil of the United States, five-hundred-odd million acres. This is more than all the land in all forms of agricultural crops, not including pasturage.

This point will bear exploration. The National Recovery Administration has recently determined that the continental United States contains 495,000,000 acres of forest land. This is the aggregate of the acres which bear old timber, second-growth timber, and young forest trees, or which have been denuded by forest fire or by logging and not converted to any other use. But it is all timber-growing land. No parks, no Alpine forests, nor semiarid woodlands are included in this acreage. Nor are the extensive forests of Alaska.

Forest clearing for farms is practically over. A reverse movement is under way. Land is being turned from tillage back into forests. Beyond the nearly half billion acres of original forest land still remaining, over 50,000,000 of abandoned farm land is reverting to forest. Twenty-five million acres more of submarginal farms are expected to revert to forest. Nearly every land use or planning commission in every part of the United States advocates less farming and more farestry. The United States is becoming more of a forested country—not less. Forest industries and markets for forest crops are growing in importance to the economic welfare of this country, because upon them rests the support of more land and more people.

America went through an era of free timber just as it went through a pioneer era of free land. Our conception of the forest problem is still colored by the rapid exploitation of virgin timber and its residue of denuded land. For many years we feared a timber famine. Then the conservation movement demanded a reckoning with our forest resources. It created the national forests and State forests. It organized Nation-wide protection from forest fires. It set in motion tree planting, research in forestry, and new methods of timber use.

The viewpoint of industry toward the forest is changing. A growing number of forest owners recognize their social obligation to cut and protect their forest lands so as to insure a regrowth of timber. Many are undertaking plans for continuous timber cropping and for permanent industries in lieu of the migratory sawmills of earlier days. The old order of working timber as a mine is gradually changing to a new order of growing timber as a crop.

The survey of the Recovery Administration found that during the 5 years ending with 1934 all our forest cutting and losses from fire and other natural causes only slightly exceeded the current growth of timber. One-fifth of the present drain upon our forests is caused by fire, insects, tree disease, and storms. If this tremendous loss, much of which is preventable, were reduced by only one-half, the present forest crop of the United States would fully supply all our timber requirements at the rate of consumption and exportation from 1929 to 1934.

As a national form of land use, forestry has but fairly begun. Its practice is far from complete, either in

application or in technical development. The experts of the Forest Service tell us that under known methods of timber culture, adapted to the different regions and forest trees of the United States, our present timber crop can be increased nearly two and a half times. In broad terms, our half billion acres of forest land will ultimately support a consumption of wood products—at home or abroad—more than double the total consumption of today.

That is to say, just as scientific agriculture is replacing the exhausting usage of virgin soil, scientific forestry is replacing the exploitation of virgin timber. The significance of this fact to national policy is not simply a matter of satisfaction over the future security of a prime natural resource. It imposes a public responsibility to provide a secure economic basis for forestry in the United States.

Here, again, the analogy between forestry and agriculture is direct. One of our chief concerns is to put economic security under the farm to make agriculture pay. Likewise must it be our concern to make forestry pay. We can no more expect the forest owner to grow timber which he cannot sell than we can expect the farmer to produce crops that have no market. Sustained timber culture cannot be brought about on one-fourth of the soil of this country unless forestry in land use is backed up by adequate markets for forest products.

The leading forest countries of Europe learned this lesson generations ago. In Germany, France, and Sweden the security of forest industries and timber values is deeply entrenched in public policy. Economic protection is the foundation of their forestry.

We have not yet learned this truth in the United States. Our forest policies and propaganda have been focused upon the land. Well and good. That was the place to start. But it is high time we carried forestry into our economic thinking and planning. My plea, in a word, is that the economic needs of forestry be accorded the same recognition in national councils and commercial undertakings as the economic needs of agriculture. And the particular undertaking now in point is the expansion of world trade through reciprocal negotiation.

By the high authority of the Secretary of State the lumber industry of the United States has been declared to be "fundamentally an export industry." The Secretary has also pointed out that—

> Improvement of conditions in the American lumber industry depends in general upon economic recovery * * * and in particular upon reduction of barriers to international trade and the removal of discrimination against American commerce.

This sound statement is fully supported by the lumber history of the United States. For a full quarter century prior to 1930 our exports of logs and lumber ranged between three and three and one-half billion board feet annually. We held first place in the international lumber trade, supplying approximately 21 percent of the world's interchange of this commodity. Next in order came Finland, Sweden, Canada, and Russia.

During that quarter century, 9 percent of the total production of American lumber was sold abroad. That was the average for the entire country, including inland manufacturing regions whose exports were nil. In our coastal forest areas, like the Pacific Northwest, export markets took 20 percent of the total production; and mills established in offshore trade frequently exported 50 or 60 percent of their cut. Foreign trade was the chief factor in logging many areas of standing timber adjacent to tidewater and in building many sawmills on our rivers and harbors. The manufacture of lumber items desired by export markets took an important part in the utilization of our timber and in the conservation of material not readily marketable in the United States. Foreign trade created much of the employment in forest industries. It was an integral part of our forest economy. It had an important place in the economic basis on which a permanent timber culture was foreseen and began to take shape.

Today this favorable situation of the American lumber industry in world markets has completely changed. A fundamentally export industry has lost one-half of the foreign trade which it used to have and upon which its present structure was built. From the first we have dropped to fifth place in the world's interchange of lumber.

This enourmous loss has not been due to any shortage of raw material, or to any lack of well-equipped sawmills or efficient labor to manufacture it. The loss has occurred at a very time when hundreds of American sawmills and thousands of millworkers have been idle.

Neither has the loss been due to the reduced consumption of lumber in foreign countries. In fact, the largest international lumber market, Great Britain, has in the last 2 years consumed lumber far beyond its normal requirements.

Our loss of export trade in lumber is the result primarily of discriminatory tariffs imposed upon our forest products abroad, and particularly of the preferential tariffs against American lumber within the British Empire. Discriminatory tariffs against American as compared with Canadian lumber have steadily dried up our trade with United Kingdom, Australia, New Zealand, South Africa, and other British dominions. While the domestic lumber market has been restored to approximately 70 percent of its volume before the depression, the recovery of foreign lumber trade is almost negligible.

This has not resulted from depression in the world's buying power. It arises from a fixed channelization of lumber trade against the United States. On the entire blotter of international commerce there is no more glaring example of international barriers and discriminations against American industries. There is no more outstanding need for the restoration of natural trade relations through reciprocity.

The loss of foreign lumber markets has fallen most heavily upon the Pacific Northwest, whose Douglas fir industry long furnished over one-half of the entire export lumber trade of the United States.

No region more clearly exemplifies the fundamentally export nature of the lumber industry. It contains hundreds of billions of feet of virgin timber accessible to tidewater ports where manufacturing industries were naturally established. Its exports of lumber began shortly after the establishment of the fur trade, when a cargo of clapboards left the sawmill of the Hudson Bay Co. on the Columbia River in 1835 destined for the Hawaiian Islands. Expanding markets in Japan, China, Australia, both coasts of South America, and the United Kingdom had a large part in the growth of west coast lumber manufacture to an industry of substantial proportions. The sailing masters of the eighties and nineties sold Oregon pine in almost every open trading port of the world.

In the late twenties, offshore lumber shipments from Oregon and Washington harbors reached nearly 2,000,000,000 board feet a year, attained an annual value of $35,000,000, marketed from 17 to 20 percent of the entire production of the Douglas fir region, and employed approximately 18,000 wage earners.

In its foreign trade, as in its domestic markets, the lumber industry of the Pacific Northwest had a natural competitor in British Columbia. Both regions had similar forests, similar kinds of lumber, and equal access to the Pacific. Prior to 1930 the lumber manufactured by American and Canadian mills on the North Pacific coast entered world trade, including overseas British Dominions, on a substantial parity. There were no significant trade barriers against the lumber of either country. Offshore shipments of Douglas fir were shared by the two countries, one year with another, in approximately the ratio of their sawmill capacity. That meant about 20 percent to the manufacturers in British Columbia and about 80 percent to the manufacturers in Oregon and Washington.

Beginning in 1930, this normal relationship in foreign trade was broken down. Lumber exports from Oregon and Washington progressively declined; those from British Columbia progressively increased. The outstanding cause of this diversion was preferential trade agreements within units of the British Empire. These began with an agreement between Canada and Australia in 1930. In connection with the

Ottawa Conference in 1932, the system of preferential tariffs was extended in trade pacts between Canada and the United Kingdom, South Africa, New Zealand, and the British West Indies. In the five largest markets of the British Empire a protected status was created for Canadian lumber. Two of them, Great Britain and Australia, were leading world markets formerly shared by the Pacific Northwest.

The effect of discriminatory tariffs against American lumber throughout practically the entire British Empire is plainly revealed in the tables here given. They show, from 1929 through the first part of 1937, the report movement in northern Pacific lumber from British Columbia and the United States respectively. Of the entire world market for these woods, American mills supplied 80 percent in 1929, but were reduced to 32 percent in 1936 and 1937. Of the British Empire markets for North Pacific lumber, American mills supplied 74.5 percent in 1929 but were reduced to 6 percent in 1936.

Take, for example, the largest British Empire lumber markets, United Kingdom and Australia. The sawmills of Oregon and Washington shipped to United Kingdom over 71 percent of its trade in North Pacific lumber in 1929; but less than 5 percent in 1936. To Australia, the mills of Oregon and Washington shipped 84 percent of the Douglas fir and associated lumbers purchased in 1929; but only 4 percent in 1936.

I might run the gamut of British Empire discriminatory tariffs, in South Africa, in New Zealand, in the West Indies; but the statistics tell their own story. The British Empire consumed in 1936 nearly 60 percent more North Pacific lumber than in 1929; but the Empire trade of Oregon and Washington sawmills was only one-eighth of its volume in 1929. This economic support of American industry and American forestry has all but disappeared in a maze of discriminatory tariffs and trade barriers.

Let us now look for a moment at the reverse of this picture. What has been the policy of the United States toward foreign lumber seeking a share of our domestic market?

Prior to 1932 there was no substantial restriction upon lumber imports. The Tariff Acts of 1913 and 1922 placed lumber on the free list. The Tariff Act of 1930 imposed a duty of $1 per thousand board feet, roughly equivalent to 5 percent ad valorem. Up to 1932 tariffs offered no practical barrier to lumber imports. They supplied, one year with another, from 4 to 5 percent of the total consumption in the United States. Approximately 90 percent of all these imports were softwoods from Canada. By far the greater part of the Canadian importations were Douglas fir and west coast hemlock from British Columbia and spruce from the eastern Provinces, competing directly with lumber produced in the Pacific Northwest. From 1927 to 1931 the imports of Canadian fir, hemlock, and spruce ranged from a half billion to over a billion board feet annually, equivalent to 12 or 14 percent of the domestic consumption of Pacific northwestern lumber.

Shipments of Russian softwoods appeared in 1927 and attained a volume of 71,000,000 feet in 1930. Russian lumber entered the North Atlantic ports and created a fresh source of competition with the products of the Northwest as well as of other American forest regions.

To the existing tariff of $1 per thousand board feet, the Revenue Act of 1932 added an excise tax of $3 on imported lumber. The aggregate duty of $4 per thousand board feet cut down the total imports of lumber by somewhat more than one-half. It reduced still more sharply the importations of Canadian Pacific woods. During the 3½ years while the excise tax was in full effect the volume of the more competitive Canadian woods which entered the United States—fir, hemlock, and spruce—was restricted to about one-sixth the footage of previous years.

At this point, before the entry of the reciprocal-trade policy upon the stage, it may be observed that each of the great timber-growing countries of North America had erected a protective wall around a trading area for its lumber industry. In the case of the United States, this was its own domestic market, held by virtue of revenue legislation. In the instance of Canada, it was the world market of the British Empire, gained through preferential tariffs which were rooted in colonial traditions. A balance in lumber trade, of a sort, had been struck by policies of mutual exclusion.

This balance was shattered by the first significant instrument of the Reciprocal Trade Agreements Act. The trade agreement with the Dominion of Canada, taking effect January 1, 1936, reversed the status, not only of Canadian, but of Russian and other imported lumber. The agreement gave Canada a reduction of 50 percent, or $2 per thousand board feet, on her lumber exports to the United States. In the case of Douglas fir and west coast hemlock, the reduction is limited to an annual quota of 250,000,000 feet. On imports of other Canadian woods, there is no limitation. And by virtue of the reciprocity doctrine of "generalization", the reduction on Canadian lumber was automatically extended, without limit, to the lumber of Russia and of every other country exporting this product to the United States.

It might well have been expected that the new reciprocity would work both ways; that in opening the American market to Canadian lumber, the State Department would have obtained an equivalent share of the British Empire market for American lumber. The old trade balance resting upon mutually exclusive markets was destroyed. Surely a new trade balance resting upon mutual reciprocity would take its place.

But this was not done. The Canadian trade agreement contained no concessions to American lumber in the markets of the British Empire, aside from a gesture of meaningless reduction in the Canadian tariff. The agreement, indeed, went out of its way to exclude from any possible effect of its provisions all Canadian rights and benefits under British Empire trade pacts. The lumber industry of Canada may eat its cake and still have it.

By conceding the American lumber market to Canada with no reciprocal concession from the Canadian lumber market in the British Empire, the United States failed to use its bargaining power to reinstate its own lumber industry in the foreign trade formerly enjoyed. The hard facts of commercial competition are realities. Building upon British colonial traditions and Empire sentiment, Canada has shrewdly and effectively created a protected market, almost world wide in scope, for her lumber. She did this at an enormous cost to the lumber industry of the United States. And now the American Government, in the name of reciprocity, has graciously given Canada another market for her lumber, saying in the very grant: "Your British Empire markets are not involved. They remain wholly yours."

The lumber balance sheet of the reciprocal-trade policy, in its first year of practical operation, 1936, stood thus:

American lumber exports declined 33,000,000 feet, or 2½ percent.

American lumber imports increased 218,000,000 feet, or 50 percent.

In the case of the woods most largely manufactured in the Pacific Northwest, Douglas fir and west coast hemlock, the augmented imports during the first year of reciprocity exceeded 100 percent.

This brief review of lumber history supports my initial statement that, to forest industry and to forestry, the foreign-trade undertakings of the Government have brought reciprocity in reverse. I recognize the minor gains for lumber in a few foreign-trade agreements. But last year's balance sheet speaks for itself. The Government has conceded its domestic lumber market to our principal foreign competitor; and gained nothing in return.

Let me again emphasize that this outcome affects not simply some thousands of sawmills and some hundreds of thousands of workers. It goes directly to the employment and earning power of one-fourth of the soil of the United States. It is on all fours with the market needs of agriculture.

Let it also be recognized that the loss of our foreign lumber trade is due to tariffs which discriminate against products of the United States, in favor of products of other countries. The tariffs of Great Britain, Australia, South Africa, and other units of the Empire grant preferentially low rates on lumber produced in the Dominion of Canada. This situation raises several significant questions. Among them is—whether or not Canada, Australia, and South Africa accept an unconditional favored-nation status in their relations with the rest of the world. Or do they play a dual role on the international stage—that of sovereign countries in certain relations and of British colonies in other relations where trade preferences may thereby be gained?

Another question may be asked. How long will the United States tolerate discriminatory tariffs against her products without retaliation by the lawful means now available to the executive departments? Section 338 of the Tariff Act of 1922 was drawn precisely to arm the Government for meeting such situations, by penalty tariffs on the importations of countries which discriminate against products of the United States. It is an effective defense against the discriminations imposed upon American products by British Empire preferential tariffs, when and if this Government sees fit to employ it.

These matters have practical bearing on the immediate *situation* in the negotiation of reciprocal agreements. We are led to believe that a trade agreement is now under discussion with Great Britain. Under her Ottawa compact of 1932, England gave Canada a preferential tariff on lumber, equivalent to 10 percent of its delivered value at British ports. That preference has practically destroyed the former important lumber trade of the Pacific Northwest with the United Kingdom. Can the United States accept a reciprocal-trade agreement with Great Britain and leave stand such a clear discrimination against our industry and our natural resources? In its recent renewal of the Ottawa pact, Great Britain reserved certain rights as to revision of its terms. The State Department can, with all fairness, now ask that this right of revision be exercised in respect at least to discriminatory lumber tariffs and that American lumber be put on parity with Canadian lumber in the British market.

The Canadian trade agreement itself will, by due notice, be open to revision on January 1, 1939, after 3 years of operation. The Department of State doubtless desired, in the conclusion of this important compact, to demonstrate to the world its good faith in removing barriers to international trade. We may assume that in offering the world this sign and seal of honest intent in reciprocity, the Department even leaned over backward in making concessions; that it hoped its spirit of liberality would be followed by other nations and a world-wide removal of trade barriers set in motion. We may assume that the State Department chose to deal with the preferential lumber tariffs of the British Empire by this method of example and precept rather than by demanding an instant concession across the table.

But if, after a real test of the Canadian agreement and its effect upon the policies of the British Empire, the lumber concessions therein are not met with equivalent reciprocity—as in the pending negotiations with the United Kingdom, it seems to me clear that our Government must adopt a different course. It cannot continue to permit its reciprocal-trade program to weigh so heavily against one of our great primary industries and against the development of our forest culture. The only course open will be to withdraw the concession made to Canadian lumber in the agreement of 1935; or to make its renewal conditional upon equivalent concessions for American lumber in the British Empire.

Mr. COPELAND. Mr. President, I have listened to the address of the Senator from Oregon with great interest. Not only have I listened to it, but I assure him I shall read it when it appears in the RECORD.

Mr. McNARY. I thank the Senator for his complimentary remarks.

The PRESIDING OFFICER. What is the pleasure of the Senate?

LEAVE OF ABSENCE FOR SENATOR M'NARY

Mr. McNARY. Mr. President, I find it necessary to leave the Senate for the remainder of the present session of the Congress. Therefore I refer to rule V, which provides that—

> No Senator shall absent himself from the service of the Senate without leave.

It is my purpose to leave for Oregon on Thursday afternoon next. In view of the rule I ask unanimous consent at this time that I may be permitted to absent myself.

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

Mr. BARKLEY. Mr. President, reserving the right to object, I may say that we all, not only now but always, regret to see the Senator from Oregon [Mr. McNARY] leave our midst. Inasmuch as he has good reasons, which he has already imparted to me, I merely wish to express my hope that he will have a happy trip home and a very delightful and pleasant vacation, and that he will return to us in due season refreshed in mind and body.

Mr. McNARY. I appreciate the kindly remarks of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I withdraw my reservation of the right to object to the Senator's request for leave and hope his request will be granted.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oregon is granted.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

Mr. MINTON. Mr. President, on August 2 the House passed the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne, which was read, as follows:

> Whereas the people of the United States owe a deep debt of gratitude to Gen. Anthony Wayne, whose military career meant so much during the War of Revolution and whose activities in the Indian wars succeeded in opening such a large tract of territory in the Middle West; and
>
> Whereas no adequate memorial exists at the junction of the St. Marys, St. Joseph, and Maumee Rivers where he established his fort and carried on his campaign: Therefore be it
>
> *Resolved, etc.*, That there is hereby established a commission, to be known as the "General Anthony Wayne Memorial Commission", and to be composed of nine commissioners, three to be appointed by the President of the United States, three Senators to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House. Such Commission shall consider and formulate plans for designing and constructing a permanent memorial in the city of Fort Wayne to the said Gen. Anthony Wayne.
>
> SEC. 2. Such Commission may, in its discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans for the construction of such memorial, or other expenses incurred, or to be incurred, in carrying out the provisions of this joint resolution.
>
> SEC. 3. The Commission shall report its recommendations to Congress as soon as practicable.

Mr. MINTON. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert a new section, as follows:

> SEC. 4. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $2,500, which shall be available to defray the necessary expenses of the Commission for the performance of their duties hereinafter prescribed. Disbursement of sums herein authorized to be appropriated shall be made upon vouchers approved by the chairman of the Commission.

The amendment was agreed to.

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

The joint resolution was read the third time, and passed.

The preamble was agreed to.

SUGAR PRODUCTION AND CONTROL—REPORT OF COMMITTEE ON FINANCE

Mr. BROWN of Michigan, from the Committee on Finance, to which was referred the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, reported it with amendments and submitted a report (No. 1157) thereon.

EXECUTIVE SESSION

Mr. BARKLEY. 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. ELLENDER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORT OF COMMITTEE ON NAVAL AFFAIRS

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nomination of Capt. William R. Furlong to be Chief of the Bureau of Ordnance, Department of the Navy, with the rank of rear admiral, for a term of 4 years, which was ordered to be placed on the Executive Calendar.

THE CALENDAR

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Eugene Rice to be United States district judge for the eastern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as there is a vacancy in this position and inasmuch as the Senate has just confirmed the nomination, I ask unanimous consent that the President may be notified.

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

The legislative clerk read the nomination of Everett M. Grantham to be United States attorney for the district of New Mexico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William McClanahan to be United States attorney for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of this nomination.

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

The legislative clerk read the nomination of Paul E. Ruppel to be United States marshal for the southern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John P. Logan to be United States marshal for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Miles to be United States marshal for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of the nomination of Mr. Miles.

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

The legislative clerk read the nomination of John M. Comeford to be United States marshal for the western district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Gerard D. Reilly, of Massachusetts, to be Solicitor for the Department of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Maj. Frank M. S. Johnson to be a member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The legislative clerk read the nomination of Charles J. Brasefield to be professor (temporary) with the rank of lieutenant commander.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry other nominations in the Coast Guard.

The PRESIDING OFFICER. Without objection, the remaining nominations in the Coast Guard are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

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

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Francis F. Griffiths, of New York, to be second lieutenant in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. 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 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 11, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 10 (legislative day of Aug. 9), 1937

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers of class 3 and consuls general, to be also secretaries in the Diplomatic Service of the United States of America:

Homer Brett, of Mississippi.
Edward A. Dow, of Nebraska.
Dudley G. Dwyre, of Colorado.
John G. Erhardt, of New York.
Carol H. Foster, of Maryland.
Samuel W. Honaker, of Texas.
Wilbur Keblinger, of Nevada.
Graham H. Kemper, of Kentucky.
George A. Makinson, of California.
O. Gaylord Marsh, of Washington.
Lester Maynard, of California.
Myrl S. Myers, of Pennsylvania.
John R. Putnam, of Oregon.
Emil Sauer, of Texas.
Hugh H. Watson, of Vermont.

The following-named Foreign Service officers of class 3 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

George L. Brandt, of the District of Columbia.
Charles Bridgham Hosmer, of Maine.
John D. Johnson, of Vermont.

The following-named Foreign Service officers of class 4 and consuls general to be also secretaries in the Diplomatic Service of the United States of America:

Henry H. Balch, of Alabama.
Walter F. Boyle, of Georgia.
Parker W. Buhrman, of Virginia.
Ralph C. Busser, of Pennsylvania.
Harold D. Clum, of New York.
Leslie A. Davis, of New York.
Edwin Carl Kemp, of Florida.
Dayle C. McDonough, of Missouri.
Lucien Memminger, of South Carolina.
Harold B. Quarton, of Iowa.
Walter H. Sholes, of Oklahoma.
Alfred R. Thomson, of Maryland.

The following-named Foreign Service officers of class 4 and consuls to be also secretaries in the Diplomatic Service of the United States of America:

Richard F. Boyce, of Michigan.
Richard P. Butrick, of New York.
Cecil M. P. Cross, of Rhode Island.
Hasell H. Dick, of South Carolina.
John W. Dye, of Minnesota.
Louis H. Gourley, of Illinois.
Edward M. Groth, of New York.
Robert W. Heingartner, of Ohio.
Frank Anderson Henry, of Delaware.
George D. Hopper, of Kentucky.
James Hugh Keeley, Jr., of the District of Columbia.
William R. Langdon, of Massachusetts.
Robert D. Longyear, of Massachusetts.
Robert B. Macatee, of Virginia.
Charles J. Pisar, of Wisconsin.
John Randolph, of New York.
George P. Shaw, of California.
Samuel Sokobin, of New Jersey.
Harold S. Tewell, of North Dakota.
Henry S. Waterman, of Washington.
Henry M. Wolcott, of New York.

The following-named Foreign Service officers of class 7 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

Lawrence S. Armstrong, of New York.
Roy W. Baker, of New York.
William E. Blitz, of New York.
Sidney A. Belovsky, of New York.
William A. Bickers, of Virginia.
Ellis A. Bonnet, of Texas.
Roy E. B. Bower, of California.
Howard A. Bowman, of New York.
Edward Caffery, of Louisiana.
Augustus S. Chase, of Connecticut.
Warren M. Chase, of Indiana.
Alexander P. Cruger, of New York.
Ernest E. Evans, of New York.
Harvey T. Goodier, of New York.
Franklin C. Gowen, of Pennsylvania.
Leonard N. Green, of Minnesota.
Knowlton V. Hicks, of New York.
Frederick W. Hinke, of New York.
Carlton Hurst, of the District of Columbia.
John B. Ketcham, of New York.
Henry A. W. Beck, of Indiana.
Kenneth C. Krentz, of Iowa.
Rufus H. Lane, Jr., of Virginia.
Harvey Lee Milbourne, of West Virginia.
Hugh S. Miller, of Illinois.
Nelson R. Park, of Colorado.
James E. Parks, of North Carolina.
Joseph P. Ragland, of the District of Columbia.
Albert W. Scott, of Missouri.
Winfield H. Scott, of the District of Columbia.
George E. Seltzer, of New York.
Horace H. Smith, of Ohio.
Harry E. Stevens, of California.
Alan N. Steyne, of New York.
Mason Turner, of Connecticut.
Robert S. Ward, of Ohio.
George H. Winters, of Kansas.
Lloyd D. Yates, of the District of Columbia.

The following-named Foreign Service officers of class 8 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

Gordon L. Burke, of Georgia.
Horace J. Dickinson, of Arkansas.
Edmund J. Dorsz, of Michigan.
Andrew W. Edson, of Connecticut.
Carlos C. Hall, of Arizona.
Monroe B. Hall, of New York.
Thomas A. Hickok, of New York.
Phil H. Hubbard, of Vermont.
Charles A. Hutchinson, of Minnesota.
Robert Jenz, of Oklahoma.
John A. Littell, of Florida.
Odin G. Loren, of Washington.
Edward S. Maney, of Texas.
Harold B. Minor, of Kansas.
James B. Pilcher, of Alabama.
Hugh F. Ramsay, of the District of Columbia.
Edward B. Rand, of Louisiana.
Joseph L. Touchette, of Massachusetts.
Walter N. Walmsley, Jr., of Maryland.
Thomas C. Wasson, of New Jersey.
John H. Madonne, of Texas.

The following-named Foreign Service Officers of class 3 and secretaries in the Diplomatic Service to be also consuls general of the United States of America:

Harold H. Tittmann, Jr., of Missouri.
Joseph Flack, of Pennsylvania.

The following-named Foreign Service Officers of class 4 and secretaries in the Diplomatic Service to be also consuls of the United States of America:

H. Freeman Matthews, of Maryland.

George R. Merrell, Jr., of Missouri.
Hugh Millard, of Nebraska.
Walter H. Schoellkopf, of New York.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

First Lt. Harold Robert Carter, Medical Corps Reserve.
First Lt. Philip Wallace Mallory, Medical Corps Reserve.
First Lt. Jacob Hal Bridges, Medical Corps Reserve.
First Lt. Romeyn James Healy, Jr., Medical Corps Reserve.
First Lt. John Robert McGraw, Medical Corps Reserve.
First Lt. Charles Harold Gingles, Medical Corps Reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Clarence David McGowen, Infantry, with rank from August 1, 1935.

First Lt. Andrew Thomas McNamara, Infantry, with rank from October 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Olin Harrington Longino, Coast Artillery Corps, from August 3, 1937.

Lt. Col. Peter Hill Ottosen, Coast Artillery Corps, from August 7, 1937.

TO BE LIEUTENANT COLONELS

Maj. William Ewen Shipp, Cavalry, from August 3, 1937.

Maj. Carl Smith Doney, Coast Artillery Corps, from August 7, 1937.

TO BE MAJORS

Capt. Neal Creighton, Air Corps (temporary major, Air Corps), from August 3, 1937.

Capt. Alonzo Maning Drake, Air Corps (temporary major, Air Corps), from August 7, 1937.

POSTMASTERS

ARKANSAS

Joseph D. Gault to be postmaster at Dardanelle, Ark., in place of Ray Jones, removed.

Robert R. Holland to be postmaster at Dyess, Ark. Office became Presidential October 1, 1936.

Hazel B. Holt to be postmaster at Joiner, Ark., in place of R. D. Slaton, removed.

CALIFORNIA

Patrick D. Lucey, Jr., to be postmaster at Crockett, Calif., in place of C. C. Wight, resigned.

GEORGIA

Eli B. Cotton to be postmaster at Palmetto, Ga., in place of W. H. Astin. Incumbent's commission expired June 1, 1936.

LOUISIANA

Charles C. Collier to be postmaster at Campti, La., in place of E. M. Perot. Incumbent's commission expired January 9, 1936.

MICHIGAN

Lorenzo F. Maus to be postmaster at Hastings, Mich., in place of W. J. Field, deceased.

Ernest A. Dickson to be postmaster at Watersmeet, Mich., in place of G. A. Buchmiller, removed.

MINNESOTA

Della C. Underdahl to be postmaster at Frost, Minn., in place of I. A. Hanson, deceased.

John C. Myers to be postmaster at Green Isle, Minn. Office became Presidential July 1, 1936.

Edward T. Gibbons to be postmaster at Sherburn, Minn., in place of H. B. Nelson, removed.

NEBRASKA

Blanche E. Kammerer to be postmaster at Ashland, Nebr., in place of R. W. Jones, deceased.

NEW JERSEY

William Joseph Morris to be postmaster at Wyckoff, N. J., in place of Richard Van Iderstine. Incumbent's commission expired February 9, 1936.

NEW YORK

Maurice P. Sullivan to be postmaster at New Lebanon, N. Y., in place of R. C. Williams. Incumbent's commission expired February 24, 1936.

Loretto H. Manning to be postmaster at Plandome, N. Y., in place of P. L. Parrott, declined.

NORTH DAKOTA

Ruth C. Borman to be postmaster at Alamo, N. Dak., in place of R. P. Everson, resigned.

Cleo Flugga to be postmaster at Marion, N. Dak., in place of M. E. Larson, deceased.

OHIO

Albert Daman to be postmaster at Napoleon, Ohio, in place of O. K. Evers, deceased.

Theodore C. Gilroy to be postmaster at Waynesfield, Ohio, in place of J. B. Wells, transferred.

John I. Miller to be postmaster at Van Wert, Ohio, in place of D. J. Gunsett, deceased.

OKLAHOMA

Mr. Laura Lonnie Dolphin to be postmaster at Boley, Okla., in place of P. L. Anderson, Jr., deceased.

OREGON

William E. Logan to be postmaster at Hermiston, Oreg., in place of H. P. DeMoss, removed.

PENNSYLVANIA

Eleanor E. McNally to be postmaster at Aliquippa, Pa., in place of P. J. McNally, deceased.

Daniel Warne Rankin to be postmaster at Dunbar, Pa., in place of E. D. Minerd, deceased.

Moses G. Martin to be postmaster at Gilbertsville, Pa. Office became Presidential July 1, 1936.

Mina H. Corbett to be postmaster at Mont Clare, Pa., in place of W. S. Durham. Incumbent's commission expired February 10, 1936.

Anna C. Young to be postmaster at North Hills, Pa., in place of A. C. Young. Incumbent's commission expired February 10, 1936.

William Lamar Sames to be postmaster at Richlandtown, Pa., in place of W. N. Freed, resigned.

TEXAS

Samuel M. Compton to be postmaster at Celeste, Tex., in place of Nettie Duncan, removed.

VIRGINIA

Mary R. White to be postmaster at Vinton, Va., in place of F. L. Mitchell, resigned.

WASHINGTON

Lonnie M. Crim to be postmaster at Woodinville, Wash. Office became Presidential July 1, 1936.

WEST VIRGINIA

John G. Hammond to be postmaster at Bartley, W. Va., in place of I. J. Richardson, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10 (legislative day of Aug. 9), 1937

UNITED STATES DISTRICT JUDGE

Eugene Rice to be United States district judge for the eastern district of Oklahoma.

UNITED STATES ATTORNEYS

Everett M. Grantham to be United States attorney for the district of New Mexico.

Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

William McClanahan to be United States attorney for the western district of Tennessee.

UNITED STATES MARSHALS

Paul E. Ruppel to be United States marshal for the southern district of Illinois.

John P. Logan to be United States marshal for the northern district of Oklahoma.

Charles W. Miles to be United States marshal for the western district of Tennessee.

John M. Comeford to be United States marshal for the western district of Wisconsin.

SOLICITOR, DEPARTMENT OF LABOR

Gerard D. Reilly to be solicitor for the Department of Labor.

CALIFORNIA DEBRIS COMMISSION

Maj. Frank M. S. Johnson to be a member of the California Debris Commission.

COAST GUARD OF THE UNITED STATES

Charles J. Brasefield to be a professor (temporary), with the rank of lieutenant commander, in the Coast Guard of the United States.

Evor S. Kerr, Jr., to be lieutenant (junior grade).

Walter S. Bakutis to be lieutenant (junior grade).

Thomas J. E. Crotty, to be lieutenant (junior grade).

Clarence M. Speight to be lieutenant (junior grade).

Edgar V. Carlson to be lieutenant (junior grade).

APPOINTMENTS AND PROMOTIONS IN THE NAVY

To be captains

Monroe Kelly
Freeland A. Daubin
Charles H. Morrison
Holbrook Gibson

To be commanders

Thomas V. Cooper
Frank G. Fahrion
Frank H. Dean
Lisle F. Small
William P. O. Clarke
Colin DeVere Headlee
Francis W. Benson
Carl W. Brewington
Lawrence B. Richardson (an additional number in grade)

To be lieutenant commanders

George C. Crawford
August J. Detzer, Jr.
Harold W. Eaton
Edwin M. Crouch
Carlyle L. Helber (an additional number in grade)
Walter E. Zimmerman
Alden R. Sanborn (an additional number in grade)
Kenneth L. Forster
Henri H. Smith-Hutton

To be lieutenants

William R. Caruthers
John L. Collis
Philip D. Gallery
John B. Webster
Clair LeM. Miller
Leonard O. Fox
Henry B. Twohy
Guy P. Garland
Royce P. Davis
Harry N. Coffin
Rob R. McGregor
Nickolas J. F. Frank, Jr.
Adolph J. Miller
Edwin G. Conley
Francis J. Johnson
George A. Sharp
Claude W. Stewart
Carl G. Christie
George B. Chafee
Alexander S. Heyward, Jr.
Eddie R. Sanders

To be lieutenants (junior grade)

Frederick W. Sheppard
William E. Seipt
Stevan Mandarich
John Harllee
Ernest V. Bruchez
John T. Lowe, Jr.
Charles F. Fischer
George A. Hill, Jr.
James D. Babb
George E. Artz
Heliodore A. Marcoux
Robert E. Bourke
Robert C. Bengston
Charles B. Farwell
Gorman C. Merrick

To be surgeons

Charles C. Yanquell
Lloyd R. Newhouser

To be passed assistant surgeons

Otto E. Van Der Aue
Malcolm W. Arnold
Andrew Galloway
Eugene R. Hering, Jr.
Charles R. Moon
Thomas W. McDaniel, Jr.
Paul Peterson

To be assistant surgeons

Walter R. Miller
Philip J. McNamara
Edward E. Hogan
Edward W. Wilson
Edmund J. Brogan
Robert V. King
Merrill H. Goodwin
LeRoy J. Barnes
John W. Koett
Landes H. Bell
Thomas J. Canty
Clifford P. Phoebus
Norbert U. Zielinski
Richard W. Garrity
Russell H. Walker
Wesley L. Mays
William S. Francis, Jr.
Ellwood V. Boger
Shakeeb Ede
Charles F. Gell
George J. Kohut
Alexander S. Angel
Samuel J. Wisler
Joseph A. Syslo
Nicholas E. Dobos
Arthur L. Lawler
Benjamin W. Vitou

To be dental surgeons

Wadsworth C. C. Trojakowski
George H. Rice
Sidney P. Vail
Theodore DeW. Allan

To be passed assistant dental surgeons

George N. Crossland
Victor A. LeClair
Robert W. Wheelock
James H. Connelly
Merritt J. Crawford
Adolph W. Borsum
William D. Bryan
Paul M. Carbiener
Richard H. Barrett, Jr.
Claude E. Adkins

To be chaplains

Thomas J. Knox
Paul G. Linaweaver
Roy R. Marken
Frederick W. Meehling

To be naval constructor

William G. Du Bose

To be lieutenant

Isaac S. K. Reeves, Jr.

MARINE CORPS

Francis F. Griffiths to be second lieutenant.

POSTMASTERS

ALABAMA

Lewis A. McLean, Livingston.
Henry Leland Cummins, Opp.
Edward O. Mann, Stevenson.
William F. Beverly, Sweet Water.

ILLINOIS

Minnie D. Davis, Mooseheart.

NEVADA

Ferris Mack Doolittle, Boulder City.
Meryl J. Larson, Manhattan.

NORTH CAROLINA

Bonnie E. Henderson, Huntersville.

OKLAHOMA

James Travis Watson, Wetumka.

PENNSYLVANIA

Sara J. Leonard, Groveton.
John E. Pennel, Rydal.
James K. Morrison, Williamsburg.

WISCONSIN

Lila Robie, Danbury.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 10, 1937

The House met at 11 o'clock a. m.

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

Heavenly Father, we pray that quiet thought, quiet duty, and the freshness of a new day may steal upon us. Teach us a religion of brotherhood and forgiveness that touches the joy and beauty of human life; true merit lies in service

and sacrifice to make the world better and happier. We pray Thee to confirm that which is good in us and rebuke that which is foolish and allow not evil desires to have dominion over us. Give us liberty, our Father, from all fetters and help us to stand erect for the truth and right. As we tread our pathways impress us that life means industry, bravery, and patience. At the last may it mean for us fullness of joy and a glorious sunset. 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 bills of the House of the following titles:

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7642) entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes", requests a conference with the House thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, and Mr. MCNARY to be the conferees on the part of the Senate.

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

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 2253. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes; and

S. 2874. An act requiring the deposit in a safe place ashore of the names and addresses of passengers sailing on vessels plying the inland or coastal waters of the United States.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 172

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THEODORE A. PEYSER, late a Representative from the State of New York.

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 take a recess until 12 o'clock meridian tomorrow.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

The SPEAKER. The unfinished business this morning is the question on the motion of the gentleman from Mississippi [Mr. COLLINS] to recommit the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act. The Clerk will read the motion, for the information of the House.

The Clerk read as follows:

Mr. COLLINS moves to recommit the bill H. R. 7950 to the Committee on the District of Columbia with instructions to that committee to report the bill back forthwith with the following amendment: Strike out sections 1 and 2 of the bill.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PALMISANO) there were—ayes 61, noes 31.

