2815. Also, petition of the Women's International League for Peace and Freedom, Seattle, Wash., favoring the Nye-Clark-Bone bill and opposing the Pittman bill and Thomas amendment; to the Committee on Foreign Affairs.

2816. Also, petition of the Women's International League for Peace and Freedom, Hudson County group, Jersey City, N. J., favoring the Nye-Bone-Clark bill or retention of the present Neutrality Act; to the Committee on Foreign Affairs.

2817. Also, petition of the Essington Co., Fort Wayne, Ind., favoring strict neutrality legislation; to the Committee on Foreign Affairs.

2818. Also, petition of the Anthony Wayne Oil Corporation, Fort Wayne, Ind., favoring a strict neutrality bill; to the Committee on Foreign Affairs.

2819. Also, petition of the Borough League of Brooklyn, Inc., Brooklyn, N. Y., endorsing House bill 118, by Congressman VOORHIS of California; to the Committee on the Civil Service.

2820. By Mr. SCHIFFLER: Petition of Bernard J. Killeen and Mary Ann Rush, president and secretary of Local 102, United Federal Workers of America, recommending the early passage of House bill 960 when restored to its original objective; to the Committee on the Civil Service.

2821. Also, petition of Hon. Raphael P. Deegan, mayor of Benwood, W. Va., protesting against the construction of the Lake Erie to Ohio River Canal; to the Committee on Military Affairs.

2822. By Mr. SHAFER of Michigan: Resolution of the board of management, International Center of Detroit, Young Women's Christian Association, relative to employment of aliens on W. P. A. projects; to the Committee on Appropriations.

2823. Also, memorial of the Michigan Legislature, requesting amendment of the Sugar Act to provide a larger share of the American sugar market for the American farmer; to the Committee on Ways and Means.

2824. Also, resolution of Agriculture Local, No. 2, United Federal Workers of America, requesting amendment of present retirement legislation; to the Committee on the Civil Service.

2825. By Mr. VAN ZANDT: Resolution of Mary C. Donahue, president, and members of Sandy Township Townsend Club, No. 2, of Du Bois, Pa., urging a return of purchasing power to the majority of the American people and the reemployment of millions of citizens; criticizing the Social Security Act as inadequate and useless; and favoring the adoption of the Townsend national recovery plan as a uniform means of an adequate system of old-age pensions; to the Committee on Ways and Means.

2826. By the SPEAKER: Petition of the State Camp of Pennsylvania, Patriotic Order Sons of America, Philadelphia, Pa., petitioning consideration of their resolution with reference to religious liberty; to the Committee on Foreign Affairs.

SENATE

TUESDAY, MAY 2, 1939

(Legislative day of Monday, May 1, 1939)

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

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

Almighty God, Thou everlasting gracious Power, of whom the manifold universe is a manifold revelation: We worship Thee in the myriad unfoldings of Thy creative beauty, and especially in the conscious loveliness of our fair world, vouchsafed to us, with whom are eyes to see the glorious pageant of Thy divine artistry.

We bless Thee for Thy renewing springs within us, springs of aspiration, hope, and love; for the progress which time brings, albeit the world doth move with faltering steps and slow; and we beseech Thee to grant us the adequacy needful for our work and for the overcoming of those temptations which we daily meet with. Forgive us all our sins, negligence, and ignorances, that the strength of each may be as the strength of ten because our hearts are pure and our minds naked and open before the eyes of Him with whom we have to do.

We ask it in the name of Thy Son, who is a Priest forever, not after the law of a carnal commandment but after the power of an endless life, Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 1, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Donahey	King	Reynolds
Andrews	Downey	La Follette	Russell
Ashurst	Ellender	Lee	Schwartz
Austin	Frazier	Lodge	Schwellenbach
Bailey	George	Logan	Sheppard
Bankhead	Gerry	Lucas	Shipstead
Barbour	Gibson	Lundeen	Slattery
Barkley	Gillette	McCarran	Smith
Bilbo	Glass	McKellar	Taft
Bone	Green	McNary	Thomas, Okla.
Borah	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Hale	Minton	Townsend
Byrd	Harrison	Murray	Truman
Byrnes	Hatch	Neely	Tydings
Capper	Hayden	Norris	Vandenberg
Caraway	Hill	Nye	Wagner
Chavez	Holman	O'Mahoney	Walsh
Clark, Idaho	Holt	Overton	Wheeler
Clark, Mo.	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley
Danaher	Johnson, Colo.	Reed	

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from Maryland [Mr. RADCLIFFE] and the Senator from New Jersey [Mr. SMATHERS] are unavoidably detained.

The Senator from Michigan [Mr. BROWN], the Senator from Iowa [Mr. HERRING], the Senator from New York [Mr. MEAD], and the Senator from Tennessee [Mr. STEWART] are absent on important public business.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is necessarily absent.

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

PERSONNEL OF THE LIGHTHOUSE SERVICE—SERVICE DURING A NATIONAL EMERGENCY

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of Commerce, transmitting a draft of proposed legislation to clarify the status of personnel of the Lighthouse Service serving under the jurisdiction of the War or Navy Department during national emergency, which, with the accompanying papers, was referred to the Committee on Commerce.

RESOLUTIONS OF A MUNICIPAL COUNCIL, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting two resolutions adopted by the municipal council of St. Thomas and St. John, V. I., which accompanying resolutions were referred to committees, as follows:

Resolution favoring the appropriation of funds for undertaking work in connection with the improvement of the harbor of St. Thomas; to the Committee on Appropriations.

Resolution favoring the exemption of persons traveling from continental United States to the Virgin Islands from the application of the stamp tax on steamship passenger tickets; to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before before the Senate a letter in the nature of a memorial from S. H. Patterson, manager of radio station KSAN, San Francisco, Calif., remonstrating against the ratification of the International Copyright Convention (Executive E), relative to copyright provisions on music played over the air, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of sundry citizens of New York City, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, and also for a prompt investigation by the Federal Bureau of Investigation of recent lynchings, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented the petition of members of Camp No. 2940, Royal Neighbors of America, of Dodge City, Kans., praying for the enactment of legislation to exempt fraternal societies from the tax provisions of the Social Security Act, which was referred to the Committee on Finance.

Mr. CLARK of Idaho presented the petition of the Cottonwood National Farm Loan Association, of Cottonwood, Idaho, praying that the United States keep clear of foreign entanglements and for the adoption of the so-called Ludlow war referendum amendment to the Constitution, and also remonstrating against the enactment of neutrality legislation delegating to the President the sole power and authority to decide which nation (or nations) he regards as the aggressor in a conflict, which was referred to the Committee on Foreign Relations.

Mr. ASHURST presented the petition of Handsel G. Bell and 18 other citizens of Phoenix, Ariz., praying for the enactment of House bills 3317 and 3318, relative to preventing alleged discriminations in the Army and providing an adequate national defense, which was referred to the Committee on Military Affairs.

Mr. WALSH presented a letter in the nature of a petition from the legislative committee of the Boston League of Women Shoppers, Boston, Mass., praying for the allotment of additional funds to further the investigation of the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also presented a resolution of Springfield Chapter, Forty Plus of New England, of Springfield, Mass., favoring the enactment of the so-called Barbour and Voorhis bills (S. 890 and H. R. 118), relative to the employment of middle-aged and older workers in the Government service, which was referred to the Committee on Civil Service.

He also presented a resolution adopted by the City Democratic League, of Boston, Mass., favoring the adoption of a strict neutrality law and the keeping of the United States clear of foreign entanglements and all foreign wars, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Polish Citizens' Club, of North Wilbraham, Mass., favoring the enactment of neutrality legislation to insure peace, and also to stop the selling of all war materials to Germany, Italy, and Japan, and to stop buying the goods from those countries, which was referred to the Committee on Foreign Relations.

Mr. WALSH also presented the following resolution of the General Court of Massachusetts, which was referred to the Committee on Post Offices and Post Roads:

Resolutions memorializing the Postmaster General of the United States relative to a special postage stamp in honor of Capt. Jeremiah OBrien

Whereas Capt. Jeremiah OBrien, a native of the Commonwealth of Massachusetts, by his distinguished service won from the British in Machias Bay, on June 12, 1775, the first naval engagement of the War of the Revolution and received from the Provincial Congress commendation for his victory and became the first regularly commissioned naval officer and commander of the Revolutionary navy of Massachusetts; and

Whereas the Navy Department of the United States has recently approved the construction of a destroyer at the Boston Navy Yard to be named in honor of Captain OBrien: Therefore be it

Resolved, That the General Court of Massachusetts hereby respectfully requests the Postmaster General of the United States to provide for a special commemorative postage stamp to be issued in honor of the distinguished record and exploits of said Capt. Jeremiah OBrien; and be it further

Resolved, That copies of these resolutions be sent by the secretary of the Commonwealth to the Postmaster General of the United States and to each Senator and Representative in Congress from this Commonwealth.

SUGAR PRODUCTION IN THE UNITED STATES—RESOLUTION OF LEGISLATURE OF MICHIGAN

Mr. VANDENBERG. Mr. President, I present a memorial from the Legislature of the State of Michigan for the usual treatment. Ever since the Government began to regulate the domestic sugar business for the benefit of Cuba those who are dependent upon beet and cane sugar for their livelihood have been in trouble. We in Michigan are in particular trouble at the moment because of the latest regulation that has come down from Mr. Secretary Wallace. These regulations already have closed one large sugar-beet factory in Michigan and threaten to close others. There are other sections of the country similarly jeopardized. The trouble is a serious one. The Legislature of Michigan has memorialized Congress upon the subject, and I ask that the memorial be printed in the RECORD and appropriately referred.