Mr. PALMISANO. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Maryland objects to the vote on the ground that a quorum is not present and makes the point of order that a quorum is not present. The Chair has just counted. Evidently a quorum is not 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 191, nays 119, not voting 120, as follows:

[Roll No. 138]

YEAS—191

Amlie	Fish	Leavy	Rigney
Andrews	Fitzgerald	Lemke	Robertson
Ashbrook	Flannagan	Lewis, Colo.	Robinson, Utah
Atkinson	Fletcher	Lewis, Md.	Robsion, Ky.
Barden	Ford, Miss.	Lord	Rogers, Mass.
Bates	Fuller	Luce	Rogers, Okla.
Bland	Garrett	Luckey, Nebr.	Romjue
Brooks	Gehrmann	Ludlow	Rutherford
Brown	Gifford	Luecke, Mich.	Sanders
Buckler, Minn.	Gingery	McFarlane	Scott
Burdick	Green	McLean	Secrest
Caldwell	Greenwood	McMillan	Shanley
Cannon, Mo.	Greever	McReynolds	Sheppard
Carlson	Griswold	McSweeney	Simpson
Case, S. Dak.	Halleck	Mahon, S. C.	Smith, Conn.
Chandler	Hamilton	Mahon, Tex.	Smith, Va.
Chapman	Hancock, N. C.	Maloney	Snell
Church	Hart	Mapes	Snyder, Pa.
Citron	Healey	Martin, Colo.	South
Clark, Idaho	Hendricks	Massingale	Sparkman
Clason	Higgins	May	Steagall
Claypool	Hill, Okla.	Michener	Stefan
Cluett	Hill, Wash.	Mills	Taber
Cochran	Hobbs	Mitchell, Tenn.	Tarver
Coffee, Nebr.	Holmes	Moser, Pa.	Taylor, S. C.
Coffee, Wash.	Honeyman	Mosier, Ohio	Taylor, Tenn.
Colden	Hope	Mott	Teigan
Cole, N. Y.	Houston	Murdock, Ariz.	Terry
Collins	Hull	Nelson	Thom
Colmer	Hunter	O'Brien, Mich.	Thomas, Tex.
Cooley	Jarman	Oliver	Thomason, Tex.
Cooper	Jarrett	Pace	Thurston
Cravens	Jenkins, Ohio	Patman	Transue
Crawford	Jenks, N. H.	Patterson	Treadway
Creal	Johnson, Luther A.	Patton	Turner
Cummings	Johnson, Lyndon	Pearson	Umstead
Daly	Johnson, Minn.	Peterson, Fla.	Vincent, B. M.
Dies	Johnson, Okla.	Pettengill	Vinson, Fred M.
Disney	Johnson, W. Va.	Pierce	Warren
Dondero	Keller	Plumley	Wearin
Doughton	Kerr	Poage	West
Douglas	Kinzer	Ramspeck	Whelchel
Dowell	Kitchens	Rankin	White, Ohio
Doxey	Kniffin	Reece, Tenn.	Whittington
Driver	Kvale	Reed, N. Y.	Woodruff
Eckert	Lambertson	Rees, Kans.	Woodrum
Eicher	Lanham	Rich	Zimmerman
Faddis	Lea	Richards	

NAYS—119

Aleshire	DeMuth	Kenney	Ramsay
Allen, Del.	Dirksen	Kirwan	Reed, Ill.
Allen, Pa.	Dixon	Knutson	Reilly
Anderson, Mo.	Dockweiler	Kocialkowski	Sabath
Andresen, Minn.	Dorsey	Lesinski	Sacks
Arends	Drew, Pa.	Long	Sadowski
Arnold	Duncan	McAndrews	Sauthoff
Bacon	Dunn	McGehee	Schuetz
Beam	Eberharter	McGranery	Schulte
Beiter	Edmiston	McGrath	Shafer, Mich.
Bell	Elliott	McKeough	Short
Bigelow	Evans	Mason	Smith, Wash.
Bloom	Farley	Maverick	Somers, N. Y.
Boehne	Forand	Mead	Spence
Boileau	Frey, Pa.	Merritt	Stack
Boland, Pa.	Fries, Ill.	Mouton	Sutphin
Bradley	Gambrill	Murdock, Utah	Thompson, Ill.
Buck	Gildea	Nichols	Tinkham
Byrne	Gray, Pa.	Norton	Tolan
Carter	Haines	O'Brien, Ill.	Towey
Champion	Harlan	O'Connell, Mont.	Wadsworth
Cole, Md.	Harter	O'Connell, R. I.	Welch
Costello	Havenner	O'Connor, Mont.	Wene
Crosser	Hennings	O'Leary	Wigglesworth
Crowe	Hook	O'Neill, N. J.	Wilcox
Cullen	Imhoff	Palmisano	Williams
Curley	Izac	Polk	Withrow
Deen	Jenckes, Ind.	Powers	Wolcott
Delaney	Kelly, Ill.	Quinn	Wolverton
Dempsey	Kennedy, Md.	Rabaut	

NOT VOTING—120

Allen, Ill.	Engel	Keogh	Peterson, Ga.
Allen, La.	Englebright	Kleberg	Pfeifer
Barry	Ferguson	Kloeb	Phillips
Bernard	Fernandez	Kopplemann	Randolph
Biermann	Fitzpatrick	Kramer	Rayburn
Binderup	Flannery	Lambeth	Ryan
Boren	Fleger	Lamneck	Schaefer, Ill.
Boyer	Ford, Calif.	Lanzetta	Schneider, Wis.
Boykin	Fulmer	Larrabee	Scrugham
Boylan, N. Y.	Gasque	Lucas	Seger
Brewster	Gavagan	McClellan	Shannon
Buckley, N. Y.	Gearhart	McCormack	Sirovich
Bulwinkle	Gilchrist	McGroarty	Smith, Maine
Burch	Goldsborough	McLaughlin	Smith, W. Va.
Cannon, Wis.	Gray, Ind.	Maas	Starnes
Cartwright	Gregory	Magnuson	Sullivan
Casey, Mass.	Griffith	Mansfield	Sumners, Tex.
Celler	Guyer	Martin, Mass.	Sweeney
Clark, N. C.	Gwynne	Meeks	Swope
Cox	Hancock, N. Y.	Millard	Taylor, Colo.
Crosby	Harrington	Miller	Thomas, N. J.
Crowther	Hartley	Mitchell, Ill.	Tobey
Culkin	Hildebrandt	O'Connor, N. Y.	Vinson, Ga.
DeRouen	Hill, Ala.	O'Day	Voorhis
Dickstein	Hoffman	O'Malley	Wallgren
Dingell	Jacobsen	O'Neal, Ky.	Walter
Ditter	Jones	O'Toole	Weaver
Drewry, Va.	Kee	Owen	White, Idaho
Eaton	Kelly, N. Y.	Parsons	Wolfenden
Ellenbogen	Kennedy, N. Y.	Patrick	Wood

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gregory (for) with Mr. Pfeifer (against).
Mr. Vinson of Georgia (for) with Mr. Hartley (against).
Mr. Cox (for) with Mr. Keogh (against).
Mr. Owen (for) with Mr. Lucas (against).
Mr. Biermann (for) with Mr. O'Toole (against).
Mr. Clark of North Carolina (for) with Mr. Magnuson (against).
Mr. Boykin (for) with Mr. Fitzpatrick (against).
Mr. Fulmer (for) with Mr. Wallgren (against).
Mr. Gearhart (for) with Mr. Boylan of New York (against).
Mr. Bulwinkle (for) with Mr. Kocialkowski (against).
Mr. Ditter (for) with Mr. Gavagan (against).
Mr. Guyer (for) with Mr. Schaefer of Illinois (against).
Mr. Gasque (for) with Mr. Sullivan (against).
Mr. Wolfenden (for) with Mr. Buckley of New York (against).
Mr. Crowther (for) with Mr. Lanzetta (against).
Mr. Starnes (for) with Mr. Sirovich (against).
Mr. Tobey (for) with Mr. Celler (against).
Mr. Patrick (for) with Mr. Kennedy of New York (against).

Until further notice:

Mr. Parsons with Mr. Seger.
Mr. Rayburn with Mr. Martin of Massachusetts.
Mr. O'Connor of New York with Mr. Brewster.
Mr. Sumners of Texas with Mr. Gilchrist.
Mr. Taylor of Colorado with Mr. Thomas of New Jersey.
Mr. McCormack with Mr. Allen of Illinois.
Mr. Kleberg with Mr. Gwynne.
Mr. Burch with Mr. Culkin.
Mr. McLaughlin with Mr. Smith of Maine.
Mr. Drewry of Virginia with Mr. Eaton.
Mr. Scrugham with Mr. Maas.
Mr. Hill of Alabama with Mr. Hoffman.
Mr. Jones with Mr. Millard.
Mr. Boyer with Mr. Englebright.
Mr. Mansfield with Mr. Schneider of Wisconsin.
Mr. Fernandez with Mr. Bernard.
Mr. Miller with Mr. Hancock of New York.
Mr. Allen of Louisiana with Mr. Voorhis.
Mr. Kelly of New York with Mr. Sweeney.
Mr. Smith of West Virginia with Mr. Kee.
Mr. DeRouen with Mr. Boren.
Mr. Harrington with Mr. Randolph.
Mr. Phillips with Mr. Crosby.
Mr. Walter with Mr. Larrabee.
Mr. O'Neal of Kentucky with Mr. McClellan.
Mr. Flannery with Mr. Lambeth.
Mr. Cartwright with Mr. Gray of Indiana.
Mr. Kramer with Mr. Weaver.
Mr. Peterson of Georgia with Mr. Wood.
Mr. Meeks with Mr. Fleger.
Mr. O'Malley with Mr. Barry.
Mr. Griffith with Mr. Cannon of Wisconsin.
Mr. Dingell with Mr. Ferguson.
Mrs. O'Day with Mr. Lamneck.
Mr. Casey of Massachusetts with Mr. Goldsborough.
Mr. Jacobsen with Mr. Hildebrandt.
Mr. Ford of California with Mr. Binderup.

Mr. LORD and Mr. WHITE of Ohio changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. PALMISANO. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H. R. 7950 with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Strike out sections 1 and 2 of the bill.

The amendment was agreed to.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the section numbers may be corrected.

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

There was no objection.

By unanimous consent, a motion to reconsider the vote by which the bill was passed was laid on the table.

GENERAL FARM LEGISLATION

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. WEARIN. Mr. Speaker, we have heard considerable during the past few weeks with reference to the necessity of general farm legislation and I join with those who feel we should have some action. In order to keep faith with my constituents and the farmers of America I have today filed a petition at the Clerk's desk to discharge the Committee on Agriculture from further consideration of the bill (H. R. 7577), which is a general farm bill introduced by the gentleman from Virginia [Mr. FLANNAGAN]. Farm legislation is imperative before we can have a sound program of commodity loans which are necessary this fall in order to preserve the price of corn at a reasonable figure, and the price of cotton, wheat, and other products. It has been generally understood that such legislation is needed and this Congress should take action with reference to the matter.

Because of the pending crisis with reference to the prices of farm products I have filed this petition and urge the Members of the House to sign it immediately. [Applause.]

We should put forth every effort to maintain a satisfactory price for this year's crop. It is the first normal season we have had for several years insofar as several major farm products are concerned. If farmers receive a satisfactory return on them agriculture will be on a more stable basis than it has been for a decade and if they do not much of our past effort will have been in vain.

I am fully aware of the fact that there is a wide difference of opinion as to the type of legislation that should be passed either at this session or at the next. The bill that I have asked to be discharged from the Committee on Agriculture without any further consideration is not, in my opinion, a perfect measure by any means, but it involves some valuable principles that this House ought to consider, and, furthermore, it constitutes a general farm bill that we can use as a basis of discussion. There should be opportunity for amendments and ample discussion on the floor. It is reasonable to assume that the result of such action would be some constructive legislation.

The statement has been made that no bill that we might pass would have any effect upon this year's crop, but it would, insofar as it could, be used as a basis for commodity loans which will be needed this fall to maintain a stable and satisfactory price level for corn and cotton, not to mention a number of other products, and which we cannot expect without general legislation. If, in setting up the administration of the act during the course of the next few months, we find that it will need further amendments or revision, we will be ready then to obtain such action when the Congress convenes in January. It ought to be easier to make some corrections at that time than to pass a complete legislative program having to do with 1938 crops

in time to make it effective for cotton and wheat, or anything else, for that matter.

An attempt has been made in these Halls of late and throughout the country to shift the burden of our failure to offer American farmers a long-time program to the shoulders of farm organizations upon the basis of the fact that they are not in agreement at the moment as to what type of legislation they desire. In my opinion it is the responsibility of Congress to hear all the evidence in the case and from it draft the most generally satisfactory measure possible under the circumstances keeping the principle of the general welfare as a guiding star. The fact of the matter is that is our job and we are expected to deliver the goods.

The necessity for a farm bill and the form it should take have been a matter of discussion in Washington for the past 7 months, in fact by the Committee on Agriculture throughout the entire Roosevelt administration that has dedicated itself to the cause of American agriculture so we should be ready now to advance a long-time program without being charged with any undue haste. If we cannot do it now, how can we expect to do it during the month of next January?

I repeat that the seriousness of the situation justifies the action I have taken in filing the motion for withdrawal of H. R. 7577 from further consideration of the committee in order to get the subject of general farm legislation before the Congress and I hope the Members will sign motion number 27 immediately.

[Here the gavel fell.]

COMMITTEE ON ELECTIONS NO. 3

Mr. KERR. Mr. Speaker, I ask unanimous consent that the Committee on Elections No. 3 may sit during the sessions of the House.

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

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I delivered at Plymouth, Vt., on Sunday last.

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

There was no objection.

Mr. OLIVER. Mr. Speaker, my colleague the gentleman from Maine, Mr. SMITH, is unavoidably detained because of illness. Had he been here, he would have voted "yea" on the motion to recommit the bill just passed.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent that the bridge subcommittee of the Interstate and Foreign Commerce Committee may sit today during the session of the House.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that, after the disposition of business on the Speaker's table and at the completion of legislative business in order for the day, and after the disposal of previous orders heretofore made, I may address the House today for 10 minutes.

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

There was no objection.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. SABATH. Mr. Speaker, by direction of the Rules Committee, I call up House Resolution 300 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 300

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6963, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, this resolution makes in order the consideration of the bill (H. R. 6963) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplemental thereto. If this resolution is agreed to, the bill will be taken up and considered under the 5-minute rule. At this time I desire to explain the need for the legislation.

During the past three sessions I have repeatedly brought to the attention of the Members the outrageous abuses and collusions that the Select Committee to Investigate Real Estate Bondholders' Reorganizations has brought to light. In the RECORD I have inserted a good deal of information regarding the activities of the self-appointed so-called "protective" committees—what they are, who they represent, and what they have really done to the bondholders whom they are pledged to represent and safeguard.

In the 140 pages of the committee's preliminary and supplemental reports conditions now existing are exposed which are, to say the least, not only deplorable but criminal. This is not a matter of one or two people or a small group being robbed. It is a case of 5,000,000 bondholders and an equal number of industrial security holders being defrauded and deprived of the very last penny of their investments, in many instances by the approval of some of the courts.

By use of deposit agreements these avaricious protective committees are enabled to control the bondholders' properties even without approval of the courts, although in innumerable cases the courts sanction their activities.

Mr. Speaker, this is not the finding only of the select committee. Similar findings have been arrived at by a special commission appointed by former Attorney General Mitchell, by a Senate committee in 1931, by a Senate committee in its report of 1936, by the Judiciary Committee in 1935, by investigative committees of the States of New York, Michigan, and others, and lately by the Securities and Exchange Commission. Bills to end these abuses were introduced as far back as 1931, when Senator Hastings proposed remedial legislation; in the House by our colleague [Mr. MICHENER] and by myself and others in 1933.

When the Securities and Exchange Commission bill was being considered by the Interstate and Foreign Commerce Committee I made strenuous efforts to have embodied in that bill a provision giving the Commission jurisdiction over real estate and other defaulted securities. If such an amendment had been accepted, millions of investors would have been aided and savings made for them to the tune of billions of dollars, or partial protection, at least, would have been afforded them.

So you will see that this is not an obsession with me, but the result of a cold matter-of-fact consideration of facts. On three separate occasions the House has unanimously voted for a thorough investigation by this select committee in order that upon its recommendations legislation might be enacted to safeguard, as far as possible, the unfortunate investors and to prevent a future recurrence of abuses.

Mr. Speaker, for this purpose the House appropriated $110,000 and yesterday an additional $7,000 was appropriated in order that this investigation could be properly made, and, right here, may I say that our work has made

possible the collection of large sums of money by the Treasury Department in taxes which otherwise, I doubt very much, would have been collected.

The bill before us today, Mr. Speaker, is not only based upon the findings of your committee. It considers the recommendations made by all these other investigative bodies I have mentioned. However, as I wished to avoid any question of constitutionality, the select committee has softened many controversial features contained in previous bills. Notwithstanding this, the Judiciary Committee, after reporting the bill H. R. 12064—predecessor to H. R. 6963—last session, eliminated many of its provisions before it was again reported in May of this year. In my desire to secure early consideration I reintroduced the bill in the form in which it now appears, but I can truthfully state that this bill before you now is not my bill but a substitute arrived at by the Judiciary Committee. I am thankful for what the Judiciary Committee has left, since it gives me an opportunity today to bring before the entire House a number of provisions which I believe should be retained, and which I will offer when the bill is taken up under the 5-minute rule.

While I naturally regret the action of the Judiciary Committee, I realize that the group of lawyers, trustees, receivers, and even some judges have been able to mislead and misinform many members of that committee, and I firmly believe that if the Judiciary Committee had been able to spend one-tenth as much time as the select committee did in investigating these abuses that they would not have permitted this group to mislead them.

Had the members of the Judiciary Committee been able to read all the reports of the many other investigative committees and to consider the statements of honest judges and independent groups of lawyers, I feel sure the bill as reported last session, and as I reintroduced it this year, would be before you now, and I would be saved the task of asking that these amendments be enacted.

I do want to take this occasion of thanking the gentleman from Tennessee [Mr. CHANDLER] and members of his subcommittee for their patient cooperation, and to express the appreciation of the entire select committee for their fine assistance. I know they have honestly endeavored to secure the best bill possible, and believe that the present bill, together with the one Mr. CHANDLER has before us referring to the general bankruptcy law, will enable us in the future to prevent many of these abuses.

Mr. Speaker, I am not only interested, and we should not only be interested, in preventing these abuses from recurring. I am interested in the millions of bond and security holders who have in many instances lost their all in purchasing securities which they believed to be gilt-edge investments—not speculative ventures. My aim is to at least save part of their investments and to keep these bankers, lawyers, and their agents from grabbing the last penny. I am interested in seeing that many hundreds—yes, thousands—of properties are taken from the hands of these vultures and turned over to the bondholders, the rightful owners, who in most cases have not received a cent of interest during the past 6 years, even though the properties often were earning profits. During all these years they were not able to even obtain information as to what was being done with the properties; and worst of all, during all these years no taxes at all were paid. The committees, receivers, and trustees permitted an accumulation of taxes which now amount to millions upon millions of dollars, and may cause the complete loss of properties and deprive bond and security holders of an opportunity of ever getting a penny.

It is claimed that these bondholders are being represented when trustees are appointed. Trustees! Trustees! Who are they? Who did the courts appoint as trustees? I will tell you. The very members of these protective committees who represent the houses of issue, the investment bankers, the guaranty companies, and the large law firms.

They are not the trustees that should be appointed to protect the rights and interests of the bondholders and the security holders.

They are given control of the property belonging to bondholders for 10 or 15 years, and from our investigations I am satisfied that the bondholders will never receive a cent, that all income will be absorbed by these same trustees and these same committees unless the amendments I shall propose today are adopted and the bill passed as originally reported.

Now, as to the receivers. Who were the receivers appointed by the courts? Again the representatives of this vicious clique controlled by these protective committees and this group of bankers, financiers, and the large law firms.

In 1934 the Bankruptcy Act was amended, and there was added sections 74 and 77B, which you and I and the country believed would aid the bankrupt, the fee owner, and would also protect the bondholder. But I charge now that uppermost in the minds of those who were instrumental in drafting that bill was the idea of eliminating the fee restrictions in our bankruptcy law, and by the passage of 77B the sky became the limit as to fees.

Under our bankruptcy laws there are very strict restrictions as to the amount of fees, but when 77B was passed they clearly eliminated those restrictions, and the sky has been the limit as to fees, charges, and costs in all these proceedings.

I could give you hundreds of instances where the fees and charges were greater than the value of the property, and properties in many instances were sold for less than the fees and charges of the committees, receivers, trustees, depositaries, appraisers, managers, and subcommittees created by them for the purpose of absorbing every dollar of revenue as well as the proceeds of sales.

The report well shows that in many instances, due to collusion and conspiracy on the part of these committees, receivers, and attorneys, properties have been leased for one-quarter of their real value. I could give you the history of hundreds of outstanding apartment buildings, hotels, and theaters. You would be amazed that such things are possible.

You have perhaps read the report of the Van Sweringen manipulations as disclosed by the Senate committee. I assure you that has been a universal practice on the part of these manipulators, aided by these committees and sanctioned and approved by the courts.

There is pending before the Rules Committee a resolution to investigate the moving-picture industry. Some of you older Members remember the effort I have made to help bring that about, and though my committee has obtained a great deal of information and evidence, we have been unable to complete that work that will prove beyond doubt that some of the equity receiverships and bankruptcies in that was nothing but collusion and fraud to enable them to break the hundreds of leases on theaters built for them by people in nearly every section of the country, whereby the equity owners lost their all and the bondholders nearly all, and if this bill is not speedily passed, all that will be left to the hundreds of thousands of investors will be a few sad memories.

I have hurriedly given you again the reasons why the bill should pass, and why amendments that I will offer should be adopted. I want to extend my sincere thanks to the House for the confidence reposed in me and the committee.

Had the bill passed last session and the select committee been given broad powers of subpena and otherwise, we would have been able to more speedily and efficiently have performed our duty, but I wish to assure you once more that during my entire life I have not worked harder nor more strenuously than I have in bringing to light what to my mind is the greatest crime I know of.

You and I are incensed when we read of a man being held up and robbed. Here we have a condition where nearly 10,000,000 people are being robbed, and this has been going on for 5 long years. I have given 6 years to this work, and today is the day when something should be done.

This wholesale robbery of old men and women, of estates, societies, charitable and labor and benevolent groups, insurance companies, and others, should be stopped at once. They never meant to gamble their money; they looked for a

safe investment for their savings. And now is the time for us to see that robbing them shall no longer be continued with impunity. Now is the time for us to see that confidence in our courts is reestablished, and that is why I urge that this bill, with the amendments, be adopted.

Mr. McGRANERY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. I understand the gentleman's committee served in Philadelphia in connection with the Philadelphia Co. for Guaranteeing Mortgages?

Mr. SABATH. Yes.

Mr. McGRANERY. That company involved a loss to bondholders of some $132,000,000 is that correct?

Mr. SABATH. Well, that is not the only one. There were a great many other such companies.

Mr. McGRANERY. But somewhere in the neighborhood of $132,000,000 for this one company?

Mr. SABATH. Yes.

Mr. McGRANERY. The officers of that company were indicted in the United States District Court for the Eastern District of Pennsylvania last October; is that correct?

Mr. SABATH. The gentleman is correct.

Mr. McGRANERY. Does the gentleman know anything concerning the unusual and extraordinary circumstances in connection with the nolle prossing of certain bills last Thursday in the Eastern District Court of Pennsylvania?

Mr. SABATH. No; I do not. I heard they were nolle prossed, but I do not know how or why. Later on, although the committee is not active, I myself shall endeavor to ascertain why the bills were nolle prossed.

Mr. McGRANERY. Does not the gentleman believe this Congress should know something of those circumstances?

Mr. SABATH. I believe the Congress and the country as well should know them.

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

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. MICHENER. Of course, if criminal cases were nolle prossed, it would be at the direction of the Department of Justice. I am sure that if the gentleman from Pennsylvania will inquire of the Department, he will be given the information he wants.

Mr. SABATH. I believe if the gentleman is correct there must have been a very good reason why that was done.

Mr. McGRANERY. The gentleman will agree that the manner in which that was done is most unusual?

Mr. SABATH. I was not there and I do not know. I had my hands full right here with this investigation.

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

The SPEAKER pro tempore (Mr. GRISWOLD). Evidently a quorum is not present.

Mr. CHANDLER. 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. 139]

Allen, La.	Fernandez	Kramer	Pfeifer
Binderup	Fitzpatrick	Lambeth	Phillips
Boyer	Flannagan	Lamneck	Reece, Tenn.
Boylan	Ford, Calif.	Lanzetta	Richards
Brewster	Fulmer	Lemke	Scrugham
Bulwinkle	Gasque	Lesinski	Shafer, Mich.
Byrne	Gavagan	Lucas	Shannon
Cannon, Wis.	Gearhart	McClellan	Sirovich
Case, S. Dak.	Gilchrist	McGroarty	Smith, Maine
Celler	Gingery	Maas	Smith, W. Va.
Clark, Idaho	Gray, Ind.	Magnuson	Starnes
Clark, N. C.	Gray, Pa.	Martin, Mass.	Sullivan
Cox	Gwynne	Meeks	Sweeney
Crowther	Haines	Millard	Swope
Culkin	Hancock, N. C.	Miller	Taylor, Colo.
Cummings	Harlan	Mitchell, Ill.	Thomas, N. J.
DeRouen	Hartley	Mitchell, Tenn.	Tobey
Dickstein	Hill, Ala.	Nelson	Treadway
Dies	Hoffman	O'Connor, N. Y.	Wene
Drewry, Va.	Jacobsen	O'Day	White, Idaho
Eaton	Kennedy, N. Y.	Oliver	Withrow
Ellenbogen	Kerr	O'Neal, Ky.	
Englebright	Kleberg	Palmisano	
Ferguson	Kloeb	Patton	

The SPEAKER pro tempore. Three hundred and thirty-seven Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON NAVAL AFFAIRS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that a special subcommittee of the Committee on Naval Affairs may have permission to sit during the sessions of the House this afternoon.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent that a subcommittee of the Committee on Naval Affairs may be permitted to sit during the session of the House this afternoon. Is there objection? [After a pause.] The Chair hears none.

Mr. CHURCH. Mr. Speaker, who made the request that the subcommittee of the Committee on Naval Affairs have permission to meet this afternoon?

Mr. SCOTT. I did.

Mr. CHURCH. Mr. Speaker, in the absence of the chairman, I shall have to object.

The SPEAKER pro tempore. The objection comes too late.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. MAPES. Mr. Speaker, so far as I know, there is no objection to the adoption of this rule. There are some who question the advisability of passing the bill, I understand, in view of other legislation which is pending in the House. Personally, I may say I am for the rule and for the passage of the so-called Sabath bill, which the rule seeks to make in order.

There has been some criticism of the select committee appointed to investigate real-estate bonds, bondholders' protective committees, and related subjects, of which the gentleman from Illinois [Mr. SABATH] was chairman, but, on the whole, I think that committee has done very commendable work. The committee was created over 3 years ago and during the progress of its work held hearings in different parts of the country. As far as the subject matter covered by the investigation is concerned, I think there is no one in the House who does not have a sympathetic feeling toward the work of the committee and the objectives sought to be accomplished by it. The Sabath bill is the result of more than 3 years' intensive work on the part of that committee. If real-estate bondholders can be protected to any extent by the passage of the Sabath bill, I, for one, am in favor of its passage. The general objective of the legislation is to give the Securities and Exchange Commission more jurisdiction than it now has over the so-called bondholders' protective committees, and to give that Commission a voice, at least, before the Federal courts in fixing the fees which are allowed receivers in bankruptcy cases.

My understanding is that the same subject matter is to some extent treated of in the so-called Chandler bankruptcy bill, which has also been reported by the Committee on the Judiciary, but I further understand there is no conflict between the two measures. Also, there is pending before the Committee on Interstate and Foreign Commerce a bill recommended by the Securities and Exchange Commission which treats of somewhat the same subject matter. There may be some pride of authorship with respect to these different bills. However, the Sabath bill is before us for action this afternoon, and I, for one, favor its passage and enactment into law.

Mr. Speaker, there have been no requests for time on the rule on this side, but I have agreed to yield 10 minutes to the gentleman from Texas [Mr. DIES], who, I understand, wants to speak not on the rule but on another matter.

Mr. DIES. Mr. Speaker, ladies and gentlemen of the House, when we first assembled in January we were told that one of the chief items in our legislative program was a farm bill. After 7 months of this session we appear to be no nearer farm legislation than we were the day we convened. In my own congressional district the price of cotton has fallen below the cost of production, and is declining steadily.

Mr. DIRKSEN. Mr. Speaker, on a point of order, is the gentleman going to speak out of order?

Mr. DIES. I hope the gentleman will not press his point of order.

Mr. DIRKSEN. Mr. Speaker, I shall object. There has been so much criticism of this special committee that now that it has a bill before the House I am not going to stand idly by and see anybody torpedo the bill.

Mr. DIES. Very well; I shall talk on bankruptcy. You have here a bill which proposes to do something about bankruptcy.

Mr. DIRKSEN. Yes.

Mr. DIES. I will tell you what you will do. If you undertake to raise the price of everything which the farmers must buy, if you undertake to vote billions of dollars out of the Federal Treasury to subsidize every class of your citizenship except agriculture and then expect the farmers of this country to survive under the problems which now face them, then it seems to me, Mr. Speaker, that the Congress has lost all sense of proportion and of that equal and exact justice which is the foundation of a democracy.

Talk about bankruptcy! The average cotton farmer of the South does well to derive $300 a year from his cotton crop; yet you say you are going to establish a minimum wage for the industrial worker of 40 cents an hour and a maximum workweek of 40 hours a week; you propose to subsidize the man who lives in the city by paying 60 percent of his rent and permitting him to live in quarters that will cost the Government ten or fifteen thousand dollars. Then you are going back to your farmer constituents, some of whom are living in houses without any screens, without running water, and without the convenience and comforts of modern life. When you report to him you are going to say, "Well, I voted for adjournment before a farm bill was passed and I am sorry to see you getting less for your cotton than it cost you to produce it, but I am glad to inform you that I made possible the passage of a wage and hour bill to establish minimum wages and maximum hours for industrial workers, and I made it possible for the man in the city to live in a nice home, with every modern convenience, and with the Government paying 60 percent of his rent." And your farmer constituent is going to say to you, "I have no objection to the low-paid workers receiving better wages or shorter hours, and I have no objection to the abolishment of slums, but all of these things will add to the price that I must pay for the things I buy, and yet you expect me to sell my farm products below the cost of production. I will support some man for Congress who will see that the same consideration is accorded me as is given to industrial workers and people who live in the city. You voted to appropriate $700,000,000 to build houses for the people in the big cities, but you only voted for $10,000,000 to enable tenant farmers to acquire their own farms, which is less than $3,000 for each county, even if you allow nothing for administration costs."

It has been suggested that the President might consent to loan 10 cents per pound on this year's cotton crop. Now, what is 10 cents? It is less than the farmer got when Hoover was President in actual purchasing power. Since that period everything the farmer buys has more than doubled in price. The dollar was reduced in value 40 percent. Actually the farmer made more in 1932 and 1933 from 6-cent cotton than he can make today with 10-cent cotton, because today the farmer is paying considerably more for everything that he buys. There seems to be no difficulty in raising the price of everything that the farmer has to buy, but when it comes to giving the farmer a fair price for his products you say, "We might lend him 10 cents a pound on his cotton", and in so doing you acknowledge that you are putting the farmer back where he was under the Hoover administration.

Now, it does seem to me that if we are going to establish a minimum wage for the industrial worker, in all fairness and justice we ought to establish a parity price for the farmer. Certainly the farmer is entitled to the same return upon his labor and investment as the worker or industry in the city. It must not be forgotten that the farmer not only works the same as the industrial worker but, as a rule, his family works with him and in addition to his labor and the labor of his family he has a capital investment in his farm and machinery. The farmer has no more assurance that he will raise a crop than the average workingman that he will secure a job. He may work ever so hard and yet the fruits of his labor come to naught as a result of droughts, storms, insects, or other unforeseen causes.

How can you say that in one field of activity you can guarantee men a living wage, whereas in another field of activity you refuse the same protection and consideration? If you say to one man, "The Government is going to see that you receive 40 cents an hour for your work and that you will not work more than 40 hours a week", then you can certainly say to the farmer, "the Government is going to guarantee to you a parity price for your products which means a living wage for you and your family." The cotton farmers of my district did not get a parity price under the A. A. A. program and the Bankhead Act. The facts show conclusively that the cotton farmers under the A. A. A. received far less in proportion than the tobacco, the corn, and the wheat farmers. I called attention to this time and time again when the A. A. A. program was in effect, but we were unable to receive any relief at the hands of the Department of Agriculture. Under the Bankhead Act the little farmers in my district who normally raised a bale or two of cotton were given an allotment of a few hundred pounds which meant starvation wages and sweatshop conditions for them. The big farmers got millions of dollars. One sugar refinery received $1,800,000 out of the Federal Treasury, and yet we talk about equal and exact justice. The corporation farm or the big plantation, which was largely responsible for overproduction and which could produce cotton at a much lower cost, got the cream and the little farmers were given the skimmed milk. Now, Mr. Speaker, we are not going to permit this to happen again. The farmer who farms for a living must be given first consideration before we seek to solve the problem of the farmer who farms for profit.

What I wish to emphasize, Mr. Speaker, is that if we are going to provide minimum wages and maximum hours for the industrial worker at this session, if we are going to build homes for people in the cities, the least we can do before we adjourn is to guarantee the farmers for this year's crop a sum of money that will at least give him for his labor as much as you propose to give to the industrial workers. If we do this, there will be no complaint from the farmers, but to say that farm legislation shall go over to another session, and then say that certain other measures shall be considered at this session, is wrong. It does seem to me, Mr. Speaker, that all of these great measures should be placed on a parity so that we, who represent farm districts, can at least have the satisfaction of knowing that we protected the interests of our constituents before adjournment.

Mr. WOOD and Mr. SABATH rose.

Mr. DIES. I yield to the gentleman from Missouri.

Mr. WOOD. Does not the gentleman think that we have ample time to pass an agricultural bill if our Committee on Agriculture will only report a bill out and give us the opportunity?

Mr. DIES. Yes. There is one thing that we know we can do and one thing every man ought to agree upon. We all know what the parity prices of basic farm products are. The parity price for cotton has been established at 17 cents a pound. We know that if the Government is going to undertake to build homes and guarantee certain things for other people, we can guarantee the farmer this parity price. Let the farmer sell this year's crop on the world market and let the Government give him as a tariff benefit or equivalent the difference between what he sells that portion of his crop domestically consumed for and what the parity price is. The farmer is entitled to this consideration as a matter of justice. This is no subsidy any more than the tariff is a subsidy for protected industries. We all know that pro-

tected industries are able to get much more for their products on account of the tariff than the world market price would bring.

Therefore on that part of the farmer's crop domestically consumed he is entitled to as much return upon his labor and investment as industry receives as the result of the tariff. No one complains when protected industries are able to sell their products on the American market at a price from 30 to 100 percent in excess of the world market price. No one denounces this as a subsidy which the American consumer must pay. But when we propose to give the farmer the same tariff protection in the form of tariff payments, such as I propose, then it is called a raid upon the Treasury. We do not tell protected industries that in order for them to get this higher price for that portion of their products sold on the domestic market that they must agree to a reduction program. But, when it comes to the farmer, we refuse to give him any tariff benefit unless he enters into a binding agreement to reduce his production. As I have said many times, Mr. Speaker, either the tariff should be abolished entirely so that all industries in America must compete with foreign industries the same as the farmer is compelled to do today or else the farmer must be given the same tariff benefit in dollars and cents as that received by the protected industries. So it seems to me that with this simple principle acknowledged that a farm bill can be immediately reported that will guarantee to all farmers a tariff benefit on this year's crop.

Mr. WOOD. We can pass an agricultural bill at this session, and I am willing to stay here until January, and I am asking the gentleman if he does not think we can pass a good agricultural bill at this session, if we can get the bill out of the committee.

Mr. DIES. Yes; and I am not willing to agree to a 10-cent loan or a 10-cent price when I know that 10-cent cotton today will buy less than 6-cent cotton would buy in 1932. The cotton farmer must receive as much as 15 cents a pound if we are to guarantee to him what has already been given to other groups.

Mr. SABATH. Does not the gentleman know that those fortunate farmers who had saved a little money have been robbed by conditions that have been permitted, and that by the passage of this bill they will be protected in the future?

Mr. DIES. I will say that the gentleman's bill is logical legislation if the present policy of inaction is to continue, because if we are going to raise the price of everything the farmer must buy and not give him a parity price for his products, the farmers will need the gentleman's bill, because most of them will be in bankruptcy.

Mr. SABATH. This will protect them from being imposed upon and robbed.

Mr. DIES. It will enable them to get over their misery quickly.

Mr. HOOK. Mr. Speaker, will the gentleman yield.

Mr. DIES. Yes.

Mr. HOOK. Does the gentleman know that the Committee on Agriculture called all the farm organizations and their leaders together and conferred with them, and that they could not agree on what they wanted at all?

Mr. DIES. I am not condemning the Committee on Agriculture. I think that it is a splendid committee, and that Mr. JONES is one of the ablest Members of this House. I know that he has the farmers' interest at heart. But, of course, the farm organizations and leaders are not elected by the people to write farm bills. We are the ones who have the responsibility of legislating for the farmers, and we cannot escape that responsibility by saying that the farm organizations and leaders could not agree upon a bill. What I say is that a simple proposition can certainly be agreed on by this House. Whether we have permanent farm legislation or not, the least we can do is to guarantee to the farmer for his present crop, that is now facing ruinous and disastrous market conditions, a fair price, or, if you please, a minimum living wage, the same as we propose to give to others. [Applause.]

Mr. McFARLANE. Will the gentleman yield?

Mr. DIES. Yes.

Mr. McFARLANE. In regard to the question of the gentleman from Michigan [Mr. HOOK], I will call attention of the gentleman to the fact that in January of this year there were about 50 of the 65 farm leaders in the country that met here in Washington and did agree on a program, but later discord arose, and that has blocked farm legislation thus far.

Mr. DIES. I do not know what they agreed to, but that has nothing to do with my responsibility, as a Member of the House, to see that my farmers receive fair consideration. I want to say another thing. I will not support any farm bill that will give the corn farmers one-half of the total payments. I will not support a bill that proposes to give to the cotton farmers less than that received by the tobacco, wheat, or corn farmers. Any bill that is passed must deal fairly and honestly with the cotton farmers, and the small producers must be fully protected. I believe that the Representatives from the Corn and Wheat Belts are willing to agree to that, and it seems to me that we can at least work out a temporary measure in the next 2 weeks that will give to our cotton farmers at least 15 cents a pound.

Mr. WEARIN. That is a responsibility of this Congress at this session, in view of the prices prevailing in corn and cotton at this time.