The memorial presented by Mr. VANDENBERG was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 27

Concurrent resolution respectfully memorializing the Congress of the United States, the President of the United States, and the Secretary of Agriculture to grant immediate remedy and adjustment, by correlating the estimate of consumption to actual needs, based upon the actual consumption of 1938 and the extraordinarily large carry-over inventory of sugar as of January 1, 1939, and that the Sugar Act be amended to provide a larger share of the American sugar market for the American farmer

Whereas the fact that in the continental United States we produce less than 30 percent of the sugar we consume, and sugar is practically the only nonsurplus agricultural product of the United States; and every acre of land utilized in the production of sugar, either from beets or cane, invariably takes such acreage out of the production of some surplus agricultural product such as cotton, rice, wheat, corn, beans, etc.; and

Whereas the production of sugar on our continental farms, especially the production of sugar from sugar beets, is conducive to the employment of labor on a large scale at profitable wages or rates, and the increased employment of labor on a larger scale in the production of sugar in the continental United States would be a great stimulus to prosperity and the general welfare of such sugar-producing areas, and the United States as a whole. The increased prosperity of the sugar-producing farmer would enable him to purchase much-needed agricultural machinery, tractors, trucks, etc., and would reflect directly in increased employment in industry producing such agricultural machinery; and

Whereas we believe it is the inherent fundamental economic right of the American farmer to produce nonsurplus agricultural products, such as sugar, up to the limit of his ability, without restriction, and such production should be protected in our United States market so that sugar will sell at a price comparable or equivalent to the index value of all foods. Foreign sugars should not be permitted to enter the United States market in excess of the amount which, when added to our production of sugar, the total will equal our consumption, so that both the interest of producers and consumers of sugar in the continental United States will be adequately protected, and the production of sugar in the continental United States fostered on a basis of common defense and general welfare, so that regardless of peace or war the citizens of the United States will be protected in their supply of such an essential food as sugar; and

Whereas we believe that the Sugar Act of 1937 was a step in the right direction, but with the removal of restrictions on United States production of sugar, coupled with a proper administration of the act, the sugar industry of the United States can go forward on a sane, sound basis for the best interests of the United States as a whole; and

Whereas excessive sugar consumption estimates out of all proportion to the actual consumption have been made since the adoption of the act, thereby permitting increased importation of foreign sugars, which has depressed prices in the sugar market to its all-time low. There is now available upward of 600,000 tons of cane sugar out of the 1938 quotas, which sugars are mainly the product of foreign countries, and a consumption estimate for 1939 by the Secretary of Agriculture, Hon. Henry A. Wallace, of 6,755,000 tons permits the importation of 3,000,000 tons of foreign sugar to further glut and complicate our American sugar market. It is estimated that on December 31, 1939, the end of the current year for sugar quotas, there will be upward of 800,000 tons of foreign sugars available, over and above our current needs, which sugars are all eligible to be marketed in the continental United States. This in view of the fact that in 1938 a kindly Providence, on a limited acreage, saw fit to give us one-quarter million tons of beet sugar and 150,000 tons of Louisiana and Florida cane sugar over and above

our Government marketing allotments for 1939, and this practically 400,000 tons of sugar produced by American farmers in 1938 constitutes a further surplus of sugar. Also, the recommendation of the United States Department of Agriculture is that certain districts, some of them in Michigan, shall not be permitted to market in 1939 a single pound of sugar produced in 1939. This situation, if not remedied in the near future, will destroy the sugar industry of the United States. The enforced carry-over to 1940 of practically 400,000 tons of continental beet and cane sugar produced in 1938 will have the immediate effect of eliminating the opportunity for 64,000,000 hours of labor directly utilized in the sugar industry, and possibly several times that number indirectly employed. Unless immediate adjustment is made on the recommended sugar-marketing allotments, at least one and possibly more Michigan sugar plants, it appears, will be unable to operate this year, thus throwing more American laborers out of work and depriving more American farmers from marketing beets and producing sugar, which is our only nonsurplus agricultural product, at a profit; Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Legislature of Michigan hereby memorialize the Congress of the United States, the President of the United States, and the Secretary of Agriculture to grant immediate remedy and adjustment by correlating the estimate of consumption to actual needs, based upon the actual consumption of 1938 and the extraordinarily large carry-over inventory of sugar as of January 1, 1939, and that the Sugar Act be amended to provide a larger share of the American sugar market for the American farmer; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to all Senators and Congressmen from Michigan.

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (H. R. 5762) to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act, reported it with amendments and submitted a report (No. 356) thereon.

He also, from the same committee to which was referred the joint resolution (H. J. Res. 241) providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the establishment of the United States Lighthouse Service, reported it without amendment and submitted a report (No. 358) thereon.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 1964) to amend section 5136 of the Revised Statutes, as amended, to authorize charitable contributions by national banking associations, reported it without amendment and submitted a report (No. 357) thereon.

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (S. 1701) to amend section 12B of the Federal Reserve Act, as amended, reported it with an amendment and submitted a report (No. 359) thereon.

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 444) for the relief of John F. Thomas, reported it without amendment and submitted a report (No. 360) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 1759) granting the consent of Congress to the States of Montana, North Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River, reported it without amendment and submitted a report (No. 362) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1156) to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the military reservation known as the Morehead City Target Range, N. C., for the construction of improvements thereon, and for other purposes, reported it without amendment and submitted a report (No. 361) thereon.

BILLS INTRODUCED

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

By Mr. GREEN:

S. 2298. A bill to prohibit the Reconstruction Finance Corporation from making loans to business enterprises which propose to use such loans for the purpose of relocating industries; to the Committee on Banking and Currency.

By Mr. HAYDEN:

S. 2299. A bill for the relief of Hubert Richardson; to the Committee on Public Lands and Surveys.

By Mr. BILBO:

S. 2300. A bill to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce', approved February 4, 1887, as amended; and for other purposes", approved February 28, 1920; to the Committee on Interstate Commerce.

By Mr. ANDREWS:

S. 2301. A bill authorizing refund of certain excise taxes erroneously or illegally assessed under the Revenue Act of 1932; to the Committee on Claims.

S. 2302. A bill to allow credits against the title IX tax of the Social Security Act for contributions to unemployment funds required by State law, irrespective of time of payment; to the Committee on Finance.

By Mr. ASHURST:

S. 2303 (by request). A bill authorizing the continuance of the Prison Industries Reorganization Administration, established by Executive Order No. 7194 of September 26, 1935, to June 30, 1941; to the Committee on the Judiciary.

By Mr. REYNOLDS:

S. 2304. A bill to provide for hospitalization of certain persons who have served in the Regular Army, Navy, or Marine Corps; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

S. 2305. A bill relating to hours of work of licensed officers and seamen on tugs operating in certain inland waters of the United States; to the Committee on Commerce.

By Mr. BURKE:

S. 2306. A bill relating to the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; and

S. 2307. A bill to amend section 3 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States," approved June 10, 1930, as amended and extended, and for other purposes; to the Committee on Commerce.

S. 2308. A bill granting a pension to Gail Gordon; to the Committee on Pensions.

By Mr. BULOW (for himself and Mr. GURNEY):

S. 2309. A bill to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of the State of South Dakota into the Union; to the Committee on Banking and Currency.

By Mr. NEELY:

S. 2310. A bill to provide for standard daylight-saving time; to the Committee on Interstate Commerce.

S. 2311. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Willis Lyle Burdette, Eunice Burdette Beller, Alta Lucille Burdette Coburn, Margaret Jane Burdette, William Burdette, and Betty Burdette; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 2312. A bill for the relief of Howard E. Johnson; to the Committee on Claims.

S. 2313. A bill 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 Nation or any division thereof (except the Eastern Division whose claims have been adjudicated by, and the Northwestern Division whose claims are now pending in, the Court of Claims), or any tribe or band of Indians living on the Fort Hall Indian Reservation, may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. BAILEY:

S. 2314. A bill to establish the position of Under Secretary in the Department of Commerce; to the Committee on Commerce.

By Mr. SHEPPARD:

S. 2315. A bill to adjust the pay and allowances of warrant officers of the Army, including those of the Army Mine Planter Service; to the Committee on Military Affairs.

By Mr. GURNEY:

S. 2316. A bill for the relief of Emil Navratil; to the Committee on Military Affairs.

S. 2317. A bill to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act the Cheyenne River Sioux Tribe of Indians of the State of South Dakota; and

S. 2318. A bill to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act the Yankton Sioux Tribe of Indians, of the Rosebud Agency, of the State of South Dakota; to the Committee on Indian Affairs.

ESTABLISHMENT OF PUBLIC WORKS AGENCY—AMENDMENT

Mr. BARBOUR submitted an amendment intended to be proposed by him to the amendment (heretofore submitted) intended to be proposed by Mr. VANDENBERG (for himself, Mr. BARBOUR, and Mr. TAFT) to the bill (S. 2202) to establish a Public Works Agency, which was ordered to lie on the table and to be printed.

THE RAILROAD PROBLEM—ADDRESS BY SENATOR WHEELER

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a radio address delivered by Senator WHEELER on May 1, 1939, on the railroad situation and legislation affecting transportation in the United States, which appears in the Appendix.]

A GENEROUS PEACE—ARTICLE BY DR. JOSEPH F. THORNING

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an article entitled "A Generous Peace," by Rev. Dr. Joseph F. Thorning, published in the Catholic Review, of Baltimore, Md., of Friday, April 28, 1939, which appears in the Appendix.]

PARTICIPATION IN WAR BY THE UNITED STATES

[Mr. HOLT asked and obtained leave to have printed in the RECORD an article from the Charleston Daily Mail, of Charleston, W. Va., regarding the participation of America in war, which appears in the Appendix.]

EXCESSIVE SPENDING AND DESTRUCTIVE TAXATION

[Mr. HOLT asked and obtained leave to have printed in the RECORD an editorial from the Pittsburgh Post-Gazette entitled "Mr. Benedum Knows the Remedy," which appears in the Appendix.]

THE OIL DEAL BETWEEN STANDARD-VACUUM AND PHILIPPINE GOVERNMENT

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD an article from the Philippine-American Advocate entitled "Sevilla Kills Philippine Oil Deal Between Standard-Vacuum and Quezon Government," which appears in the Appendix.]

STUDIES OF PROPOSED LEGISLATION—WORK OF THE SESSION—FINAL ADJOURNMENT

Mr. BANKHEAD. Mr. President, I ask unanimous consent to submit at this time and have read from the desk a concurrent resolution, and to make a short statement regarding it.

The VICE PRESIDENT. Is there objection? The Chair hears none. The clerk will read the concurrent resolution.

The Chief Clerk read the concurrent resolution (S. Con. Res. 15), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, or any duly authorized subcommittee or subcommittees thereof, shall, after the adjournment of the present session of the Congress, make a study and investigation with a view to determining what changes, if any, should be made in the general revenue laws and in the Social Security Act, and shall, at the beginning of the next session of the Congress, make reports by bill or otherwise of their recommendations.

SEC. 2. The Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, or any duly authorized subcommittee or subcommittees thereof, shall, after the adjournment of the present session of the Congress, make a study and investigation with a view to determining what neutrality legislation, if any, should be enacted, and shall, at the beginning of the next session of the Congress, make a report by bill or otherwise of their recommendations.

SEC. 3. The Committee on Interstate Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, or any duly authorized subcommittee or subcommittees thereof, shall, after the adjournment of the present session of the Congress, make a study and investigation with a view to determining what changes, if any, should be made in the Interstate Commerce Act, and shall, at the beginning of the next session of the Congress, make a report by bill or otherwise of their recommendations.

SEC. 4. The two Houses of Congress shall adjourn sine die not later than Thursday, the 15th day of June 1939.

Mr. BANKHEAD. Mr. President, I have no thought of undertaking to usurp the prerogatives of the leader of the Senate or of the House of Representatives. I recognize the long-established practice, and fully approve of it, of the majority leader sponsoring the times when the Senate is to be in session from day to day, and indicating by his leadership what days the Senate shall be in recess. So I desire to have it understood that by offering this resolution I am not seeking in any way to change that long-accepted practice, of which, I repeat, I fully approve. Nor am I seeking, by indirection or implication or in any way, to criticize the leadership by submitting this resolution.

The Senate, as we all know, has kept abreast of its work. There has been up to this time no default on the part of the majority leader in the matter of transacting the necessary business in order to permit Congress to adjourn within a reasonable time. Conditions, however, over which he has had no control and, in fact, the Senate has had no control now make it apparent that instead of concluding the business of Congress by April, as was indicated when we first met, or by May, as was later suggested by the White House and by the leadership of both Houses, in all likelihood the business of this session will be drawn out certainly into July, and probably into the month of August.

Mr. President, it occurs to me that that is not a necessary program, nor is it a fortunate one either for the people of the country or for the wisdom of prospective legislation. We have adjourned from day to day because we had nothing on the calendar. We meet once or twice or sometimes three times a week, clean up the calendar in a short time, dispose of the business pending here, and of necessity recess. Why continue that program this year from now into the late hot summer? Why did we not arrange to adjourn by the middle of May, as the leader and a good many others of us some weeks ago thought we should be able to do?

Early in this session the President said he was through sending messages to Congress and that he would send no more messages which would delay final adjournment. I think he has kept that promise. Still we see 3 months of prospective delay into the hot season before we may expect to hear presented to the two Houses a motion for sine die adjournment. Why?

As one reason, it is now said that a social-security bill must be passed before we adjourn. No social-security bill has been presented to either House, and yet 4 months of the session have gone by. There is at this time no assurance when the House Committee on Ways and Means, in which such a bill must first be considered, will be in position to bring it to the House for consideration. I am not criticizing that committee. They have been actively and diligently at work, according to my information, and have held hearings lasting nearly 2 months; but that program is a comprehensive one. It is one which affects the feeling of security of probably millions of persons in this country. It is a program which cannot be perfected except by trial and error; and no one need think that by staying here until July this session of Congress can perfect a broad social-security program for the future. Time is required. Calm and deliberate consideration by Congress should be given to so great a measure. Why insist that Congress must stay here now for the passage of that bill? Why not let the committee of the House and the committee of

the Senate at their pleasure, during the recess of Congress, proceed to deliberate over that complex and comprehensive bill, and be ready, as directed by this resolution, to report when Congress meets next January?

We hear that we must pass at this session a general tax bill. I do not know who started that report. It has been understood for 3 or 4 months that we should have no general tax bill at this session of Congress. That statement has been frequently carried by the newspapers, and I have heard no denial of it until very recently. Now we are advised that we must wait here until the House finishes considering the social-security bill, because, as we all know, the same committee of the House—the Committee on Ways and Means—has jurisdiction of both the tax measure and the social-security measure. When the social-security bill goes to the House, the members of the Ways and Means Committee must give their time and attention to that bill during its consideration on the floor of the House; and until it has been finally acted upon, they cannot even begin consideration of a general tax program.

I have not heard—other Senators may have, but I have not—of any specific changes in the general taxing system of the Government that it is necessary at this time to put upon the statute books.. I have heard no specific tax advocated. I have heard no definite measure proposed to shift a part of the tax burden of the country from one group of taxpayers to another group of taxpayers. Apparently, there is no great emergency about the tax matter. If there had been, it would have been pressed before this time. I see no reason for suddenly bringing forward a general tax program; and we all know the time that is required for the consideration of such a measure in the Senate of the United States. Many weeks, according to our former experience, have been required for the consideration of bills reported by the Committee on Finance and amendments offered by many Senators upon the floor of the Senate, which in this instance would carry into the heat of July, into the heat of August, and possibly into the sultry month of September the deliberations of Congress upon the subject of a new tax program.

Mr. President, I submit that the committees ought to do that work without requiring the Members of Congress to stay here in Washington and wait until they are ready to report, and then stay here for minute and detailed and prolonged discussion of all the subjects involved in all the ramifications of a new general taxing system.

Then there is the question of neutrality. We are told that we must stay here until we pass a new neutrality bill. For weeks and weeks the Senate Committee on Foreign Relations has been constantly in session, according to the newspapers and current reports, considering a new neutrality bill. I am not advised whether or not the House has touched the subject; but we know that the Senate committee, after diligent investigation and honest and conscientious work, has been unable to agree upon a new neutrality bill and, not through neglect but, as I understand, through inability to reach an agreement upon a program, has permitted a new neutrality bill to remain in the committee until the old law has expired.

The able and distinguished senior Senator from Idaho [Mr. BORAH] has stated that it probably will take as long to pass a new neutrality bill, if it contains certain provisions, as it took for the Senate to consider the Covenant of the League of Nations. What does that mean? We all know that there is in the Senate a strong group of Members who have definite and fixed views upon the matter of foreign relations. We know that that group has in its membership some of the ablest men and some of the best speakers in the Senate, some who are capable of speaking day after day. When such men as the Senator from Texas [Mr. CONNALLY] and I and others stood here trying to educate the people of the country on an antilynching bill, some of the members of the group to which I have just referred, who are about to carry on what they refer to as an educational program, denounced us as filibusterers. They now propose, however, according to an open notice, not to indulge in a filibuster—they do not like that name—but they are to engage in exactly the same procedure, delaying from day to day, trying to educate the Members of the Senate, trying to arouse and stir the people of the Nation from day to day, from month to month, through the hot summer season, resisting the passage of what appears to be the sentiment of a majority of the Committee on Foreign Relations on the subject of a new neutrality measure.

It is suggested that we ought to remain here and permit all of the Executive orders on the subject of reorganization to go into operation under the 60-day requirement in the law. If that course is followed, and we remain here, it is automatically settled now that we will be here until July at least, and every order that comes up from the White House will automatically prolong the session of Congress and extend it for a period of 60 days from the time the Executive order comes to Congress; and we hear that others are in preparation and on their way. That means that we would have to stay almost to the middle of July if we did not have anything else to keep us.

Mr. President, I note that a program is proposed in the other House to vote down, on an adverse report, a bill to disapprove the last Executive order submitting a reorganization plan. What would that accomplish in practical results? That would be merely an expression of the sense of a majority of the membership of the House. As I understand the so-called Reorganization Act, it would not shorten the time in which the Executive order will go into effect.

In other words, the law provides the order shall become effective 60 days from the day it is received, if it lies here without affirmative action. I do not know why affirmative action is not sought. I am not one of the leaders, as Senators well know, but with the practically unanimous expression of approval of the program, with no partisan spirit injected into it, I am unable to see the evil consequences which might follow bringing in a bill and asking Congress to vote an affirmative approval of the Executive order. I believe firmly that it would be approved, and I am of the opinion that every Member of the Senate believes that would be done. Then why remain here until July or August merely to permit the time period to expire, when, without any reasonable doubt, both Houses would promptly vote to close the matter if the question were brought to a vote of the two Houses?

Mr. President, I have presented the concurrent resolution, not with any illusion that it is going to be presently adopted. I have offered it for two purposes. One was to submit the suggested program to the consideration of those who have the control of the procedure of Congress. In a friendly spirit I invoke their consideration of it. It would be so much better to let the committees which have already done a great deal, proceed and conclude their work and have their bills ready for Congress when it meets in January. My only other reason was a desire to furnish an instrumentality for entering my humble personal protest against Congress being kept in Washington until probably August, and possibly September, this year, with only a few more bills upon the so-called must list.

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

Mr. BANKHEAD. I yield.

Mr. BURKE. I was detained at the opening of the Senator's remarks and do not know whether he mentioned, in connection with the proposed legislation now pending, possible amendments to the National Labor Relations Act.

Mr. BANKHEAD. I did not mention that subject. In the resolution I did mention the Interstate Commerce Act, on which protracted hearings have been held, and the consideration of which, of course, will require a great deal more time, perhaps, in the committee, and certainly on the floor.

I did not mention the Wagner Act, because I observed in the newspapers a statement by the able, distinguished, and courageous Senator from Nebraska, whose courage I greatly admire, and with whose conclusions I am at times in accord, to the effect that it was entirely unlikely, not using his language, but my construction of what he said, that the committee considering the National Labor Relations Act at this time would report a bill amending the act. So, recognizing the sound judgment of the Senator, I did not include the

Labor Relations Act. I accepted the statement as one of fact.