Mr. DIES. Of course, it is our responsibility at this session. I would like to see immediate action to guarantee a fair price for this year's crop, and I would also like to see a permanent farm bill passed before adjournment. [Applause.]

Let me warn my city friends that if farm products continue to fall and nothing is done to arrest this downward curve, the farmers will not have any money to buy the products of your industries this year. This would mean the end of prosperity for your districts and a further increase in unemployment. You cannot be prosperous unless agriculture has a purchasing power sufficient to buy the products of your industries. No program can be successful that does not include the farmers. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. CHANDLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6963) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6963, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection the first reading of the bill will be dispensed with.

Mr. CHANDLER. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, this bill, to my way of thinking, is one of the most important that has come before the House at this session, and it is here due to conditions that existed in the past and still obtain in this country. It is a relief measure in the truest sense. Naturally when you first look at this measure, unless you study it, if you are a lawyer, your inclination is to be against it. Based on 40 years' experience, I know something about a lawyer's natural tendencies, and I know that we are all more or less inclined toward all laws that will give us good fees, and give

the court permission to allow them to us, but there is nothing in this bill that affects honest, legitimate lawyers; there is nothing in this bill that will affect the fee that will be allowed a lawyer except that all fees of every nature have to pass under the scrutiny of the Securities Exchange Commission. The conditions that brought forth this bill are well known to the older membership of the House. It was of so grave a consequence that this House, with scarcely a dissenting vote, repeatedly appropriated money for the Real Estate Bond Committee to investigate the conditions existing throughout the country. From 1926 to the time of the panic in 1929 a racket developed in the Nation that is a disgrace to American politics and American government, and how on earth we went so long and left the gates down so that such a thing could happen I cannot understand. During that period real-estate dealers, brokers, and bankers made a business of going out and getting a piece of ground, in many instances only a lease, in many instances without even paying for the land, and then issued bonds for more than the property, which they proposed to build, would cost. These bonds were known as gold bonds. They bore 6- or 7-percent interest. They were turned over to brokerage houses, principally to big bankers, to be sent over the country, sent to other banks, and by those banks sold to an unsuspecting public.

In my district they erected no such buildings, but they sold their bonds to old men and old women. They specialized on this class of savers, and widow's and orphans' estates. In the golden era of financing in this country in 1928 and 1929 those bonds sold readily. The big banks in the cities sent these to my bank and your bank to hand out to the public. Our bank thought it was good, and they sold it to their customers. They bore 6- and 7-percent interest, but in many instances not even the first payment of interest was ever paid. It went from bad to worse. Think of it! Thirty-five billion invested in this kind of business; fifteen or sixteen billion dollars of it an entire loss to the American people, and the poor investors of the country are the ones who suffered. One-half the amount of the public debt of the United States has been wiped out by these crooks and parasites.

No sooner did the default occur than they, who were on the inside, constituted what is known as select protective committees. In most instances they were the ones who initiated and sold the bonds. They circularized a contract agreement asking people to sign it so that they could protect them. They were scattered all over the United States. These were cutthroat contracts. These were so drawn that signers absolutely turned their property over to these committees, and the first thing the committeemen would do would be to put those bonds in a bank or trust company and borrow several hundred thousand dollars on them for the purpose of legal expenses, so they claimed, and in a great many instances they wiped it all out, and the people got nothing.

This condition continued until we passed section 77B of the bankruptcy law, that we are today seeking to amend. No one could anticipate that these great institutions would take advantage of that law. You can go to Philadelphia or New York City, or even here in Washington, and see these apartments, these hotels and skyscrapers, and 90 times out of a hundred they were built or financed by this kind of money, and they are now in receiverships or in the Federal court or in bankruptcy under section 77B.

Now, what do we seek to do by this bill? We simply provide that the Securities and Exchange Commission shall act as a friend of the court to see that these bondholders, scattered all over the country, are not further robbed and plundered. Down in your district, in every little hamlet in this country, there are men and women and estates which own these bonds. They have no opportunity to represent themselves. Enough of them cannot get together to come in and hire an attorney to look after them specially; whereas, on the other hand, the protective select committee and the bankers and the brokers always have the best attorneys that money can hire, who are not interested in the little bondholders. As a result, we of this congressional committee had to go up against the legal brains of America in this investigation, and all we could do, with our limited appropriation, was to hire a few lawyers at small fees. A few times some of the best of lawyers would volunteer their services.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. PARSONS. Is this bill the outgrowth of the investigation by this committee?

Mr. FULLER. Yes. It is known as the Sabath bill, the gentleman from Illinois [Mr. SABATH] being chairman of the committee.

Now, what does this bill seek to do? It is very simple. There are 4,000 of this kind of cases pending in the Federal courts today. In every one of those cases a trunk would not hold the files. The files are higher than my head in any case of consequence. The court sits on the bench, and we will concede for the sake of argument that he is honest and wants to do right. My own experience has been, scarcely without exception, that the men who grace the bench in this country are honest and want to do what is the right and proper thing, but they are being criticized, and justly so, because of the way they have approved these reports. Who is it now who helps the court to pass judgment on these matters? It is a bank; it is a trust company; it is a broker that has selected the people who are administering this estate. Courts have a tendency to appoint receivers, trustees, masters, and select attorneys who are their friends, or who the plaintiff recommend. Too often relatives are appointed. This is particularly true of Federal courts. Every lawyer knows it is always easy to get good fees for attorneys, good fees for receivers, and good fees for trustees and masters and everything else. This does not necessarily take that away from them, but this gives the court the information that the court ought to know.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. PARSONS. I want to say to the gentleman that his eloquent appeal has almost persuaded me to support this bill.

Mr. FULLER. That is the reason I am making this speech.

Let us conclude. Here is the court sitting on the bench like the chairman. Here is a case that has taken not only committees and attorneys and several trials and months and months to get ready for the court to decide. How can this court know what is in these papers down here by me stacked as high as my head? How can he know the record? He cannot know it. He has many other cases to hear and try every day and cannot keep the facts and record in his mind. We found out from practical experience, especially in New York, the Federal judges were eager for information and they listened with scarcely an exception to the recommendation that this committee made. The lawyers who grace this House would bow their heads in shame of their profession if they knew the robbery and the outrages that the so-called lawyers of this country have perpetrated on the poor and unsuspecting people of this country through this bond racket.

Some years ago a bill similar to the pending bill was considered. From page 6 of the committee report you will find that Hon. Thomas D. Thatcher, judge of the United States District Court for the Southern District of New York, in a case in which Col. William J. Donovan participated, made similar recommendations. Afterward President Hoover appointed him to bring out this kind of law, and the Judiciary Committees of the House and the Senate have approved this kind of procedure. In summing up he said:

> The courts should be relieved of administrative responsibilities, and these responsibilities should be centralized in the executive branch of the Federal Government. The creditors will not exercise these responsibilities. Their attempted exercise by the courts has been ineffective, burdensome, and generally inefficient, has produced a multitude of rules and legalistic formalities, and has resulted in criticism of the bench itself. Trustees should be supervised and licensed or subject to approval by the executive branch of the Federal Government.

The Judiciary Committee is to be complimented for their excellent services in this matter. The bill was pending before that committee 5 or 6 months. It was not an easy matter to decide. Hon. WALTER CHANDLER, of Tennessee, chairman of the subcommittee has performed a Herculean task and not only deserves but will receive the thanks of a grateful House. Our committee wanted this conservator, and that is all there is in this bill, a conservator in the Treasury Department under the Comptroller to clean up these bankrupt institutions just as they cleaned up the defaulted banks. Nobody ever heard a word of criticism, because they are experts and know their line of business. But it developed that the Treasury did not want it. In the meantime it also developed that the Securities and Exchange Commission has conducted a similar investigation, but not so extensive, as that conducted by the Real Estate Bondholders' Investigating Committee of the House. They brought out an elaborate opinion insisting that something should be done in bankruptcy along the line of this bill. The Judiciary Committee has brought out a bill which will follow this one on general bankruptcy. No Member should vote against that bill any more than they should vote against this bill. I would like to know one reason why a Member should vote against the pending bill. I would like somebody to ask me a question from which an inference could be drawn as to why a vote should be cast against this bill.

This measure does nothing in the world but constitute what is known as a conservator. This conservator is the Securities and Exchange Commission. It is given authority in all reorganizations of these bankrupt cases pending in the Federal court to intervene, and the court is required to notify them in order that they may intervene, in order that they may send their experts there to investigate whether or not the settlement that is sought for these bondholders is right, fair, and honest, or whether the big boys who were on the ground with their legal staff are getting all the best of it. The conservator will make his report to the court, but the court is not bound by this report and can take such action as the court thinks is proper, but in this way they are telling the court what the reorganizers are trying to do.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. FORD of California. Is not this bill designed to break up one of the most iniquitous rackets ever perpetrated on the American investing public?

Mr. FULLER. That is true, but it goes further than that, it is an effort to try to take care of what is left of this $15,000,000,000 in bond issues now tied up in courts and to prevent further dissipation. You know what happened to the people in your district, and there is not a district in the United States that is not affected by it. While the buildings are in the big cities, the bondholders are in every community. They are in the little country hamlets and towns in every congressional district and there are many, formerly in good circumstances but now on relief.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. KENNEY. Have not most of these cases been cleaned up?

Mr. FULLER. No; they have not been cleaned up, 4,000 of them are outstanding in the Federal courts today. About half of the thirty-five billion has been wiped out, and paid small amounts, as results of sales, and many took stock in reorganizations.

Mr. KENNEY. And this bill would apply to all of them?

Mr. FULLER. Yes.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. CREAL. Would this bill apply to present cases?

Mr. FULLER. Yes.

Mr. CREAL. Or will it apply only to future cases?

Mr. FULLER. The bill will apply to all cases now in the Federal court but not to those settled and wound up.

Here is what the bill does: The bill does not command the judge to do anything in the world. All in the world it does, and nothing else, is where these reorganization cases are pending the reorganization cannot proceed until the proposal is investigated by the Securities and Exchange Commission. Every lawyer knows that when you foreclose a mortgage a receiver is appointed. You cannot keep the receiver going all the time; he has got to quit some time.

You have to sell the property or reorganize. In connection with this bond matter they have trustee receivers, and committees which are robbing the estates now, and every Federal court in the United States knows that. These committees and receivers have a chance to graft from insurance premiums, from the management, and they can and often do fix the books so as to show no profit. They do everything to pull down the real value of the property, thereby pulling down the value of the bonds. However, there has to be a day of reckoning in every one of these cases. They will either have to put the property up and sell it to the highest bidder or else there will be some kind of a reorganization. Most of the cases are going through reorganization now. What does this mean? They have to give notice to these people all over the country who hold these bonds. The court will want to know what these people want to do in connection with reorganization. The court wants to know whether it is honest and fair for the people who have money invested in it.

That is what his conservator is supposed to do. He is also supposed to recommend to the court as to whether or not attorneys will receive a million dollars as fees, as has been the case in matters we investigated, or whether they shall receive a fee according to the services performed. He makes recommendations on all fees and matters of settlement and allowance.

Mr. Chairman, this bill cannot harm anybody except the man who has his long bony fingers in the Treasury robbing the unsuspecting people. It will not cost the Government one single cent. When the Exchange Commission sends a man, who is an expert, to do this work, it charges the cost of that work up to the estate, just like the services of a Federal bank examiner when he examines a bank.

Mr. Chairman, I have talked longer than I expected. I have made a rather extemporaneous, rambling statement about the bill, but if the Members will read it—and the bill is not long—they will see that there is no reflection upon the courts. The Members will see this bill takes no authority from the courts, but, on the contrary, gives assistance to the courts. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the fact that this bill is before the House today is a tribute to the popularity and influence of the gentleman from Illinois, our esteemed friend [Mr. SABATH]. It is here simply for the purpose of pleasing him and the members of his special committee. As we all know, the Sabath investigating committee spent a lot of time and a lot of money investigating certain bankruptcy abuses. I have no doubt that they unearthed some valuable information.

As a climax to their work, they desire the glory of placing some legislation on the statute books. Several bills have been introduced with the Sabath label and discarded. The bill before us today is practically one section of the Chandler bankruptcy bill which will come before the House for consideration in a few hours.

Mr. Chairman, referees in bankruptcy of the United States, district judges, committees of the bar associations of the big cities of the country and representatives of various credit men's associations, as well as the excellent subcommittee of the Judiciary Committee of the House, headed by our able colleague from Tennessee [Mr. CHANDLER], have studied the general revision of the bankruptcy laws of the United States for several years. I do not suppose any bill has come before us that has been as thoroughly studied and as carefully

worked out by so many competent men as the Chandler bankruptcy bill. It embraces the entire subject of bankruptcy. It includes the subject matter of the bill we are now considering.

Mr. Chairman, to pass this bill today would be exactly the same as taking an item out of an appropriation bill and passing it before the appropriation bill itself came before the House for consideration. It is totally unnecessary and a waste of time. There is no serious objection to the bill on this side, as far as I know, but it is foolish to consider it when another bill will be passed later in the day superseding it. As I stated, the bill is simply here for the glorification of one Member, whom we all like, admire, and esteem. We want him to have all the fame and happiness in the world but we are wasting time and money by considering his bill. The bill should be defeated without further discussion so we can attend to the important business of acting on the Chandler bill.

The whole subject of bankruptcy will be dealt with in the Chandler bill. The Sabath bill is merely patchwork, and it is silly that it should be here at all. I do not violate any confidence when I say that the Judiciary Committee reported this bill out on account of friendship for the gentleman from Illinois, never thinking it would reach the floor. It was our idea and the idea of everyone interested in this type of legislation that the whole matter would be dealt with in the Chandler bill. We reckoned without considering the influence of the gentleman from Illinois on the Rules Committee, of which he is a member. Everyone has tried to please the gentleman from Illinois and that is why his bill is here.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. HANCOCK of New York. I yield to the gentleman from California.

Mr. DOCKWEILER. Why is it that under the terms of the bill there is taken into account creditors or bankrupts whose debts amount to $250,000 or more in order to get relief?

Mr. HANCOCK of New York. Of course, the real abuses have been in the big reorganizations, involving large issues of securities that are widely held.

Mr. DOCKWEILER. I understand that, but does the gentleman feel, since these abuses exist in the big reorganizations, amounting to great sums, that $250,000 is a sufficient minimum?

Mr. HANCOCK of New York. There is a difference of opinion as to where the limit should be set. It was the feeling of the members of the committee that the Securities and Exchange Commission should not be required to interfere in small, trivial, and unimportant bankruptcy matters, where no serious abuses could occur. Perhaps the limit is too high or too small; I do not know.

Mr. DOCKWEILER. Why not make it $100,000?

Mr. HANCOCK of New York. Or $50,000 or $500,000? It is a matter of judgment; that is all.

Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it appears to me that this august and enthusiastic legislative body wastes enough time as it is. I shall not be a party to any legislative procedure which by indirection or otherwise has been characterized as a waste of time.

May I ask my friend on the Committee on the Judiciary, the gentleman from Tennessee [Mr. CHANDLER], whether all the subject matter in the bill now pending before the House is embraced in the bankruptcy bill which is to come on for consideration later this afternoon? The gentleman from Tennessee can probably qualify as the most expert authority in the House on this whole subject. I should like to know from the gentleman for the benefit of this committee whether the remarks of my esteemed colleague the gentleman from New York [Mr. HANCOCK] are quite accurate.

Mr. CHANDLER. There are a very few minor provisions in the bill now pending which are different from the bankruptcy revision bill which the Committee on the Judiciary itself has prepared, and which will be before the House this afternoon if we finish the pending bill early enough. The provisions in the Sabath bill, however, are not in conflict with the provisions of the committee's own bill. What the gentleman from New York [Mr. HANCOCK] probably had in mind was that these provisions simply touch one phase of one part of the law of bankruptcy, dealing entirely with the matter of protecting investors in corporations and in large businesses operated by individuals against the loss of their investments. I can point out the differences if the gentleman wishes me to do so, but they are not serious.

Mr. DIRKSEN. No. I think the committee has implicit faith and confidence in the gentleman from Tennessee. If the gentleman states there is a need for this legislation and that its subject matter is distinctive from that which is embraced in the general bill coming on later this afternoon, this thoroughly disposes of the argument just made that this Committee is going to waste time. I would not make that statement if I were a member of the Committee on the Judiciary. I certainly would not commit myself to the position that we were bringing in a bill merely for the glory and honor of a Member of this House. Therefore we, the members of the subcommittee which made investigations in every section of the country, ask you to bear with us this afternoon. We believe this legislation is necessary, and this belief is now supplemented by what the gentleman from Tennessee, who was the chairman of the subcommittee handling all this legislation, has just now retailed to the Committee. I think that is answer enough.

May I say for myself as a Member of this legislative body that I will not lend myself to any proceeding which is so vainglorious and so full of sound and fury without any substance in it. There is a necessity for this legislation. We need only to go back to 1915 and the anterior period to find out why this proposed legislation is before the Committee this afternoon.

I do not know at just what point in the history of this country the trust indenture was invented. Certainly there was some ingenious cuss with all the wisdom of a Solomon who saw the possibilities of a trust indenture as applied to the building of properties, the financing through a house of issue, and the sale of bonds to the general public. However, I do know that in 1915 this procedure of trust indentures came out into the open and was used in wholesale fashion. Because of this fact there is pending before this Committee today a bill which is designed to protect and to defend the uninformed investors of the country.

I need but recite the general pattern for your information, and you will find that it conforms substantially to what happens in almost every metropolitan center in the country. For example, here on the edge of town in some metropolitan center is a rather desirable piece of unimproved real estate. John Jones looks at it and decides that he ought to build an apartment there, so he sends somebody out, if he does not go himself, and makes a deal to buy this parcel of real estate for $50,000. Then, because he is implemented with his own auditors and appraisers, he writes this value up to $100,000, so there is $50,000 in water with which to start. John Jones then builds a building which costs, say, $750,000, and writes it up to $1,000,000, so there is $300,000 in water to start with. He then goes to a house of issue, it makes no difference what the name is, and says to it, "I want to float an issue of bonds to the amount of 65 percent of the value of the property according to the appraisal sheets which I am ready to file with you." Before you can say "Jack Robinson" they have made a deal. When the deal is financed and a 65-percent trust indenture applied against that property, with $300,000 of water in it, the result is that John Jones suddenly becomes the equity owner of a million-dollar property with enough bonds against it to represent almost the entire value of the property, these bonds to be sold either directly by the house of issue or through an underwriting firm. The bonds then fall into the hands of the American public, not thousands, not hundreds of thousands, but millions of people scattered

in every obscure hamlet and village and in every metropolis from the Dominion of Canada to the Gulf and from the Atlantic to the Pacific. This is what we found.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Let me continue this pattern for just a little while longer.

When this trust indenture was applied and the bonds were issued against the building there was a recital in the indenture that first of all nominated a trustee. On page after page there were set out in meticulous fashion the duties of the trustee. All well and good. The rents were collected. Those were the halcyon days of 1926, 1927, 1928, and 1929, when wages were high and when people could afford to pay fancy rentals for apartments. So these apartments rented, and on this inflated value the owners could make it go and pay the interest and retire the serial principal amounts of the bonds.

Then something happened. What was it? Oh, it was what the literati, shall I say, call the economic dislocation of 1929. "Economic dislocation" is such a beautiful phrase, and takes the sting off the shocking word "depression." What happened? Great streams of people were spewed out into the streets jobless. They had suddenly exhausted their earnings and did not have the wherewithal to pay their rent. They vacated their properties overnight and went to live with their fathers, their mothers, their fathers-in-law, and their mothers-in-law. They doubled up. And so there were vacancies. In a little while the vacancies caught up with the day when the interest had to be laid on the line in the house of issue, the bank, or the trustee, and then what happened? They suddenly sent notice that they had to default on the interest, and there was a property suddenly in default.

What was the duty of the trustee under these trust indentures? He was supposed to conserve this properey, he was supposed to look after the rent, he was supposed to pay the taxes. He stood in a fiduciary relationship under the law of every Commonwealth of this country to the people who bought these bonds. He was their trustee and he should have administered the property for their benefit and welfare, as economically and as conservatively as possible. Is that what he did in most cases? Oh, no; there was no disposition to go in and ask for an equity receivership. There was no disposition to go in and probably summarily liquidate the property. Here was a beautiful plaything with millions of dollars involved and potentialities of thousands in fees. In fairness, of course, it must be said that trustees could not always liquidate the properties because the market was demoralized and the bondholders would have suffered. So what happened? Well, the wise men got together again and decided there ought to be a bondholders protective committee, and then they wondered who was to go on that committee. Here was a bank over here that was interested, and we will put the vice president on the committee. Here is the house of issue that had a third mortgage or the equity in the property and we will put one of its members on, and the first thing you knew you had thousands of bondholders protective committees in which a conflict of interest was just as abrupt as if two billy goats had come together.

We saw so many such instances, and you simply could not defend this conflict of interest but it was there.

Now, what did the bondholders' protective committee do? The first thing it did was to hire a lawyer. I hold no prejudice against members of the bar. I am a kind of young member of the bar myself and I like to see them make fees, but I do believe there is a way of dealing morally and justly with the considerations that involve the people of this country who cannot defend themselves. So they hired a lawyer, and the first thing that was done was to draw up a deposit agreement, 40 pages long usually, and so involved that not even a Philadelphia lawyer can understand it.

All the astuteness and all the wisdom that has been contrived since the days of Chitty, Coke, and Blackstone have gone into the fabrication of these deposit agreements. Then they asked these people to surrender their bonds. They went to the house of issue that sold the bonds and got hold of the salesmen and said to them, "Do you want a job?" "Sure; what doing?" "You go out and contact your old customers and we will give you $1 a hundred on the bonds you bring in." So, as a general thing, they got from 90 to 95 percent of the bonds which were surrendered under this deposit agreement. The people did not know what was in these agreements. Most of them could not even read the first paragraph, let alone understand the legal implications of the agreement. And what was in the agreement? Oh, sinister clauses like this: Once you had surrendered your bonds under this agreement you had given this committee power to take your bonds and lay them down on the counter of a bank and pledge them for a loan on the property. There was a paragraph in most of these agreements which said that once you had deposited your bonds, it would cost you 5 percent to get your bonds back. So they had these bondholders in a sack where they could not wiggle, and then they began to manipulate the property. Fees were taxed up to the limit.

We not only went into apartment and hotel financing but we went into the Paramount-Publix case in New York City. Do you know what the legal fee was in that case to the firm of Root, Clark, Buckner & Ballantine, of which Arthur Ballantine, former Assistant Secretary of the Treasury, is a member? They taxed a fee of $970,000 for legal services. God save the mark! Nine hundred and seventy thousand dollars was the fee taxed. We went before the eight district judges in chambers after supper in New York City and we protested that fee, and those judges could understand that that was an unreasonable fee and they cut it down to something like $400,000, but the essential point for this Congress to remember is, Who was going to pay this fee? Wts it the committees, the fiduciaries, or one of those strange instrumentalities and legal fictions that had been set up? No; it is the poor devil out in the country who by the wily and oily tongue of a salesman had been sold one of these bonds. He is the one who pays the fee and the one who does not have protection.

This is the way these bondholders' committees operated, and then they set up committees within committees. When they got control of the property they often set up a management corporation and too often you could not even buy a can of scouring powder for a bathroom in one of these apartments without paying through the nose to a management corporation that was hooked up with the original committee.

Is there anybody in this Chamber or elsewhere who will defend that kind of proceeding and that kind of public morality in the year of our Lord 1937?

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. FULLER. Is it not a fact that the Roosevelt committee had over 100 of the biggest hotels in New York, and if the bond committee did not have over 200 of these different kinds of bond issues, and each one had a bond committee and an attorney to look after it?

Mr. DIRKSEN. That is true. As time went on the committee had to supply a plan of reorganization, they had to reorganize this property, and do you know what the common plan was? A liquidation trust. What a swell legal name for a fiction that has been created to bilk the people—a liquidation trust! How does it work? They will take the salvage of property and they will set up a new corporation. If you have a thousand dollars worth of bonds, you are asked to surrender your bonds. You get one of two things. You get an income bond which has nothing behind it and under which you have surrendered your right to foreclose on whatever interest you had in the tangible property, and that bond says to you that you will get a return if and when any income is earned—just as wide open as the paneled ceiling of this Chamber—an income bond, or they will give you stock in this new corporation that they set up. Somebody has to administer it, and who is designated in the first instance? Three or more trustees. Yes, they are going to administer

the property, and they administer the income, and you are going to get something if and when anything is left over.

The three trustees are sitting in the driver's seat. You may not agree with what they do, but how are you going to get them out? By indirection they have recited in this trust agreement that it will take 66⅔ of all of the bondholders to change the trustees. Where are the bondholders in these properties? They live in Chicago, in Cleveland, in Milwaukee, in New York—scattered all over the country. These were interstate transactions, and how can you expect a humble coal miner who goes into the bowels of the earth day after day and works to support a family to know anything about what is going on or get to a place where the trustees hold a meeting, for the purpose of inquiring into the management of a reorganized property?

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. HANCOCK of New York. Can the gentleman conclude his remarks in a few minutes? I have some other requests for time and I understand that as soon as this is disposed of, the Chandler bill will be taken up for consideration.

Mr. DIRKSEN. When this committee went to New York and Milwaukee and Chicago and elsewhere we were confronted, not with hundreds but thousands of people with blood in their eye. I saw Polish women start across the barrier in the courtroom in Chicago ready to lay hands of violence on somebody who was appearing before that committee, because they saw there, vicariously represented, the loss that represented the frugality and accumulations of a lifetime. Can you understand how millions of people have been looking to the Congress of the United States for some kind of affirmative remedy that can be applied to this very distressing situation? That is why that bill is here today.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. COCHRAN. In view of what the gentleman has just said, it is very important that the gentleman make it plain that there is no power which the Congress has by which we can do anything that might bring back to these poor people the billions of dollars that they have lost. This bill is to prevent in the future what might have occurred in the past. The gentleman must have had letters, as I have had, from people expecting, as a result of your committee's investigation, that some of their losses might be recovered.

Mr. DIRKSEN. The gentleman is right. We cannot restore the money. The protective committee that went around and brought these people before the committee had a very wholesome effect in bringing about some semblance of morality in them so that these bonds went up, and those who hung on probably will get something.

Mr. COCHRAN. That is true, but we can do nothing for these people by this or any other legislation? We cannot get a dollar of their money back, and I think the RECORD should show that. However, I join the gentleman in supporting legislation that will prevent a recurrence of what happened in the past. I only wish it was possible to recover some of the losses of the people who were robbed—that is the correct word in describing what happened in the past.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. FULLER. What we are trying to do is to protect these people who hold bonds now where their cases are pending in the Federal courts, 4,000 of them, and where there is going to be a reorganization.

Mr. DIRKSEN. Let me complete my statement about this bill. All this bill does is to provide that the Commission shall act as an auxiliary arm to the Federal court. How can you expect a Federal judge sitting on the bench to deal with cases that involve two or three thousand pages of documents in a single case? One judge in New York said it is manifestly impossible; you cannot do it unless you work yourself to death 24 hours a day.

They have been wanting some assistance. This is the best kind of assistance that can be rendered, under an administrative agency that shall examine into plans and proposals that are offered with respect to these organizations; an administrative agency that shall put the seal of approval or disapproval upon committee membership and certain limitations upon their solicitation of proxies, and so forth, and certain limitations upon fees. That is what this bill seeks to do, and nothing more. It is very timely and necessary legislation. It is not to be supplanted by the bill that will come after this in the form of a general bankruptcy bill. You have just had it from the chairman of the subcommittee, who has handled this, that this is necessary legislation, that it contains new substance that you will not find in the other bill. That is the recommendation for it.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McGRANERY. The gentleman has described a picture of the distress in connection with the reorganization plans. What has been the gentleman's experience, as a member of the Sabath committee, where they had deliberately sold mortgages already in default?

Mr. DIRKSEN. Oh, we have seen so much of that that it was almost a common occurrence in different parts of the country.

In connection with this and other legislation we have so often reproached lawyers, we have so often reproached trust companies, we have thrown handfuls of abuse and vituperation, but I prefer to be charitable about it, because they were all a part and parcel of the great economic maelstrom that took values away up and then dropped them precipitately. So too often they were only part and parcel of a very irresistible force that was operating in this country. One instance will suffice. We had Mr. Halsey, of Halsey-Stuart Co., on the stand at Chicago. I asked him about the financing of the Steuben Building there. I think on the basis of $250,000 and half a lot, they put up a building for about $5,000,000 that will not yield the bondholders so much as 1 cent on the dollar today. I said to him, "Mr. Halsey, is that sort of thing defensible?" He said, "Well, Congressman, you will have to remember that we were in that period of inflation when everybody was subject to mass hysteria and emotion, and everybody was reaching up to see where the ceiling was." So instead of throwing too many abuses let us be charitable about that which is water over the dam and support this bill that is aimed at those cases now pending in the courts and those that shall come on in the future. It is the least that the Congress of the United States can do for these sorry bondholders. [Applause.]

Complete fairness and candor demands that one say that most of the hotels, apartments, theaters, commercial structures, and others that were built in those lush days of 10 years or more ago were bona-fide ventures. The bond houses which placed trust indentures on them and sold the bonds that were issued against such mortgages were reputable houses which had been doing business for many years. It was a hysterical market. People had money, and they clamored for investments. Hence any kind of a bond could be sold, including many that advertised a yield of 7 and 8 percent. People should have been suspicious of such bonds, but they were not. There was evident everywhere in the land that clamor for securities, and it is small wonder that human fortitude was not substantial enough to withstand that profit lure. Every conceivable kind of promise and inducement was made, and the public eagerly swallowed them up. But when the crash struck in 1929, and jobless men were everywhere, then came the day when the properties yielded an insufficient amount to pay interest or retire the principal, and then the day of reckoning was at hand. So, as we seek to fasten the blame, one must regard it as the evil product of those hectic and unregenerate days when the sky was the limit.

But it is difficult to defend the despoiling of the carcasses after the crash of 1929 fell. I realize full well that many

men of integrity who had been instrumental in issuing and selling those bonds could stand the pressure and took a short cut to their mortal end. It was not all beer and skittles in seeking to rehabilitate these properties and bring order out of chaos in a demoralized real-estate market. On the other hand, there can be no defense for the complete looting of many of these properties. I believe that lawyers, and especially those skillful lawyers who know the reorganization business, are entitled to generous fees for their time and learning. But is that an excuse for so complete stripping the property of its last farthing of income that millions of bondholders were deprived of every cent and ushered into the relief lines? In no other nation in the world could such a thing have happened, and often it inspires some doubts about our collective morality and our boasted enlightenment. Fancy an apartment where the cost of taking out the ashes for a single winter was more than the cost of the coal that was consumed. Yet such a case came to our attention.

To be sure, we cannot gather up spilt milk, but there is one thing this Congress can do and that is to provide the machinery for supervising property reorganizations in the future. There is little big-type construction now. The pain of the losses occasioned by the last crash is still too fresh and vivid. But we have an amazing capacity for forgetfulness. How easily we forget the losses of yesterday. Like children playing with matches, the lesson is forgotten. But another generation will be coming on. They, too, may get caught in the maelstrom of skyrocketing values and then we shall be ready for another crash. Shall we then go through all the misery, the anguish, and the heartache that marked the last one, or shall there be legal machinery upon the books of this Nation to soften the blow and carry assurances to the humble holders of bonds in every corner of the land, that the very majesty of the sovereign power will stand by to see that equity is done.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HANCOCK of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, first I want to say we appreciate very much the fine speech we have just heard from Mr. DIRKSEN, with reference to conditions that have existed and the terrific losses that have been sustained by various individuals and corporations because of the failure of the present Bankruptcy Act to do certain things it should have done to protect innocent investors from the losses they sustained. I think we all sympathize with these people and do not want the situation repeated. I believe our attention ought to be directed to some matters of importance in connection with this paricular bill that is before us here and now, known as the Sabath bill.

It has been suggested that as a matter of fact this bill was considered by a subcommittee of the Judiciary Committee, which gave it some consideration and thought. It seems they decided not to recommend the bill to the general committee. The Judiciary Committee itself seems to have turned down the measure at one time, and then it appears they got together and reconsidered the matter and decided to bring the bill out. But here is a situation that seems rather peculiar this afternoon. One member of the Judiciary Committee has told us that after all this measure was brought out because of one man whom they appreciated very much as a Member of the House. They appreciate the work he has done on the special investigating committee that worked to do something in investigating the situation regarding the losses of bondholders in Chicago and elsewhere. But here is an interesting thing about it: There are 25 members of the Committee on the Judiciary, all of whom are leading and influential Members of this House. How many of them have spoken on this bill this afternoon? Only one, as far as I know, possibly two. The one who spoke is against it. Where are the rest of them? Have they run out on us? It just looks as if they would rather not hurt the feelings of one individual Member of Congress, and they feel quite sure the Chandler bill, which covers the features embodied in this bill, together with many other questions, will be passed.

One thing more; you will notice when you examine this bill that the original bill of the gentleman from Illinois is all stricken out, and someone has inserted other sections to the bill which appear, at least, to be the same sections that are embodied in the Chandler bill. Now, I am advised that the Chandler bill will be considered by this House following this measure. The Chandler bill is one that has received hours and days and weeks of consideration by members of this committee. As a matter of fact, the substance of this legislation has been considered by the Judiciary Committee of the House for the past 3 or 4 years. Extensive hearings have been held on it, and I have been informed by members of the Judiciary Committee that it is a most comprehensive and constructive piece of legislation.

I am also informed that the entire membership of the Judiciary Committee recommends the Chandler bill. It is a bill upon which a great amount of work has been done. It is a bill which covers the entire ground of the Bankruptcy Act. Here we are spending our time, so we are told by a member of this committee, to please one individual member; to bring this bill out for the reason that his name appears as author of the measure, even though the committee or someone has stricken out everything he put in the original bill and inserted new sections in lieu thereof. Even at that, of course, he is entitled to consideration as author of the bill.

I am sure that every Member of this House is in sympathy with the purport of this bill. Each and every one of us wants or should want to see that the damage which has been done shall not be repeated; and that measures and safeguards should be provided so far as it is possible, to prevent unscrupulous individuals and corporations from swindling, and causing losses to innocent investors. We can take care of all the desirable features of this measure by adopting the Chandler bill; and in doing so we will also provide a good many additional safeguards that are not included in the measure which is under consideration.

Mr. KNUTSON. Will the gentleman yield?

Mr. REES of Kansas. I will be glad to yield to my friend from Minnesota.

Mr. KNUTSON. Can the gentleman inform the House whether it is true or not that the Committee on the Judiciary refused to report this bill out?

Mr. REES of Kansas. I can only tell you what I have heard, and that is that they refused at one time to report it out, and then it seems they got together and decided they would let it come out, anyway, thinking it would not pass, or, so I am informed, they thought it would not even get to the floor of the House. That is just hearsay as far as I am concerned. As I have said before, it seems to me that we ought to pass the Chandler bill and let this one go by. If we pass the Chandler bill we will cover all the features of the present measure, and in addition thereto will provide efficient legislation that should be for the best interests of our people.

Mr. CHANDLER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, it seems to me that the statement made by the gentleman from New York in the early part of the discussion that this bill was silly, is very characteristic of a certain type of mind in this country, that type being the one which thinks that anything that will protect, by and large, the great mass of people is silly.

It is my reasoned judgment that the so-called bondholders' protective committee—and when I use the word "protective" I do so repeating the exclamation of the gentleman from Illinois, "God save the mark"—is probably one of the most outrageous, inexcusable, indefensible rackets that has ever been perpetrated on the investing public. I know of instances where protective committees took a property over and absolutely looted it, and they had no other purpose in mind when they took it over. What astounds me is that Congress should wait for 3 or 4 years, being thoroughly conversant with the situation, and not take action long ago.

The investigation made by the Sabath committee was a long, intensive, intelligent, and strenuous one; and they bring to us today in this bill the results of their investigation in the hope that Congress will take some action to remedy the situation and that will render that investigation and its disclosures effective for the future protection of the investing public of the United States.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. REES of Kansas. In view of the fact that the Chandler bill covers the same field, and covers it more thoroughly, does not the gentleman feel it would be well to pass the Chandler bill?

Mr. FORD of California. I have the word of the chairman of the subcommittee that the matter contained in this bill is entirely outside of the purview of the Chandler bill, that it touches a separate and distinct situation; and for that reason I believe we ought to enact this bill into law.

Mr. REES of Kansas. Will the gentleman explain that particular part of the bill?

Mr. FORD of California. I am taking the word of the chairman of the subcommittee.

Mr. REES of Kansas. But the gentleman having the floor cannot give us that material?

Mr. FORD of California. It is not necessary that I should. The gentleman from Illinois [Mr. DIRKSEN] covered that. I am merely making a general statement of the broad characteristic of this measure, and anybody who has had any experience, who has had any contact with these so-called protective committees in the manner in which they have looted and robbed, and scandalized morals and decency in the conduct of these so-called reorganizations should not be opposed to the passage of a measure which tends at least to correct that abuse.

Mr. REES of Kansas. We agree with the gentleman that those conditions exist, but it is my contention that they are covered more comprehensively in the Chandler bill.

Mr. FORD of California. My information is that they are not fully covered, that they do not touch the matter reached by this bill.

I am convinced that this measure, if enacted, will save millions of dollars to investors who hold securities in the 4,000 cases still pending in the courts.

It seems to me, regardless of the more general bill which comes from the Judiciary Committee dealing with bankruptcy matters, that since this bill deals specifically with the control of fees paid in so-called reorganization rackets, that the bill stands on its own feet and should be passed.

I shall therefore vote for the Sabath bill.

Mr. Chairman, I yield back the balance of my time.

Mr. CHANDLER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, it has become apparent from some of the discussions, particularly from some of the remarks of two gentlemen upon the Republican side, that a number of Members of the House have not read the long and extensive report of the hearings of the special investigating committee into real-estate bonds. I appreciate that when a committee makes an investigation and renders a report covering many volumes that it is quite a job for a Member of Congress to read even a portion of the report, but if every Member of this House would just browse through the report of the special committee on which I had the honor of serving for nearly 3 years, they would find there the history of the worst financial skulduggery that ever existed in this country, and the answers to the need for passage of this bill.

My colleague the gentleman from Illinois [Mr. DIRKSEN] portrayed what some of these protective committees did.

The reason for this bill is very simple. Millions, yes, billions of dollars worth of bonds were sold to men and women in all parts of the country, in the cities, as well as out in the "stocks", as some people in New York would say. These bonds were sold by advertisements: "47 years without loss to an investor"; "you cannot lose any money if you buy our bonds", and similar phrases. They were sold by mail, they were sold by oily-tongued salesmen; and people who knew nothing about finance, many who could neither read nor write, invested their life savings in these bonds. Then what happened? In my city, millions of dollars' worth of bonds were sold on a building. When the bonds were sold the company that promoted the building did not even own the land on which it had built the building. Then they went to the Railroad Commission and said: "We have got to sell another bond issue in order to protect the bonds already sold. We did not know that we had not paid in full for the building lot." And the Railroad Commission, like securities commissions in other States, let them sell another issue of bonds to pay for the land in order that the first purchasers might not be wiped out. The result was, quite naturally, that a building like that could not survive. It was over-bonded to begin with. The bonds went into default a few months after they were issued. Then what happened? A bondholders' protective committee was formed, and that bondholders' committee was composed of the sellers of the bonds, the promoters of the building, and the owners of the stock in the corporation that issued the bonds—not a bondholder on it.