Mr. BURKE. If the Senator will yield further, I should like to say on that point that, as the Senator knows, hearings have been under way for some time before the Senate Committee on Education and Labor on the labor relations law. This is an act of such great importance that no thought of amendment should be considered until the evidence has been presented fully and thoroughly digested. The sponsor of the act, the able Senator from New York [Mr. WAGNER], has said he heartily approves of the hearings being conducted, he is willing to examine all the evidence that is presented, and that if a clear showing is made of the necessity of amendment, he will give the matter his serious consideration.

My reason for making the statement which appeared in the newspapers and to which the Senator has referred was that it seemed to me important that the committee should proceed with its hearings, that all responsible parties or representatives of all responsible parties and organizations who feel they know something about how the National Labor Relations Act is working, either for good or ill, should come before the committee and present their views, and that then the committee should have an abundance of time to sift and weigh all the testimony. I thought such procedure would be very much better than to rush headlong now into decisive action, either rejecting all amendments or adopting any certain amendment.

I find myself in very hearty accord with what the Senator from Alabama has said, that these are all matters which require committee action, long and careful thought by the committees, preceded by adequate hearings, such as those now being held by many of the committees; and that, after all, it is not so important that Congress be kept in session throughout the summer and into the fall in order that action may be taken on these subjects.

Mr. BANKHEAD. I appreciate the very fine statement made by the Senator from Nebraska. His conclusion is the one I have reached, not only regarding the bill to which he refers, and the necessity of having time for due and orderly consideration by the committee, but the same reason has led me to the same conclusion regarding the other controversial bills to which I have referred, and as to which I see no dire emergency compelling special and hurried action, or requiring very long and protracted sessions of Congress, which we all know do not, in the heat of summer, lead to the best consideration or the wisest judgment in matters of legislation.

Mr. SMITH. Mr. President, about what times does the Senator think would be required for action on the measures to which he has referred?

Mr. BANKHEAD. My resolution suggested adjournment the 15th of June.

Mr. SMITH. I vote "aye."

Mr. BANKHEAD. That would give ample time to pass all the supply bills and any other needed legislation, such as the Congress usually passes in an orderly way.

Mr. CONNALLY. Mr. President, I have listened with a great deal of interest to the comments of the Senator from Alabama and regret very much that I have to disagree with his conclusions. I am sure that all Senators would much prefer to have Congress adjourn at the earliest practicable moment, so that they might return to their homes. We are more comfortable at home; there is less annoyance there from the importunities of those who seek action at the hands of Congress, and we are more likely to obtain rest. Some Senators who are able have opportunity to escape the heat in July and August. But the heat in July and August will not be any greater on Senators than it is on other citizens. The temperature is not a respecter of persons, except of those who go to the seashore or the mountains; and some of us are not able to walk that far. [Laughter.]

It is true that the measures mentioned by the Senator are of the highest importance, and therefore, being of the highest importance, they ought to be right here in this Chamber, and we ought to be right here in this Chamber, giving attention to those measures until all the problems involved are solved. People talk about solving a problem, but no question was ever solved in the history of the earth. No law was ever enacted which could not be repealed. No constitution was ever written which could not be modified or amended or overturned by a revolution. There is a constant struggle to improve that which we have done before, in the light of experience and changing conditions.

But, Mr. President, there is to my mind a far more important and imperative reason why the Congress of the United States should remain in Washington for the next few months. There is no war in Europe now; I do not believe there is going to be any war in Europe immediately; but there may be a war in Europe. The United States has no business in such a war. The people of the United States do not want to be in any war. Nobody but the Congress of the United States can determine whether we shall be in such a war or not, because it is our function and our responsibility and our duty to determine that question. The Committee on Foreign Relations, it is true, for a considerable period has been having hearings on the question of neutrality, and we hope to conclude those hearings at the end of the present week. Complaint is made that those hearings have taken a great deal of time. Is that a proper complaint when we are investigating a matter which touches vitally the interest of this Nation and every citizen under our flag?

Mr. BANKHEAD. Mr. President, the Senator must realize that I did not make any complaint of that nature.

Mr. CONNALLY. I do not contend that the Senator did.

Mr. BANKHEAD. I think the committee is doing fine work.

Mr. CONNALLY. I thank the Senator.

Mr. President, we of the Committee on Foreign Relations are undertaking to approach the question from every possible angle in order that, insofar as feeble human beings can do so—though they are supposed to wear the togas of Senators—we may so deal with the question as best to preserve the interests of the people of the United States and yet not cause us to intrude our hands into a struggle from which we can only withdraw them in blood. So, Mr. President, I think Congress should stay right here in Washington until all the visible dangers of involvement of the United States in a foreign war may be removed, insofar as they can be removed.

Suppose we do have to remain here while it is hot. This is the place of our functions. Congress is the agency into whose keeping the people have entrusted their welfare. We must perform those duties which come within our functions. I would much prefer to go home, and would much prefer to ride around over the beautiful landscape of my native State. I believe the Senator from Arizona [Mr. ASHURST] whispered "and Arizona." I would also rather ride out over the distant State of Arizona. We would all rather be at home in comfort, surrounded by our friends and constituents.

But, Mr. President, that is not the decisive consideration. We are struggling here as best we can with these mighty issues, and it is our duty and our responsibility to remain here so long as it may appear to be necessary or practicable for us to meet and struggle with and survey, so far as we may, whatever falls within our jurisdiction. The function of the Congress—of the Senate and the House of Representatives—is to enact legislation. No power on earth under the Constitution can determine great, vital questions of peace or war except the Congress of the United States. I, for one, know that the people of the United States do not want war. I know that while they expect us to maintain our rights and our dignity and our prestige as a Nation, yet they want the United States so to shape its foreign policies and so to conduct its foreign affairs that we may not become embroiled in any war that shall take place across the ocean on another continent.

Mr. President, the questions before us now involve more than our own particular continental defense. We have al-

ready provided and will provide in the future for an adequate increase of the naval forces, and the military forces, and the air forces to protect continental United States, but more and more before the public attention is being pressed the further question of the Monroe Doctrine, and all the possibilities involved in it. All in all, it is the duty of the Congress to see that we do not become involved in a foreign war.

Mr. President, my belief is that the Congress of the United States should remain here in Washington, and in session, so long as there is any danger whatever of involvement in such a struggle as that which seems to threaten.

Mr. KING. Mr. President, first I desire to compliment the leader upon the Democratic side of the Chamber, in view of the statements made by the Senator from Alabama [Mr. BANKHEAD], because of his courtesy and fine executive ability. I think he has handled the affairs of the Senate, so far as they are entrusted to his hands, with marked ability and with a due regard to the best interests of the country.

At the same time I desire to pay my respects to the leader on the other side, the leader of the Republican Party. He has cooperated in a fair and honorable way to discharge the duties of his position and to facilitate the transaction of such business as has come before the Senate.

The Senator from Alabama complains because we are not in session more frequently. I think the Senator forgets that we have several score committees—subcommittees and general committees—in session every day. If I had my way, I should amend the rules of the Senate so that we would devote 3 days of every week to committee work, and not be required to meet in the Senate Chamber on those 3 days, and then devote 2 days or 3 days, if necessary, to work in the Chamber of the Senate. I think our work would then be more effective, and I think that our accomplishments would be more satisfactory. We should not neglect the duties devolving upon the various committees. This morning there have been 8 or 9 or 10 important committees at work. If we had more time for committee work, and if we were not compelled to meet in the Senate Chamber as often as we have met, perhaps we would have been more successful in bringing to the floor of the Senate important measures that have been referred to the respective committees.

Mr. President, I am not quite sure whether the Senator from Alabama desires the adoption of the resolution which he has submitted. I suggest that if he does not desire it to be adopted, but desires it to be referred to a committee, that he divide his resolution because one part of the resolution should go to the Committee on Finance and the other part to the Committee on Foreign Relations.

I wish to say a word or two with respect to the Committee on Finance, and the revenue question to which the Senator from Alabama has adverted. I am sure that the Committee on Ways and Means of the other House—if I may be permitted to refer to the body at the other end of the Capitol—have with great ability and great earnestness been addressing themselves to the question of taxation, and I am sure that the members of the Senate Committee on Finance, in subcommittees or individually, have likewise given a great deal of attention to our revenue situation.

Mr. President, it is obvious that we are going to commit what I believe to be a colossal blunder. We are going to appropriate perhaps ten or twelve billion dollars before the Congress adjourns, and to make commitments of five billion or six billion dollars more, knowing that under the proposed revenue measures and under the present laws we will collect only about $5,000,000,000 or possibly $5,200,000,000 or $5,300,000,000. I think it would be prudent and wise before final adjournment for the Congress to revise the revenue laws, increase taxes, burdensome as they now are—and still more burdensome they will be in the future—in order that the deficit may not be four or five billion dollars, as it will be because of the prodigality of Congress and its failure to give to the country such revenues as are necessary approximately to meet appropriations.

So far as I am concerned, I am willing to remain here during the summer, and, while I do not wish to criticize the other branch of the Congress, I think it would be wise if there should be reported at an early date a sound revenue bill, one that would raise at least $6,000,000,000 or $7,000,000,000, and that the Appropriations Committees in the discharge of their duties should reduce appropriations far below Budget estimates, and bring them within speaking distance at least of the revenues which will be derived by the tax bill which I hope will be passed before final adjournment.

Mr. JOHNSON of California. Mr. President, I desire to take my stand beside the Senator from Texas [Mr. CONNALLY] in his remarks upon war. Some days ago I listened to a remarkable speech in this body, as eloquent as any I have heard since I have been a Member of the Senate, from the Senator who now occupies the chair [Mr. GEORGE], who expressed himself upon war.

I think we ought to remain here, sir, because of the imminence of armed conflict. We ought to remain here because such conflict would mean so much to the American people. Recently I listened to a witness before the Foreign Relations Committee, who said something that I have often remarked in the past. He said that the first casualty of war is truth. That casualty has occurred thus far; and, sir, we cannot remedy that particular matter.

The consequences of war to this country are such that I tremble when I think of them. The consequences of war, sir, are far greater than all the other consequences which have been so eloquently portrayed by the Senator from Alabama [Mr. BANKHEAD]. The consequences of war are that we shall have no country for which to legislate if once we embark on such a mad adventure. The consequences of war are that this Government of ours, which is the pride and glory of every Member of this body, we will see gone, gone, gone; and there will be no remedy by which we can resurrect it within our lifetime.

I regard the two dictators with every feeling of horror that can actuate anybody, or that anybody can feel. If we shall go to war in an endeavor to destroy those two dictators, we shall have a dictator in the United States, and he will be with us forever. I am not now speaking in personal vein, or referring to any individual; but the necessary consequences of a war at this time will be that we shall have just exactly that which we reprobate among the countries of Europe if we go into any armed conflict and the result shall be even one way or even another.

So war is the great thing overshadowing every other question before the American people.

I recognize the importance of other questions to which reference has been made; I recognize that we ought to legislate concerning them; but, after all, overshadowing every one of them and rendering every single one of them of little importance, is the question of war—war that will mean what we know it will mean; and, sir, it is to the Congress of the United States, it is to the United States Senate, that the people of the United States look to keep us out of war. It is the Congress of the United States, with all its faults, with all its shortcomings; it is to the Senate of the United States, with all its sins of commission and omission, that will keep us out of war in the dark days that are to come; and no other person, no other individual, no matter who he may be. We shall have a replica of the situation of 20 years ago, when it was the Senate of the United States which rescued the country from the position in which it found itself. It was the Senate of the United States which, to its lasting credit, refused ratification of the Treaty of Versailles.

Mr. President, we all want to go away; we all would like to go home, none more than I; but we cannot go home. We must be on guard, sir, literally on guard, every minute of the day and every minute of the night in the days to come, to see that we shall not participate in a war which is none of our concern, and that we shall be neither eased into that war nor driven into it. We can do our duty in that regard only by being right here. Let us stay and do our duty. Let us continue as we have been doing in the past, to represent

those who sent us here, in their desire to remain peaceful, and not warlike. Let us go on and prevent any provocative utterances; prevent, if we can, various acts which may be construed as warlike on the part of this Government. Let us be ourselves and, for the people of the United States, let us keep out of war. [Manifestations of applause in the galleries.]

Mr. BARKLEY. Mr. President, I had not intended to discuss the resolution submitted by the Senator from Alabama [Mr. BANKHEAD]; in fact, I did not know until a moment before it was presented that it was to be offered or was under consideration by the Senator from Alabama. I shall refer to it only briefly.

At the outset, I appreciate the very generous remarks made by the Senator from Alabama [Mr. BANKHEAD] and the Senator from Utah [Mr. KING] concerning myself. I share the references in their remarks to the Senator from Oregon [Mr. MCNARY] the minority leader. While I am on that subject, I wish to say that it has been a real pleasure for me to have, as I have had, the sincere cooperation of the Senator from Oregon, the minority leader, in helping to work out the legislative program and to facilitate the business of the Senate.

Mr. President, it is true that the Senate has been in recess on a number of days during this session of Congress; but it has not been in recess because of any lack of industry or because of any desire to neglect public business. We have kept the calendars current. We have recessed only over the week ends and from day to day when the Senate had no important business to occupy its attention.

Of course, we all would like to get away at the earliest possible date consistent with the performance of our duties. However, we were not elected by the people simply to adjourn. As I have always understood, we were elected by the people to try to shoulder our part of the responsibility of operating the Government of the United States.

Early in the session I indicated that it might be possible to adjourn by the 15th of June, and perform all the duties which might seem incumbent upon the Congress, in which I include both branches, of course. It seemed that we might adjourn on that date, or approximately that date, without being guilty in the remotest degree of shirking any of our responsibilities or failing to perform our duties so long as those duties required our presence here. Until very recently I still entertained the hope that we might finish by the 15th of June, or thereabouts. However, I am now confident that we cannot do so without running away from the performance of our public duty.

In his resolution the Senator from Alabama mentions three committees and three particular subjects which he desires to have investigated during the recess by the committees having charge of proposed legislation. What are those subjects, Mr. President? One of them is railroad legislation. The Committee on Interstate Commerce, whose chairman, the Senator from Montana [Mr. WHEELER], is present and will corroborate what I am about to say, for the last 2 or 3 years has been devoting itself assiduously and single-mindedly toward the gathering of information which might help in the solution of the acute railroad problem which confronts the railroads and the country with respect to our transportation systems. Bills to that end have been introduced in this session. The President appointed a joint committee made up of three representatives of railway labor and three representatives of management to work out a suggested measure. Bills have been introduced and hearings have been completed, and a subcommittee of the Committee on Interstate Commerce is now working on the problem of revising the bills so as to bring them to the floor of the Senate within the next week or 10 days. It is my earnest hope that that task may be accomplished. A similar House committee is considering the problem.

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

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

Mr. BARKLEY. I yield.

Mr. WHEELER. Mr. President, if I may interrupt the Senator, I will say that we have held hearings for approximately 3 weeks on one of the pieces of legislation referred to. The subcommittee then took up all the objections made by everybody and worked for about 2 weeks on that measure. By the latter part of this week or the first of next week we expect to be able to report a bill which I am sure will be as nearly satisfactory as it is possible to make any such legislation.

We are holding hearings upon a bill for railroad reorganizations, to correct some of the abuses in that field; and we shall probably be able to report that bill to the Senate by the latter part of next week.

Mr. BARKLEY. I appreciate that information, and I think I will venture to suggest also that, in view of the hearings that have been held and the consideration that has been given to that subject not only by the Committee on Interstate Commerce but by the executive branch of the Government and by the parties in interest, the railroads themselves, and all those connected with them, including management and labor relationships, there is now available practically all the information that could be obtained if the committee were to hold hearings the remainder of the summer on the subject of railway legislation.

So there has been no negligence, no shirking of any duty on the part of the committee, in trying to work out a very intricate and a very difficult problem and in trying to find out what to do about the railroad situation in the United States. I dare say that, with all the care that has been given the subject, and all the care that has been given to the drafting of legislation, when we shall have brought it on to the floor and passed it, we can still say that nobody has the last word in the solution of the railway problem.

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

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. NORRIS. The concurrent resolution presented by the Senator from Alabama [Mr. BANKHEAD], which has brought on this debate, is not officially before the Senate, is it?

Mr. BARKLEY. No; it is not.

Mr. NORRIS. In other words, I suppose that resolution will be referred to a committee and come up in due time. So we are talking about something that is not at present before the Senate.

Mr. BARKLEY. That is true.

Mr. NORRIS. I am not complaining about that, for that is characteristic of the Senate.

Mr. BARKLEY. I am referring to it merely because a number of Senators have discussed it.

Mr. NORRIS. But one good way to stay here all summer is to spend the time between now and fall discussing whether or not we will adjourn. [Laughter.]

Mr. BARKLEY. Yes; I agree with the Senator, and I myself am not going to discuss it until fall.

So much for railroad legislation. I do not believe that we would be any nearer a solution of the problem next January when Congress comes back and starts over again, as it always does at the beginning of a Congress, on a cold collar, back down the hill, and then start fresh to reach the point where we are now. So I do not think that anything can be accomplished by deferring for further investigation the railroad problem that is now before the Committee on Interstate Commerce.

Now, as to taxes. Nobody has the last word in the solution of the tax problem, either, and I suppose that is fortunate, because if the Senate or the other House of Congress should assume that we have the last word in the solution of any problem it would not leave anything else for future Congresses or future generations to do.

No one claims that our present tax system is perfect; no one can deny that it has imperfections. It is like all tax systems that have been added to and pieced out like a quilt, with all hands around the quilt putting in a particular piece here and a particular piece there to give it color and attrac-

tion and beauty. Of course, there is no attraction or beauty about a tax, but there is a good deal of color.

The question has arisen whether we shall have a general revision of taxes at this session of Congress or whether we shall not.

Mr. VANDENBERG. Mr. President——

Mr. BARKLEY. I yield to the Senator from Michigan. I think, from the expression on his face, he has a bright idea in his mind, and I do not want to lose it.

Mr. VANDENBERG. The Senator from Kentucky, in discussing the question of taxes, drew an analogy between the tax system and a quilt. I was going to inquire if that is the kind of a quilt that is called a "crazy quilt"?

Mr. BARKLEY. I presume that a quilt of that sort might be and sometimes is called a "crazy quilt," but it sometimes affords great comfort to those who have one.

The question of whether we shall embark upon a general revision of taxes has been under discussion here since we came to Washington in January. I agree that if we go into a general revision of taxes we shall be here all summer, because it is impossible in a short time to revise a complicated tax system, whether we simply undertake to remove money from one pocket and put it into another or whether we undertake to abolish taxes that raise the amount of revenue estimated by the Treasury and replace them with taxes on something else which is untaxed or which is not taxed as much as it would be under a new law.

Mr. President, I have felt—and I have expressed that feeling—that it will do business in this country no particular good to be kept in a long state of uncertainty about what taxes are to be.

We have heard a great deal about removing the taxes that are deterrents to business such as the capital-stock tax and what is left of the shadow of the undistributed-profits tax on corporations and one other tax that is supposed to be a deterrent. If we are to assume that we have got to raise the same amount of revenue we are now raising no matter how we may shift the tax, then we must consider the question whether we desire to remove three particular types of taxes that are paid by the business of our country in one form and shift it over into another form under which the amount to be paid will be the same in the long run and in the aggregate, but might be taken out of a different pocket in order to be transferred to the Treasury. Congress has a right to consider that question.

The House of Representatives, as I have understood from the leadership of that body and others dealing with taxation, have planned to send to the Senate probably three simple resolutions, one extending the so-called nuisance taxes which expire this year; another one extending the shadow of the undistributed-profits tax on corporations, which raises about $56,000,000 a year; and another one postponing the step-up of the social-security tax. When those various resolutions arrive in the Senate and are referred to the Committee on Finance, of course, any Senator in the committee or on the floor can propose a general revision of taxes if he so desires; there is no rule that would prevent him doing so; but if we are to be content with extending the expiring taxes and postponing the step-up of the taxes under the Social Security Act, we can perform that duty, in my judgment, speedily and without serious complication and without much delay.