The fellows who sold them the bonds figured they did not have enough brains to protect themselves, supposedly because they were able to sell them the bonds in the first place. So it turned out that the company that sold the bonds administered the building. The protective committee for a number of years made no attempt to reorganize that property and give those bondholders either new securities or beneficial interests in the property. They wanted to carry it on as long as they could until these people who owned the bonds were forced to sell the bonds at 1 and 2 cents on the dollar. A good many of the bondholders gave up their bonds to the bondholders' protective committee; others sold them on the market at great loss.

The house of issue sent a salesman around to buy the bonds from them and in certain instances our committee has known members of the bondholders' protective committee, also employed by the house of issue, buying on the side, under assumed names, the bonds from the people whom they were supposed to protect, and using those bonds later to bid in the property.

This bill does only one thing. This bill protects the people that our committee found suffering from this evil, people who cannot afford lawyers in most instances. They are the people who have their life savings invested in these bonds. The bill sets up a conservator and does nothing more than put a Government agency upon the side of millions of people who own these bonds in order to protect them from the depredations of crooked lawyers and crooked financiers.

Mr. Chairman, some mention has been made of New York, and I want to say right now that 50 percent of the evils we investigated emanated from New York. Fifty percent of the skulduggery that these protective committees participated in was patterned and diagrammed in offices in New York and later was copied in all parts of the country, right down to the wording of deposit agreements.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. O'MALLEY. Mr. Chairman, this bill does nothing more than appoint the Securities and Exchange Commission as a sort of public defender for millions of people who have their life savings in these bonds. If there is any Member of Congress who wants to deny to the poor, to the millions of people in this country who still have the hard-earned dollars of their savings at stake in these reorganization proceedings in the various courts, the right to have Uncle Sam protect them from thievery, it would be a reflection on the high character of this body.

Mr. McGRANERY. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. The gentleman served on the committee that investigated the Philadelphia company in Philadelphia?

Mr. O'MALLEY. Yes.

Mr. McGRANERY. Does the gentleman know the indictments against the defendants were nolle prossed on last Thursday?

Mr. O'MALLEY. I know that. I happened to be a member of the committee that investigated the matter and sent the evidence to the United States district attorney upon which he obtained the indictments. I read with a great deal of regret that in spite of the work of our committee, a jury of their peers was not able to pass upon the guilt of those gentlemen. The public has a right to suspect the integrity of such summary proceedings in such a prominent case.

Mr. McGRANERY. As a result of the gentleman's experience, would he support a resolution which might give the real facts to the people of this country concerning the nol-prossing of those true bills?

Mr. O'MALLEY. I will support any resolution that will give any facts which show that justice has been interfered with or the orderly processes of the law have been set aside through influence.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. What did the investigation of the gentleman's committee disclose with reference to the Federal courts and other courts that were permitting all this skulduggery to go on? As a Member of Congress I am rather anxious to learn if something should not be done to those courts.

Mr. O'MALLEY. I may say to the gentleman that our investigation discovered two types of courts, one type of court that as long as the lawyer for the protective committee happened to be a friend of the court, the court passed on the matter very quickly; and another type of court that went as thoroughly as it could into the case and in many instances appointed masters who had no connection with the case to hold long and extensive inquiry. It depends on the judge. But in this bill we want to give the people some protection from a disinterested agency, thus helping the court to get at the facts, and this bill should pass for that reason.

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I have asked for this time because I wanted to ask the Members of the Committee some questions and ascertain some facts relative to this entire proceeding.

It is a matter of regret that a matter involving $36,000,000,000, five times the amount we voted for relief, equal in fact to the entire national debt, a matter that affects 10,000,000 investors and probably four times that many indirectly, should have less than one-third of the membership of the House present to take part in its deliberations. As far as I am concerned, I am going to vote for the bill, but I regret exceedingly that it does not go farther than it does, for to me it seems fully possible under this measure as now written to have the same thing happen as happened before, i. e., the fleecing of innocent and unsuspecting investors, and that is the thing we are trying to prevent.

May I call attention to one or two things that the gentleman from Illinois [Mr. SABATH] wrote to us in a communication received this morning. He stated, among other things:

> Fraud and misrepresentation was originally employed in the sale of these bonds. Under fraudulent deposit agreements, these groups secured absolute power over properties and over the bonds. Later they purchased many of the bonds from unfortunate bondholders at a few cents on the dollar after further false representations as to their value.

Mr. Chairman, fraud voids every transaction from the beginning. That being the case, may I ask, What has been done to recover these properties that have been fraudulently taken from the bondholders? I wish the gentleman from Illinois would give me some information on that subject. What action has been taken by the Government to restore these properties?

Mr. SABATH. We have done everything humanly possible and even have gone in some instances further, perhaps, than the jurisdiction of our committee, by having our attorneys appear in court and calling the court's attention to the fraud that has been perpetrated on the courts and to the misrepresentation that was indulged in. May I say that in many instances, when we called the court's attention to these things, the reorganization, sale, and so forth, has been stopped and in a number of cases we forced these crooked committees to turn over the property to the bondholders themselves, and within a few months after the bondholders obtained possession and control of the properties they started to earn and declare dividends on the bonds.

Mr. SAUTHOFF. That is exactly what I want to know, and I want to compliment the committee for its conduct. Now, let us go a step further. The gentleman from Illinois in his communication also makes this statement:

> That some courts are indifferent. Others are being imposed upon, and still others are even sanctioning the activities of these committees and unscrupulous groups.

Mr. Chairman, we, the Members of the House of Representatives, are the judge of the actions of the Federal courts. If they have acted in anywise contrary to the best ethics of the profession, then we should impeach them and ask the Senate to hold a hearing, and, if possible, oust them. No judge is fit to sit upon a Federal bench and permit fees to be charged that are utterly out of line with the service rendered. It has been stated that fees have been charged which were greater than the value of the building that was bonded. If that is true, then a judge who sits idly by and permits it to be done is himself a party to the crime and is unfit to sit upon the bench. I will go further than that: I assert that any judge who will permit the charging of fees out of line with the income and value of the property under his jurisdiction is not fit to pass solemn judgment on grave matters affecting human rights and property rights.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes; I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Does not the gentleman think a few impeachments of judges of that character would do more to clear the situation than all we can do in the way of legislation here today?

Mr. SAUTHOFF. Absolutely. I am for it, and I hope the gentlemen of the special committee will bring before the House the names of the judges who sanction such practices as the gentleman from Illinois has set forth in his communication and will file charges in the Committee on the Judiciary against such judges.

I again read from this communication:

> That through collusive sales and unconscionable leases these combinations, through their committees, are acquiring control and ownership of most valuable businesses and properties and eliminating the interests of investors.

No doubt this statement is correct. Then let us proceed to take action against the guilty parties.

This is our business. It has been stated here we are doing all we can when we pass this bill. I challenge that statement. It is not true and it is not correct. We are not doing all we can. The Department of Justice has all the machinery it needs to proceed against anyone who has used the mails to defraud, or who has in anyway by fraud and misrepresentation worked a scheme on these investors in order to get their money.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. May I point out to the gentleman that our committee, as the result of hearings and evidence submitted to a grand jury in Philadelphia, is supposed to have

been responsible for the indictment of 12 men who participated in what we believed to be fraud. The daily papers last week gave the information that upon motion of the Department of Justice the cases were nolle-prossed.

Mr. SAUTHOFF. Then, may I ask my colleague, the gentleman from Wisconsin, why not have the gentleman's committee send a communication to the Attorney General of the United States asking for the facts in the matter, so that we may know all the facts?

Mr. O'MALLEY. I think the gentleman's suggestion is very good.

Mr. SAUTHOFF. May I quote again from this communication:

That in every district in the United States there are hundreds—yes; thousands—of unfortunate men and women who are being defrauded through this Nation-wide racket, and their investments wiped out.

This has been true in my district. I have had clients who were bilked out of their money, and I may add that I myself was a sucker.

Over 400,000 investors who purchased these "gold bonds" and invested their all were forced on relief.

From my own experience, I know that a client of mine, a printer, 68 years of age, who had saved up $30,000, lost it all in one of these bond swindles.

I say, Mr. Chairman, that this is our business. We are paid $10,000 a year to see that such frauds are not permitted. It is our duty to impress upon the Department of Justice and upon the judiciary their particular function of taking care of these people. If they have sat idly by and permitted the defrauding of investors, then we should impeach them, throw them out, put an end to them, and put honest men in their places. [Applause.]

Mr. CHANDLER. Mr. Chairman, I do not desire to yield further time and ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Conservator in Bankruptcy Act."

Mr. FULLER. Mr. Chairman, on behalf of the Committee on the Judiciary, I offer a committee amendment to strike out all after the enacting clause and insert——

The CHAIRMAN. The gentleman will have to receive unanimous consent that the further reading of the bill be dispensed with.

Mr. FULLER. The Clerk read the first sentence. I may offer the amendment now, may I not?

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. FULLER. Mr. Chairman, a parliamentary inquiry. After the Clerk has read the first paragraph, cannot my amendment be offered?

The CHAIRMAN. The Chair may state to the gentleman from Arkansas that the Clerk has not yet read the first section.

Mr. FULLER. The Clerk started the reading of the section.

The CHAIRMAN. The Clerk has not yet read the first section.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the reading of the original bill may be dispensed with, and that the committee amendment may be read in lieu thereof.

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

Mr. CREAL. Mr. Chairman, I object.

Mr. BOILEAU. Reserving the right to object, Mr. Chairman, may I ask a question of the chairman of the subcommittee in charge of this bill? As I understand, the gentleman is also the author of a bill which is to be considered probably after we conclude the consideration of this bill.

I have been advised by numerous Members of the House that the provisions of the bill we are now considering are identical with the provisions contained in another bill which it is understood we will take up later this afternoon, with the exception of one matter concerning the limitation of fees. May I ask the gentleman from Tennessee if this is not correct?

Mr. CHANDLER. Yes; they are the same in substance, except with respect to the limitation on the fees of trustees. There are a few slight changes.

Mr. BOILEAU. Is it the intention of the gentleman to call up the other bill later this afternoon?

Mr. CHANDLER. I should like to call it up if I can get the consent of the House.

Mr. BOILEAU. I appreciate the importance of this measure, and am certainly willing to do any honor I can to a Member of this House, especially my distinguished friend the gentleman from Illinois [Mr. SABATH], who has worked hard and done splendid work on this investigation. I approve of all the gentleman has done. I believe that legislation such as this should be enacted, but I do not understand why we should be wasting 2 or 3 hours this afternoon in considering this bill when we are going to consider the same thing right over again in the next few minutes. I do not know any good reason for this.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Arkansas.

Mr. FULLER. I think the members of the Committee on the Judiciary are more interested in their bill than in our bill. We are for this bill. I may say to the gentleman and to the members of the Committee on the Judiciary that the committee's bill does not start to hit the mark we are seeking to hit with this bill. This bill has more to do with reorganizations and the appointment of conservators for that purpose. Their bill is a general revamping of the bankruptcy laws of the United States, and has somewhat indirectly, so they say, the same object and purpose as ours. Why should the gentleman or any members of this committee worry about our bill or their bill when the Committee on the Judiciary wants our bill to pass? Is this not true, may I ask the gentleman from Tennessee [Mr. CHANDLER]?

Mr. BOILEAU. Will not the gentleman admit the same provisions are to be considered later on this afternoon?

Mr. FULLER. I do not admit that. They are not the same.

Mr. BOILEAU. The gentleman has made the statement, and the chairman of the subcommittee has made the statement, that with the exception of the limitation on fees the provisions are identical.

Mr. FULLER. I never said that.

Mr. BOILEAU. The gentleman from Tennessee [Mr. CHANDLER] made that statement, and he is chairman of the subcommittee. I think this question ought to be clarified.

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

Mr. BOILEAU. Mr. Chairman, I am reserving the right to object, because there seems to be a difference of opinion here this afternoon between two distinguished gentlemen who are very much interested in this bill. One gentleman makes one statement while the other gentleman makes an entirely different statement.

The CHAIRMAN. If the gentleman will permit the Chair to make a statement, the gentleman can only reserve the right to object to dispense with the reading of the original bill. The gentleman cannot prevent its consideration by the Committee at this stage.

Mr. BOILEAU. I appreciate that fact, Mr. Chairman, and I am reserving the right to object until I am satisfied about the matter, because I propose to do all I can to prevent the consideration of duplicate bills, and unless I can get some assurance about getting the matter clarified at this time, I shall object.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Reserving the right to object, I will be pleased to yield to the gentleman in order to get the information I seek.

Mr. HOBBS. Mr. Chairman, I wonder if the distinguished gentleman from Wisconsin [Mr. BOILEAU] is acquainted with the fact that the Chandler bill is the first and only thorough

revision of the entire Bankruptcy Act ever attempted, and in its scope it covers every phase of the Bankruptcy Act. The pending measure, which deals with section 77B only, is one of its many provisions.

Mr. BOILEAU. The gentleman is a member of the committee and can give us the information I seek. Do I understand that the gentleman from Tennessee [Mr. CHANDLER] is correct or the gentleman from Arkansas [Mr. FULLER] is correct? One gentleman states the provisions of this bill are practically identical or that all the provisions of this bill are in the other bill which we are to consider this afternoon, while the gentleman from Arkansas states that is not the fact. I would like to have the gentleman give the members of the Committee his idea about which statement is correct.

Mr. HOBBS. I do not think there is any conflict between the two statements when they are rightly interpreted.

Mr. BOILEAU. I am attempting to interpret them properly, but the gentleman from Arkansas [Mr. FULLER] said that the provisions of this bill are not substantially the same as the provisions of the Chandler bill.

Mr. HOBBS. If the gentleman will yield in order that I may attempt to interpret them, I may say that both this bill and the Chandler bill, deal with 77B, corporate reorganization, and therein they are similar. Many of us prefer some of the provisions dealing with 77B that are in this bill. Personally I do. I think it is an erroneous criticism of the Committee on the Judiciary to say that it would have reported out this bill unless there was a bona-fide desire that this bill should be given favorable consideration by the House, but I do say that many of the provisions of this bill are, in substance, covered in that provision of the Chandler bill relating to the subject matter of 77B, but I think when we come to the consideration of that measure, the distinguished gentleman who is now reserving the right to object and every other Member of the House will see that there is room for both, and I sincerely hope the gentleman will not object to the request in order that we may expeditiously conclude the consideration of the amendments and pass the bill.

Mr. CREAL. Mr. Chairman, I did not reserve the right to object, but I objected to the request.

The CHAIRMAN. Objection is heard. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Conservator in Bankruptcy Act."

SECTION 1. Chapter VIII, as amended, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by adding at the end of such chapter the following new section:

"CONSERVATOR IN BANKRUPTCY

"SEC. 77C. (a) As used in this section—

"(1) The term 'individual debtor' means a debtor as used in section 74 of this chapter, whose liabilities include obligations in a total amount of $50,000, or over, which are evidenced by at least 10 credit instruments severally owned by not less than 10 persons.

"(2) The term 'proposal' means a proposal for a composition or extension as used in section 74 of this chapter.

"(3) The term 'debtor corporation' means a debtor as used in section 77B of this chapter, whose liabilities include obligations in a total amount of $50,000, or over.

"(4) The term 'plan' means a plan of reorganization as used in section 77B of this chapter.

"(5) The phrase 'proceeding involving an individual debtor or a debtor corporation' means a proceeding under section 74 or 77B (as the case may be) of this chapter, as amended.

"(6) The term 'securities' means interests in or claims against any individual debtor or a debtor corporation.

"(7) The term 'committee' means any person or group of persons acting, or proposing or purporting to act, for or in behalf of owners or holders of securities for the purpose of protecting, preserving, and forwarding, or either, the common interests of owners or holders of such securities in connection with, or in contemplation of, any proceeding involving an individual debtor or a debtor corporation.

"(8) The term 'committee agreement' means any agreement by which the owner or owners, or holder or holders of securities confer upon a committee authority to act for or in their behalf.

"(9) The term 'depositor' means any person conferring upon a committee power to act for or in his behalf.

"(b) (1) There is hereby established a Conservator in Bankruptcy (hereinafter referred to as 'Conservator'), who is charged with the duty of aiding the courts in the administration of the laws by the exercise and performance of the various powers, functions, and duties conferred or imposed upon him by this section. The Comptroller of the Currency, ex-officio, shall be Conservator. The principal office of the Conservator shall be located in the District of Columbia, but the Conservator may establish branch offices in any city or cities of the United States or of any Territory. The Conservator shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. In carrying out the provisions of this section, the Conservator may avail himself of the information, services, and facilities of any other governmental or quasi-governmental agency, subject to the consent of the executive authority of such other agency. The Conservator shall make an annual report to Congress at the commencement of each regular session thereof.

"(2) The Conservator shall appoint, and prescribe the duties of, such persons as are necessary for the enforcement of this section. The employment, compensation, and expenses of such persons shall be without regard to the provisions of other laws applicable to officers or employees of the United States and shall be governed solely by the provisions of this section, specific amendments thereto, and rules and regulations of the Conservator not inconsistent therewith. The Conservator shall determine and prescribe the manner in which his obligations shall be incurred and his disbursements and expenses allowed and paid. Attorneys appointed by the Conservator are authorized to act as counsel for the Conservator in any matter in which the Conservator is acting in any capacity authorized under the provisions of this section. The Conservator is authorized to conduct, supervise, and direct all litigation in the trial or appellate courts pertaining to the powers, functions, and duties authorized by the provisions of this section to be exercised and performed by him through such attorneys as may be designated by him for that purpose. Any power, function, or duty conferred or imposed upon the Conservator may be exercised and performed by a Deputy Conservator under the direction of the Conservator. During any vacancy in the office of Conservator, or during the absence or inability of the Conservator, the Acting Conservator shall exercise and perform all powers, functions, and duties conferred or imposed upon the Conservator.

"(3) The Conservator is hereby authorized and empowered to prescribe such rules and regulations as are necessary and proper to enable him effectively to exercise and perform the powers, functions, and duties conferred or imposed upon him by this section. The rules and regulations prescribed by the Conservator, and any alteration, amendment, or revocation thereof, shall be published in the Federal Register.

"(4) For the purpose of any investigation or examination which, in the opinion of the Conservator, is necessary and proper for a thorough study of any proposal or plan, or of any proposed allowance or payment of compensation or reimbursement, or is necessary and proper in the exercise or performance by him of the powers, functions, and duties conferred or imposed upon him by the provisions of this section, the Conservator, or any officer or employee designated by him, is empowered to administer oaths and affirmations, take evidence, and require by subpena or otherwise the attendance of witnesses and the production of any books, papers, or documents which the Conservator deems relevant or material to the inquiry. Such attendance of witnesses and the production of such books, papers, or documents may be required from any place in the United States or any Territory at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to any person, any Federal court (the term 'Federal court' having the same meaning in this section as when used in section 77B of this act, as amended) within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides, upon application by the Conservator, may issue to such person an order requiring such person to appear before the Conservator, or officer or employee designated by him, there to produce books, papers, or documents, if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. No person shall be excused from attending and testifying or from producing books, papers, or documents in obedience to the subpena of the Conservator, or officer or employee designated by him, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(c) In any proceeding now pending or hereafter instituted involving an individual debtor or a debtor corporation, the Conservator, when so appointed by the court in which the proceeding is pending, is authorized to exercise and perform the powers, functions, and duties which, by this act, as amended, are conferred or imposed upon any official designated in this act, as amended. In any equity receivership proceeding in any Federal court, the Conservator, when so appointed by such court, is authorized to exercise and perform any power, function, or duty which by this section he is authorized to exercise or perform in connection with proceedings involving an individual debtor or a debtor corporation. The Conservator, when exercising or performing any powers, functions, or duties conferred upon him by the provisions of this subdivision (c), shall not be required to furnish bond and shall have the right to appoint agents to assist him in the exercise or performance of such powers, functions, or duties.

"(d) In any proceeding under section 77B of this chapter, as amended, for the reorganization of a debtor corporation, the Conservator shall be deemed to be a party in interest within the provisions of subdivision (f) of such section 77B. The Conservator shall be entitled to be heard in any proceeding involving an individual debtor or a debtor corporation upon all questions with respect to which the debtor, any creditor or shareholder, or any intervening party in any such proceeding, may be heard. A proposal or plan in any proceeding involving an individual debtor or a debtor corporation may be proposed in the first instance by the Conservator.

"(e) In any proceeding involving an individual debtor or a debtor corporation, the debtor shall file a proposal or plan within 6 months of the entry of the order approving the petition or answer (as the case may be) as properly filed. In the case of any such proceeding pending on the date of enactment of this section, in the event such 6 months expires within 180 days from such date of enactment, the debtor shall file such proposal or plan within 60 days from the expiration of such 6 months, or if such 6 months has expired on or before such date of enactment, within 60 days from such date of enactment. The judge may from time to time extend the period within which a debtor is required to file such proposal or plan, but no single extension shall be for more than 90 days.

"(f) The Conservator shall be given due notice of all steps taken in connection with any proceeding involving an individual debtor or a debtor corporation; and there shall be transmitted to the Conservator a copy of the petition in such proceeding; the answer, if any; the order approving or dismissing a petition; any order determining the time in which claims or interests of creditors may be filed or evidenced and allowed; any order for the division of creditors and stockholders into classes according to the nature of their respective claims and interest; all orders extending the time in which such claims may be filed or evidenced; any order for a hearing issued upon the report of a special master; any order fixing the time for confirming the proposal or plan; any order confirming the proposal or plan; any order directing the liquidation of the debtor's assets; any order adjudging the corporation to be solvent or insolvent; any order dismissing the proceeding; and such other papers filed in the proceedings as the Conservator may request be transmitted to him.

"(g) (1) Prior to the confirmation of any proposal or plan by the court, the following provisions shall be complied with—

"(A) The proposal or plan shall have been filed in the proceeding and a copy thereof transmitted forthwith to the Conservator.

"(B) In accordance with such orders or rules of procedure as such court may prescribe, the Conservator shall have been allowed a reasonable time for a thorough study of the proposal or plan.

"(C) In case such proposal or plan is disapproved by the Conservator, after the statement of disapproval and recommendations, or after the acceptances, have been filed in the proceeding, whichever occurs later, a reasonable time shall have been allowed within which any creditor or stockholder who has theretofore accepted such proposal or plan shall be allowed to withdraw his acceptance, and the trustee, custodian, or receiver, or, in case no trustee, custodian, or receiver has been appointed, the debtor, shall have transmitted to each such creditor and stockholder a copy (which shall be furnished by the Conservator) of such statement of disapproval and recommendations, together with a notice stating that such creditor or stockholder has the right to withdraw his acceptance within such time.

"(2) The Conservator shall disapprove any proposal or plan unless he finds that it is fair and equitable. The Conservator shall, so far as possible, determine what securities, if any (including certificates of deposit therefor), have been purchased or transferred after the commencement, or in contemplation of, the proceedings and what consideration was paid therefor, and, if in his opinion the provision made for such securities in the proposal or plan is unfair or inequitable in any material respect, he shall disapprove such proposal or plan. In case of an approval by the Conservator he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator he shall file a statement of disapproval of the proposal or plan and his recommendations with respect thereto, and shall take such further action, not inconsistent with the provisions of this section as may be proper, in order that a fair and equitable proposal or plan may be developed.

"(h) (1) No committee shall solicit, or permit the use of its name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to represent any such creditor or stockholder in a proceeding involving such individual debtor or debtor corporation, or any matter relating to such proceeding, or to vote in his behalf for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding;

"(2) No petition praying for leave to intervene in any such proceeding, filed by or on behalf of any committee, shall be granted; and

"(3) In any proceeding involving a debtor corporation, no payment to a committee, or to any member or employee thereof, or attorney therefor, in his capacity as such, of any compensation, reimbursement, or other amounts, for services or expenses incident to the reorganization or in connection with the proceeding, whether or not such payment is to be made by the debtor or by any corporation acquiring the debtor's assets, shall be approved or allowed, unless—

"(i) There have been filed with the Conservator the committee agreement under which such committee is acting, or proposing or purporting to act, a statement regarding the membership of such committee and the affiliations of the members thereof and counsel therefor; a statement of the reasons for and the circumstances surrounding the selection of each member of such committee and counsel therefor; and a statement of any changes in such agreement, membership, or counsel made prior to such solicitation, and of the reasons for and the circumstances surrounding such change;

"(ii) The provisions or limitations of such agreement and the membership of such committee, together with any such changes in such provisions or limitations or such membership, have been approved by the Conservator, or the action of the Conservator disapproving such provisions, limitations, or membership, or any such changes, has been set aside as provided in subdivision (i) (4) of this section;

"(iii) There have been filed with the Conservator, at such times as the Conservator may direct, but not more frequently than once every 30 days, a statement of the activities, receipts, and expenditures of the committee for the period not covered by previous statements (including, in the case of the first statement, the period since the date of formation of the committee), and a statement showing the securities (including certificates of deposit therefor) directly or indirectly acquired or sold by the committee or any member thereof during such period, the dates of any such acquisition or sale, the amounts paid in pursuance of any such acquisition, and the amounts received in pursuance of any such sale; and

"(iv) There have been filed with the Conservator copies of advertisements, letters of solicitation, and all other communications addressed to depositors either before or after the commencement of the proceeding.

"Whoever aids, abets, counsels, commands, induces, or procures any committee to violate any provision of this subdivision (h) shall upon conviction be fined not more than $5,000 or imprisoned for not more than 2 years, or both.

"(i) (1) The Conservator shall either approve or disapprove the provisions or limitations of any such committee agreement and the membership of any such committee. In case of an approval by the Conservator, he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator, he shall file a statement of disapproval in the proceeding, together with his reasons therefor.

"(2) The Conservator shall approve the provisions or limitations of a committee agreement (including any changes therein) unless he finds that such provisions or limitations (A) deny, or place undue restrictions upon, the right of depositors to withdraw their securities from such committee; (B) deny to depositors the right to withdraw their acceptances to a proposal or plan in accordance with the provisions of subdivision (g) of this section; (C) give to such committee power to hypothecate such securities for any purpose other than that of paying actual and reasonable expenses of the committee (as such expenses may be defined by rules and regulations of the Conservator); (D) give to such committee the right to dispose of such securities without notice and affirmative consent subsequent to such notice; (E) entitle such committee to an unreasonable amount for the purpose of paying fees, expenses, or other remuneration to members of such committee, attorneys for the committee, or any person performing services for such committee; (F) otherwise prejudice the formulation or acceptance of a fair and equitable proposal or plan.

"(3) The Conservator shall approve the membership of a committee (including any change therein) unless he finds (A) that any member of such committee is or has been directly or indirectly connected with the debtor, issuer, underwriter, or guarantor of the securities deposited with the committee and that such connection prejudices the formulation or acceptance of a fair and equitable proposal or plan; (B) that the membership of such committee otherwise gives rise to a conflict of interest prejudicial to the formulation or acceptance of a fair and equitable proposal or plan; (C) any member of such committee has previously violated any of the provisions of subdivision (h) of this section; or (D) that any advertisements, letters of solicitation, or other communications addressed to depoistors are or have been misleading.

"(4) Any committee or member thereof aggrieved by the action of the Conservator disapproving the provisions or limitations of a committee agreement, or membership of such committee (including any changes in such agreement or membership), may obtain a review of such action in the court in which the proceeding is pending by filing in such court, within 30 days after the filing by the Conservator of his statement of disapproval, a written petition praying that the action of the Conservator be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the Conservator and thereupon the Conservator shall certify and file in the court a transcript of the record upon which the action complained of was taken. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such action, in whole or in part. No objection to the action of the Conservator shall be considered by the court unless such objection shall have been urged before the Conservator or unless there were reasonable grounds for failure so to do. If application is made to the court

for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence before the Conservator, the court may order such additional evidence to be taken before the Conservator and to be adduced in such manner and upon such terms and conditions as to the court may seem proper. The Conservator may modify his findings as to the facts, by reasons of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original action. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such action of the Conservator, shall be final, subject to review by the circuit court of appeals and by the Supreme Court of the United States as provided by law in other cases.

"(j) (1) Prior to the allowance or payment of any compensation or reimbursement (except fees and commissions allowed as compensation for services pursuant to sections 40, 48, and 52 of this act, as amended, and except amounts provided for in subdivision (l) of this section), to whomsoever paid or to be paid, whether or not by the debtor or by any corporation acquiring any debtor's assets, the Conservator, in accordance with such rules of procedure as the court may prescribe, shall have been allowed a reasonable time for the investigation and examination in respect of the proposed allowance or payment provided for in paragraph (2) of this subdivision.

"(2) The Conservator shall before the expiration of such time either approve or disapprove the proposed allowance or payment, either in whole or in part. During such time the Conservator shall conduct an investigation and examination in respect of each item of the proposed allowance or payment, and if he finds as a result of such investigation and examination that any such item (A) in case it is to be paid by the debtor or any corporation acquiring the debtor's assets, should not be charged against the debtor or such corporation, or (B) whether or not it is to be so paid (i) exceeds the value of the services rendered, or is otherwise unreasonable, or (ii) constitutes reimbursement for expenses not actually incurred, or compensation for services not actually rendered, or (iii) is to be or has been paid to any person or committee which has purchased or sold securities of the debtor (including certificates of deposit therefor) during the pendency or in contemplation of the proceeding, he shall disapprove such item. In case of an approval by the Conservator he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator he shall file a statement of disapproval, together with his objections to the item disapproved, and his recommendations with respect thereto which in his opinion may be necessary.

"(k) In any proceeding involving an individual debtor or a debtor corporation, wherein a trustee, custodian, or receiver (other than the Conservator) has been appointed, and where, under the provisions of section 48, as amended, of this act, such trustee, custodian, or receiver would be entitled to receive for his services in such proceeding an amount which by itself or when added to other amounts received by him during the same calendar year for services performed by him as a trustee, custodian, or receiver in any such proceeding, will exceed $10,000, the court shall not allow to such trustee, custodian, or receiver compensation in any amount which by itself or when added to such other amount will exceed $10,000.

"(l) The Conservator shall be entitled to the costs of administration, supervision, and services in the performance or exercise by him of his powers, functions, and duties under the provisions of this act, as amended; such costs shall be equitably allocated to, assessed against, and payable out of the property of the debtors in such amount or amounts as shall be determined by the Conservator and approved by the judge and shall be in lieu of all fees to which the Conservator would otherwise be entitled by law. The funds derived from such costs, as well as all funds coming into the possession of the Conservator in any capacity in which he is authorized to act under the provisions of this section, shall be deposited with the Treasurer of the United States, subject to the order of the Conservator, or in any regular Government depositary or in any national banking association, or in any State bank, the deposits of which are insured under the provisions of section 12B of the Federal Reserve Act, as amended: *Provided, however,* That any deposits in any national banking association or in any State bank in excess of the amount insured under the provisions of section 12B of the Federal Reserve Act, as amended, shall be secured by bond satisfactory to the Conservator or by the deposit of United States bonds or other securities satisfactory to the Conservator with the Treasurer of the United States for the safekeeping and prompt payment of the funds so deposited and such funds shall not be construed to be Government funds or appropriated moneys.

"(m) There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000, which shall be available for expenditure by the Conservator in connection with the carrying out of the powers, functions, and duties authorized to be exercised and performed by him under the provisions of this section."

SEPARABILITY CLAUSE

SEC. 2. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. FULLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

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

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert:

"That chapter VIII, as amended, of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, is amended by adding at the end of such chapter the following new section:

"'SEC. 77C. (a) As used in this section—

"'(1) The term "individual debtor" means a debtor as used in section 74 of this chapter, whose liabilities include obligations in a total amount of $250,000, or over, which are evidenced by at least 10 credit instruments severally owned by not less than 10 persons.

"'(2) The term "proposal" means a proposal for a composition or extension as used in section 74 of this chapter.

"'(3) The term "debtor corporation" means a debtor as used in section 77B of this chapter, whose liabilities include obligations in a total amount of $250,000, or over.

"'(4) The term "plan" means a plan of reorganization as used in section 77B of this chapter.

"'(5) The phrase "proceeding involving an individual debtor or a debtor corporation" means a proceeding under section 74 or 77B (as the case may be) of this chapter, as amended.

"'(6) The term "securities" means interests in or claims against any individual debtor or a debtor corporation.

"'(7) The term "committee" means any person or group of persons acting, or proposing or purporting to act, for or in behalf of owners or holders of securities for the purpose of protecting, preserving, and forwarding, or either, the common interests of owners or holders of such securities in connection with, or in contemplation of, any proceeding involving an individual debtor or a debtor corporation.

"'(8) The term "committee agreement" means any agreement by which the owner or owners, or holder or holders of securities confer upon a committee authority to act for or in their behalf.

"'(9) The term "depositor" means any person conferring upon a committee power to act for or in his behalf.

"'(10) The term "Commission" means the Securities and Exchange Commission.

"'(b) (1) The Commission is hereby charged with the duty of aiding the courts in the administration of the laws by the exercise and performance of the various powers, functions, and duties conferred or imposed upon it by this section.

"'(2) The Commission is hereby authorized and empowered to prescribe such rules and regulations as are necessary and proper to enable it effectively to exercise and perform the powers, functions, and duties conferred or imposed upon it by this section. The rules and regulations prescribed by the Commission, and any alteration, amendment, or revocation thereof, shall be published in the Federal Register.

"'(3) For the purpose of any investigation or examination which, in the opinion of the Commission, is necessary and proper for a thorough study of any proposal or plan, or of any proposed allowance or payment of compensation or reimbursement, or is necessary and proper in the exercise or performance by it of the powers, functions, and duties conferred or imposed upon it by the provisions of this section, the Commission, or any officer or employee designated by it, is empowered to administer oaths and affirmations, take evidence, and require by subpena or otherwise the attendance of witnesses and the production of any books, papers, or documents which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of such books, papers, or documents may be required from any place in the United States or any Territory at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to any person, any Federal court (the term "Federal court" having the same meaning in this section as when used in section 77B of this act, as amended) within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides, upon application by the Commission, may issue to such person an order requiring such person to appear before the Commission, or officer or employee designated by it, there to produce books, papers, or documents, if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. No person shall be excused from attending and testifying or from producing books, papers, or documents in obedience to the subpena of the Commission, or any member thereof, or officer or employee designated by it, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be

exempt from prosecution and punishment for perjury committed in so testifying.

"'(c) In any proceeding under section 77B of this chapter, as amended, for the reorganization of the debtor corporation, the Commission shall, upon the filing of a notice of its appearance, be deemed to be a party in interest, with the right to be heard on all matters arising in such proceeding, and be deemed to have intervened in respect of all matters in such proceeding with the same force and effect as if a petition for that purpose had been filed with and allowed by the court. The Commission shall be entitled to be heard in any proceeding involving an individual debtor or a debtor corporation upon all questions with respect to which the debtor, any creditor or shareholder, or any intervening party in any such proceeding, may be heard. A proposal or plan in any proceeding involving an individual debtor or a debtor corporation may be proposed in the first instance by the Commission.

"'(d) In any proceeding involving an individual debtor or a debtor corporation, the debtor shall file a proposal or plan within 6 months of the entry of the order approving the petition or answer (as the case may be) as properly filed. In the case of any such proceeding pending on the date of enactment of this section, in the event such 6 months expires within 180 days from such date of enactment, the debtor shall file such proposal or plan within 60 days from the expiration of such 6 months, or if such 6 months has expired on or before such date of enactment, within 60 days from such date of enactment. The judge may from time to time extend the period within which a debtor is required to file such proposal or plan, but no single extension shall be for more than 90 days.

"'(e) The Commission shall be given due notice of all steps taken in connection with any proceeding involving an individual debtor or a debtor corporation; and there shall be transmitted to the Commission a copy of the petition in such proceeding; the answer, if any; the order approving or dismissing a petition; any order determining the time in which claims or interests of creditors may be filed or evidenced and allowed; any order for the division of creditors and stockholders into classes according to the nature of their respective claims and interest; all orders extending the time in which such claims may be filed or evidenced; any order for a hearing issued upon the report of a special master; any order fixing the time for confirming the proposal or plan; any order confirming the proposal or plan; any order directing the liquidation of the debtor's assets; any order adjudging the corporation to be solvent or insolvent; any order dismissing the proceeding; and such other papers filed in the proceedings as the Commission may request be transmitted to it.

"'(f) (1) Prior to the confirmation of any proposal or plan by the court, the following provisions shall be complied with—

"'(A) The proposal or plan shall have been filed in the proceeding and a copy thereof transmitted forthwith to the Commission.

"'(B) In accordance with such orders or rules of procedure as such court may prescribe, the Commission shall have been allowed a reasonable time for a thorough study of the proposal or plan and shall have made a report thereon to the court, or has notified the court that it will not file a report, or until the expiration of such reasonable time for the filing of the report, whichever first occurs.

"'(2) Any reports which the Commission is required to make by this section shall contain such findings or comments as the Commission may deem necessary or appropriate with respect to the fairness and equity of the treatment accorded various classes of security holders and claimants by terms of the proposal or plan; the adequacy of the steps taken to discover, disclose, and collect all assets of the issuer or of individual security holders or claimants, including causes of action against officers and directors of the issuer and underwriters of its securities; the reasonableness and propriety of the fees and the expenses of the reorganization charged or to be charged, directly or indirectly, against the assets of the issuer or against security holders; whether or not the provision which has been made in the proposal or plan for management of the reorganized issuer is in the interests of the security holders; and any other phase or phases of the plan. The Commission shall notify the court before which any proceedings for reorganization are pending of all action taken by it under this act in respect of any such proposal or plan.

"'(g) (1) No committee or other person shall solicit, or permit the use of its or his name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to vote in behalf of any creditor or stockholder for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement which has, or may have, the effect of an acceptance of or consent to a proposal or plan; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding—

"'(i) Until a report, if any, thereon has been made by the Commission and the court has authorized the submission of such proposal or plan to the creditors or stockholders; and

"'(ii) Unless there shall have been transmitted to such creditors and stockholders (A) a proposal or plan or proposals or plans authorized to be submitted, together with a summary thereof; (B) the opinion of the court, if any, approving the proposal or proposals or the plan or plans or a summary thereof approved by the court; (C) the report, if any, filed in the proceeding by the Commission as provided in subsection (e) of this section, or a summary thereof prepared by the Commission; and (D) such other matters as the court may deem necessary or desirable for the information of the creditors or stockholders.

"'(2) Unless the conditions specified in paragraph (1) of this subsection are satisfied, no person shall solicit any acceptance, conditional or unconditional, of a proposal or plan, or any authority, conditional or unconditional, to accept a proposal or plan, whether by proxy, deposit, power of attorney, or otherwise; and any acceptance or authority given, procured, or received in violation of the provisions of paragraph (1) of this subsection shall be invalid. Whoever aids, abets, counsels, commands, induces, or procures any committee to violate any provision of paragraph (1) of this subdivision (g) shall upon conviction be fined not more than $5,000 or imprisoned for not more than 2 years, or both.

"'(h) (1) The Commission shall either approve or disapprove the provisions or limitations of any such committee agreement and the membership of any such committee. In case of an approval by the Commission, it shall file a statement of approval in the proceeding. In case of a disapproval by the Commission, it shall file a statement of disapproval in the proceeding, together with its reasons therefor.

"'(2) The Commission shall approve the provisions or limitations of a committee agreement (including any changes therein) unless it finds that such provisions or limitations (A) deny or place undue restrictions upon, the right of depositors to withdraw their securities from such committee; (B) give to such committee power to hypothecate such securities for any purpose other than that of paying actual and reasonable expenses of the committee (as such expenses may be defined by rules and regulations of the Commission); (C) give to such committee the right to dispose of such securities without notice and affirmative consent subsequent to such notice; (D) entitle such committee to an unreasonable amount for the purpose of paying fees, expenses, or other remuneration to members of such committee, attorneys for the committee, or any person performing services for such committee; (E) otherwise prejudice the formulation or acceptance of a fair and equitable proposal or plan.

"'(3) The Commission shall approve the membership of a committee (including any change therein) unless it finds (A) that any member of such committee is or has been directly or indirectly connected with the debtor, issuer, underwriter, or guarantor of the securities deposited with the committee and that such connection prejudices the formulation or acceptance of a fair and equitable proposal or plan; (B) that the membership of such committee otherwise gives rise to a conflict of interest prejudicial to the formulation or acceptance of a fair and equitable proposal or plan; (C) any member of such committee has previously violated any of the provisions of subdivision (g) of this section; or (D) that any advertisements, letters of solicitation, or other communications addressed to depositors are or have been misleading.

"'(4) Any committee or member thereof aggrieved by the action of the Commission disapproving the provisions or limitations of a committee agreement, or membership of such committee (including any changes in such agreement or membership), may obtain a review of such action in the court in which the proceeding is pending by filing in such court, within 30 days after the filing by the Commission of its statement of disapproval, a written petition praying that the action of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the Commission and thereupon the Commission shall certify and file in the court a transcript of the record upon which the action complained of was taken. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such action, in whole or in part. No objection to the action of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence before the Commission the court may order such additional evidence to be taken before the Commission and to be adduced in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendation, if any, for the modification or setting aside of its original action. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such action of the Commission, shall be final, subject to review by the circuit court of appeals and by the Supreme Court of the United States as provided by law in other cases.

"'(i) (1) Prior to the allowance or payment of any compensation or reimbursement (except fees and commissions allowed as compensation for services pursuant to sections 40, 48, and 52 of this act, as amended, and except amounts provided for in subdivision (k) of this section), to whomsoever paid or to be paid whether or not by the debtor or by any corporation acquiring any debtor's assets, the Commission, in accordance with such rules of procedure as the court may prescribe, shall have been allowed a reasonable time for the investigation and examination in respect of the proposed allowance or payment provided for in paragraph (2) of this subdivision.

"'(2) The Commission shall before the expiration of such time make a report to the court on the proposed allowance or payment.

During such time the Commission shall conduct an investigation and examination in respect of each item of the proposed allowance or payment, and if it finds as a result of such investigation and examination that any such item (A) in case it is to be paid by the debtor or any corporation acquiring the debtor's assets, should not be charged against the debtor or such corporation, or (B) whether or not it is to be so paid (i) exceeds the value of the services rendered, or is otherwise unreasonable, or (ii) constitutes reimbursement for expenses not actually incurred, or compensation for services not actually rendered, or (iii) is to be or has been paid to any person or committee which has purchased or sold securities of the debtor (including certificates of deposit therefor) during the pendency or in contemplation of the proceeding, it shall so report such item.

"'(j) In any proceeding involving an individual debtor or a debtor corporation, wherein a trustee, custodian, or receiver has been appointed, and where, under the provisions of section 48, as amended, of this act, such trustee, custodian, or receiver would be entitled to receive for his services in such proceeding an amount which by itself or when added to other amounts received by him during the same calendar year for services performed by him as a trustee, custodian, or receiver in any such proceeding, will exceed $10,000, the court shall not allow to such trustee, custodian, or receiver compensation in any amount which by itself or when added to such other amount will exceed $10,000.

"'(k) The Commission shall be entitled to the costs of administration, supervision, and services in the performance or exercise by it of its powers, functions, and duties under the provisions of this act, as amended; such costs shall be equitably allocated to, assessed against, and payable out of the property of the debtors in such amount or amounts as shall be determined by the Commission and approved by the judge and shall be in lieu of all fees to which the Commission would otherwise be entitled by law. The funds derived from such costs, as well as all funds coming into the possession of the Commission in any capacity in which it is authorized to act under the provisions of this section, shall be deposited with the Treasurer of the United States.'"

Mr. FULLER (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with.

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

There was no objection.

Mr. SABATH. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. SABATH: Page 24, line 9, after "(c)", insert "(1)"; and after line 23, insert the following paragraph:

"(2) In any proceeding now pending or hereafter instituted involving an individual debtor or a debtor corporation, the Commission, when so appointed by the court in which the proceeding is pending, is authorized to exercise and perform the powers, functions, and duties which, by this act, as amended, are conferred or imposed upon any official designated in this act, as amended. In any equity receivership proceeding in any Federal court, the Commission, when so appointed by such court, is authorized to exercise and perform any power, function, or duty which, by this section, it is authorized to exercise or perform in connection with proceedings involving an individual debtor or a debtor corporation. The Commission, when exercising or performing any powers, functions, or duties conferred upon it by the provisions of this subdivision (c), shall not be required to furnish bond and shall have the right to appoint agents to assist it in the exercise or performance of such powers, functions, or duties."

Mr. SABATH. Mr. Chairman, some gentlemen say that all of the provisions of our bill are contained in the so-called Chandler bill. Our bill goes much further, and we are trying to reach in our bill the activities of these crooked committees and all cases that are pending now in the courts, so that the rights and interests of these unfortunate bondholders and stockholders may be protected. This amendment that I have offered gives the Securities and Exchange Commission the right to act when designated by a court as a receiver or trustee, eliminating the high fees and unnecessary costs that are brought about by the so-called professional receivers and trustees in these matters. Later on in the bill we endeavor to, and the bill, if passed, will, eliminate those excessive fees in the future. We do not desire to take jurisdiction away from the court. However, these excessive fees and costs will be eliminated if the court who finally has the power will see fit in the interest of economy and justice in matters of that kind to appoint the Securities and Exchange Commission. In view of the fact that they have made an investigation and examination and report to the court, we feel that it will simplify the procedure and to a greater degree safeguard the interest of all.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. WALTER. In the event the gentleman's amendment is adopted, how many additional employees will be required to carry out the provisions?

Mr. SABATH. I do not know; but it will not cost the Government any money at all, because in our bill we provide that the actual cost of such an investigation and examination, and so on, shall be borne by the estate, and the cost will be nominal and may not be 10 percent or even 5 percent of what it costs the property owners or bondholders or security holders today.

Mr. WALTER. And the more employees that are added to the Securities and Exchange Commission, the greater will be the cost of the administration of the estate, and the less there will ultimately be derived by the poor unfortunates we are trying to protect.

Mr. SABATH. Oh, no, there will not be any additional employees added, with the exception of those men who will be actually required to do this work, and their compensation will be repaid to the Securities and Exchange Commission from the estate and I assure the gentleman the cost will be less than 10 percent of what the costs have been and what they are today. If the gentleman from Pennsylvania would see some of the tremendous costs in these reorganizations, he would agree that this amendment is necessary, together with those other amendments that I am going to offer, to eliminate in the future the exorbitant fees and costs and charges that have been imposed against these properties that these unfortunate bondholders are obliged to pay.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. SAUTHOFF. Does the gentleman's amendment put any ceiling on the fees that they are to receive?

Mr. SABATH. Oh, yes, we restrict that. For the information of the House let me say that in our bankruptcy law there is a provision where only 1 percent can be charged for trustees' fees where the amount exceeds $10,000, and the fees of the attorneys and receivers and trustees are restricted. When these gentlemen put over on the Congress section 77B we believed that that was for the best interests and for economy and for protection, but in 77B they very nicely and cleverly eliminated the restriction on the fees and the sky was and is the limit. In many instances there are three-, four-, and five-hundred-thousand-dollar fees on some properties that fell into the hands of these committees.

Mr. WALTER. Mr. Chairman, will the gentleman point out where in his bill there is a limitation placed on the fees that may be charged?

Mr. SABATH. We have a limitation on page 33, subdivision (j).

Mr. WALTER. Where is the provision with respect to the payment by the estate?

Mr. SABATH. I assure the gentleman that there is a provision that the cost shall not be borne by the Government, but by the estate. This provision may be found on page 33 and provides that the Commission shall be entitled to the costs of administration supervision and services in the performance of its duties, such costs to be assessed against and payable out of the property of the debtors in such amount as shall be determined by the Commission and approved by the judge, and the funds derived from such costs to be deposited with the Treasurer of the United States.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. We all remember when the Securities and Exchange Commission legislation was pending, that its passage received severe opposition. The law was in operation not more than a year when those who bitterly opposed the passage of the bill were loud in their praise of the manner in which the law had been administered under the very skillful direction of the then chairman, Joseph P. Kennedy.

As chairman of the Commission, Mr. Kennedy commanded the attention and respect of all persons for the constructive and courageous manner in which he administered the law, doing so in accordance with the intent of Congress and in the able manner in which he performed the duties of his office. At great expense to himself he gave the Government the benefit of his profound knowledge and broad experience. Under his leadership, he and the members of the Commission have shown the workability of the law which established the Securities and Exchange Commission, the necessity for its passage, and in a manner which thoroughly protects the interest of the public and commands the respect and support of the great majority of those covered by the law. Mr. Kennedy resigned after he had laid the foundation for the success of the Commission, to return to private business, and later was recalled into service when he was appointed Chairman of the United States Maritime Commission, in which capacity he is laying the foundation for the future success of this Commission.

Most of those who bitterly opposed the bill when it was pending would equally bitterly oppose a bill to bring about its repeal. The Securities and Exchange Commission has been rendering fine service in the administration of the law. The legislation was necessary to correct certain abuses—abuses in connection with the issuance and sale of stock and of bonds; abuses that existed not only in connection with the original issue of stock and bonds but in connection with reissues and of recapitalization of corporations.

This bill is simply a step in another direction, which is a necessary consequence of the passage of the original bill creating the Securities and Exchange Commission.

I am glad to note that the bill has been changed from its original provisions by placing the jurisdiction of this bill under the Securities and Exchange Commission. I want to congratulate the special committee, under the chairmanship of the distinguished gentleman from Illinois [Mr. SABATH], for the wonderful work they have done; for the service they have rendered in disclosing to the American public the abuses in connection with this particular activity. The sale of bonds, in the main, is to persons of average means. The Securities and Exchange Commission, in protecting the American investing public against any misrepresentations, against false statements in connection with corporate organizations, must see that the interest of the investor is safeguarded and protected. It is reasonably necessary, and it is proper that the American investing public be protected. That is what this bill also aims to do. I am not concerned with all of its details. There may be some provision here and there therein that I am not in agreement with, but I am not concerned with that. I am concerned with the objective of this bill, its worthy and deserving objective. It is proper and fitting that the operation of the law should be placed within the jurisdiction of the Securities and Exchange Commission.

I want to congratulate the special committee, and I want to congratulate the chairman of the special committee for the great work they have rendered to the American public in disclosing the abuses in connection with the type of reorganizations covered by the pending bill, and the vicious methods employed, as a result of which millions of American citizens in the past have been mulcted out of hundreds of millions of dollars. [Applause.]

[Here the gavel fell.]

Mr. WALTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I dislike very much to be compelled to oppose the amendment just offered by the distinguished chairman of this committee, who has worked so diligently in an endeavor to recommend legislation that will enable us to work out a way to perhaps save something of the wreckage of investments made by a great many of our people, but I feel it is my duty to do so because during the many months of discussion, not only of this bill but of the Chandler bill, all of the matters contained in this bill were very thoroughly discussed, and it was agreed there would be nothing additional offered. We now have an amendment before us that members of the committee have not had an opportunity to study. We do not know whether its adoption will bring about a situation which we complained of or not, namely, that in the original Sabath bill it would have been necessary to appoint approximately 4,000 conservators, and our committee felt very much opposed to any legislation that would have brought about a result such as that.

The bill which we are considering today was reported by the Committee on the Judiciary upon my motion and at the time I made this motion I felt I knew entirely what the scope of the bill would be.

I trust the House will vote against this amendment.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WALTER. Yes; surely.

Mr. SABATH. This amendment was in the bill that was reported last year, H. R. 12064. That is all it is. It strengthens the bill to some extent and does not in any way affect the bill. I know that if the gentleman would have time to read it he would not oppose it. All we are interested in is to offer two more amendments to the bill which I believe are necessary to make the bill workable and that will not in any way affect the bill.

Mr. WALTER. Mr. Chairman, I decline to yield further. Had this amendment been necessary, I am quite certain the distinguished chairman could have convinced the members of the Judiciary Committee of the importance of the matter contained in this amendment, and that the bill would then have been reported with that subject matter in the bill. I do not feel that amendments offered at a time like this ought to be adopted, particularly in view of the fact that with the exception of the $10,000 limitation placed upon fees, the Chandler bill covers in the section dealing with 77B identically the same subject matter.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

The question is on the adoption of the amendment offered by the gentleman from Illinois [Mr. SABATH] to the committee amendment.

The question was taken; and on a division there were ayes 19 and noes 30.

So the amendment to the amendment was rejected.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY to the committee amendment: Page 21, lines 1 and 8, strike out "$250,000" and insert in lieu thereof "$100,000."

Mr. O'MALLEY. Mr. Chairman, I offer my amendment to reduce the amount which must be involved in order that the authority and power granted in this bill may be operated in behalf of the bondholder. I do that because as a member of the special investigating committee hundreds of people had bonds in buildings on which the capitalization was $100,000 or less. There were bond houses throughout the country that took a number of buildings and joined them all together and put $100,000 on each of them. These will escape investigation unless my amendment is adopted. If the limit, $250,000, remains in the bill as written, properties under that amount will escape and the Securities and Exchange Commission will not be able to aid bondholders in such properties by investigating the protective committees. I want to say as one member of the special committee—I will be frank—let us take the hair down this afternoon—I do not agree that this bill goes far enough to help the bondholders, but our committee had no power to bring a bill before this House. We had to take what we could get; we had to take this bill or nothing if we hoped to get legislation this session; and we have been 2½ years trying to reach this stage in the interest of protecting 10,000,000 bondholders. This amendment will strengthen the bill. My amendment was not submitted to any committee in advance, but I do say that unless this bill takes in properties that are capitalized at $100,000 all we shall do will be to skim the surface and

not reach the fellows who have been operating most of the rackets of these protective committees.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. WALTER. How many additional cases will be involved?

Mr. O'MALLEY. If we put the limit at $100,000, it will bring in possibly 20,000 cases, many, of course, not yet in the courts.

Mr. WALTER. How many additional employees would be required to handle these 20,000 cases?

Mr. O'MALLEY. I say to the gentleman that I do not know, but if we have employees working for the Government on these cases they can well afford to watch the interest of the little fellow instead of reading newspapers in their offices. One agency of Government can protect people who have lost millions of dollars because Congress has not acted before this even though they may need a few more employees to do it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. McFARLANE. The gentleman mentioned that it took his committee 2½ years to get this bill to the floor. I wonder if he will tell the House what has blocked it before.

Mr. O'MALLEY. The gentleman knows as well as I do that a bill designed to take some money away from a lot of fellows who have been operating in the shadowy field of high finance always has a hard time reaching the floor. I do not have to tell the gentleman why, he has been here as long as I have.

This bill is not everything we wanted, but we had to take what we could get in the hope that when it reached the floor we could put a few teeth in it. The amendment I have offered is necessary if the bill is to be of real good, the amount must be reduced from $250,000 to $100,000.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is all very well to make speeches such as that made by the gentleman who just preceded me. The whole afternoon has been taken up in a discussion of what has happened in the past. What we are attempting to do today is to write a prescription to cure an evil. These splendid speeches which wring our hearts and bring tears to our eyes will not, however, get any of this money back. The Judiciary Committee feels just as the gentleman feels so far as helping people is concerned, but we do not want to do any demagoguing. We want to write a bill that will get results.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Not for the present.

The gentleman would reduce the limit from $250,000 to $100,000. The bonds of a concern capitalized at $100,000 are not, as a general rule, scattered all over the country. It is not always that the holders of the securities of concerns capitalized at $100,000 resort to protective committees. That is the first thing.

If we are going to write effective legislation, we must listen somewhat to the Securities and Exchange Commission, the people who are going to enforce the legislation. They tell us what kind of legislation can be enforced. I am ready to vote for that kind of a bill. They do not want the $100,000 limitation in the bill, for, they say, it would be impracticable, that it would not be workable, and it would require the employment of a great many additional employees. The Sabath committee wanted a conservator. The gentleman from Illinois [Mr. SABATH] told us about that on the floor. The bill originally provided for a conservator under the Comptroller of the Currency, but the Comptroller of the Currency in substance said, "Do not give us that; we are not qualified; we cannot do it. We would have to set up another bureau; we would have to set up a lot of professional receivers and trustees to go about the country"—something like the Sabath committee went about the country.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. No; I cannot yield.

The Committee on the Judiciary attempted to get results. We have attempted to do the best we could.

The gentleman from Wisconsin said Government workers might do something besides sitting around reading newspapers, but we must all realize that just any fellow reading a newspaper in any agency of the Government could be of no possible help in rendering the type of service here to be required. I know, and you know, that this amendment means another agency. As suggested by the gentleman from Pennsylvania [Mr. WALTER], it would require a lot more employees.

There is no objection to the Sabath committee and the splendid work the Sabath committee has done. They have called attention to these things.

If they made a mistake, it is the mistake of leaving the impression with the people of the country that they are going to get back some of this money which has already been lost. The horse has been stolen. It is too bad the barn was not locked before, but you cannot get that horse back. We are trying in the Chandler bill to take care of everything that can be taken care of as suggested by the Sabath committee, and in a sensible, proper, and effective way.

Mr. O'MALLEY. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Will the gentleman explain, if $100,000 is too small an amount to put in this bill, why the Securities and Exchange Commission was given $100,000 as the base upon which it could start registrations and investigations in reference to stock and bond issues?

Mr. MICHENER. There is a whole lot of difference.

Mr. O'MALLEY. Will the gentleman tell me the difference?

Mr. MICHENER. If you are going to form a company and issue stock or bonds and the issue has to be passed upon, the set-up must be passed upon as well. If the gentleman were a practicing attorney at the present time he would not ask that question.

Mr. O'MALLEY. I may say to the gentleman I am not an attorney.

Mr. MICHENER. I suspected as much.

Mr. O'MALLEY. And I could say more on that, but I will not.

Mr. MICHENER. If the gentleman were an attorney and he had anything to do with the Securities and Exchange Commission at this time, he would know if he wanted to get authority to issue securities, he would have to prepare his set-up and no one else could prepare it. The facts warranting the bond issue must be presented to the Commission. The Commission's work will be entirely different under this proposed law.

[Here the gavel fell.]

Mr. TOWEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in opposing the amendment I want to give to the Committee some of the facts that arose in connection with this particular proposition. When originally proposed in the bill the figure was $50,000. It was pointed out to the committee that that was a very small amount and most of these bond issues—I am sure the gentleman from Illinois [Mr. SABATH] will corroborate what I am saying—exceeds that amount.

We are trying to salvage the wreckage from this real-estate debacle. After the committee discussed this matter, we sent for the Securities and Exchange Commission in order to get their expert advice, and they told us that the figure we now have written in the bill of $250,000 was too low. They suggested a much higher amount. We finally agreed to compromise on $250,000.

If you attempt to bring it down to $100,000, the administrative machinery which will be necessary to carry this out and the creation of the bureaucracy which will follow will defeat the very worthy purpose of the bill.

I would like to know from the gentleman from Illinois [Mr. SABATH], if the statistics are available, how many genuine real-estate bond issues his committee has under consideration in excess of $100,000 in amount? One of the members speaking for this bill said altogether to date, without any limitation as to amount, there are only 4,000 cases. I understood the gentleman from Wisconsin [Mr. O'MALLEY] to say there were 20,000 cases.

Mr. O'MALLEY. If the gentleman will yield, the gentleman from Arkansas said their were 4,000 cases pending in the courts. That is cases that have come into court on petition under 77B proceedings. There are thousands and thousands of cases that have never gone near the courts, which cases have been operating under a protective committee for years, which we hope by this bill to force in, if possible, under reorganization proceedings.

If you are going to exclude anything under $250,000 you are, of course, going to cut down the work the Commission will have to do; but there are thousands of cases in which a bond issue over $100,000 was issued. If you will read the record of the hearings had before our committee, you will find in there a list of first and second mortgages upon which there were bond issues of $100,000, $150,000, and upward. If we set this figure at $250,000 before they can get in, it will be a very large amount. The gentleman in his own city knows of many apartment buildings in which the equity is $100,000 and there was a $100,000 bond issue placed on the property and those bonds have gone bad.

Mr. TOWEY. My professional experience has been very broad in this particular field. In fact it covered a period of 10 years. I do not think there are that many bond issues that the gentleman speaks of; that is, approximately, 15,000, of around the sum of $100,000.

Mr. O'MALLEY. I said it was my opinion there must be that many in the brackets between $100,000 and $200,000. There may be a great many under that. Let us speak of the ones now between $100,000 and $250,000.

Mr. TOWEY. I have not the basic statistics that probably the gentleman's committee has. I can only give the considered judgment of the Securities and Exchange Commission, which has dealt with this problem, and that Commission states it will be impossible to administer the act if we set such low amount as $100,000.

Mr. O'MALLEY. I may say to the gentleman, if you leave it at $250,000, all of us are going to have to write back to the thousands of bondholders in our respective districts, "It is too bad. Nothing can be done for you under this bill, because the bill only takes in property on which there is a bond issue of at least $250,000."

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY] to the committee amendment.

The amendment was rejected.

Mr. SABATH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Beginning on page 27, line 16, strike out all of subdivision (g) and insert in lieu thereof the following:

"(g) (1) No committee or other person shall solicit, or permit the use of its name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to represent any such creditor or stockholder in a proceeding involving such individual debtor or debtor corporation, or in any matter relating to such proceeding, or to vote in his behalf for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding;

"(2) No petition praying for leave to intervene in any such proceeding filed by or on behalf of any committee shall be granted; and

"(3) In any proceeding involving a debtor corporation, no payment to a committee, or to any member or employee thereof, or attorney therefor, in his capacity as such, of any compensation, reimbursement, or other amounts, for services or expenses incident to the reorganization or in connection with the proceeding, whether or not such payment is to be made by the debtor or by any corporation acquiring the debtor's assets, shall be approved or allowed, unless—

"(i) There have been filed with the Commission the committee agreement under which such committee is acting, or proposing or purporting to act, a statement regarding the membership of such committee and the affiliations of the members thereof and counsel therefor; a statement of the reasons for and the circumstances surrounding the selection of each member of such committee and counsel therefor; and a statement of any changes in such agreement, membership, or counsel made prior to such solicitation, and of the reasons for and the circumstances surrounding such change;

"(ii) The provisions or limitations of such agreement and the membership of such committee, together with any such changes in such provisions or limitations or such membership, have not been disapproved by the Commission, or the action of the Commission disapproving such provisions, limitations, or membership, or any such changes, has been set aside as provided in subdivision (h) (3) of this section;

"(iii) There have been filed with the Commission, at such times as the Commission may direct, but not more frequently than once every 30 days, a statement of the activities, receipts, and expenditures of the committee for the period not covered by previous statements (including, in the case of the first statement, the period since the date of formation of the committee), and a statement showing the securities (including certificates of deposit therefor) directly or indirectly acquired or sold by the committee or any member thereof during such period, the dates of any such acquisition or sale, the amounts paid in pursuance of any such acquisition, and the amounts received in pursuance of any such sale; and

"(iv) There have been filed with the Commission copies of advertisements, letters of solicitation, and all other general communications addressed to depositors either before or after the commencement of the proceeding.

"(4) The statements required by this subdivision to be filed with the Commission shall be in such form, and shall contain such information and documents as the Commission may by rules and regulations prescribe as necessary to enable it to make the findings provided for in subdivision (h).

"(5) Whoever aids, abets, counsels, commands, induces, or procures a committee to violate any provision of paragraph (1) of this subdivision, or in any statement required by this subdivision to be filed with the Commission, to make any untrue statement of a material fact, or to omit to state a material fact required to be stated or necessary to make the statements made not misleading, shall upon conviction be fined not more than $5,000 or be imprisoned for not more than 2 years, or both."

Mr. SABATH. Mr. Chairman, I greatly appreciate the many complimentary statements made about me personally and the acknowledgment of the accomplishments and activities of the select committee, but I assure you I would rather prefer if the House would see fit to adopt the amendment which would actually give the Securities and Exchange Commission supervision and control of these protective committees.

Mr. Chairman, this is the only other amendment I shall offer.

Under the bill as reported by the Committee on the Judiciary, there are no enforcible provisions relating to the regulation of protective committees. The very heart of the amendment now proposed is an attempt to regulate the activities of such protective committees. It is not necessary for me to state how these committees have been organized by the houses of issue. Many of these committees have already obtained hundreds of thousands of dollars of fees. If this provision is not adopted, the chances are the so-called protective committees will collect in fees hundreds of millions of dollars under the depositary agreements, and these sums will all be taken from the residue of the estates or the pieces of property.

I say to you frankly I consider this a very important amendment. You have heard it said there are thousands of cases in the courts, but do you know there are more properties in the hands of the protective committees in cases which have not reached the courts? And over which even courts have no jurisdiction? There are committees which have 300, 400, and 500 properties but have not turned over a single cent of interest to the bondholders for the last 6 or 7 years. They have even failed to pay the taxes, notwithstanding the fact that they have collected tremendous revenues from many of these large and valuable properties.

This provision has the approval of many judges and of many lawyers, and even of Olive G. Ricker, chairman of the standing committee on commercial law and bankruptcy

of the American Bar Association, who wrote me on December 21, 1936, that she feels the former bill should have passed to remedy admitted evils.

Mind you, none of the members of these committees has a dollar of its own invested in these properties, yet they are managing and controlling them. When they get through, they will own the properties, and I fear the bondholders will not receive a single dollar of the money they have invested. The President of the United States has endorsed the principle of this bill, and many judges have written me urging that these committees should be controlled somehow, in some way. I have their letters here, but I am not going to take up your time in reading them.

I regret to differ with the gentleman from Tennessee, Mr. CHANDLER, and with the committee in their statement that the bill as reported by them will protect and safeguard the rights of the people and will control the activities of the protective committees.

I fear that they have been imposed upon by the gentlemen representing the various associations composed of receivers, referees, and special masters, the same as they drafted and advocated the passage of amendments 74 and 77B, and where they finally restricted the provision pertaining to fees.

I am, indeed, pleased that the gentlemen who have spoken on the floor of the House, many of them Republicans and others, came to me the last few days and congratulated me and stated that I am entitled to the appreciation of the House, as well as the country, upon the service I have rendered, but I really would prefer your vote for this amendment even to these complimentary remarks, which, indeed, I do appreciate to the bottom of my heart. Otherwise, I feel my work will not have been completed and not appreciated by the House if it should fail to receive your approval.

I realize that I am at a disadvantage as few Members can be prevailed upon to vote for any amendment that is opposed by the committee reporting a bill, but I again repeat that if the gentlemen of that committee had studied and weighed the provisions in my amendment, they would be honor bound to accept it, thus giving the Securities and Exchange Commission additional power.

Personally, I regret that the Commission felt this would be a great burden to them and too great a task and that the administration would criticize them in going too far, but in view of the Nation-wide interest and that States are unable to cope with the situation and in view of the fact that tremendous sums and many properties could be saved by the Government, that it would tend to eliminate many abuses and reestablish confidence in our courts, I urge that this amendment be accepted.

I regret that due to conditions I have been unable to complete the final report of the committee, but I assure the House that it will be done as soon as time will enable me to submit the consummation of this tremendous task.

Before I close I desire once more to thank the members of the select committee, its counsels, and investigators, and the staff who served so loyally during the committee's 2½ years' investigation in my task to bring about the enactment of legislation that would protect these unfortunate bondholders and security holders to prevent in the future these shameful and outrageous practices that in the past has mulcted our most thrifty and representative citizens of their life's savings.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I direct the attention of the Committee to page 27 of the bill now pending? Beginning with line 16, you will find language which was written by the chairman of our subcommittee in conference with the Securities and Exchange Commission, which is better language, more succinct, and more to the point than the provisions of the amendment which the distinguished chairman of the select committee is now seeking to substitute for the provisions in the bill.

In spite of the fact, which we do not challenge in the least, that some judges may favor what the gentleman from Illinois wants, we submit that it is an abortive attempt to substitute the Securities and Exchange Commission for the United States district judges, and this is not what either the Securities and Exchange Commission or the Committee on the Judiciary recommends to this body. Therefore, we ask you to vote down this amendment. I believe the sanity of this House may be depended upon to vote down this kind of back-door treatment of a bill brought in here in good faith.

May I ask the distinguished gentleman from Wisconsin [Mr. O'MALLEY] if I correctly understood him to say that the reason this bill had taken 2½ years to reach the floor was the influence of some moneyed power, directly or indirectly?

Mr. O'MALLEY. I do not think the gentleman quotes me exactly; but, since he has asked me the direct question, I may state that I said it took 2½ years to get this bill to the floor because there were a lot of people who did not want a bill like this passed.

The gentleman knows, if he was present at the hearings, that the representatives of the bankruptcy committee of the American Bar Association were most strenuously opposed to the original Sabath bill and to the bill which followed it. They spent a great deal of railroad fare in coming down here and presenting many arguments, and in filing many fine briefs of a large number of pages, which I assume cost a lot of money. These people were opposed to a bill like this. We had numerous hearings over a period of 2½ years. Some of the lawyers who came down here and opposed the bill have been tied up with these reorganizations and with the protective committees. If the gentleman wants to verify this he can look at the list of witnesses we have had before us and then look down the roster of the bankruptcy committee of the American Bar Association. These are the influences which were opposed to the bill. They advanced many objections to it and asked that the bill be rewritten.

Mr. HOBBS. What I am asking the gentleman is whether or not he meant to intimate that these forces had played upon the Committee on the Judiciary.

Mr. O'MALLEY. The gentleman knows I would not intimate that. I think the Committee on the Judiciary in its wisdom has brought out a bill which it thinks will solve the problem. I believe the committee has done an excellent job, and I should be the first to praise it.

Mr. HOBBS. I appreciate the gentleman's statement. I did not think the gentleman had such an idea, but I wanted to clarify his former statement so that it might not be misunderstood.

Mr. O'MALLEY. I may say to the gentleman I am sure he will admit that if in certain minor details I do not happen to agree with the committee it is my privilege to offer amendments.

Mr. HOBBS. Of course; and I know the gentleman from Wisconsin is entirely too fair to want to have remain in the mind of any Member of the House such an intimation, which I believe is foreign to his thought.

Mr. O'MALLEY. I am sure the gentleman understands I did not mean to make such an intimation.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Yes, sir.

Mr. DOCKWEILER. Is it possible under the terms of this bill for the Commission to regulate the fees of trustees under the terms of trust indentures, as well as the fees of attorneys, receivers, and others who might be given fees?

Mr. HOBBS. Not at all. The idea of the Securities and Exchange Commission and the idea of all of the proponents of this bill, so far as I know, is that the Securities and Exchange Commission shall act in an advisory capacity to the court having jurisdiction of the pending reorganization, as an investigatorial arm of the court, if you please. This provision is not intended to give the Commission control over the court. It is called in to render its expert service and give its expert advice to the court.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. SABATH].

The amendment was rejected.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: Page 32, line 17, after the word "subdivision", insert a colon and the following: "*Provided*, That in no case shall the fees exceed 10 percent of the gross income of the estate during the time for which said fees are claimed."

Mr. O'MALLEY. Mr. Chairman, one of the things that our investigating committee found to be among the greatest evils of this protective-committee racket was the way in which lawyers and financiers and accountants and everybody else connected with these cases reached their hands into the pockets of the bondholders' estate. We provide in this bill that the Securities and Exchange Commission shall pass upon the fees that these people get out of handling the corpse, which is the defunct corporation.

I propose to limit the entire take of all these gentlemen concerned in reorganization proceedings to 10 percent of the gross income of the property during the time these experts and these great legal minds are administering the property.

There is not anyone in this House who should object to putting a limit upon what these fellows that we are trying to control by this bill take away from the bondholders.

I want to point out that a judge in my State refused to allow fees to any intervener in a 77B case who was not able to prove that he had added something to the estate. Of course, this judge was reversed by the court of appeals, a regrettable decision, in my opinion, on the part of the court of appeals. This judge said that no one who intervened in these cases had any right to reach in and take out fees if he could not show he had added something to the estate.

If my amendment is adopted, it will do one simple thing. It will prevent all those participating in the management of this property or participating in a 77B reorganization from being allowed by the Commission any more than 10 percent of the gross income.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman.

Mr. REES of Kansas. What would the gentleman do in cases where there is no income?

Mr. O'MALLEY. I will tell the gentleman that from the lawyers I met while a member of the special committee, and from the accountants I met, they never take cases of that kind into court, and so I would not worry about that. I know the bondholders do not worry about it.

Mr. REES of Kansas. The gentleman will concede, I am sure, that there may be quite a large amount of value in an estate, but no income.

Mr. O'MALLEY. Then I would say in those cases—and most of them would be where they could not find a lawyer—the bondholder or some small-town lawyer with a bond of his own on the property would usually take care of them, and such cases usually get into the courts if the courts can do any good.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. COLDEN. What is the gentleman going to do about the attorneys and appraisers and receivers of Los Angeles who get $4.75 where the investor gets $1?

Mr. O'MALLEY. I will say to the gentleman from California that is the very reason I have offered my amendment limiting the amount to 10 percent. I do not want to leave it to the Securities and Exchange Commission or anybody else to let these vultures come in with claims greater than that. The Securities and Exchange Commission will have a hard job as it is, and we do not want to add to their work by compelling them to fight with these fellows over fees, which is their principal stake in the racket.

Mr. COLDEN. I may say to the gentleman that I heartily approve of the amendment.

Mr. O'MALLEY. I am pleased that the gentleman approves of the amendment, and I hope I will get more votes on this amendment than I did on the other one.

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word.

I want to ask the gentleman from Tennessee [Mr. CHANDLER] whether he thinks under the terms of this bill there will be produced a reduction in the fees charged by the trustees under trust indentures. I understand that most trust indentures provide that a certain percentage can be charged by them if the estate they have control of goes into receivership, bankruptcy, or the like. Will this bill produce a reduction in the fee that is usually a fixed fee?

Mr. CHANDLER. This bill, in my judgment, will not produce a reduction in that fee. That is a fee which comes out of the amount of money realized by the trustee in the indenture rather than from the estate in reorganization.

The purpose of the gentleman's amendment, as I understand it, is to limit the fees allowed out of the estate in reorganization to a maximum of 10 percent.

Mr. DOCKWEILER. Under the terms of this bill you are not able to touch the regular fee that would be allowed a trustee under a trust indenture for his services under the trust indenture.

Mr. CHANDLER. That is correct.

Mr. DOCKWEILER. That is fixed by contract and the trust indenture.

Mr. CHANDLER. Yes; and in the bill which the Judiciary Committee has reported, the question of indenture trustees is covered, but not in this bill, because this bill deals specifically with two phases of bankruptcy matters.

Mr. O'MALLEY. And the fee of the trustee is covered in the original trust indenture.

Mr. CHANDLER. And the trustee fee in a reorganization proceeding is covered at page 33, paragraph (j), with a maximum of $10,000.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY].

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the Committee amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6963, and that, under House Resolution 300, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

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.

BONNEVILLE PROJECT

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7642) to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill H. R. 7642, the Bonneville project, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER.

EXTENSION OF REMARKS

By unanimous consent leave was granted to Mr. SABATH, Mr. DIES, Mr. COLLINS, and Mr. CHURCH to extend their own remarks in the RECORD.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks on the bill H. R. 6963, just passed.

The SPEAKER. Is there objection?

There was no objection.

REVISION OF THE NATIONAL BANKRUPTCY ACT

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 301, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 301

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8046, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. FULLER. Mr. Speaker, before the gentleman from Indiana begins his address will he yield to me?

Mr. GREENWOOD. I yield.

Mr. FULLER. Mr. Speaker, I ask unanimous consent that the provision in the rule for 2 hours of debate be changed to 1 hour.

Mr. MICHENER. Is that satisfactory to the gentleman from Tennessee?

Mr. CHANDLER. That is satisfactory.

The SPEAKER. The Chair suggests to the gentleman from Indiana that he offer such an amendment to the rule, if he desires.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

This resolution from the Committee on Rules provides for the consideration of the revision of the Bankruptcy Act, known as the Chandler bill. This is a very important piece of legislation which a subcommittee of the Committee on the Judiciary has spent much time upon, and as to which I express my appreciation and compliment the gentleman from Tennessee [Mr. CHANDLER] and others of his subcommittee. It deals with a revision of the bankruptcy law which investigation has shown is very much needed. The last bankruptcy bill was passed in 1898, almost 40 years ago, and there have been so many changes in our economic condition and in many features of the law, that many items in the law are obsolete and need severe amendment. There has been a great deal of corruption and of irregularity in the handling of bankruptcy estates in the Federal courts, and committees have demonstrated that the law should be fundamentally amended.

The matter has been investigated by committees of the American Bar Association, by committees appointed by the Federal courts, and by a subcommittee of the Committee on the Judiciary, with the assistance of the Securities and Exchange Commission, and the bill before us undertakes to submit those amendments which seem to be advisable. The bill itself carries many technical features. I believe it would be to the advantage of the consideration of the bill that very little time be taken upon the rule, so that the gentleman from Tennessee [Mr. CHANDLER] and others on the committee may give the information that is desired.