I do not say, Mr. President, that we can get all these bills through by the 15th of June; I doubt it very seriously; we may not be able to get them all through by the 1st of July; but I do not think that either the House or the Senate, separately or collectively, as forming the Congress, have been guilty of any negligence in giving these problems their careful and studious consideration.

So far as neutrality legislation is concerned, it presents a very difficult problem. No two men entertain precisely the same opinion about what we should do. One provision of our neutrality law expired on yesterday. The Committee on Foreign Relations will complete its hearings this week on proposed neutrality legislation, and such legislation, if it is to be comprehensive and is to protect our interests, ought to be enacted, if possible, before there is a war and not after a war is begun anywhere in the world. There are those who advocate the outright repeal of the neutrality law; there are those who believe in the reenactment of the cash-and-carry provision; there are those who advocate the enactment of legislation that will make it possible for, or perhaps the duty of, our Government to designate aggressors, and so on. Opinions of all varieties have been expressed before the Committee on Foreign Relations. I do not know what sort of legislation will be formulated by the committee. I do not know, and I dare say no one else knows at this juncture, what sort of bill the minds of that committee can finally agree to report for the consideration of the Senate; and the same thing is true, no doubt, of the other body; but, Mr. President, whatever our difficulties may be, and whatever may be our differences of opinion, I believe that every member of that committee entertains honestly and conscientiously the opinions that he has expressed both in the committee, here, and elsewhere; and I believe it to be the sincere and prayerful desire of every member of that committee, and even of the Senate and of the other House, so to guide our ship of state and so to shape the conduct of our foreign affairs, always recognizing our own handicaps and our own inabilities in that connection as a body, that our Nation will not only be able to steer its course clear of any war that may occur anywhere else in the world but may at the same time protect the interests, protect the safety, protect the traditions, protect the dignity and the welfare of the American people. How that can best be done may be a subject of disagreement among Senators, but we all want to do that. However, regardless of the problems, regardless of the difficulties, Mr. President, regardless of our differences of opinion on the subject, there is one opinion which I think we can all express, and that is we cannot run away from the performance of that duty.

In the midst of these chaotic conditions, which have not been brought about by our Government, which have not been imposed on the world by anything we have done as a nation, in my judgment the American people would feel a profound sense of disappointment in the Congress of the United States if, in order to avoid the hot summer, or in order to hie away to our homes, whether they be hot or cold, or whether we can go to Europe or to Canada or to the South Seas, we should now say, in advance, that we will pass or even seriously consider a resolution to adjourn on the 15th of June, or any other date in the future.

I appreciate the sincerity of the Senator from Alabama, which is a characteristic that always attends his conduct both as a public servant and as a man; but I think, on reflection, the Senator from Alabama must conclude that his resolution cannot be considered at this time and cannot be adopted.

I do not know to what committee the resolution should go, unless it be the Committee on Rules. The resolution is in three parts. I do not know whether or not the Senator from Alabama desires to have it referred to a committee.

The PRESIDING OFFICER. If there be no objection, the concurrent resolution will lie over under the rule.

Mr. BARKLEY. Very well.

MESSAGE FROM THE HOUSE

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

S. 1034. An act to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co.; and

S. 2044. An act making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes.

The message also announced that the House had passed the bill (S. 70) to amend section 90 of the Judicial Code, as amended, with respect to the terms of the Federal District

Court for the Northern District of Mississippi, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 752) to amend section 78 of chapter 231, Thirty-sixth United States Statutes at Large (36 Stat. L., sec. 1109), relating to one judicial district to be known as the District of Idaho, and dividing it into four divisions, to be known as the northern, central, southern, and eastern divisions, defining the territory embraced in said divisions, fixing the terms of district court for said divisions, requiring the clerk of the court to maintain an office in charge of himself or deputy at Coeur d'Alene City, Idaho; Moscow, Idaho; Boise City, Idaho; and Pocatello, Idaho; and to authorize the United States District Court for the District of Idaho, by rule or order, to make such changes in the description or names to conform to such changes of description or names of counties in said divisions as the Legislature of Idaho may hereafter make, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 4, 14, 20, 28, 33, 34, 41, 48, 50, 51, 52, 53, 55, 64, 76, and 77 to the bill, and concurred therein; that the House had receded from its disagreement to the amendment of the Senate numbered 9, and concurred therein with amendments, in which it requested the concurrence of the Senate; and that the House had receded from its disagreement to the amendments of the Senate numbered 16, 19, 27, 32, 46, and 49 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 162. An act to make effective in the district court for the Territory of Hawaii rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 169. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.;

H. R. 892. An act to extend to custodial-service employees employed by the Post Office Department certain benefits applicable to postal employees;

H. R. 1774. An act to authorize the transfer to the State of Minnesota of the Fort Snelling Bridge at Fort Snelling, Minn.;

H. R. 1996. An act to amend the National Stolen Property Act;

H. R. 2009. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.;

H. R. 2417. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Sequoia National Forest, Calif.;

H. R. 2875. An act to provide that pensions payable to the widows and orphans of deceased veterans of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall be effective as of date of death of the veteran, if claim is filed within 1 year thereafter;

H. R. 2987. An act providing for the transfusion of blood by members and former members of the Military Establishment, and by employees of the United States Government;

H. R. 3131. An act to authorize the Secretary of War to convey certain lands owned by the United States for other lands needed in connection with the expansion of West Point Military Reservation, N. Y., and for other purposes;

H. R. 3132. An act to authorize the disposal of cemetery lots;

H. R. 3248. An act authorizing a per capita payment of $15 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 3587. An act to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools;

H. R. 3593. An act authorizing and directing the Secretary of War to execute an easement deed to the city of Duluth for park, recreational, and other public purposes covering certain federally owned lands;

H. R. 4100. An act to amend the naturalization laws in relation to an alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or religious organization existing in the United States;

H. R. 4322. An act giving clerks in the Railway Mail Service the benefit of holiday known as Armistice Day;

H. R. 4532. An act to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 5064. An act to amend the act approved June 25, 1910, authorizing establishment of the Postal Savings System;

H. R. 5136. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 5452. An act to provide certain benefits for World War veterans and their dependents, and for other purposes;

H. R. 5485. An act permitting the War Department to transfer old horses and mules to the care of reputable humane organizations;

H. R. 5840. An act to amend the act entitled "An act to provide for the protection and preservation of domestic sources of tin," approved February 15, 1936; and

H. J. Res. 171. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 1034. An act to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co.;

S. 2044. An act making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes; and

H. J. Res. 279. Joint resolution making supplemental appropriations for printing and binding and stationery for the Treasury Department for the fiscal year ending June 30, 1939.

INTERIOR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing the action of the House on certain amendments of the Senate to House bill 4852, the Interior Department appropriation bill, 1940, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
May 1, 1939.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 14, 20, 28, 33, 34, 41, 48, 50, 51, 52, 53, 55, 64, 76, and 77 to the bill (H. R. 4852) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1940, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 9 to said bill and concur therein with the following amendments:

In line 21 of said Senate engrossed amendment strike out "for the purposes"; and

In line 22 of said amendment strike out "hereof" and insert a comma and "notwithstanding the provisions of section 7 of the act of June 22, 1936 (49 Stat. 1647, 1648)."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said

amendment insert a colon and *"Provided,* That hereafter no individual of less than one-quarter degree of Indian blood shall be eligible for a loan from funds made available in accordance with the provisions of the act of June 18, 1934 (48 Stat. 986), and the act of June 26, 1936 (49 Stat. 1967)."

That the House recede from its disagreement to the amendment of the Senate numbered 19 to said bill and concur therein with an amendment as follows: in lieu of the matter inserted by said amendment insert a colon and *"Provided further,* That hereafter any appropriation for the development of Indian arts and crafts, made pursuant to the act of August 27, 1935 (49 Stat. 891), shall be available for the payment of not to exceed $10 per diem in lieu of subsistence and other expenses of members of the Indian Arts and Crafts Board, serving without other compensation from the United States, while absent from their homes on official business of the Board";

That the House recede from its disagreement to the amendment of the Senate numbered 27 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Reindeer Service: For supervision of reindeer in Alaska and instruction in the care and management thereof, including salaries and travel expenses of employees, purchase, rental, erection, and repair of range cabins, purchase and maintenance of communication and other equipment, and all other necessary miscellaneous expenses, including $3,000 for the purchase and distribution of reindeer, $75,000, to be immediately available, and to remain available until June 30, 1941";

That the House recede from its disagreement to the amendment of the Senate No. 32 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$478,247";

That the House recede from its disagreement to the amendment of the Senate No. 46 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$10,523,000"; and

That the House recede from its disagreement to the amendment of the Senate No. 49 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$11,382,600."

Mr. HAYDEN. I move that the Senate concur in the amendments of the House to Senate amendments numbered 9, 16, 19, 27, 32, 46, and 49 to the bill.

The motion was agreed to.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H. R. 162. An act to make effective in the District Court for the Territory of Hawaii rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 1996. An act to amend the National Stolen Property Act; and

H. R. 4532. An act to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; to the Committee on the Judiciary.

H. R. 169. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.;

H. R. 2009. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.; and

H. R. 2417. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior of boundaries of the Sequoia National Forest, Calif.; to the Committee on Agriculture and Forestry.

H. R. 892. An act to extend to custodial-service employees employed by the Post Office Department certain benefits applicable to postal employees;

H. R. 4322. An act giving clerks in the Railway Mail Service the benefit of holiday known as Armistice Day; and

H. R. 5064. An act to amend the act approved June 25, 1910, authorizing establishment of the Postal Savings System; to the Committee on Post Offices and Post Roads.