I reserve the remainder of my time.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, there has been a lot of oracular wisdom here this afternoon about an alleged difference between the Chandler bankruptcy bill we are about to consider and the bill which we just passed. It was a beautiful exhibition of statements made upon the basis of hearsay. I heard somebody say that we have learned on reliable authority that the bills are the same, and that the bill just passed was nothing more than an empty testimony to the gentleman from Illinois [Mr. SABATH]. Others said that they had learned from creditable sources that the bills were not alike, so that I am satisfied that there must be some confusion in the minds of Members as to what these bills are. Well, as the gentleman from Wisconsin [Mr. O'MALLEY] would say, let us take down the hair and see. The so-called Sabath bill defines a debtor corporation as one with $250,000 of liabilities represented by at least 10 creditor interests. Then you will find that the word "shall" is used all through that bill, and that any documents filed in a bankruptcy court or Federal court must go to the Securities and Exchange Commission because they are made a party in interest. Along with everything else, this bill we just passed gave the Securities and Exchange Commission the power to actually initiate a plan of organization. You will find it on page 24. Now, let us look through this 250 pages of legal literature that we are going to consider right now. Look on the bottom of page 134 and see what it says. It says that "after the hearing, as provided in section 169 or section 170 of this act, and before the approval of any plan, as provided in section 174 of this act, the judge may, if the scheduled indebtedness of the debtor does not exceed $3,000,000, refer to the Securities and Exchange Commission for an advisory opinion."

In other words, if it is under $3,000,000 indebtedness, the judge may submit the matter to the Securities and Exchange Commission. If it is over $3,000,000, the judge shall do so. But what about all those under $3,000,000, who come within the compass of the $250,000 bracket in the bill we just passed? I have tried as hastily as possible to examine all this literature this afternoon that we are going to adopt after 1 hour of debate, and I suppose we ought to accept it on faith, because, after all, it represents a lot of earnest effort on the part of men who are qualified to do this job of revising the bankruptcy law. But I can find nothing there with respect to the power over committee organizations and limitations upon bondholders' committees.

The only reason I am taking this time is to dissipate the idea that grew up here this afternoon that these two bills are identical, when, as a matter of fact, they are not. The gentleman from Tennessee [Mr. CHANDLER] has stated on the floor in response to questioning of mine earlier this afternoon that there were points of difference with respect to fees and otherwise. Now I find this tremendous difference as far as jurisdiction is concerned, and there must be differences with respect to the power of the Commission over bondholders' protective committees; and that ought to be ample answer to a lot of these oracular statements that were made this afternoon about the previous bill being but a gesture.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. LUTHER A. JOHNSON. As I understand it, this is a reorganization of the entire bankruptcy law?

Mr. DIRKSEN. Yes.

Mr. LUTHER A. JOHNSON. Is the gentleman sufficiently familiar with the bill to tell us whether or not there is anything done in the bill with reference to the limitation of fees and expenses incurred in the administration of bankrupt estates? My experience as a lawyer has been that the costs of administration and the fees allowed on many of the smaller estates that get into bankruptcy have been so large that they have taken up the entire assets of the estate and nothing is left for distribution.

Mr. DIRKSEN. I am in precisely the same position that the gentleman is. My mind, no matter how agile it may be, is bouncing around these 250 pages of assorted ideas, and I want to say it will take weeks of constant, painstaking study before any Member of this House can go through and see what is in that bill, and we are going to have to accept it on faith from the Judiciary Committee.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MAPES. Mr. Speaker, I yield the gentleman 1 additional minute.

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

Mr. DIRKSEN. I yield.

Mr. FULLER. Is it not a fact that the real-estate bond investigation committee bill was introduced almost 2 years prior to this bill, and it was considered by the Judiciary Committee and favorably passed last year, and also this year, before the bill (H. R. 8046) now being considered was introduced?

Mr. DIRKSEN. I think the gentleman is quite right.

The SPEAKER. The time of the gentleman has again expired.

Mr. GREENWOOD. Mr. Speaker, I offer a committee amendment to the resolution.

The Clerk read as follows:

Amendment offered by Mr. GREENWOOD: Page 1, line 11, after the word "exceed", strike out "two" and insert "one."

The committee amendment was agreed to.

Mr. GREENWOOD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

APPROPRIATION FOR CONSTRUCTION OF SMALL RESERVOIRS UNDER FEDERAL RECLAMATION LAW—CONFERENCE REPORT

Mr. GREEVER submitted a conference report and statement on the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation law, for printing in the RECORD.

REVISION OF THE NATIONAL BANKRUPTCY ACT

Mr. CHANDLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8046, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. CHANDLER. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, it is with a great deal of joy and pride that I address the House in the Committee of the Whole this afternoon. For I wish to pay tribute where tribute is due, to render unto Caesar at least one of the things that are Caesar's—a slight word of praise to one of our most beloved Members. I refer to the distinguished gentleman from Tennessee, Hon. WALTER CHANDLER, who has done a piece of work in the short time he has been a Member of this House the like of which has not been seen in this sphere in 40 years. [Applause.]

This is the first attempt at a general, thoroughgoing revision of the bankruptcy law of this Nation since it was first written as a temporary measure in 1898. Not only has this distinguished expert in the field of bankruptcy law given of himself unstintedly for 2½ years to this work, but in addressing himself to the problem he proceeded in the wisest way imaginable. He summoned to his aid the experts of the Nation on the subject of bankruptcy.

For more than 2 years men like James A. McLaughlin, professor of law, Harvard University, and member of the National Bankruptcy Conference; Watson B. Adair, member of the National Bankruptcy Conference, also chairman of the conference committee of the National Association of Referees in Bankruptcy; David Teitelbaum, representing the bankruptcy committee of the Association of the Bar of the City of New York; Reuben G. Hunt, member of the National Bankruptcy Conference; W. Randolph Montgomery, attorney for the National Association of Credit Men; Jacob I. Weinstein, member of the National Bankruptcy Conference; Charles True Adams, referee in bankruptcy, eastern division, northern district of Illinois; Clarence O. Sherrill, president, American Retail Federation; R. P. Shealey, Washington counsel for National Retail Credit Association; Harry Zalkin, attorney at law, New York City; Harold Remington, attorney at law, New York City; Homer J. Livingston; M. R. Sturtevant, chairman, committee on bankruptcy, American Bankers Association; Commissioner William O. Douglas, Securities and Exchange Commission; Aubrey Barbour; C. F. Baldwin, representing the National Association of Credit Men; Valentine J. Nesbit, referee in bankruptcy, Birmingham, Ala.; Charles Banks, member of the National Bankruptcy Conference; Edwin S. S. Sunderland, member, committee on bankruptcy, American Bar Association, and member of the National Bankruptcy Conference; Alfred N. Heuston, representing the bankruptcy committee of the Bar Association of the City of New York; John Gerdes, chairman, committee on bankruptcy and reorganization, Trade and Commerce Bar Association, New York; Irving L. Ernest, New York; Percival E. Jackson, New York; Hon. Arthur H. Kent, Assistant General Counsel, Treasury Department; Martin Riger, associate attorney, Securities and Exchange Commission; Hon. John C. Knox, United States district judge, southern district of New York; have been giving of their best thought to the subject, and expressing it to the subcommittee. Out of this background has grown this bill—a monument to their devoted, self-sacrificing service.

I do not believe that there is one word in this 290-page bill which has not had the scrutiny of some of the very best minds in that field in America. It is an achievement worthy of unusual note when a bill comes in from that sort of source. And those men back of it have given enough time to the subject really to do the job in a most creditable way. It comes here with the unanimous report of the entire Judiciary Committee. There is no dissent!

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. HOBBS. Yes, sir.

Mr. MARTIN of Colorado. Did these experts have a slant in favor of the debtor, the bankrupt, or in favor of the creditor?

Mr. HOBBS. They had a slant both in favor of the debtor and in favor of the creditor, and diametrically opposed to those vultures who have been hovering around our bankruptcy courts seeking to prey upon both bankrupt and creditor. That has been the pole star which has guided the deliberations of this committee throughout the whole 2½ years of its deliberations. [Applause.]

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course.

Mr. McLAUGHLIN. Answering the question just propounded by the gentleman from Colorado, if the gentleman will permit me as a member of the subcommittee, I may state that, as the gentleman from Alabama well knows, creditors and debtors both have appeared before the committee. The hearings have been open to all parties interested in the subject of bankruptcy in any way, and there has been no restriction whatsoever, no attempt to curtail testimony. The hearings have been fair in every respect.

Mr. HOBBS. I thank the distinguished gentleman from Nebraska, a valued member of our committee and of the subcommittee on bankruptcy, for that statement, which is absolutely true.

Please let me point out one of the provisions of this admirable bill, which expands the law to cover a long-felt need. It charges the courts with the duty of acting as the fiscal agents to delinquent wage earners who wish to pay their

debts in installments. It gives such debtors a stay of proceedings, a living allowance to their families meanwhile, an equitable distribution of the remainder of their earnings to their creditors, and a chance to avoid the stigma of bankruptcy.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly.

Mr. ROMJUE. I would be very glad if the gentleman would point out the specific instances in which the present law is changed.

Mr. HOBBS. It would be utterly impossible. I assure the gentleman from Missouri, Judge ROMJUE, I would love to do anything I could, but in a bill of this magnitude, within my limited time, it is utterly impossible. I suppose there have been not fewer than 1,000 changes.

This poor man's relief that we have set up in the bill particularly addresses itself to my sense of justice.

There are thousands of wage earners all over this land who desire to pay their honest debts but who cannot. For the first time we have the machinery set up in this bill whereby a court order is issued to stay all creditors' actions against a wage earner. A hearing is had, he sits at a table with his creditors and the judge, and they decide how much he and his family need to live on during the pendency of the settlement, and then in the most friendly way they arrive at how much he can pay into the treasury for the benefit of his creditors, to be distributed week by week. That has been done under a voluntary system that has grown up in Birmingham, Ala., under the blessing of the late Judge Grubb and the directing hand, brain, and heart of Judge Valentine J. Nesbit, where in some 2,000 cases it has worked out and the creditors have gotten dollar for dollar of what was due. In practically all of these cases bankruptcy has been avoided.

Mr. FISH. Mr. Chairman, I make the point of order that a quorum is not present. This is a monumental bill and the Members should be here during its consideration.

The CHAIRMAN. The Chair will count. (After counting.) One hundred and six Members are present, a quorum. The gentleman from Alabama will proceed.

Mr. HOBBS. Another feature of this bill which further illustrates the spirit in which the problem has been approached is this: Since 1898 we have run along with a very foolish proviso in our bankruptcy law which stipulated that a bankrupt could not apply for a discharge at the time he filed his petition nor unless he made the application within 11 months.

The result has been, although very few people know it, that about half of those who file petitions in bankruptcy never are discharged from their obligations; and discharge is the only purpose of going into bankruptcy. We have taken the sane and sensible view, wiped out those restrictions, and provided that in his initial petition the bankrupt may apply for his discharge, which will be granted in due and ancient form, in due season. So, throughout this bill you will find instance after intance where expert advice has smoothed the way to justice and paved the paths to peace. We have the honor of presenting for your consideration today the most finished piece of legislative workmanship of modern times.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. HOUSTON. I wish to compliment the chairman of the subcommittee and the chairman of the Committee on the Judiciary for bringing in this bill, and to state that I have received over 100 letters from the State of Kansas, all for this bill, not one against it.

Not one letter have I received against it. It is the first bill of major importance to which I have not heard some objection. My constitutents have long since made up my mind how I should vote on this bill.

[Here the gavel fell.]

Mr. CHANDLER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOBBS. Mr. Chairman, I want to say in conclusion that I hope this bill has been studied and that the exemplary report of the bill by the committee has been studied, and that the House is ready to put its sanction upon the very splendid work of the distinguished gentleman from Tennessee [Mr. CHANDLER], and all of his estimable colaborers, to whom I believe we owe a sincere vote of thanks, not only for ourselves, but for all debtors and creditors, of every size and description. The gentleman from Tennessee has done a big job well. I hope he may find that the lasting gratitude of this House, this Congress, and of the Nation is his. [Applause.]

[Here the gavel fell.]

Mr. CHANDLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am really very much overwhelmed by what my good friend the gentleman from Alabama [Mr. HOBBS] has just stated. It is not deserved, therefore I am not going to pay serious attention to it. Of course, I appreciate his remarks and am appreciative of any statement of that kind. You know, he and I are twins, in that we were born on the same day in the same year, and I am proud to call him brother.

This is not my bill in any sense of the word, but, on the contrary, is the work of the House Judiciary Committee extending over a period of 4 or 5 years. It happens to have my name attached to it because when I came to Congress I introduced a bill to provide for a poor man's bankruptcy proceeding whereby a wage earner could pay his debts without being harassed by garnishments and attachments, similar to the law which the State of Wisconsin has recently passed, and somewhat along the line of that law. When I introduced that bill the chairman of the Committee on the Judiciary gained the impression I was active in the practice of bankruptcy law and assigned me the responsibility of working on this bill. That is how I happen to have the responsibility, and since that time, over a period of two and a half years, I have given some time and attention to the matter, with the active assistance of one of the most efficient committees in the House, the subcommittee on bankruptcy of the Judiciary Committee. It is as fine a body of men as I have ever worked with, just like this Congress.

The subject of bankruptcy is neither a pleasant nor an agreeable one, but this bill represents the discharge of an obligation of Congress, because the Constitution places on Congress the responsibility for passing uniform bankruptcy laws applicable all over the country. The States deprived themselves of the same right when they adopted section 10 of article I of the Federal Constitution providing that no State shall pass any law impairing the obligation of a contract. Bankruptcy is an impairment of such an obligation, and the right of impairment is given exclusively to Congress and, well, the Almighty. The States took from themselves the right to do what Congress can do; therefore you will see this bill is an effort to discharge one of the exclusive functions of the Congress.

This bill is a general revision of the act of 1898, passed nearly 40 years ago. Conditions have changed materially, and I need not tell you that. Many of the conveniences we are accustomed to at the present time were not in existence in 1898. There have been amendments to certain sections of the bankruptcy law at various times, but no substantial ones until the amendments of 1926, and the amendments required by the depression in 1932 and 1933, when the new concept of bankruptcy, that is, reorganization in bankruptcy, was introduced and became a part of the law of bankruptcy by sections 77, 77B, and 80.

Mr. Chairman, we have taken the Bankruptcy Act of 1898, as amended, and have gone through it paragraph by paragraph and have brought it down to date, so to speak, by modernizing its present sections. We did not change the section numbers, because the decisions of the courts refer to the existing sections of the act, and if we changed the section numbers it would encumber the work of the student, the lawyer, and the judge to a very serious extent and upset precedents and judicial construction. While this bill appears voluminous, so far as the number of sections are concerned, as you will see by the report, which is comprehensive, only a few words are changed in certain sections.

For example, we have brought into the bankruptcy court jurisdiction in admiralty proceedings, which never existed before, and which by reason of conflict of decisions has caused a good deal of confusion in the law.

We have taken the definitions in the first two sections and have brought them down to date, and also added new definitions, such as that of "relatives" to determine who are relatives within the provisions of this law. We have also tried to avoid the overlapping of certain acts of bankruptcy, the third and fourth acts of bankruptcy, for example.

We have tried to increase efficiency in the administration of bankruptcy by hastening the conclusion of proceedings, so that a man may be rehabilitated quickly. As the gentleman from Alabama has pointed out, as a fair sample of the work we have tried to do in this bill, we have provided that when a man files a voluntary petition in bankruptcy along with that petition goes an application for discharge from the obligations that he has scheduled in the bankruptcy petition, and, of course, all his debts have to be scheduled in the petition. Heretofore, a man would file a petition for adjudication in bankruptcy and would not be allowed to file an application for discharge for 30 days after adjudication, and then must do so within 12 months. In the meantime he would go off to the outside world, thinking he had cleared himself of his overburdening obligations.

In the course of 12 months, those obligations would rise up and haunt him, and this is particularly disastrous to the poor man. Now we have, as a part of the petition in bankruptcy itself, attached an application for discharge, and unless there is objection and a hearing following objection, the bankrupt is automatically discharged from his debts. This is a progressive step, especially as the whole purpose of bankruptcy is a discharge from the bankrupt's debts. The time has been shortened for meetings of creditors. Provision has been made for filing of schedules and statements of the assets and liabilities of the bankrupt prior to the first meeting. This applies particularly to business concerns where creditors have an interest in determining whether or not it is an entirely honest proceeding, with full disclosures.

We have gone through all of the procedural sections of the act and have tried to improve them and bring them down to date also. We move much faster than those of 1898. We have avoided trying to take sides with any group, any set of people, any association, or any organization desiring to further its own purposes. We have endeavored to protect the estate of the bankrupt against exorbitant fees and compensations. We have provided very strict regulation and control of the hearings to determine the reasonableness of fees which are allowed out of bankrupt estates. We have provided also steps to minimize evasions by bankrupts who do not want to be honest and who do not want to turn over their assets and their property, for the benefit of their creditors, as the law requires every bankrupt to do. A great many people have used the bankruptcy court as a fence to avoid their just obligations. We have tried to make this impossible, but at the same time have tried to protect and give a clean bill of health to the honest bankrupt who is overburdened by his obligations, and particularly to those whom this depression has overburdened, in order that we may give them a new, a fresh, and a clean start in life.

Not all the sections of the Bankruptcy Act have been changed. There are some sections which remain as they were, but those which have been changed have had to be rewritten in full, and this has added to the length of the bill. There are approximately 79 sections of the Bankruptcy Act. A few of these have been declared unconstitutional, but in general, this is about the number. In working out this new conception of bankruptcy known as reorganization in bankruptcy, we adopted the expansive system of numbering, which has been in effect in Congress for a number of years but has not been called into use, as I understand it, since the present Federal code was adopted. The system was put into effect to enable convenient changes and additions to laws with the passage of time. Therefore, after going through the old act section by section, we set about writing the reorganization or composition sections by the new method; that is, the section which is known as the section on corporate reorganization has been written so as to be in short sentences and simplified so that any person may take the chapter and read it instead of having to go through a quadratic equation in algebra in finding 1a2, 2a3, 3b1, and problems of that kind. We have tried to make the new law so plain that anyone can read and understand it.

Section 77B is the new chapter X and begins with section no. 101, and goes through section 276. Then we skip section numbers and go to section 301, and there we take up chapter XI, individual arrangements. Then we go another 100 sections and take up real-property arrangements. Then we begin the wage-earner proceeding at section 601.

There is not a single part of this work of rearranging the affairs of corporations and individuals that does not have particular requirements to meet each situation. The purpose is that those who seek the benefits of the charters, under proper hearings and consideration, may retain their property, readjust their obligations, and continue in business without entire loss of capital. The public has an interest in saving a valuable business and those employed in it.

This is a long bill and, of course, a great deal of work had to be done on it. It is something which Congress has to do, something which possibly should have been done a number of years ago. The Congress has tried ever since 1929 to complete study of this subject and has carried on extensive investigations and hearings to try to bring the law down to date. We are simply meeting the obligation of the Congress to provide efficient, fair, honest, and up-to-date bankruptcy statutes for those who are entitled to their benefits.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Missouri.

Mr. ROMJUE. Under the present law, once the bankrupt has begun the procedure, after the lapse of a certain length of time he may file his application for discharge?

Mr. CHANDLER. The gentleman is correct.

Mr. ROMJUE. As I understand the gentleman's explanation, the procedure now, which I think is quite an improvement, is that the bankrupt makes his request for a discharge at the same time he puts in his application?

Mr. CHANDLER. That is correct.

Mr. ROMJUE. Now, this is automatic——

Mr. CHANDLER. Yes.

Mr. ROMJUE. But how much time must elapse before action can be taken?

Mr. CHANDLER. Action can be taken promptly unless there is objection.

Mr. Chairman, the bill is not as radical as some would have it, nor as conservative as others would wish. It is a composite, and deals with the subject from every viewpoint—the court and its administrative officers, the bankrupt, the creditor, the debtor, the public, and the economist. The House Judiciary Committee has written the report so that each section is explained, each change pointed out, and each new provision covered, and we earnestly hope and believe that the bill will meet the approval of the House.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am not going to take any time explaining this bill. It is technical and no superficial explanation will be very helpful. The gentleman from Tennessee [Mr. CHANDLER] has stated the objectives and it would take several hours to discuss all of the bill's provisions. However, I do want to call the attention of the House to the committee report. This report is a valuable document, and I suggest that Members get copies of the report and the bill and send to attorneys practicing bankruptcy law in your districts. In my time in Congress—and I think I have been tolerably diligent—I believe I have never seen accompany a bill a report so complete in every detail. The report will not be readily understood by those not familiar with the bankruptcy law,

but one having any knowledge of the bankruptcy law will appreciate it.

The bankruptcy law is entirely different today from what it has been. A new concept of bankruptcy has been accepted during the last 4 or 5 years. The constitutional powers have been liberalized. In fact, permanent insolvency is not an essential before the protecting check of the bankruptcy court is available to the harassed debtor. The theory now is to conserve rather than liquidate the estate, give the debtor a chance to work out his financial difficulties and not destroy his business. No longer is it necessary to seek a discharge from one's debts, but a compromise can be worked out that is more advantageous to all concerned. Today bankruptcy under the law and under the holdings of the Supreme Court may mean composition. It means that which it did not mean at all a few years ago. It means that when financial evil days come upon one he may seek the aid of the bankruptcy court of the United States, and by this method may keep his creditors at bay until he has had time to regain his financial equilibrium. Possibly he may remain in possession of his property until his creditors are brought to a realization of the fact that perhaps there is more in it financially for them and that it is better for the bankrupt and for the country if the bankrupt is permitted to continue in his business and the creditors compromise their claims. This is what bankruptcy is today.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. MASSINGALE. I am just a little interested in what happens under the new provision of the law to the owner of the estate where bankruptcy proceedings have been begun in this respect. When you undertake to carry on the business of an individual, as you do corporate business in bankruptcy, does the individual himself manage it or do you turn it over to some trustee or conservator, or how do you take care of it?

Mr. MICHENER. It is taken care of by proper officers under the direction of the court. That was a very controversial question in the committee, and I believe that the bill provides the best solution.

I hope this bill will pass. I hope it will pass unanimously and at once, because it is a bill that should not be amended on the floor. No technical measure should be. This bill has the unanimous support of every member of the committee. Of course, the bill is a composite, and necessarily represents some honest compromises. There is not a dissenting idea, as I take it, about the passage of the bill—something that very seldom happens—and as suggested by the gentleman from Tennessee [Mr. CHANDLER], this is the fruition and the work of not only days and months, but of several years of honest toil by those honestly interested in a good bankruptcy law, that is, not only those in Congress but out of Congress as well. The only group who was not officially represented and did not officially sanction the bill was the bankrupt himself, and I believe the Judiciary Committee has taken very good care of that particular individual.

I want to join in complimenting our subcommittee chairman. He is entirely too modest. To the worker belongs the credit. This is the Chandler bill. That gentleman knows every word in the bill and he knows its relation to the rest of the bill. I have been pleased to cooperate. Work of this nature is not spectacular, yet it is most important. Writing a formula for the reorganization of industry in times of distress is a fundamental task. [Applause.]

Mr. CHANDLER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, during the course of the discussion of the last bill, as well as the present one, mention was made of the quashing of indictments against officials connected with the Philadelphia Co. for the Guaranteeing of Mortgages.

I do not know whether or not it was intended to reflect on the honesty, ability, or the integrity of the United States attorney or the representative of the Department of Justice who recommended to the court that the cases should be nolle prossed, but I wish to state that I think the nolle prossing of these cases was a great exhibition of courage. It was not an easy thing for these men to subject themselves to the sort of criticism they must have known their action would bring not only from certain Members of Congress but from the people who suffered losses as the result of the failure of the Philadelphia Co. for the Guaranteeing of Mortgages.

Recently the Philadelphia Record, editorially, commented upon the nolle prossing of these cases. I do not believe anywhere in America there is a more liberal newspaper than the Philadelphia Record, and I do not believe there is another newspaper in the United States that has been more zealous in its efforts to safeguard the interests of the common people and lead any fight for decency in Government and its institutions, and when that great newspaper comments, as it did, upon this nolle prossing, I think the criticism that came here today is entirely unwarranted.

For one I wish to take this opportunity of commending the courageous Assistant Attorney General, the Honorable Brien McMahon, and the United States attorney for the eastern district of Pennsylvania, the Honorable J. Cullen Ganey, in seeing that justice was done to the citizens who were indicted for purely technical violations of the laws committed in an endeavor to keep the company going during the chaotic period through which we were passing. They are not persecutors. They, indeed, are representatives of all of the people and are entitled to a great deal of credit. [Applause.]

The CHAIRMAN. If no further time is desired to be used, the Clerk will read the bill for amendment.

The Clerk proceeded to read the bill.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. SABATH. Mr. Chairman, reserving the right to object, may I ask the gentleman a question? Although I have endeavored to familiarize myself with the bill, unfortunately I have been so engrossed in other work, as the gentleman knows, that I have been unable to find the provision relative to the restriction of fees in the present Bankruptcy Act. The present Bankruptcy Act restricts the fees in all bankruptcy proceedings. Has any change been made in that respect?

Mr. HOBBS. No change whatever.

Mr. SABATH. Those restrictions remain?

Mr. HOBBS. The same restrictions; yes.

Mr. SABATH. And do they apply also to the new provisions of the bill that have been added to the old act?

Mr. HOBBS. Yes.

Mr. SABATH. The provision would apply to all of them?

Mr. HOBBS. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8046, and pursuant to House Resolution 301, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question was ordered. The question is on the engrossment and third reading of the bill.

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.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by me over the National Broadcasting system.

The SPEAKER. Is there objection?

There was no objection.

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

The SPEAKER. Is there objection?

There was no objection.

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

The SPEAKER. Is there objection?

There was no objection.

COMPENSATION OF CUSTODIAL SERVICE, POST OFFICE DEPARTMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7415) to authorize payment of compensation to head charwomen, charwomen, and charmen of the custodial service of the Post Office Department, included in the Connery amendment to the Treasury and Post Office appropriation act (H. R. 4720) for the next fiscal year, and for other purposes, which I send to the desk and ask to have read.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That authorization be granted the Fourth Assistant Postmaster General to compensate all head charwomen, charwomen, and charmen of the custodial service of the Post Office Department $60 each in 12 consecutive monthly payments in addition to their regular hourly compensation for the next fiscal year, which sum has been included in the Connery amendment to the Treasury and Post Office appropriation act (H. R. 4720) and approved by both Houses.

This act shall apply to all head charwomen, charwomen, and charmen who have been regular employees of the custodial service of the Post Office Department since July 1, 1936.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That notwithstanding any provision of the Classification Act of March 4, 1923, as amended, the rate of pay for charmen and charwomen in the custodial service of the Post Office Department shall be 55 cents per hour, and the rate of pay for head charmen and head charwomen shall be 60 cents per hour, effective upon the passage of this act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department."

EXTENSION OF REMARKS

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks on the bill H. R. 8046, passed this afternoon.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATION OF JURISDICTION, PROCEDURE, ETC., OF UNITED STATES COURTS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 287, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 287

Resolved, That the Committee on the Judiciary, as a whole or by subcommittee, is authorized and directed to investigate the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court; the jurisdiction, both as to territory and subject matter; the procedure; rules of practice; and costs.

The committee shall report to the House during the present Congress the results of its investigation, together with such recommendations for legislation as it may deem advisable.

For the purposes of this resolution, the committee or any subcommittee thereof is authorized (1) to sit and act during the present Congress, at such times and places within the United States as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned; (2) to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it may deem necessary; (3) to issue subpenas under the signature of the chairman of the committee, or any member designated by him which shall be served by any person designated by such chairman or member; and (4) to administer oaths to the witnesses, respectively, by the chairman or any member of any committee acting hereunder.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I did not understand the gentleman's request.

Mr. CHURCH. Mr. Speaker, I object. Let us know what this is.

Mr. HOBBS. Mr. Speaker, will the gentleman reserve his objection?

Mr. CHURCH. Mr. Speaker, I reserve the objection.

Mr. HOBBS. Mr. Speaker, this resolution is one that grew out of the routine work of our Committee on the Judiciary. It authorizes the investigation of the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court—the jurisdiction, procedure, rules, and costs. It speaks for itself. Many petitions have been filed with the Committee on the Judiciary for investigations which we do not care to make as a pointed thrust at any one man. There is a widespread dissatisfaction with the cost systems of the various Federal courts. Some of them are excessively high, and it is thought that a thoroughgoing survey of the cost structure employed in various sections of the United States might be very beneficial in the administration of justice. Again, it is thought that a survey of the territorial jurisdiction of the several courts might be made with great profit, laying the predicate for a more convenient and equitable division of the work.

This has nothing whatsoever to do with anything that is controversial in the minds of our committee. We have a rule from the Committee on Rules under which we might have brought this up this afternoon, but we thought it a matter so noncontroversial that there would be no objection. Therefore we asked unanimous consent for its consideration.

Mr. CHURCH. Mr. Speaker, still reserving the right to object, this is a matter concerning our courts. That is a matter that has been very vitally discussed lately. I am going to object so that we can study the matter more fully and know what is in the resolution brought in so suddenly. It certainly should not be considered this late in the day, with so few Members here, under a unanimous-consent request.

Mr. MICHENER. Mr. Speaker, will the gentleman yield for a moment?

Mr. HOBBS. Certainly.

Mr. MICHENER. I think that possibly the statement of the gentleman from Alabama [Mr. HOBBS] might be just a little difficult to understand. If it is the purpose of this bill to do what the gentleman says it is, namely, to investigate a judge without pointing the finger at him directly, then I am opposed to it, because I am not in favor of setting up any permanent "smelling" committee to go around investigating the conduct of judges and the judges not know about it. If that is the purpose, then I am absolutely opposed to it.

If the purpose of the bill is to make a study as to what changes in procedure are necessary, as suggested in the latter part of the gentleman's argument, then I may favor it; but, of course, I did not know it was coming up, although I am a member of the committee, and I am wonderfully surprised if we are embarking upon a policy of setting up a permanent investigating committee in the Judiciary Committee, which will necessarily be required to be furnished with money—and, if it is not in this resolution, it will be followed with a request for an appropriation—to carry on the work of this "smelling" committee, if that is what it is.

I want to study procedure. I want to get at these things, but if we are going to impeach a judge, if we are going to judge his acts and what he is doing, I think we should point the finger at him, and I think we should call the attention of the country to it, and I think we should investigate it, but I do not think we should have any investigators or men of that type out in the country going from place to place, investigating a judge, and he not knowing anything about it and no one else knowing anything about it except some dis-

gruntled litigant, and the investigation controlled and limited only by the good judgment and discretion of the Judiciary Committee, which committee's judgment is always good and which committee's discretion is always wise, but some time there may be a committee where they do not use proper discretion.

Mr. HOBBS. In answer to the gentleman's contention I would like to state that I did not know it was coming up this way myself until a few minutes ago. I thought it would come up in the regular way under the rule, but in answer to the gentleman's objection I will say that I think the Judiciary Committee of this House may be safely trusted to interpret this resolution in the safe and sane way the House wishes it to be interpreted. In regard to the money that may be appropriated, I wish to say that the conservation of money is one of the most prideful facts in the record of the Judiciary Committee. Out of eight resolutions, I think, authorizing that committee to make investigations during the chairmanship of the present incumbent, the Honorable HATTON W. SUMNERS, $35,000 has been appropriated to that committee carte blanche, and only $18,000 has been expended. Over $16,000 has been left in the Treasury. I think that is worthy of mention to the House in this connection.

Mr. SNELL. Reserving the right to object, Mr. Speaker.

The SPEAKER. Is it the purpose of the gentleman from Illinois to object?

Mr. CHURCH. Yes, Mr. Speaker; it is.

Mr. HOOK. Mr. Speaker, the regular order.

The SPEAKER. The regular order has been demanded. Is there objection?

Mr. CHURCH. Mr. Speaker, I object.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitutional Sesquicentennial Commission, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. KELLER, Mr. SECREST, and Mr. TREADWAY.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, but not on the Jefferson Memorial at St. Louis.

The SPEAKER. The Chair will state that, under a previous order of the House, the gentleman from Texas [Mr. MCFARLANE] is entitled to be recognized for 30 minutes. Unless the gentleman from Texas yields for that purpose, the Chair does not feel he should entertain the request of the gentleman from Kansas at this time.

The gentleman from Texas [Mr. MCFARLANE] is recognized for 30 minutes.

RADIO MONOPOLY MUST BE CURBED

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts.

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

There was no objection.

Mr. McFARLANE. Mr. Speaker, on July 19 I appeared on this floor and condemned a situation which had all the earmarks of a conspiracy on the part of the Columbia Broadcasting System and the officials of the New York Stock Exchange to swindle the investing public. Before delivering that speech I addressed an inquiry to the Securities and Exchange Commission, asking whether the present law was adequate to protect the public or whether additional legislation was necessary. Their reply is indeed significant. This letter is as follows:

As your letter implies, this Commission has no power to deny an application for registration of securities on a national securities exchange when such application contains a full and accurate statement of the information called for by the appropriate registration form and when the exchange upon which registration is sought has certified to the Commission that the issue has been approved by the exchange for listing and registration.

In this particular case I may say that the application was filed with the Commission on June 7, 1937, and that certification by the New York Stock Exchange was received by the Commission on July 2, 1937. Under section 12 of the Securities Exchange Act of 1934, as amended, registration becomes effective 30 days after receipt by the Commission of the exchange's certification—unless the Commission in particular cases acts to shorten this period—so that in normal course the registration may be expected to become effective on August 1, 1937.

The foregoing will perhaps answer your specific inquiry as to the nature and extent of this Commission's powers with respect to applications for registration of securities on national securities exchanges. The broader question presented by your letter, as to whether the mechanics established by the Securities Exchange Act for the protection of the investing public are adequate to their purpose, is less easy to answer. Certainly the basic theory of the registration requirements of the act is that publicity of itself is a great purifier. No more apt statement of this view can be made than that of the House Committee on Interstate and Foreign Commerce in its report on the Securities Exchange Act of 1934:

"No investor, no speculator, can safely buy and sell securities upon the exchanges without having an intelligent basis for forming his judgment as to the value of the securities he buys or sells. The idea of a free and open public market is built upon the theory that competing judgments of buyers and sellers as to the fair price of a security brings about a situation where the market price reflects as nearly as possible a just price. Just as artificial manipulation tends to upset the true function of an open market, so the hiding and secreting of important information obstruct the operation of the markets as indexes of real value. There cannot be honest markets without honest publicity. Manipulation and dishonest practices of the market place thrive upon mystery and secrecy. The disclosure of information materially important to investors may not instantaneously be reflected in market value, but despite the intricacies of security values truth does find relatively quick acceptance on the market. That is why in many cases it is so carefully guarded (H. Rept. No. 1383, 73d Cong., 2d sess., p. 11)."

This letter is signed by the Assistant General Counsel.

WHY DID LEHMAN KNIFE ROOSEVELT?

You will recall that immediately following favorable action on the part of the officials of the New York Stock Exchange to list this Columbia Broadcasting System stock, Governor Herbert Lehman, of New York, supposedly a close friend of President Roosevelt's, without the slightest warning, issued a bitter denunciation of the attempt to liberalize Federal court procedure. It may be significant to learn, as printed in the Washington Merry-Go-Round, July 26, 1937, that—

Behind Governor Lehman's blast against the Supreme Court bill was his wife, the former Edith Altschul.

Mrs. Lehman is the sister of Frank Altschul, member of Lazard Freres, international bankers, and chairman of the listing committee of the New York Stock Exchange. Partly because of the influence of her brother, she always has been cool toward the New Deal.

Those who entered into this apparent conspiracy to loot the public by unloading upon the investor securities in this company at a valuation in excess of more than $50,000,000, apparently have received sufficient assurance from those in control of affairs at Washington, that since January 2, 1937, or about the time that our late colleague, Billy Connery, presented a resolution for an investigation, they have advanced the value of the securities of the Columbia Broadcasting Co., as shown by supposed market values, from $42,616,700 in January 1937 to $52,140,100 on July 27, 1937. The figures which I have quoted herein have been furnished by the Securities and Exchange Commission.

Several Members of the House, following my address of July 19, seemed unable to believe that this radio monopoly, which is wholly dependent upon its holding of broadcasting licenses issued by the Government for earnings, had invested, as I stated, less than $1,600,000 in cash and had paid in dividends, since 1931, almost eight millions of dollars.

However, the S. E. C., in a letter of July 27, 1937, states that the actual cash investments in this company, since its creation, was $1,540,000.

SABOTAGING THE NEW DEAL PROGRAM

The public press indicates that Congress is about to adjourn. When we return in January we will then possibly be asked to lock the door after the horse thief has emptied the barn.

It appears that the public is about to be looted again. What is Congress going to do about it?

CONCENTRATION OF WEALTH

On Tuesday, June 15, my colleague from Texas, Mr. PATMAN, in a very fine and carefully prepared speech traced the concentration and control of wealth into the hands of a few banks. Not only is the wealth of the Nation controlled by a handful of individuals situated in Wall Street, but the very molding and controlling of the public mind also resides in this citadel of wealth and under their control.

R. C. A. CONTROL A WALL STREET DIRECTORY

An analysis of the board of directors of the Radio Corporation of America bears witness to the correctness of the remarks of my colleague from Texas, Mr. PATMAN.

Gen. James G. Harbord is a Morgan representative on the board of the Radio Corporation of America and is also a director of the Morgan-controlled Bankers Trust Co. Newton D. Baker is legal adviser to many of the Morgan-controlled utility companies. Cornelius Bliss is a member of the firm of Bliss, Fabyan Co., a Wall Street firm, and is also a director of the Morgan Bankers Trust Co. The elder Bliss was for many years treasurer of the Republican National Committee. Arthur E. Braun, of Pittsburgh, is president of the Mellon Farmers Depositors National Bank, one of whose directors is A. M. Robertson, chairman of the Westinghouse Co.

Bertram Cutler is listed in Poor's Register of Directors as being connected with John D. Rockefeller interests. Edwin Harden, the brother-in-law of Frank Vanderlip, is a member of Weeks & Harden, a Wall Street firm. Dewitt Millhauser is a partner in Speyer & Co., underwriters of utility issues. Frederick Strauss represents J. W. Seligman & Co., a Wall Street firm. James R. Sheffield is a corporation lawyer, a former president of the Union League Club and the National Republican Club. As a former Ambassador to Mexico he used his political connections with the Hoover-Coolidge State Department to get concessions for R. C. A. in South America.

C. B. S. CONTROL DITTO

Although the control of the Columbia Broadcasting System is supposedly a Paley family affair, the bankers are not without influence.

When the Columbia network was purchased back from the Paramount Picture Co., the representatives of the financiers who put up the money for this purchase were added to the board. In return for the cash which the bankers put up they received approximately 50 percent of the Columbia Broadcasting System's class A stock. These banking interests were Brown Bros., Harriman & Co., W. E. Hutton & Co., and Lehman Bros. The members of the board of directors who represent these bankers are Prescott S. Bush, partner in Brown Bros.; Joseph A. M. Iglehart, partner in Hutton & Co.; and Dorsey Richardson, of Lehman Bros.

WAS RADIO TRUST EVER DISSOLVED?

At this point I should like to say something about the Radio Trust formed by R. C. A., General Electric, Westinghouse, A. T. & T., et al., and which was supposedly dissolved by the Government in the notorious consent decree of 1932.

As early as 1930, 2 years before the decree and during the Government's suit against the Radio Trust, a Member of this body and now a member of the Federal Trade Commission, recognized and spotted what now gives the appearance of the beginning of the "Hoover sell-out" in this decree.

Permit me to read to you from a speech by the Honorable Ewin L. Davis, made here on June 19, 1930:

> However, a strange and disappointing feature of this suit is that the petition does not clearly cover the Radio Trust monopoly in the communication field, and furthermore, two companies whose contracts and conduct clearly aline them with this powerful Radio Trust, and who were specifically charged by the Federal Trade Commission with being members of this monopoly, are conspicuous by their absence, as defendants.
>
> One of these members of the Radio Trust is the United Fruit Co., with assets of about $250,000,000. The United Fruit Co. also has a virtual monopoly of the banana business in this country and in Europe. It has powerful influence in Washington. It operates a fleet of ships, primarily for the transportation of its bananas; many of these ships are operated under foreign flags and with alien crews.
>
> This company desired some valuable ocean-mail contracts, and with the aid of two other hybrid shipping companies and of the Postmaster General, who eagerly rushed to their rescue, succeeded in having chloroformed the bill which very properly provided that no ocean-mail contract should be awarded to any company operating foreign-flag ships in competition with American-flag ships, after such bill had been unanimously reported by the Committee on Merchant Marine and Fisheries, a resolution for its consideration had been unanimously reported by the Committee on Rules, and it had passed the House without a dissenting voice or vote. While this bill was still pending in the Senate committee, the United Fruit Co. succeeded in inducing the Postmaster General to award it three valuable mail contracts amounting in the aggregate to about $9,000,000. This unseemly haste notwithstanding the fact that performance under two of said contracts was not commenced for about 3 years, for the very good reason that the United Fruit Co. does not now have adequate American ships to perform the service.
>
> Great is the Radio Trust! Great is the banana monopoly! The other member of the Radio Trust not included among the defendants in this suit is the International Telephone & Telegraph Co., with assets of $389,914,333, which has an agreement to buy the Radio Trust foreign communication services worth about $15,000,000, for $100,000,000 worth of stock in said International Telephone & Telegraph Co., if and when Congress can be induced to so far forget the public interest as to repeal section 17 of the Radio Act of 1927, which prohibits such a monopoly. The Radio Trust has for more than a year been disseminating false propaganda and exerting strenuous efforts to effect the repeal of said section, but has made no appreciable impression upon the Members of Congress.
>
> Not only are these two companies omitted from the defendants in the Government suit, but likewise the communication subsidiaries of the Radio Corporation of America, particularly R. C. A. Communications, Inc., and the Radio Marine Corporation.
>
> No explanation has been offered as to why these members of the Radio Trust were omitted. Surely the Department of Justice does not wish to safeguard this monopoly against the very salutary provisions of section 13 in the Radio Act of 1927, which directs that the licensing authority shall refuse a radio license for broadcasting, commercial communication, or other purposes, to any corporation which has been adjudged guilty by a Federal court of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or by any other means, or to have been using unfair methods of competition. This provision of the radio law is self-enforcing. However, immunity from its provisions continues so long as the violator of the law is not adjudged guilty, notwithstanding the fact that the members of the Radio Trust are daily and flagrantly violating the laws. These omitted companies hold licenses for the use of hundreds of most valuable wave lengths in the field of both domestic and international communication.
>
> Furthermore, it is admitted that the Radio Corporation of America and its communication subsidiaries have an absolute monopoly in international radio service between this and foreign countries. David Sarnoff, vice president and general manager of the Radio Corporation of America, testified before the Committee on Merchant Marine and Fisheries "that the international radio service is a natural monopoly and should be." Owen D. Young, the leading figure in the Radio Trust, has several times given utterance to similar sentiments.

Before the consent decree, R. C. A., who, under the illegal cross-licensing agreement with A. T. & T. et al., controlled the patents to radio-equipment manufacture, began to issue licenses to others—probably with the idea of convincing the Government and the public that they were not such a bad trust. But, after the consent decree, I have learned of no licenses for radio-set manufacture that were given by R. C. A.

THE PUBLIC PAYS

When the Government seemed to be pressing suit against the Radio Trust, the cost of radio sets dropped to $10 and below. This permitted millions of homes to enjoy the benefits of radio, and millions of people were able to listen to the issues of the day aired over the wave lengths. A new note in democracy was being struck. However, just as soon as the Hoover administration and the Radio Trust entered into the now infamous consent decree the price of radios began to rise again until now $30 and up is the price for a decent radio.

PHILCO RADIO SUIT INTERESTING READING

Not content with their monopolistic control and the 5 percent on gross revenue they take from all licenses they began to terrorize even those who had licenses to compete with them. The case of Philco Radio & Television Co., which filed a suit against the R. C. A., charging espionage and other terroristic practices to R. C. A., is eloquent testimony.

PATENT RACKETEERING

Other independents, if they desired to compete, were forced to run the gamut of patent-infringement suits brought by R. C. A. To fight a case of this sort costs a great deal of money. The adjudication of a patent through the Supreme Court sometimes costs over $100,000. Such a cost is prohibitive to most independents. His choice is due in one of two directions: Either he fights and the cost of litigation plus threats to his customers drive him out of business; or, he wisely goes out of business upon the receipt of a threat of an infringement suit. In either case, the independent gives up the ghost. Such is the power of the patent racketeering of the Radio Trust.

THE SPIDER VERSUS THE OCTUPUS

It is interesting to find that the R. C. A. monopoly has lived up to the practices of other monopolies of the past. The records of the investigation conducted by the Federal Communications Commission into the telephone monopoly disclosed the fact that R. C. A. prepared suit showing violation of the antitrust laws on the part of the Bell Telephone monopoly and while the papers were prepared for presentation to a Federal court, they were never sent there. This bill of complaint, copy of which I have in my hand, was filed with the Bell Telephone monopoly and as a result of such findings it is my understanding that the monopoly then possessed by the Bell Telephone Co. was divided into two parts with R. C. A. sharing the spoils.

This bill of complaint which I hold in my hand is a photostatic copy of the complaint on file in the investigation made by the Federal Communications Commission of the telephone industry, and it shows to just what extent the monopoly exists, as admitted by the monopolists themselves. I wish I had time to read to this House the provisions of this suit prepared by R. C. A. against the A. T. & T., but filed only with A. T. & T., and not in court. This complaint, setting up and alleging the monopoly that exists in the sound motion-picture industry which existed in 1933 when this suit was prepared and which monopoly exists today. Now, bear in mind that the only thing this sandbagging suit was prepared for was this: This suit was prepared to be filed only in case the A. T. & T. and their subsidiaries did not divide the swag in sound motion-picture industry field in the United States. The A. T. & T. came in, and rather than have their monopoly exposed to the public, divided the swag, but where was and is the Department of Justice? Why has not the Department of Justice filed suit to protect the public against this antitrust law violation?

Let me quote from this photostatic copy of the complaint filed by R. C. A. against A. T. & T. and their subsidiaries, and the different sound motion-picture corporations. After setting forth the jurisdiction that the suit is brought under the act to protect trade and commerce against unlawful restraints and monopolies, known as the Clayton and Sherman Antitrust Acts and naming the nine different motion-picture corporations who principally control the production and distribution and exhibition of motion pictures in America, and describing how A. T. & T. and their subsidiaries and licensees, through cross-licenses and patent pooling, have set up their controlled radio and telephone and the reproduction of sound pictures and all loudspeaking equipment, they then in part allege:

Prior to December 1926 Telephone and Western, in violation of sections 1 and 2 of the Sherman Act, combined and conspired together to monopolize and to restrain the interstate trade and commerce in the production, the sale or lease, and the installation of recording and reproducing equipments in the manner hereinafter set forth, and said combination and conspiracy have continued to this date.

The principal purposes and objects of said conspiracy were to secure for the primary defendants a monopoly of said trade and commerce; to protect the said defendants in the enjoyment of the profits resulting from such monopoly; and to prevent and to restrain others than the said defendants, and especially to restrain Radio and its affiliated companies, from engaging in said trade and commerce in competition with the defendants, although Radio and its affiliated companies, in addition to having rights under their own patents, were and are fully licensed, royalty free, under the patents of the Telephone group with respect to such recording and reproducing equipments.

To accomplish their purposes the primary defendants took advantage of the conditions existing in the motion-picture industry in 1927 and 1928 to secure a monopoly of such trade and commerce before Radio and its affiliated companies were in a position effectively to enter the field. In order to effect, to strengthen, and to continue this illegal monopoly, the primary defendants secured the execution of long-term, exclusive-dealing, and tying contracts with the principal producing, distributing, and exhibiting companies in the industry, and thus prevented the potential competition of Radio from becoming actual and substantial competition by means of such tying clauses, discriminatory provisions, and restrictions on the right of lessees of Electrical Research Products, Inc. (E. R. P. I.), equipments to deal with others, and especially with Radio and its affiliates.

The primary defendants substantially have accomplished their purpose to monopolize and to restrain the aforesaid trade and commerce and they still illegally monopolize and restrain the aforesaid trade and commerce, and threaten to continue to do so, to the irreparable and continuing injury and damage to the plaintiff, primarily by and as the result of the following and other illegal acts, arrangements, and contracts:

1. The organization of E. R. P. I. by Telephone and Western to act as their agency and instrumentality in acquiring and in maintaining a substantial monopoly of the trade and commerce in recording and reproducing equipments.

2. The destruction of the exclusive rights of Vitaphone under its contract with Western so as to enable E. R. P. I. to enter into the contracts with all the secondary defendants and with other producers, distributors, and exhibitors of sound pictures.

3. The execution of tying and exclusive dealing contracts between E. R. P. I. and the secondary defendants and others whereby E. R. P. I. secured a monopoly for a long term of years of at least 80 percent in value of the business of supplying recording equipments to motion-picture producers.

4. The execution of tying and exclusive-dealing contracts between E. R. P. I. and the secondary defendants and other producers and exhibitors whereby E. R. P. I. secured for a long term of years a monopoly of the business of furnishing reproducing equipments to at least 85 percent of the key theaters in the United States, and a monopoly of approximately 75 percent in value of the entire business of furnishing such equipments.

5. The use of E. R. P. I. of a standard form of installation contract for reproducing equipment which contains recitals and restrictive provisions having the purpose, tendency, and effect of preventing exhibitors from using sound records not produced by Western recording equipments.

All as is described more fully hereinafter.

For 25 pages of pleadings the petition carefully sets forth how E. R. P. I., a wholly owned subsidiary of A. T. & T., was able through their airtight contracts to completely monopolize all sound motion picture and sound-recording loudspeaking equipment, and so forth, for the Nation. The petition states:

As to the 2,000 key motion-picture theaters in the United States, the numbers, percentages, and seating capacities of such theaters equipped, respectively, (1) with E. R. P. I.'s reproducing equipment, (2) with plaintiff's reproducing equipment, and (3) with reproducing equipment of others than the plaintiff or E. R. P. I.:

Key motion-picture theaters

	Number	Percentage	Seating capacity
Theaters equipped with E. R. P. I. reproducing equipment	1,664	85.2	2,397,960
Theaters equipped with R. C. A. reproducing equipment	196	7.5	323,859
Theaters equipped with other than R. C. A. or E. R. P. I. equipment	138	7.3	164,030

The above described substantial monopoly of Western and E. R. P. I. of the trade and commerce which consists of the manufacture, of the sale or lease and of the installation of reproducing equipment in the key motion picture theaters in the United States, as described above, was acquired by the R. C. A. as the result of the exclusive dealing and tying provisions inserted by E. R. P. I. in its recording license agreements with the motion picture concerns, and other producers.

Rather than permit R. C. A. to file this petition in the Federal District Court for the Southern District of New York

where the complaint was prepared to be filed, the A. T. & T. and their subsidiaries, Western Electric and the Electrical Research Products, Inc., Metro-Goldwyn Pictures Corporation, Warner Brothers Pictures, Inc., Fox Film Corporation, Universal Pictures Corporation, First National Pictures, Inc., Educational Pictures, Inc., Eastern Service Studios, Inc., United Artists Corporation, Columbia Pictures Corporation, and Charles D. Hilles and Eugene W. Leake, as trustees of Paramount Publix Corporation, formerly known as Paramount Famous Lasky Corporation, preferred to admit what the facts clearly show, that an absolute monopoly did exist and they preferred to divide the swag between themselves rather than permit the suit to be filed in court, which naturally would force the Department of Justice to intervene at least under the guise of protecting the public from such monopolistic practices.

As this is a public document and presuming the Department of Justice is interested in investigations being conducted by governmental agencies, I wonder why the leading officials of the Hoover administration seemingly have so much influence with the Department of Justice under this administration that no action has been taken in this case. I note that the principal attorney for R. C. A. in this blackjacking against the public interests is William J. Donovan, who I understand was the head of the antitrust administration during the Hoover administration, and associated with him are several legal lights, most of whom I believe will be found advocating the principles of the Hoover administration rather than those of the New Deal administration. As this petition contains some 27 pages of printed matter, I will not burden the RECORD with it, but I am sending a copy of the petition to the Department of Justice and asking why, if a monopoly existed when possessed by the Bell Telephone octopus, did the monopoly pass out of existence when the spoils were shared with the R. C. A. spider?

Is it not passing strange why the Department of Justice, bound to be familiar with this suit which was filed to divide the swag between these two monopolistic groups, refuses to protect the innocent investing public and to file suit on this and other known existing monopolies in the communications field that is taking such handsome profits from the consuming public? It is up to them to answer this question. Why has the Department of Justice failed to file suit and enforce the antitrust laws?

COMMUNICATIONS COMMISSION ON SIT-DOWN STRIKE

It must be recalled at this point that the Federal Communications Act of 1934 provides that a company which engages in antitrust practices as they relate to radio-apparatus manufacture may have their broadcasting licenses denied. The act provides as follows:

APPLICATION OF ANTITRUST LAWS

SEC. 313. All laws of the United States relating to unlawful restraints and monopolies and to combinations, contracts, or agreements in restraint of trade are hereby declared to be applicable to the manufacture and sale of and to trade in radio apparatus and devices entering into or affecting interstate or foreign commerce and to interstate or foreign radio communications. Whenever in any suit, action, or proceeding, civil or criminal, brought under the provisions of any of said laws or in any proceedings brought to enforce or to review findings and orders of the Federal Trade Commission or other governmental agency in respect to any matters as to which said Commission or other governmental agency is by law authorized to act, a licensee shall be found guilty of the violation of the provisions of such laws or any of them, the court, in addition to the penalties imposed by said laws, may adjudge, order, and/or decree that the license of such licensee shall, as of the date of the decree or judgment becomes finally effective or as of such other date as the said decree shall fix, be revoked and that all rights under such license shall thereupon cease: *Provided, however,* That such licensee shall have the same right of appeal or review as is provided by law in respect of other decrees and judgments of said court.

COMMISSION TRIED AND FOUND WANTING

The Federal Radio Act of 1927 included even a more drastic provision, making it mandatory upon the old Federal Radio Commission to deny licenses when an apparatus monopoly was established. In the supposed dissolution of the Radio Trust by the Consent Decree in 1932, it was proven that R. C. A. possessed such a monopoly. There is evidence to show that despite the consent decree, this monopoly still persists in violation of the antitrust laws. Yet testimony before the House Appropriations Committee shows that broadcasting licenses of R. C. A. are renewed every 6 months without ever having the question of the apparatus monopoly or public interest raised. I sincerely believe that the issue of reexamining the effects of the consent decree is resting squarely on the shoulders of Congress. Shall we face the issue or evade it as has been the custom in the past?

The gentleman from Massachusetts [Mr. WIGGLESWORTH], who, as a member of the appropriations committee, has given much time and consideration to this subject, has spoken several times favoring the immediate clearing up of this communications monopoly. His work in the committee bringing out some of the existing known facts, I am sure has the hearty approval of the Congress. Several other Members have spoken, pointing out the great need of an investigation.

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

Mr. McFARLANE. I yield.

Mr. WIGGLESWORTH. Does the gentleman know any reason in the world why the so-called Connery resolution providing for an investigation into this entire field should not be reported out by the Rules Committee of the House? It has been there since January, I think.

Mr. McFARLANE. In answer to the gentleman's inquiry, I may say that I do not know of any reason why it has not been acted upon. Apparently different members of the Rules Committee with whom I have talked are all highly in favor of it, yet we get no action, action which I believe the gentleman from Massachusetts and other Members of the House will agree is necessary if we are going to run this octopus out into the open and be able to frame proper legislation to correct the known existing evils.

Mr. WIGGLESWORTH. I agree with the gentleman that action is essential, and that it is essential now, if we are to accomplish anything before the horse gets out of the stable. A number of Members on this side of the aisle, as the gentleman knows, have been interested in a thoroughgoing investigation for some time. For over a year and a half I have personally urged upon the Members of the House the importance of such an investigation. I hope the gentleman from Texas will succeed in prevailing upon the committee to report the resolution now.

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

Mr. McFARLANE. Yes; I yield.

Mr. VOORHIS. Does not the gentleman feel that perhaps the root of this whole matter is to be found in the fact that these corporations have been able to call a certain radio channel their own; that, as a matter of fact, if there is any natural resource that ought to belong to the people it is the air, and that we are gradually building up here a vested interest in the ownership of channels of communication through the years? Would not the gentleman favor some tax measure which would levy a good stiff franchise tax and take the water out of the situation so that the only advantage would be a temporary license, or a license running for a certain period of time? Would not this prevent the building up of a vested interest in these channels?

Mr. McFARLANE. Answering the gentleman, I may say that there has been tax legislation pending before the Ways and Means Committee since the early part of this year, but we have been unable to get any action on it. This would require the radio industry, which is the only public utility operating in interstate commerce in the United States today that does not at least pay the cost of its supervision, to pay a suitable tax; but this bill, like the others which should have been brought to the floor of the House, never has been considered by this committee and still lies buried there.

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

Mr. McFARLANE. Yes; I yield.

Mr. LEAVY. The gentleman's remarks indicate that he has given much thought and study to this question, and he is making a strong case. I am wondering if he has covered the further abuse that is generally recognized of large, metropolitan newspapers of the country acquiring radio stations and then hooking in with the great radio chains and thus controlling channels of news through radio as well as through the press?

Mr. McFARLANE. If the gentleman will read my remarks of July 19, he will see that I dwelt upon that very question; that I pointed out that some 200 of the large daily newspapers of this country own the largest radio stations in America, and through this method of radio broadcasting and sound motion-picture equipment and through the press, through that tie-up, they absolutely control and mold public opinion in this country today; and this is why Congress is having such a terrific fight to get any worth-while legislation enacted for the benefit of the people. [Applause.]

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

Mr. McFARLANE. Yes; I yield.

Mr. WEARIN. That tendency on the part of the newspapers coupled with the operation of the present chain does constitute a serious threat in the way of a monopoly to influence public opinion, does it not?

Mr. McFARLANE. There is no doubt about it.

Mr. WEARIN. I am sure the gentleman is familiar with the fact that I have a bill now pending before the Committee on Interstate and Foreign Commerce to prevent a continuation of this monopoly.

Mr. McFARLANE. I know the gentleman has had such a bill pending for some time, but he does not seem to be able to get action on that any more than the rest of us are on these other bills. We cannot, apparently, get these bills out of these committees which would be of such tremendous benefit of the people. And this communications monopoly is becoming more powerful all the time. Until now many Members dare not speak their sentiments against it, lest they be opposed by it for reelection.

Mr. MARTIN of Colorado. May I ask the gentleman a question?

Mr. McFARLANE. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. The gentleman has found out that the big newspapers control the radio. I want to ask him if he has dug in deep enough to find out who controls the big newspapers of the country?

Mr. McFARLANE. The same crowd that controls almost everything that is worth while—the banking interests of Wall Street.

Mr. MARTIN of Colorado. The fact is that the big newspapers of the country are nothing but the loud speakers on the cash registers of big business?

Mr. McFARLANE. The gentleman is correct.

THE R. C. A. SPIDER

But does the grasping of the monopoly stop there? Let me quote the following from the Hollywood Reporter of July 1937:

R. C. A. NOW BELIEVED AIMING TO CONTROL COMMUNICATIONS

WASHINGTON.—There is a well-authenticated report that the Department of Justice is now willing to withdraw its objections to a merger of Western Union and Postal Telegraph. In inside circles this is seen as an indication that R. C. A. is moving to control the entire communications field.

The ultimate battle, of course, will come over the control of commercial television. In view of President Roosevelt's determination for a unified communications system, it is possible that if the big wire companies merge, R. C. A. might let the merged outfit have the communications business and devote itself to the amusement field and broader television activities. However, this possibility is not credited by those in the know.

They believe that R. C. A. will make every effort to control both Western Union and Postal in an effort to broaden its telegraph business, and that the fight will then be between R. C. A. and A. T. & T. for full control of both communications and television.

It is not thought possible that if the wire companies do merge, the new company would be able to protect itself against the threat of radio competition by acquiring R. C. A., the supremacy of R. C. A. being seen as much more logical. In any event, it is believed that the merger would make commercial television much more imminent.

R. C. A.'S STOCKHOLDERS' $220,000,000 GIFT FOR WHAT?

There is an interesting sidelight to the relation between R. C. A., G. E., and Westinghouse, but nevertheless important, and bears mentioning here.

When General Electric, Westinghouse, and R. C. A. were busy dividing up the radio field amongst themselves a very peculiar transaction took place. In return for certain stock and physical assets given to R. C. A. and which R. C. A. itself valued at $42,864,812 plus the exclusive manufacturing rights and the royalties to radio device field, General Electric and Westinghouse received 6,580,375 shares of R. C. A. stock, the market value of which was $263,215,000. In other words, R. C. A. paid $220,350,147.50 for the exclusive rights in the radio-apparatus field, and gave the control of R. C. A. to G. E. and Westinghouse. The facts are borne out in an unchallenged affidavit on file in the Federal court. It is difficult to believe that they were worth that much. It is far easier to imagine the innocent investing public who owned R. C. A. stock, through no choice of their own, made a gift of these hundreds of millions of dollars to Westinghouse and General Electric. And from the message I read to you earlier from S. E. C. the law is unable to cope with this manifest racketeering.

FACTS UNCHALLENGED

Stock jobbing and looting of concerns on the part of majority holders is well illustrated in excerpts from an unchallenged affidavit found in the files of the R. C. A. case:

On or about January 1, 1930, the market value of 6,580,375 shares of Radio stock was approximately $263,215,000, the market price being about $40 per share.

In the actions and motions made before Judge Knox, reference to which is made in the petition, Otto S. Schairer, a vice president of Radio, made an affidavit therein verified December 2, 1932, in which he purports to set forth the considerations and the value thereof which were received by Radio from General Electric and Westinghouse for this block of 6,580,375 shares. He places a value upon every consideration except the exclusive right to manufacture, the right to retain 100 percent of certain royalties, and goodwill and the transfer of personnel.

His figures summarized are as follows:

Release from an obligation of a subsidiary of Radio	$32,000,000.00
Depreciated value of plants, machinery and equipment of the manufacture of radio apparatus, etc.	5,025,167.50
Stock of R. C. A. Photophone Co., Inc.	3,600,000.00
Stock of National Broadcasting Co., Inc.	1,651,685.00
Stock of General Motors Radio Corporation	588,000.00
	42,864,852.50
Subtracting from the value of the stock, which was	263,215,000.00
The sum of	42,864,852.50
Leaves a balance of	220,350,147.50

* * * * * * *

The value of these manufacturing rights of approximately $220,000,000 is arrived at from Otto S. Schairer's own affidavit, based of course upon the value of the stock in the open market at the time of the issuance and transfer. * * *

If the defendants would have this court believe that the transaction in January 1930 was honest and clean and Radio was getting dollar for dollar, then these exclusive manufacturing rights must have had an approximate value of $220,000,000.

I will go a step further. Even the amount of $42,864,852.50, which represents according to Mr. Schairer the aggregate amount of the other considerations that were received by Radio in January 1930, may be a fictitious amount. * * *

Under agreement "M", which was dated as of January 1, 1930, said choses in action and physical properties making a total of $42,864,852.50 were transferred to Radio through the medium of two subsidiaries known as General Electric Co., Inc., and Westinghouse Radio Co., Inc.

As a condition for the transfer it was provided that these properties be taken over by Radio subject to the payment of all the liabilities and obligations of these two subsidiary companies.

Those liabilities have never been disclosed so far as I have been able to ascertain. These other liabilities might have been very substantial, in which event they might partly or wholly cancel the $42,864,852.50 which is the valuation of the choses in action and physical properties fixed by Mr. Schairer.

In such event the actual value of the exclusive right to manufacture under the patents would be even greater than the approximate $220,000,000; and the practical result would be that the only real thing of value which was given for this enormous block of stock was the exclusive right to manufacture under the patents.

Let these defendants explain to this court now on what theory they have consented to permit General Electric and Westinghouse to retain this block of stock which had a value of approximately $220,000,000, or more, when the exclusive right to manufacture has been taken away from Radio * * *.

At this point I want to ask that the committee now investigating tax evasions and tax loopholes investigate this gift of $220,000,000 to Westinghouse and General Electric and learn just what taxes were paid on this $220,000,000. I also ask that they report their findings to this body.

The people of the United States have paid $2,262,375 last year to regulate the communications industry. In all other kinds of industries operating under Government franchise the cost of their regulation is placed on the industry. Why, then, should the taxpayers continue to keep up the cost of the Federal Communications Commission? I think it is now time for Congress to shift this burden from the shoulders of the taxpayer on to the communications industry, which operates under Government franchise for which they pay nothing.

I cannot repeat too often the query, "What does Congress intend to do?"

FOURTEEN POINTS BUT NO PEACE TREATY

July 19 I addressed the House, outlining the evils and monopoly existing in the radio industry and the lack of authority to protect the public in the communication and securities and exchange law. At that time I charged the following:

First. It was demonstrated that radio censorship and dictatorship exists, not by the Government or any Federal agency, but by the vested interests and the radio monopoly.

Second. That radio and motion pictures, the main means of controlling and molding public opinion, are in the hands of the Telephone and Radio Trust with television about to be added.

The Natural Resources Committee pointed out that television may become a wonderful boon or if misused and misregulated a horrible monster. To permit the present Communications Commission, as it has in the past regulated radio, or rather misregulated, is a thing that Congress must prevent, and one way we can do it is by cleaning up the radio cesspool.

I should like to insert in the RECORD an editorial on television appearing in the Washington Herald of Sunday, August 1:

THE MAGICAL EYE

You can build a television set today out of things on sale at the 5- and 10-cent store.

That's the somewhat ecstatic way in which electrical engineers talk to make it understood that visual broadcasting is ready for citizens' appreciation.

Indeed, the National Resources Board in its recent report on technological trends, stated:

"Color television is already a laboratory accomplishment. It, too, may become practical before long. Developments have been started in three-dimensional sight and sound.

"And if we consider past progress in this field, is it too much to expect that a future generation of Americans will be able to sit at their firesides and see reproduced before them in actual colors and in three dimensions, both visually and acoustically, scenes which are being instantaneously transmitted from the interior of some forest, accompanied with all the fragrant odors of nature, and eventually the addition of a vicarious, tactual sensation?"

Well, having experienced the wonders of our age so far, who are we to shrink from the idea of bringing far-away sights, smells, and the feeling of distant objects to the fireside by radio?

Rather it becomes our era to think who is going to pay for all this magic and how.

What the exurberant electricians mean when they talk about "five and dime" television is that most of the instruments that make up a television receiving set are "in the public domain", or not patentable. They are expensive, however, and so far only three companies in the United States are jockeying to put them on the market.

But once they are available, who is going to distribute the programs? Broadcasting by radio waves so far appears impracticable, as 30 miles is the present limit of distance from a station that a radio televised program can be picked up.

The American Telephone & Telegraph Co. has a device, however, known as a coaxial cable, which will allow television programs to be sent right into homes just like telephone calls. This could be done today.

A movie, for instance, could be "piped" to your living room by television, you would be saved the trouble of driving downtown, parking, and all that. The movie houses would go dark, but you should worry.

But there are added factors. Movies cost anywhere from $350,000 to $2,000,000 each. Suppose Mutiny on the Bounty had been played all over America on a single night, just as W. C. Fields and Charlie McCarthy do now? Obviously, it wouldn't have stayed on the air a week, and new movies would have been necessary for the next night. But no commercial sponsor could afford a Mutiny on the Bounty to advertise his coffee, even if people would stand for such a thing.

Perhaps the practical way to get television into the homes now is to lease sets just as telephones are leased, and let customers buy their service as they want it. That calls for a lot of governmental regulation and guidance, to avoid either big organizations like A. T. & T., or a sinister outfit like a political party on dictatorship bent, from getting control of a dynamic propaganda weapon.

How would you like to have your television?

It's up to Congress to start making a public analysis and a public policy, before television falls in with bad company of any kind, for the problem is of today.

Third. That the public was apparently in the process of being fleeced by stock racketeering in radio securities.

Fourth. Specific evidence was presented to show that the S. E. C. is helpless to cope with the present Columbia Broadcasting System's stock-issue registration and distribution, which has the appearance of fleecing an innocent investing public; neither can it cope with the issuance of securities by R. C. A., which controls all of the stock of N. B. C.

Fifth. That the trafficking in radio frequencies, for which broadcasting companies pay the Government nothing, has proven a flourishing racket.

Sixth. That the F. C. C. was on the verge of giving two frequencies allotted to the Navy to the Columbia Broadcasting System. A situation which has all the appearances of another Teapot Dome.

Seventh. That the F. C. C. officials have admitted the present existence of the radio monopoly and its racketeering practices and are either unwilling or unable to protect the public and enforce the law. And this monopoly costs the Government $2,262,375 annually to maintain the Federal Communications Commission to grant free licenses to this monopoly to enable this monopoly to take from the public through advertising over $140,000,000 annually, with no regulation of the advertising rates to be charged.

Eighth. That unfair competition prevails whereby privileged individuals, with unsual political connections, are enriched by millions of dollars through the continued holding of so-called experimental licenses.

Ninth. That the consent decree of 1932 contains elements so suspicious that they fairly shout for complete exposure.

Tenth. That two governmental agencies, the F. C. C. and the F. T. C., specifically instructed to protect the public against monopoly and monopolists, are either unable or unwilling to enforce the law.

Eleventh. That the Radio Trust has a complete monopoly of the 40 cleared channels.

Twelfth. That 93 percent of all the broadcast power is in the hands of this monopoly.

Thirteenth. That radio control of newspapers is a widespread evil.

Fourteenth. That the illegal monopoly conditions existing before the consent decree of 1932 were not changed by that decree and still flourish.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

Mr. LUDLOW. Mr. Speaker, reserving the right to object, my colleague from Indiana has a very important matter on which he desires to speak; that is, the wages and hours clause. Would the gentleman be content with 3 additional minutes?

Mr. McFARLANE. That will be satisfactory. I ask unanimous consent to proceed for 3 additional minutes.

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

There was no objection.

Mr. McFARLANE. There is resting in the Rules Committee the resolution presented by the late and beloved Billy Connery to investigate this cesspool. What is the Rules Committee waiting for? Are they waiting for the Radio Trust to put the F. C. C. and the S. E. C. on wheels and roll them off into their own back yard?

Congress will soon adjourn, and this special investigating committee should properly be put to work during the recess of Congress investigating this whole communications mess to the end that remedial legislation be promptly offered early next session to clean up this whole Department. A bill by the gentleman from New York [Mr. BOYLAN], H. R. 6440, has been pending before the Ways and Means Committee since April 15, 1937, to require the communications industry to, at least, pay the necessary expenses for operating and maintaining this Commission. This monopolistic public utility is the only such existing utility in the Nation not paying for the costs of its own regulation. The radio monopoly is the only public utility not having some regulatory commission to properly regulate its rates. From every standpoint the existing practices now knowingly being permitted in open violation of our antitrust laws cry out for the immediate action of Congress to either insist upon law enforcement or to impeach the Government officials who refuse to do their duty and enforce the law. [Applause.]

SELECT COMMITTEE ON GOVERNMENT REORGANIZATION

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the Select Committee on Government Reorganization may have until midnight tonight to file a report.

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

Mr. TABER. Mr. Speaker, reserving the right to object, when is it the intention of the chairman of that committee to bring this matter up for consideration?

Mr. COCHRAN. I may say to the gentleman that is a matter for the Speaker and the majority leader to decide, and I cannot answer the question. I express the hope it will be called up before the week is out.

Mr. TABER. It will not be called up tomorrow?

Mr. COCHRAN. I do not think it will be, as far as I know.

Mr. RAYBURN. It will not be called up tomorrow.

Mr. TABER. What about Thursday?

Mr. RAYBURN. I doubt whether it will be called up Thursday. I do not think it will come up before Friday or Saturday.

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

There was no objection.

CONFERENCE REPORT ON H. R. 7051

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tonight to file a conference report and statement on the bill H. R. 7051, the rivers and harbors bill.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Does the gentleman from Indiana [Mr. GRISWOLD] yield for that purpose?

Mr. GRISWOLD. I do not.

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, supplementing the remarks I made a few days ago in the House and also supplementing the remarks made by the gentleman from Iowa [Mr. WEARIN] this morning.

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

There was no objection.

WAGE AND HOUR LAW

The SPEAKER. Under a special order previously made, the gentleman from Indiana [Mr. GRISWOLD] is recognized for 30 minutes.

Mr. GRISWOLD. Mr. Speaker, I come before you as a member of the Labor Committee, as one who believes in the principle of a minimum wage established by law, to discuss this bill not with a view of asking your support of it or with a view of suggesting your opposition, but with the intent of giving you facts concerning the bill. I myself shall support the bill with certain amendments; because I shall do so is not even a remote reason for any other Member to do so. If you have no better reason for voting for this bill than the fact that some other Member is doing so or that William Green, of the A. F. of L., or any other person, no matter how high his office or great his name, asks you to vote for it, you are, in my opinion, committing an unpardonable crime both against American labor and American industry.

I want to call your attention to the fact that William Green by no means voices the wishes of all labor in his advocacy of this bill. Nor does the Association of Manufacturers or National Chamber of Commerce speak for all of industry in their opposition to the bill. As a matter of fact, when Mr. Green speaks, even though he speaks for his whole membership, he speaks for only a very small percentage of labor. Such a small percentage as to be almost negligible. And 90 percent of that small percentage of his members is excluded from the operation of this act. So, as a matter of fact, Mr. Green can only speak officially for about one-half of 1 percent of the labor that is affected by this act. Ninety-nine and one-half percent of the total labor affected by this act Mr. Green has no official connection with as the president of the A. F. of L. and has no more authority to speak for them than have you or I or any other citizen. He is interested in them beyond a doubt. He wishes them to prosper and be content. I presume he hopes they will some day come into his organization and contribute to its upkeep and support of its officers. I, too, hope they may unionize. I believe the A. F. of L. is a good thing, but I do not believe its president has any more right to speak or to be accepted as speaking for those outside its membership than any other citizen has, and even in the A. F. of L. the executive heads of many of the member organizations are actively opposed to this bill.

The same thing can be said of the National Manufacturers Association and the United States Chamber of Commerce. There are actually thousands of independent businessmen in the United States whom neither of those organizations represent and who would repudiate those organizations for their opposition to this bill if they were members. In fact, I hazard the guess that the percentage of businessmen of the United States for which the manufacturers association and chamber of commerce speak officially is even smaller than the percentage of labor for which Mr. Green speaks.

"It isn't hard to tell the truth if you only know what the truth is." You should know the truth about this bill. You, as Members of the House, should have in your possession as many of the facts as you can get—the good features and the bad, and weigh them in the scales of thought and reason before you determine your vote. I warn you that there are gentlemen here who are going to a political Gethsemane when they vote on this bill. There are gentlemen who will be politically crucified no matter which way they vote. I have some friends here whom I like and respect. Good, conscientious legislators who are going to vote for this measure and sink into political oblivion. I know men who are just as good and just as conscientious who are going to vote against it and suffer defeat as a consequence.

We have, in this wage-and-hour bill, gone into the legislative laboratory and have taken from the shelf a little of the knowledge of wages, a little of the knowledge of hours, less of the knowledge of business competition, slightly less of the knowledge of plant management, a teaspoonful of the machine age, a couple of drops of freight rates, a great amount of hope, and an insignificant portion of faith and mixed them all together and bottled them into the high explosive in this bill. Congress has mixed it hastily and we can know the old adage will hold true that "what is done in haste can be regretted at leisure."

There is a great need for regulation of wages and hours in this Nation if our present industrial competitive system is to survive. My colleague from Texas, Judge SUMNERS, has on numerous occasions sounded the need for action on the floor of this House when he has stated the results of the machine age whereby we continually increase the man-units

of production while reducing the man-units of consumption. He has called upon us to decide whether we shall have 1 man operating a machine that does the work of 10 with 9 men on the industrial scrap heap or whether we are going to so regulate hours as to continue to use all 10 men in productivity so that all 10 men will have financial ability to consume. We must either keep men on private pay rolls or we must keep them on governmental charity, as we have been doing for the past 4 or 5 years. There is no middle ground.

Back of this legislation in its inception was the theory that welfare or profits of a private business should not destroy the welfare and livelihood of human beings as a whole. That under a just economic order we could not continue to deprive human beings of a decent standard of living. That Congress should determine the amount of the wage that was so harmful to individuals and general welfare as to be oppressive and make it a criminal offense for any private employer to pay that oppressive wage. The original intent was to establish a floor and say to the employer: "When you go below this floor you go into the cellar and we will not permit an employer of labor to descend into that cellar." The original intent was to fix a ceiling for hours and say to the employer of labor: "Thus far you can go, beyond it you cannot pass." This theory and this intent were both laudable and commendable and because of that I shall support the principle involved in this bill.

I realize that in my home town in Indiana today approximately one-sixth of the native white families receive some income, either in cash or in kind, from relief or W. P. A., and that 50 percent of the native white families in that town received an income below $1,152 last year. That in Atlanta, Ga., 30 percent of the white families had less than $1,250 a year. That means that many of those families had very much less than $1,250 per year—in many instances, only a few hundred dollars per year.

We need legislation to cure this evil, but we do not want legislation that will raise the standards of living for the low paid either a very little or not at all, and which will at the same time reduce or destroy entirely the income of the laborers more fortunate now.

We have no adequate information on which to base a wage and hour bill at this time. Mr. Lubin, of the Department of Labor, the only man who testified before our joint committee who could give us any statistics, stated to us "that it is impossible to distinguish workers that are engaged in intrastate commerce and those engaged in interstate commerce." The bill is presumed to affect only those in interstate commerce, and no one knows how many there are. No one has any figures on which to base even a guess, and of those in interstate commerce we have exempted all who work 40 hours or less a week or receive 40 cents or more per hour. The bill exempts all railroad men who we are positive are engaged in interstate commerce; all employees engaged in motor transportation under the act of 1935; all executive, administrative, and professional people. We have exempted seamen, those employed in the canning industry, all employees engaged in agriculture, employees of cooperative dairy plants but not of privately owned plants, persons employed in connection with ginning, compressing, and storing of cotton or of processing of cottonseed, those employed in the processing of beet, cane, and maple sugar. We have also exempted outside salesmen. Those who are left and engaged in interstate commerce will come under the provisions of the act.