H. R. 1774. An act to authorize the transfer to the State of Minnesota of the Fort Snelling Bridge at Fort Snelling, Minn.;

H. R. 2987. An act providing for the transfusion of blood by members and former members of the Military Establishment, and by employees of the United States Government;

H. R. 3131. An act to authorize the Secretary of War to convey certain lands owned by the United States for other lands needed in connection with the expansion of West Point Military Reservation, N. Y., and for other purposes;

H. R. 3132. An act to authorize the disposal of cemetery lots;

H. R. 3593. An act authorizing and directing the Secretary of War to execute an easement deed to the city of Duluth for park, recreational, and other public purposes covering certain federally owned lands; and

H. R. 5840. An act to amend the act entitled "An act to provide for the protection and preservation of domestic sources of tin," approved February 15, 1936; to the Committee on Military Affairs.

H. R. 2875. An act to provide that pensions payable to the widows and orphans of deceased veterans of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall be effective as of date of death of the veteran, if claim is filed within 1 year thereafter; to the Committee on Pensions.

H. R. 3248. An act authorizing a per capita payment of $15 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Indian Affairs.

H. R. 3587. An act to authorize the Secretary of War to exchange obsolete, unsuitable, and unserviceable machines and tools pertaining to the manufacture or repair of ordnance matériel for new machines and tools; to the calendar.

H. R. 4100. An act to amend the naturalization laws in relation to an alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or religious organization existing in the United States; to the Committee on Immigration.

H. R. 5136. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931; to the Committee on the Library.

H. R. 5452. An act to provide certain benefits for World War veterans and their dependents, and for other purposes; and

H. R. 5485. An act permitting the War Department to transfer old horses and mules to the care of reputable humane organizations; to the Committee on Finance.

H. J. Res. 171. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., and for other purposes; to the Committee on Public Buildings and Grounds.

REGULATION OF TRUST INDENTURES, ETC.

Mr. BARKLEY. Mr. President, if no other Senator wishes to discuss the resolution of the Senator from Alabama, I desire to address myself to the unfinished business, which is Senate bill 2065, and I ask unanimous consent that the Senate now resume its consideration.

There being no objection, the Senate resumed the consideration of the bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I do.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Barbour	Burke	Clark, Idaho
Andrews	Barkley	Byrd	Clark, Mo.
Ashurst	Bilbo	Byrnes	Connally
Austin	Bone	Capper	Danaher
Bailey	Borah	Caraway	Donahey
Bankhead	Bulow	Chavez	Downey

Ellender	Holt	Minton	Slattery
Frazier	Hughes	Murray	Smith
George	Johnson, Calif.	Neely	Taft
Gerry	Johnson, Colo.	Norris	Thomas, Okla.
Gibson	King	Nye	Thomas, Utah
Gillette	La Follette	O'Mahoney	Tobey
Glass	Lee	Overton	Townsend
Green	Lodge	Pepper	Truman
Guffey	Logan	Pittman	Tydings
Gurney	Lucas	Reed	Vandenberg
Hale	Lundeen	Reynolds	Wagner
Harrison	McCarran	Russell	Walsh
Hatch	McKellar	Schwartz	Wheeler
Hayden	McNary	Schwellenbach	White
Hill	Maloney	Sheppard	Wiley
Holman	Miller	Shipstead	

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

Mr. BARKLEY. Mr. President, I desire in advance to confess my shortcomings in attempting to deal adequately with so intricate and complicated a subject as that which is dealt with in the pending measure.

This bill is the result of an investigation made by the Securities and Exchange Commission under a mandate of the Congress of the United States. In the Securities and Exchange Act of 1934, section 211, the Commission, in the following language, was ordered to make an investigation:

> The Commission is authorized and directed to make a study and investigation of the work, activities, personnel, and functions of protective and reorganization committees in connection with the reorganization, readjustment, rehabilitation, liquidation, or consolidation of persons and properties and to report the result of its studies and investigations and its recommendations to the Congress on or before January 3, 1936.

Carrying out the mandate contained in the last paragraph of the Securities and Exchange Act of 1934, the Commission carried on an investigation for more than 2 years. That investigation led to a study of trust indentures, a form of legal document issued in connection with large financing operations and the issuance of bonds by corporations throughout the United States. I may say that there are today outstanding more than $40,000,000,000 in bonds issued by corporate institutions based upon the legal instrument known as the trust indenture; and four and one-half billion dollars' worth of these bonds have been issued to the public since the creation of the Securities and Exchange Commission, and have, under the securities law, been required to be filed and disclosure made before the Commission as a preliminary step toward the issuance of bonds based upon these trust indentures.

The report of the Commission to Congress consisted of seven volumes. I have here volume 6, which contains 220 pages, giving the Congress in some detail the result of the Commission's investigation of trusteeships under trust indentures. It is a very illuminating document. The work was carried out carefully and methodically, and, as I believe, judicially. The Commission has assembled in volume 6 of the report a wealth of information, the study of which I think will convince any fair-minded man that legislation of this type is necessary and desirable.

As a result of the investigations and the facts disclosed, the Commission, the Committee on Banking and Currency, the bankers' associations, and various organizations throughout the country have been giving careful study to the subject of legislation designed to protect bondholders scattered all over the United States who buy these bonds, but never see the indentures on which they are based, against loss of their money in the investment which they make; designed to protect the bondholders not only through the performance of more rigid duties upon the part of the trustee, but designed to protect them also in having a public place where they may go, if necessary, to find the general terms of the indenture upon which have been issued the bonds in which they have invested their money.

Mr. TAFT. Mr. President——

Mr. BARKLEY. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Securities and Exchange Act now require that the indentures be filed with the securities, so that any investor in a security may examine the indenture at his leisure before he buys the security?

Mr. BARKLEY. Yes; the law requires that a concern desiring to issue a series of bonds or to float a bond issue shall disclose before the Commission the condition of the company and the facts connected with the bond issue, and file a copy of its indenture; but the law gives the Commission no control over the indenture. The corporation merely files with the Commission the instrument which they propose to issue. The Commission has no power to approve or disapprove the form of the instrument.

Mr. President, that has been one of the defects of the Securities Act. I will say also that, notwithstanding the fact that four and a half billion dollars worth of these securities have been issued on indentures since the creation of the Exchange Commission, notwithstanding the investigations which have been carried on by the Commission, notwithstanding the pendency of legislation before Congress on the subject for the last 3 years, notwithstanding the recommendations and the publicity given to the findings of the Commission, there has been no substantial improvement in the form and requirements of the trust indenture since the creation of the Securities and Exchange Commission and since the investigation.

The persistence of these defects in Securities Act indentures shows that mere disclosure of the provisions of the indenture is not enough. Such disclosure frequently takes the form of long, complicated quotations from the indenture itself. Besides, the Securities Act does not require a disclosure of the reasons why the inclusion of particular provisions or the omission of others is harmful to investors, and the most elaborate explanation would not be enough to make the average investor understand why.

Let me say in that connection that these indentures run all the way from 50 pages to as high as 300 pages of complicated legal phraseology, and the average investor, if he had the opportunity to read one, would in all probability be unable to understand it.

Mr. President, I hold in my hand a volume which constitutes an indenture of the Michigan Consolidated Gas Co. to the City Bank Farmers Trust Co., and Ralph E. Morton, trustees. It is an indenture of mortgage and deed of trust. This indenture consists of 365 pages of rather closely printed technical legal phraseology. The man who bought the bonds that were issued under this indenture never saw the indenture. The bond which he bought consisted probably of one sheet, which he could fold up and put in his pocket, a sheet with gold letters and gold braid upon it, which made it look beautiful. But he never saw this indenture, and if he had seen it he probably could not have understood it in time to have invested his money in bonds that were issued upon it as a basis.

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

Mr. BARKLEY. I yield.

Mr. LOGAN. I wish to ask a question right there about which I am concerned. As I understand, the bill deals with bonds which have been issued by resident corporations or associations, and attempts to provide a better means of protecting the bondholders, who live in different parts of the United States. I am wondering whether the bill has any effect on the holders of securities which were issued by foreign governments and their subdivisions, which are scattered all over the United States, and the holders of the bonds seem to be absolutely helpless. A few voluntary committees or corporations have been organized, and I was wondering whether the provisions of the bill attempted to provide any assistance for the holders of these bonds issued by foreign governments and now held by our citizens.

Mr. BARKLEY. The categorical answer to that question is "no." The Securities Act requires that these foreign bonds be registered.

Mr. LOGAN. I understand that.

Mr. BARKLEY. But there is no way by which the Government of the United States can control the formulation of the document on which these bonds are issued in foreign countries.

Mr. LOGAN. They are issued by banks of issue or trustees in this country.

Mr. BARKLEY. They are issued in foreign countries somewhat after the same fashion in which the bonds are issued in this country. We have no way of controlling the initiation of the bond issue.

Mr. LOGAN. I understand that.

Mr. BARKLEY. We have no way of saying what shall be in the indenture. The bonds are sent to this country and are distributed by American financial institutions, and undoubtedly the public has been very grievously imposed upon in years gone by in connection with them.

Mr. LOGAN. Does not the bill provide that where the public has been imposed upon by the issuance of bonds by corporations in this country the Securities and Exchange Commission may appoint a trustee to protect the bondholders and find out what their rights are? That, as I understand, is the chief end of the bill. Why does not the bill contain a provision that the Securities and Exchange Commission may appoint someone representing the holders of foreign securities to see that their rights are protected and make report to the Securities and Exchange Commission? It seems to me it is equally important that the holders of securities of foreign countries should be protected.

Mr. BARKLEY. In ordinary cases the foreign bonds which are issued in foreign countries and sold in this country do not have what we call in America "trustees." Ordinarily there is no trusteeship with respect to these bond issues which are floated and circulated among the people of the United States. This provision of the Securities Act applies to new issues, and not to old issues.

Mr. LOGAN. If the Senator will permit me to interrupt, I understand that a trustee may be appointed not only for future issues but for past issues, under the provisions of the bill.

Mr. BARKLEY. The Senator is mistaken with respect to the appointment of trustees.