While we exempt cotton and the processes of its handling in compresses and cottonseed mills we do not exempt tobacco and these employed in its processing or handling after it ripens. We do not exempt lumber, which in many localities is a seasonable occupation. We do not exempt plants privately owned engaged in the production of butterfat and other animal fats produced by the American farmer which are in keen competition with the vegetable oils produced from cottonseed. We do not exempt those engaged in the production of fertilizer which is a product 90 percent of which is sold and shipped during 9 weeks of the year. There is no logical explanation for the fact that we should exempt one nonperishable, such as cottonseed, merely because it is partially seasonable and at the same time failing to exempt other nonperishables which are also seasonable, such as fertilizer, lumber, and tobacco or other perishable products such as animal and butterfats. It is very evident that the pressure from the cotton-producing groups was much greater and better organized than the pressure from the tobacco, lumber, and animal-fat-producing groups.

We place under the penalties of the bill local retail establishments, exempting outside salesmen of local retail establishments only. We make the act apply to the man or woman who sells you a pound of butter, suit of clothes or necktie across the counter but we exempt from the act the man who knocks at the door of your home and says: "I am the Fuller Brush man" or the team of girls who make your town selling magazines on the pretense of sending them through college. This is a situation in this bill to which the Members of this House should give serious consideration, so they may be able to answer questions of the taxpaying people at home as to why the local retailing clerk who lives in your own community should be made to meet the requirements of this act while at the same time you make the sky the limit both as to wages and hours to the itinerant salesman who comes into your community to compete with your local retailers.

I have been asked whether the positions under this act will be civil service or patronage. I am explaining that feature simply because I have been questioned so many times about it. Under section 3, page 9 of the act the President, by and with the advice of the Senate, shall appoint a Labor Standards Board composed of five members and every other appointee under that Board, bar none, must be subject to the civil-service laws and their salaries must be fixed in accordance with the Classification Act of 1923. Even the Secretary of that Board and the private secretaries of the members of that Board under the bill as reported by the House, must comply in every particular in their appointments with the civil-service rules and regulations and would have to come off of an eligible list established by the Commission. The Senate bill does not provide for these civil-service requirements.

Under section 8 of the bill, if in your State a concern is producing or selling an article that is wholly intrastate and the product does not leave your local community, and a firm in a neighboring State makes the same article in compliance with an order of the Board, that firm in the neighboring State may file a complaint with the Board against your local firm and the Board, because your local firm in its operation of purely intrastate local business, interferes with the business the firm in the neighboring State is doing in your local community, the Board can make an order requiring your local firm to act in accordance with the orders of the Board. It shall be unlawful for any person to employ any employees in that purely local business in violation of any term or provision of the order of the Labor Standards Board. This section gives the firm in interstate commerce a right to dictate the terms under which your local firm can operate, but does not allow your local firm any right to be heard or protest against the firm in interstate commerce.

Under part 4 of the act the board may create differentials not only as between territories and localities, but between individual plants in the same occupation, and under the powers of the board it can even discriminate between classes of employers, employees, or employment. And if it exercised its powers wrongly it could make one industry or one industrialist within an industry the favored child of fortune while wrecking and destroying another industrialist or individual plant engaged in the same identical business.

The board must under the bill, in declaring a minimum wage, consider "such considerations as would be relevant in a court in a suit for value of services rendered where services are rendered at the request of an employer without contract as to the amount of wage to be paid." Under any order of the board this would be a question of fact which could be only determined by a court and subject to a review by a court under well-established rules of evidence. This, combined with the fact that the cost of living must also be considered

by the board, makes it probable that the board would be forced to fix in those localities where labor is now the cheapest and the most underprivileged a wage little, if any, above the present wage, while fixing a high rate in those communities that already have the higher rate of wage, giving an undue advantage and unfair competition to those employers who now work their labor under sweatshop conditions and allow them to sell their goods with governmental approval in the very localities where the high rate of wage is now paid. House amendment to the Senate bill makes it necessary that the board shall also consider the relative cost of transportation of goods from points of production to the consuming markets. This makes it necessary for the board of five men to go into a thorough, extensive, and complete study of freight rates. Today it costs more to ship pottery from the pottery plants in Kokomo, Ind., to the city of Chicago than it costs to ship pottery from Asiatic countries to the city of Chicago. This is without considering that the powers of the board might conflict with the powers of the Interstate Commerce Commission.

The board cannot declare hours of less than 40 per week, but there is no limit to which the board may not go in granting exceptions and declaring maximum weekly hours above 40 hours. Under the House bill the board is required to fix hours and wages on the basis of conditions in separate and segregated communities. Should the board in a community where unskilled labor is plentiful and cheap, with the cost of living low, fix an hourly rate of 30 cents and weekly hours of 48, while at the same time fixing an hourly rate at 40 cents and an hour maximum of 40 hours per week in a community where wages are now higher, it is easy to see the vast increase in the cost of production in the community that is now the least oppressive to labor while the competitive advantage goes to the community where labor is now oppressed and underprivileged. Under such a system the oppressed labor is not materially benefited in either earning capacity or weekly hours, while the industry and labor in the fair section of the country is destroyed by the unfavorable competition. This legislation contains geographical differentials in its worst and most vicious form and penalizes those sections of the Nation and those communities that now have a decent standard of living while rewarding the sections that are now notoriously unfair to labor.

We prohibit under this act the transportation of goods in interstate commerce which were manufactured in this country with the employment of child labor, but we admit to interstate commerce competitive goods manufactured in foreign countries under sweatshop child-labor conditions.

While under State labor compensation laws and most Federal acts we exempt the small employer, there is no exemption under this act for any employer no matter if he has only one employee, both himself and employee are subject to the act, and if the employee is on the employer's premises, working or not working, with or without the consent of the employer, at an hour not covered by his employment such presence on the premises, unless he is paid time and one-half, shall be prima-facie evidence of a violation of the act.

The little-business man, the small independent merchant and plant owner on the main streets of America, is an unremembered man in this legislation. No high-power, acute-pressure lobbyist represented him or organized propaganda in his behalf. His voice was not heard, largely because he does not know what the legislation is attempting to do to him. Congress has not heard him, but his voice will be loud when the blow strikes.

The act goes to great length to establish an advisory committee, the representation on the committee of an equal number from labor and industry as well as from the public, the employment of clerical assistance by the committee, and unlimited compensation for the personnel. The details for the work of the committee and the expense involved would lead one to believe that the committee was a thing of importance and authority to protect the public from a dictatorial attitude on the part of the board; but on page 29, line 19, the act reads:

> The board may reject in whole or in part the recommendations of an advisory committee.

The act provides that in any suit instituted by the board, criminal or civil, against a transgressor of this law the board shall have a right to institute its complaint in the United States district court; but if the citizen of your community who feels that the board has made an improper order desires to institute suit against the board and make the board a party defendant or asks for a hearing in the courts or a review of the order of the board, he shall not be permitted to file his suit in the United States district court. He must be taken far away from his home to file his suit and can only file it in the United States circuit court of appeals of a circuit in which he resides.

While the cost of filing in the United States Circuit court of appeals and the difficulties to be surmounted by your local citizen who feels himself aggrieved would be much greater than filing it in the district court he is forced to go to the additional expense, time, and difficulties while the act specifically provides that no costs shall be assessed against the board in any proceedings in the act brought by or against the board in any court. The board need have no worry about costs and may hail a citizen into court on the slightest pretext. The citizen, as was demonstated in the Schechter case, even though right and upheld by the court makes himself a bankrupt in getting justice because it costs him a fortune to try his case and the taxpayer pays the bill of the board in the board's unjust persecution.

The Secretary of Labor in testifying before the joint committee stated that this bill had vast ramifications. Careful reading of the bill will, I think, convince anyone that its ramifications are so vast that it would be impossible for any man to follow them to their final conclusions. The great liberal, Justice Cardozo, said of the N. R. A.: "This is a delegation run riot." If the N. R. A. was a delegation of power running riot then under the labor standards board we have a delegation of power running far more riotious. Mr. Donald Richberg has stated that it was the administrative features that destroyed the N. R. A. At its height the N. R. A. had thousands of applications for exceptions before it. A board of five men being neither omnipotent or omniscient cannot possibly handle the vast proposition of controlling wages and hours in all industries of the United States fairly, justly, and reasonably because that board of five men cannot possibly know how much it will hurt in one instance or benefit in another. If Congress has the power to delegate this authority to fix wages and hours to a board of five men then Congress itself has the authority to fix minimum wages and maximum hours that will apply to all people in all industries alike. If a wage below 40 cents an hour is oppressive in the case of one man it is oppressive in the case of all men. It is the duty of Congress to find what wage is oppressive and to enact legislation making it a criminal offense to pay that wage or any lesser wage.

Congress should fix a floor for wages and a ceiling for hours on its own responsibility. Write the act on our book of Criminal Laws and make those who violate it criminals as are the violators of other criminal laws.

My sincere hope is that the House, when the bill comes on the floor, will amend it so as to make it just and workable—a proper law to accomplish the desired results.

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

Mr. GRISWOLD. I yield to the gentleman from Indiana.

Mr. PETTENGILL. What happened to the Wheeler-Johnson child-labor amendment adopted in the Senate? Why was that stricken out?

Mr. GRISWOLD. If the gentleman asks me why it was stricken out, I am perhaps like the five members of the board who are going to handle all industry; I am neither omniscient nor omnipotent, and I cannot tell the gentleman why, but the House committee inserted another amendment

there, and I should, perhaps, answer the gentleman in this way. There are several amendments that should be considered together in that respect. For one thing, they talk about minors and women, and yet they do not define at any place in the bill what constitutes a minor.

Under this act, as I understand it, we prohibit anything that is produced by child labor to enter into any interstate commerce in this country, but at the same time we allow everything produced by child labor in foreign countries to enter into interstate commerce in this country.

Mr. PETTENGILL. I am personally very much in favor of the philosophy of the Johnson-Wheeler amendment and would like to know why that philosophy of prison-made goods, with respect to protecting a State, could not apply to all substandard labor conditions anywhere in the Union, and thus make a very simple bill out of it, which I would be very glad to suppcrt if it were done along that line. I would like to know what is the general objection to reaching a solution of this problem along the philosophy of the Johnson-Wheeler amendment.

Mr. GRISWOLD. The only way that I could answer the gentleman would be to say that two people, one from a governmental department and one not connected with a governmental department, appeared very, very late in the consideratiion of this bill before the committee, and that they probably had something to do with the change.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. O'MALLEY. Just how many exceptions are there now in the House version of the wage and hour bill, approximately? How many classes of workers in industry are excepted?

Mr. GRISWOLD. Directly and indirectly I would say 25 or 30.

Mr. O'MALLEY. Does not the gentleman think a better name for the bill would be a bill of exceptions?

Mr. GRISWOLD. It might be apropos.

Mr. O'MALLEY. Does the gentleman recall that at any time during the last campaign any Democratic speaker, any Democratic candidate in the course of his remarks in favor of the wage and hour bill told various classes in the audience that they would be excepted from its provisions?

Mr. GRISWOLD. I do not.

Mr. O'MALLEY. Does the gentleman recall of anything in the last campaign in which the voters were told that we were going to pass a wage and hour bill and that some of them were to be excepted from it?

Mr. GRISWOLD. I do not recall that, but there were a lot of things in the last campaign that I missed. Mr. Speaker, before I forget, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mrs. ROGERS of Massachusetts. Does the gentleman feel that the so-called graveyard-shift provision, which I was so anxious to have placed in the bill, does protect the women from working the graveyard hours from 12 o'clock midnight to 6 o'clock in the morning? We have such a provision in Massachusetts today.

Mr. GRISWOLD. My understanding of the so-called graveyard-shift amendment is this: It will positively prevent the employment of women and minors between the hours of midnight and 6 a. m. I have not gone into this thoroughly enough to determine what relation it will have to the laws affecting women now in force in the several States.

Mrs. ROGERS of Massachusetts. I do not believe any Members will be very likely to go back to their districts and tell the women of their districts that they were willing to have women work from 12 o'clock midnight until 6 o'clock in the morning. I believe that provision will stay in the bill. Under this provision also, a man who works from 12 o'clock midnight to 6 o'clock in the morning is to be paid time and a half. This will tend to give more employment in Massachusetts and will be helpful.

Mr. GRISWOLD. I say this to the gentlewoman from Massachusetts: I think there are two conflicts in principle in the bill. One is the House amendment which provides that there shall be no discrimination as to sex. The other is the graveyard-shift amendment, which provides that you must discriminate because of sex. I do not know how to reconcile those two.

Mrs. ROGERS of Massachusetts. They will have to be amended. One more question. I understand the gentleman feels this board of five will act as a board of Hitlers to regulate how people shall work and where and when, and so forth, but without danger of punishment. It can regulate wages down to the lowest level.

Mr. GRISWOLD. Mr. Speaker, I like to give everyone the benefit of the doubt. I feel the bill is going to pass with the board in it, and I hope that this board will be possessed of all knowledge and be divinely just.

Mr. PETTENGILL. And brave and courageous.

Mr. GRISWOLD. Courageous and above reproach. If they are that, then we need have no fears about what will happen under their jurisdiction of the bill.

Mr. LUDLOW. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. LUDLOW. My colleague is a lawyer and a good one and he knows all about the subject matter that is covered by this bill.

Mr. GRISWOLD. The gentleman flatters me. I do not pretend to know all the ramifications of the bill. I am only trying to bring before the House a few things I do know.

Mr. LUDLOW. I am stating what I believe to be the fact, and I am coming to him for enlightenment. I yield to no one in the earnestness of my desire to help the underpaid and the underprivileged people of this country. I believe in well-considered wage and hour legislation. I have tried to study this bill and I find some provisions in it that appear to be very peculiar. For instance, on page 30, line 9, I find that the labor standards board may send out its investigators to conduct investigations and determine whether any person has violated or, mark these words, or is "about to violate" any provision of this proposed act or any labor standard order. My question is this: Does the gentleman believe that any person should be put through the ordeal of an onerous investigation and submit himself to a gruelling inquisition with the prospect of court prosecution on a mere suspicion by somebody that he is going to do something wrong? [Laughter.]

Mr. GRISWOLD. I think the gentleman is right in his conclusion that under the wording of this bill they could send out investigators on mere suspicion, because I think the bill reads that way. I want to call his attention to another thing: That whether it be on mere suspicion or whether they have facts or whether they are merely investigating to determine the number of his employees, under this bill all his correspondence and all his books are open to inspection, and there is no provision in the bill that makes that information confidential.

Mr. LUDLOW. Will the gentleman tolerate me for two or three more questions?

Mr. GRISWOLD. I yield to the gentleman.

Mr. LUDLOW. On page 33, lines 18 to 22, we find that the mere presence of any employee at the place of employment at any other hours than those stated in the schedule applying to him shall be deemed prima-facie evidence of a violation of such order. Suppose an employee forgot his dinner bucket and went back to get it? [Laughter.]

Mr. GRISWOLD. I discussed that. I think under the act he would, prima facie, be guilty of a violation of the act, unless the employer was paying him time and a half. The bill I know did not have such an intent but whether it intended it or not it does make a prima-facie case against the employer. It is one of the many instances in this bill of the certain results of too hasty consideration.

Mr. LUDLOW. I now come to my final question. I think it is an important question because I believe that nine-

tenths of the opposition of this legislation is against the board that is created by the act. Could not Congress, in the exercise of its constitutional powers, write a law that would provide maximum hours and minimum wages with suitable differentials as to geographical sections and occupations? Why is it necessary to have a governmental board at all?

Mr. GRISWOLD. Personally, I think that Congress has the right, not only the right, but the duty and responsibility to handle this thing itself. I think if there is a wage that is so oppressive that an American laborer cannot live under it, that is below a decent standard of living, it is the duty of Congress to see what that oppressive wage is, state it in the law, and make the man who violates that law and who goes into the cellar below this floor that Congress fixes, a criminal just the same as any other criminal.

Mr. LUDLOW. Is it not obvious that if Congress could delegate powers it certainly has those powers itself?

Mr. GRISWOLD. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I served on the Labor Committee with the gentleman for 8 years, and we agreed pretty generally. Two things I cannot understand about the gentleman and his speech, but first of all, a letter that we all received today from William Green says that "it is reasonably acceptable and fairly satisfactory to labor." That tells me that he is not for it. He qualifies his support of it by saying it is reasonably acceptable. William Green does not say things that way when he is for things, does he? [Laughter.] After our 8 years on the Labor Committee together, does William Green speak that way when he is in favor of something? I want your judgment.

Mr. GRISWOLD. I will answer the gentleman this way: I think he was considerably more emphatic when he wanted the committee to adjourn 24 hours.

Mr. LAMBERTSON. Yes. John Lewis said before the hearings that he positively wanted section 5 out. That is the section dealing with the board. He would not commit himself to the bill unless section 5 went out. That is in there now. We know John Lewis is not for it. We know William Green is not for it at heart. But there is one person that makes William Green say this little thing about it. But what I cannot understand about you is that you are against every part of the bill and you voted to report it out of committee and you are going to vote for it in the House. I was against it in the committee and I am going to vote against it on the floor. I am just exactly like you. [Laughter.]

Mr. GRISWOLD. If the gentleman would qualify that a little. [Laughter.] He may recall that I voted to report it out of committee, making the statement that I reserved the right to oppose the bill or any parts of it on the floor, although it is not my intention to oppose the principle of the bill on the floor. I favor some parts of this bill. I favor the general idea of a floor for wages and a ceiling for hours. I favor the prohibition of child labor in industry. I am sorry that this bill does not go far enough in that respect. I am sorry that we say to the world in this bill that we oppose child labor for our own children but will gladly accept in interstate commerce goods produced by the labor of children in other nations—foreign children that are worked under conditions so much worse than ours that even our sweatshop conditions are paradise in comparison. I think this legislation started with good intent. Somewhere along the course of its travels it fell into unfriendly hands—a beautiful thing was warped and twisted and made into a monstrosity. I hope the House will operate on it—try to restore its beauty and usefulness. That is why I am talking now.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman any hope of amending it on the floor, of striking out the wage differential, for instance?

Mr. GRISWOLD. I have not much hope of materially amending the bill on the floor. The House is in a temper to adjourn. It will accept, in my opinion, legislation that it would give more consideration to were it earlier in the session. I shall present amendments. Others will present amendments. Some will be adopted.

Mrs. ROGERS of Massachusetts. But the gentleman expects to get a rule to bring the bill to the floor.

Mr. GRISWOLD. I do not know; I am not a member of the Committee on Rules. I feel that the Rules Committee will act conscientiously and do as they think best. I presume they will grant a rule. Whatever action they take will be agreeable to me. They are all excellent and able gentlemen.

Mr. HILL of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. HILL of Oklahoma. I conceive by the statement that the gentleman has made, although I have not studied the bill, that there will be a great array of inspectors and investigators sent all over the country to look into every man's business. I am wondering if we could not fix up the bill so that they would all come under civil service.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. The Chair will state to the gentleman from Indiana that there is still pending another special order.

Mr. LUDLOW. Mr. Speaker, I withdraw the request. I had overlooked the fact that there is another special order.

EXTENSION OF REMARKS

Mr. DORSEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address I delivered at Independence Hall in Philadelphia on August 7.

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

There was no objection.

Mr. O'CONNELL of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by a former Member of the House, Mr. Marcantonio, of New York.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a special order heretofore made, the gentleman from Alabama [Mr. HOBBS] is recognized for 10 minutes.

Mr. HOBBS. Mr. Speaker, this morning there appeared in the Washington Post an article which seems to me to be unworthy of a great columnist. In his column "Politics and People", Mr. Franklyn Waltman damns the opponents of the so-called antilynching bill, now pending in the Senate, and claims virtues for the bill which it does not even pretend to possess.

He says:

> But, guilty or innocent, every person in this country is entitled to his day in court and to be protected from bloodthirsty, frenzied mobs.

All of which sounds well, unless the bills have been read. There is no word in these bills about protection. They deal exclusively with punishment.

Of course this is true. Lynching may be as swift as an automobile or a bullet. How could far-distant Federal authorities possibly be expected to protect against mob violence? The answer is, they are not. Does Mr. Waltman use that ultra-vires sob stuff because he lacks legitimate arguments and fears that his abuse of those who disagree with him may not be as moving as he desires?

Again I find myself differing from Mr. Waltman as to the inspiration of this proposed legislation. He says it was "inspired by a sense of decency and morality." If this were all of the truth, why are there dozens of identical bills introduced every year? If the high and holy purpose which burns in my breast has already been embodied in a dozen bills now pending, why should I introduce another bill in exactly the same language? The question answers itself.

I should not and would not. But if I want political credit back home, and such a bill is popular there, why, of course, I might.

Not for a second do I question that the desire to stop lynching is decent and moral. It is, and 99 percent of the people in the United States are insisting that it be stopped. That is one of the reasons why it is being stopped. But I say most positively that, in my judgment, the inspiration of antilynching bills is seasoned liberally with the pepper of politics.

To punish a county in Alabama for the killing of one man by several is statesmanship. But there must be no danger of punishing a county in New York when a group of gangsters kills one of their gang or another gang, charged with crime, to prevent his trial for fear that he might talk too much. So the bill pending in the Senate provides:

Provided, however, That lynching shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers, nor violence occurring during the course of picketing or boycotting or any incident in connection with any labor dispute as that term is defined and used in the act of March 23, 1932 (47 Stat. 70).

It is not my purpose to enter into any extended discussion of the antilynching bills. I tried to express myself on that subject last spring when the Gavagan bill was being debated in this House. You heard me then.

My main criticism of Mr. Waltman's article is of his statement—

The decent men and women of the South want such legislation, as demonstrated by the attitude of the southern press, by the action of southern organizations, and by the recent Gallup poll, which showed that 65 percent of the sentiment in the South, compared to 70 percent the Nation over, favored a Federal antilynching bill.

I called him up by telephone this morning about that. He said he did not mean it the way it sounds. I accept his statement at full face value. But I cannot refrain from giving this public expression to my resentment at such a careless use of words by an expert, nor can I permit to go unchallenged the intimation, as false as it was unintended, that those men and women of the South who are against such legislation are not "the decent men and women" of that section.

GENERAL FARM LEGISLATION

Mr. O'CONNOR of Montana. 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 Montana?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Speaker, the reason I am taking a moment of the time of the House this afternoon is because the United States Department of Agriculture has issued its estimate of the crops of the United States as of August 1 this year; and I make these remarks supplemental to the remarks I made the other day concerning crop insurance, and supplemental to the remarks of the distinguished gentleman from Iowa [Mr. WEARIN] this morning, showing the necessity for some legislation at this session of Congress for the benefit of the farmers of the United States.

Since the New Deal began, the weather has been abnormal and both critics and proponents of farm legislation have said that the situation will be different when there is a return to normal weather. The critics have grudgingly conceded that the farm programs of this administration have been of some help during the abnormal weather of the last few years, but they say that as soon as we have normal weather again we can throw out the farm programs and go back to the good old days.

The proponents of farm legislation, of whom I am proud to count myself as one, look at this situation from another viewpoint. We realize, far better than the critics, that New Deal farm legislation has been the salvation of millions of our farmers. But we realize that the return to normal conditions will be just the time when farmers must have adequate Government aid to meet the surplus situation which normal conditions will bring.

For 4 years we have talked about normal conditions returning. I say that we are now back to normal. I hold in my hand the general crop report of the United States Crop Reporting Board, issued Tuesday and a copy of the cotton report issued yesterday, Monday. We all know what a bombshell the cotton report was, with its estimate of 15,593,000 bales. This is just a taste of what lies ahead for all of our farmers. The general crop report shows that a serious situation is facing our corn and feed-grain farmers as well as our cotton farmers. The crop report estimates 2,658,748,000 bushels of corn, as compared with 1,529,327,000 bushels last year and a 5-year average for 1928–32 of 2,554,772,000 bushels. Our wheat crop this year is now estimated at 890,419,000 bushels, the highest since 1931. This compares with a crop last year of 626,461,000 bushels and a 5-year average of 864,532,000 bushels. Our rye crop is now estimated at 51,869,000 bushels, more than double the crop of 25,000,000 bushels last year. The barley crop is estimated at 227,398,000 bushels, as compared with 147,452,000 bushels last year. Oats at 1,130,628,000 bushels compared with 789,100,000 bushels last year and a 5-year average of 1,215,102,000 bushels.

The last 6 weeks have given us dramatic proof of what can happen to farmers' prices in this country when things are nearly normal. Take oats for instance. I have here the average weekly cash price of No. 3 White oats at Chicago for the last 6 weeks. For the week ending July 3 these prices averaged 51 cents a bushel. Three weeks later the average dropped to 38 cents a bushel, and last week this decline continued on down to 30 cents a bushel. Remember that these are Chicago prices. Prices to farmers, of course, are even lower as there are freight differentials which must be taken into consideration.

Corn farmers also realize what getting back to normal means. The closing prices of corn futures at Chicago on Monday tell this story in a way that every farmer can understand all too well. On that day September corn futures at Chicago closed at $1.03 a bushel. That is what the market figured corn was worth under abnormal conditions before this year's crop comes to market. But look at December futures, which show what the speculators think corn is worth under nearly normal conditions when this year's crop will be on the market. December corn futures closed Monday at Chicago at 68 cents a bushel. In other words, the difference between the abnormal conditions and the normal conditions that many critics of farm legislation want means just 35 cents a bushel to corn farmers.

Yes, we are getting back to nearly normal. The weather has come back to a much more normal situation and growing conditions this year are much better in most of the country than they have been in the last few years.

In my State of Montana, I regret to state that many of our farmers were in practically the only area of the entire country where drought struck again this year. But even the farmers in my State of Montana can read the signs in the crop reports and in the falling prices of corn and cotton. They are close to the Canadian border and they realize that their Canadian neighbors have shared the drought disaster with them. In fact, they realize that Canadian drought has been a most important factor in holding up the price of this year's wheat crop. They realize full well that an end of drought in Canada and normal crops in the United States will mean the same downward trend in their wheat prices next year as is occurring in corn, cotton, oats, and other prices this year.

Many point to the possibilities of wheat exports this year as lessening any need for early farm legislation for wheat. I grant that there is an opportunity to export a considerable quantity of wheat this year. But I ask you why this is so. Once more we need only look across the Canadian border to find the answer. A small Canadian crop means that the principal wheat exporter of the world becomes a minor factor this year. But are we going to depend on Canadian crop failures year after year for protection against falling prices of wheat? What are we going to do when Canada gets back to normal? What are we going to do when the

crop reports on wheat show prospective surpluses such as is the case in corn and cotton this year?

I have already spoken in this Chamber on the question of this Congress enacting adequate farm legislation to meet the problem of normal conditions as well as abnormal conditions. My convictions on that point remain unchanged. I know that the farmers in my State of Montana want protection against the hazards of normal weather and I believe that we in this session must move as far as possible toward enacting legislation that will give our farmers such protection. The Agriculture Committee of the House has given this problem much consideration, and I have only the highest praise for the committee and its chairman, Mr. JONES, for what has been done up to now. I know, too, that I speak the sentiment of the farmers of Montana when I say that the action of the committee in reporting favorably the crop-insurance bill will prove one of its most popular moves.

But the cotton and crop reports have created a new crisis for agriculture; a crisis which this session of Congress must do something about. We must face the problem of nearly normal yields, normal weather, and only a fair export trade. I do not say that we must enact final legislation now, but we must decide where we are going, and we must make provision for swift passage of legislation in advance of next year's crop so that our farmers may know where they stand. This administration has a mandate from agriculture that must not be ignored.

EXTENSION OF REMARKS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD and to include therein a certain letter and parts of certain agreements and court proceedings heretofore referred to by me in the real-estate bondholders' discussion.

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

There was no objection.

Mr. TEIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by me in Washington recently advocating the franchise for the citizens of the District of Columbia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a copy of an address made by myself.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LANZETTA, for 1 day, on account of attendance at a funeral.

To Mr. CROWTHER (at the request of Mr. SNELL), for 4 days, on account of illness.

COURT REFORM AND JUDICIAL PROCEDURE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a conference report and statement on the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, it has been a very long day. We do not have a very heavy program for tomorrow; and if the gentleman will make his request to address the House tomorrow after the business of the day has been disposed of, I shall not object. Mr. Speaker, I object to the gentleman proceeding at this time.

The SPEAKER. Objection is heard.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick; to the Committee on the Judiciary.

S. 2253. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature, which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes; to the Committee on Indian Affairs.

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes; to the Committee on Labor.

S. 2874. An act requiring the deposit in a safe place ashore of the names and addresses of passengers sailing on vessels plying the inland or coastal waters of the United States; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest, in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the Office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday; and

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 169. An act to provide for a term of court at Benton, Ill.

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1114. An act for the relief of Agnes Ewing Harter;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the Naval Air Station, Hampton Roads, Va., May 15, 1936;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckinridge County, Ky., to the Commonwealth of Kentucky;

H. R. 4716. An act authorizing the construction and equipment of a marine hospital in the State of Florida;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5194. An act granting a renewal of patent no. 60731, relating to the badge of the Girl Scouts, Inc.;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5860. An act making further provision for the fisheries of Alaska;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the Government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6453. An act to increase the minimum salary of deputy United States marshals to $2,000 per annum;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptacle in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any

device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 6693. An act to legalize a dike in the Missouri River 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6976. An act to provide for the establishment of a Coast Guard station on the coast of Alabama at or near Dauphin Island, Ala.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street in the city of Bridgeport, Conn., a nonnavigable stream;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence;

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes;

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the North Canadian River in Oklahoma;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts;

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island; and

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 11, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

Special Subcommittee on Naval Affairs appointed by Chairman CARL VINSON will hold continued open hearings on H. R. 7777, to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496), Wednesday, August 11, 1937, at 10:30 a. m.

COMMITTEE ON THE CIVIL SERVICE

A meeting is being called for Wednesday, August 11, 1937, at 10:30 a. m., for the purpose of holding a hearing on the bills H. R. 2280 and H. R. 3483, proposing to classify special-delivery messengers of the Post Office Department.

COMMITTEE ON INVALID PENSIONS

There will be a meeting of the Committee on Invalid Pensions on Thursday, August 12, 1937, at 10 a. m.; hearings on H. R. 3580, H. R. 6884, and H. R. 6904.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 7486. A bill to increase the efficiency of the Coast Guard; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House on the state of the Union.

Mr. DUNCAN: Committee on Ways and Means. H. R. 8174. A bill to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 3021. A bill to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park; without amendment (Rept. No. 1473). Referred to the Committee of the Whole House on the state of the Union.

Mr. MASSINGALE: Committee on the Public Lands. H. R. 3418. A bill to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma; with amendment (Rept. No. 1474). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 6350. A bill to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks; without amendment (Rept. No. 1475). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on the Public Lands. H. R. 6589. A bill to conserve the watersheds and water resources of portions of Santa Barbara and San Luis Obispo Counties, Calif., by the withdrawal of certain public land included within the Los Padres National Forest, Calif., from location and entry under the mining laws; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on the Public Lands. H. R. 7436. A bill to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1397. An act to create a Federal Crop Insurance Corporation, and for other purposes; with amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes; with amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 476. Joint resolution authorizing participation by the United States in the Inter-American Radio Conference to convene at Habana, Cuba, November 1, 1937; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 481. Joint resolution authorizing participation by the United States in the Eighth International Road Congress, to be held at The Hague in June 1938; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON of Texas: Committee on Military Affairs. H. R. 7210. A bill to authorize an exchange of lands at the new Cumberland General Depot, Pa.; with amendment (Rept. No. 1483). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of Montana: Committee on Indian Affairs. H. R. 2534. A bill to authorize the Secretary of the Interior to investigate and report on the loss of title to or the encumbrance of lands allotted to Indians; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Select Committee on Government Organization. H. R. 8202. A bill to provide for the reorganization of agencies of the Government to establish the Department of Welfare, and for other purposes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHEPPARD: Committee on Indian Affairs. H. R. 5753. A bill to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations; with amendment (Rept. No. 1491). 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. TURNER: Committee on Military Affairs. S. 2159. An act for the relief of George R. Slate; without amendment (Rept. No. 1478). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens; with amendment (Rept. No. 1484). Referred to the Committee of the Whole House.

Mr. MAVERICK: Committee on Military Affairs. H. R. 6479. A bill for the relief of Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner; without amendment (Rept. No. 1489). 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. DEMPSEY: A bill (H. R. 8200) for the relief of certain applicants for oil and gas permits and leases; to the Committee on the Public Lands.

By Mr. WOLVERTON: A bill (H. R. 8201) to amend the act entitled "An act to amend the act entitled 'An act for the relief of certain purchasers of lands in the Borough of Brooklawn, State of New Jersey', approved May 6, 1936"; to the Committee on Claims.

By Mr. WARREN: A bill (H. R. 8202) to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes; to the Select Committee on Government Organization.

By Mr. LEAVY: A bill (H. R. 8203) for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. DE ROUEN: A bill (H. R. 8204) to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes; to the Committee on the Public Lands.

By Mr. SUTPHIN: A bill (H. R. 8205) to amend an act entitled "An act for the improvement and protection of the beaches along the shores of the United States", approved June 26, 1936; to the Committee on Rivers and Harbors.

By Mr. LESINSKI: Joint resolution (H. J. Res. 485) to establish the General Casimir Pulaski Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. KELLER: Joint resolution (H. J. Res. 486) to authorize the painting of "The Signing of the Constitution" for placement in the Capitol Building; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BUCKLER of Minnesota: A bill (H. R. 8206) for the relief of certain claimants who suffered loss by fire at or near Ebro, in the State of Minnesota, during October 1918, and who did not receive payment under Private Law No. 336 of the Seventy-fourth Congress entitled, "An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918", approved August 27, 1935; to the Committee on Claims.

By Mr. HILL of Oklahoma: A bill (H. R. 8207) for the relief of Glenn Morrow; to the Committee on Claims.

By Mr. HOBBS: A bill (H. R. 8208) for the relief of Ernest Lamar; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 8209) granting a pension to Mollie Clinkinbeard; to the Committee on Invalid Pensions.

By Mr. LUECKE of Michigan: A bill (H. R. 8210) for the relief of Anastasia Linehan; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H. R. 8211) for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

By Mr. WHELCHEL: A bill (H. R. 8212) for the relief of Sam Kimzey; 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:

3191. By Mr. CURLEY: Petition of the American Federation of Musicians of the United States and Canada, urging enactment of House bill 4947 and Senate bill 2369,

to commission the band leaders of the Regular Army and National Guard; to the Committee on Military Affairs.

3192. By the SPEAKER: Petition of the International Union of Mine, Mill, and Smelter Workers, urging serious consideration of the Fort Peck project and its early passage; to the Committee on Rivers and Harbors.

3193. By Mr. CURLEY: Petition of the Board of Estimate and Apportionment of the City of New York, urging enactment of the Allen-Schwellenbach bill to rescind and stop cuts on Works Progress Administration; to the Committee on Appropriations.

3194. Also, petition of the Young Men's Christian Association of the City of New York, urging adoption of the Allen-Schwellenbach bill providing for the reinstatement of needy persons dismissed from the Works Progress Administration who have not found employment in private industry; to the Committee on Appropriations.

3195. Also, petition of the Domestic Workers Union League, Local 149, New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3196. Also, petition of Local 802, American Federation of Musicians, endorsing the Allen-Schwellenbach bill for the reinstatement of needy persons dismissed from the Works Progress Administration who have not found employment in private industry; to the Committee on Appropriations.

3197. By Mr. COLDEN: Resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., on the 3d day of August 1937, appealing for aid to those who are being dropped from Works Progress Administration rolls and who are suffering additional hardships because of increased rentals, and urging that a low-cost housing project be established in the county of Los Angeles, and that the Wagner-Steagall housing bill be passed; to the Committee on Banking and Currency.

3198. By Mr. PFEIFER: Petition of the Merchants' Association of New York, concerning House bill 8129, to amend the Motor Carrier Act of 1935; to the Committee on Interstate and Foreign Commerce.

3199. Also, petition of the American Federation of Labor, Washington, D. C., urging support of the wage and hour bill; to the Committee on Labor.

3200. Also, petition of the National Coal Association, Washington, D. C., concerning the Black-Connery Labor Standards Act; to the Committee on Labor.

3201. Also, petition of the New York State Association of Manufacturing Retail Bakers, New York City, concerning the wage and hour bill (H. R. 7200); to the Committee on Labor.

3202. Also, petition of the Brotherhood of Railroad Station Porters, Philadelphia, Pa., concerning the Fair Standards Labor Act (S. 2475); to the Committee on Labor.

3203. Also, petition of the Department Store Employees Union, Local, No. 1250, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3204. Also, petition of the Domestic Workers' Union, Local 149, American Federation of Labor, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3205. Also, petition of the Board of Estimate and Apportionment, City of New York, endorsing the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3206. Also, petition of the State of New York, Department of Taxation and Finance, Albany, concerning income-tax laws; to the Committee on Ways and Means.

3207. Also, petition of the American Federation of Musicians of the United States and Canada, Newark, N. J., concerning House bill 4947 and Senate bill 2369; to the Committee on Appropriations.

3208. By Mr. KEOGH: Petition of the New York State Association of Manufacturing Retail Bakers, New York City, concerning the wage and hour bill (H. R. 7200); to the Committee on Labor.

3209. Also, petition of the Brotherhood of Railroad Station Porters, Philadelphia, concerning the wage and hour bill; to the Committee on Labor.

3210. Also, petition of the Board of Estimate and Apportionment, City of New York, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3211. Also, petition of the Department Store Employees Union, Local 1250, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3212. Also, petition of the United Hospital and Medical Workers, Local 413, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3213. Also, petition of the Domestic Workers Union, Local 149, American Federation of Labor, New York City, concerning the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3214. Also, petition of the Merchants Association of New York, concerning amendment to the Motor Carrier Act of 1935 (H. R. 8129); to the Committee on Interstate and Foreign Commerce.

3215. Also, petition of the American Federation of Musicians of the United States and Canada, Newark, N. J., concerning House bill 4947 and Senate bill 2369; to the Committee on Military Affairs.

3216. By Mr. LUTHER A. JOHNSON: Petition of Pat E. Hooks, Itasca; H. E. Chiles, A. N. Robertson, and C. C. Pruitt, of Hillsboro; and J. E. Hintz, F. E. Groover, and B. R. Manning, of Mexia, all of the State of Texas, opposing the Black-Connery wage and hour bill; to the Committee on Rules.

3217. Also, petition of H. E. Bardwell, president of the Texas State Federation of Federal Employees, San Antonio, Tex., favoring House bill 1595, the 5-day-week bill; to the Committee on the Civil Service.

SENATE

WEDNESDAY, AUGUST 11, 1937

(Legislative day of Monday, Aug. 9, 1937)

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

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, August 10, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7642) to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KELLER, Mr. SECREST, and Mr. TREADWAY were appointed managers on the part of the House at the conference.

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

H. R. 6963. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7415. An act to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department; and