Mr. LOGAN. I am not on the committee, and I may be mistaken; but the fact is that voluntary committees have been organized and settlements made with foreign countries for the bondholders. There has been no restriction as to how much should be charged. No one has had control over any such corporation or committee as may have been organized, and they are allowed to run absolutely wild. I wonder if it is not possible, in legislation such as that proposed, to place these committees, corporations, individuals, or whoever they may be, claiming to represent the holders of the securities of foreign governments, under the Securities and Exchange Commission, so that they may be subject to the regulations of the Securities and Exchange Commission. It seems to me some legislation like that is very important.

Mr. BARKLEY. Mr. President, that question has been given very serious study and consideration, not only by the Securities and Exchange Commission but by the committee and by the Congress, and by all who have dealt with the subject. What we are trying to do is, in advance of their issue, to set up conditions on which these bonds shall be issued.

A trust indenture is ordinarily prepared by the issuer. In most cases the trustee himself takes no part in the preparation of the indenture. Ordinarily the issuer and the underwriter, which is the institution which proposes to take the bonds and distribute them among the people, go into executive session and prepare the indenture, and in a large number of cases, if not in most cases, the trustee itself never saw the indenture, did not participate in its formulation, and did not know its terms until it became the trustee and saw the indenture which had been previously worked out.

The Senator will realize the impossibility of the Congress of the United States undertaking by any legislation that is conceivable to fix the conditions under which these instruments might be drawn up in any foreign country and sold to the people of other countries, and that problem, although it was considered very carefully, is not within the scope of the proposed legislation.

Mr. LOGAN. I understand. But aside from that, we have the following situation: A few years ago there were sold to the citizens of our country literally billions of dollars of securities of foreign countries. They were sold under our laws existing at that time, and the purchasers of those securities have lost literally billions of dollars. The questions involved have not been settled. In many instances there has been no effort made to settle them. I want to know if the Government of the United States refuses to provide any instrumentality whereby those innocent victims may be entitled to a fair hearing on the part of someone in the Government who can give them some relief perhaps if the matter were intelligently handled.

Mr. BARKLEY. I will say to my colleague that it is not a question of the Government refusing to give any help to those who have in the years gone by invested in these bonds, many of them bogus and worthless. We have provided in the law which is being administered by the Securities and Exchange Commission that all future issues of these bonds that are attempted to be sold in the United States shall be registered with the Commission; that there shall be a disclosure of the conditions under which they are issued in order that the American investor may find out more than he ever could before with respect to the conditions of the government which issues them, if it happens to be a government, or of the private corporations, if they are private corporations, that issue these bonds for flotation or sale throughout the United States. But we have never yet been able to work out any plan, I will say to my colleague, by which we can anticipate the issue of bonds in any foreign country so as to control the conditions under which the legal instruments are drawn up in connection with those issues. All we have been able to do so far is to require that they be registered in a public place, which is the Commission, where they may be inspected by those who are interested in the investments.

Mr. LOGAN. Evidently our Government thought that something could be done to protect the holders of securities of governments, because when Mr. William O. Douglas was brought to Washington his first job was to investigate these committees and corporations that had set themselves up to represent the bondholders in the United States in negotiations with foreign governments. A state of affairs amounting, I might say, to a scandal was developed by Mr. Douglas' investigation. Nothing has been done about it. It was charged and it was developed that enormous fees were paid at the expense of the bondholders. It does seem to me that while we are dealing with legislation such as this there ought to be some provision that the poor neglected bondholders who were imposed upon should be protected by the Government of the United States against exploitation.

Mr. BARKLEY. I agree with the Senator as a matter of principle that we ought to go as far as we can to do that, but the provision which exempts these bonds from the provisions of these sections with respect to the formulation of the indenture is in the following language:

SEC. 304. (a) The provisions of sections 305, 306, 323, 324, and 325 of this title shall not apply to any of the following securities:

* * * * * * *

(6) any note, bond, debenture, or evidence of indebtedness issued or guaranteed for a foreign government or by a subdivision, department, municipality, agency, or instrumentality thereof.

So that the exemption from the provisions of the bill as pertaining to the formulation of the indenture applies to securities that are issued by the governments of foreign countries, or by any public subdivision thereof, and I do not know how we could write a law that would give Congress or the Commission any power to anticipate or supervise the writing of the obligations by which foreign governments promise to pay money to those who invest their money in their bonds.

Mr. LOGAN. I may say to my colleague that I agree with him, but that is not getting to the point. Some of these committees or corporations representing bondholders, or claiming to represent them, have negotiated settlements with foreign governments. The bondholders have had little to say in the matter at all. These committees, which charge

$100,000 or $1,000,000 to bring about a settlement, are subject to no control whatever, so I understand. I was just wondering if it were not possible to confer authority upon the Securities and Exchange Commission to see that the holders of foreign securities are not despoiled by those who are in it for their own selfish interests.

Mr. BARKLEY. I will say to the Senator that at the last session of Congress a bill was introduced in the House dealing separately with committees. The present bill does not attempt to deal exhaustively with the matter of appointing committees. The main object of this bill is to provide for writing an instrument, not only binding the issuer of the obligations but binding the trustee appointed under that issue, in order to protect the men and women of this country who are scattered all over the country, who invest their money, a thousand dollars or $10,000 or $25,000, and who have always been accustomed to look to the trustee for the protection of their interests; and that faith has not always been justified, as the investigation has amply demonstrated.

Mr. LOGAN. I understand you are trying to lock the door before the horse is stolen; but, even after he has been stolen, I wonder if there is not some obligation on the Government to help the holders of securities?

Mr. BARKLEY. Of course those holders of securities that have been purchased in the past can now form committees. They have the right to form their bondholders' committees, their protective committees, and do that now under the law, and they have the right to come into court to enforce their rights against the issuer. One of the difficulties has been the looseness with which the obligations and the duties of the trustees have been provided for in these indentures. This was a defect we are trying to correct here. It is a sort of process of locking the door before the horse is stolen; and my experience has always been, both personal and legislative, that there is not a great deal you can do about it after the horse is stolen.

Mr. LOGAN. You can get him back.

Mr. BARKLEY. Yes; you can go and find him and get h'm back. But to lock the door then is not a very adequate remedy.

Mr. LOGAN. I thank the Senator.

Mr. BARKLEY. But the subject that the Senator has brought into the discussion is one that is not dealt with in the pending bill for the reason that it does not undertake to deal with the creation of committees primarily. If it may be found possible to work out legislation that might more conclusively protect those who have heretofore invested their money in the foreign securities, just as in our own securities in this country where the door was locked also after the horse had been stolen, I would be profoundly in sympathy with such legislation, but the bill does not attempt to deal with it.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. BARKLEY. I yield.

Mr. ADAMS. If I understand the theory of the bill, the form of the indenture is not definitely described, but it is provided that unless the form of the indenture meets certain requirements, the securities issued under it may not go into interstate commerce. That is, the regulation of the form of the indenture is indirect. My suggestion following that of the Senator from Kentucky [Mr. LOGAN] is this: If the form of the indenture can be controlled by denying access to domestic bonds in interstate commerce, I know of no reason why we cannot say that a foreign bond shall not be permitted to enter the channels of commerce or go through the mails unless it was issued in a certain way. In other words, we have the same right to control the one as the other.

Mr. LOGAN. I think so. I do not think we should say that the trust indentures in this country should be subject to a certain law, but that the securities of foreign countries can come in here and be turned loose in any form they please.

Mr. ADAMS. All we do is to control the handling of bonds in interstate and foreign commerce. It seems to me we ought not to permit our channels of interstate and foreign commerce to be used for the transmission of foreign bonds which are far more deleterious and unsafe than those which have a domestic trustee.

Mr. LOGAN. I agree with the Senator heartily.

Mr. ADAMS. Mr. President, may I make one other statement?

Mr. BARKLEY. I yield.

Mr. ADAMS. The Senator from Kentucky made a statement which I do not think ought to stand entirely unchallenged, and that is that the trustees never know the contents or substance of the indenture. I do not know anything about the practice elsewhere than in the little locality where I have practiced, but I know from my own experience that when you seek to have a trustee accept an indenture, if you are compelled to submit your indenture to a trust company it is scrutinized by the attorneys for the trust company, who nearly always have insistence on certain provisions. I know nothing about New York, Chicago, or Kentucky, but I do know that in the western area there is a definite control by the trustee of the form of the indenture.

Mr. BARKLEY. I will say to the Senator from Colorado that I did not say that the trustee never sees the indenture. The Senator from Colorado misunderstood me. I said that in many cases, if not in most cases, the draftsmanship of the indenture is conducted by the issuer and the underwriter. That the trustee, of course, sees it when it is asked to become a trustee, and the trustee may look it over and make suggestions with reference to changes in it, but the experience of the past has been that in most cases where the trustee has done that the changes were designed to relieve the trustee in many cases from some of the duties which ought to be performed by the trustee. But if the Senator got the impression that I meant that trustees generally have been so negligent that they never even looked at these indentures, he got the wrong impression.

Mr. ADAMS. Then I misunderstood the statement of the Senator.

Mr. BARKLEY. I did not mean it at all in that sense.

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

Mr. BARKLEY. I yield.

Mr. KING. With reference to the observations made by his colleague, it seems to me that there are many objections to attempting, certainly at this time, to legislate to cover the situations to which he refers. I wish to illustrate what I mean. A few years ago, right after the war, many of the cities of Germany, including the Reich itself, issued securities amounting to hundreds of millions, and even to several billions of marks. I know that a large number of German-Americans, sympathizing, as was proper, with their mother country, and desiring to help the rehabilitation of the country, purchased thousands and millions of those marks, marks that were issued by various cities and various provinces and by the German Government itself. They purchased them from Germany. They had friends and relatives in Germany, and they purchased through them the obligations of the cities and of the Reich, to which I have referred. Within the past few days I have received a number of communications from American citizens who had very great faith in Brazil a few years ago, and they purchased many of the bond issues or portions of the bond issues of São Paulo and many others of the Provinces of Brazil. They have written to me, and several of them came to see me personally, to inquire whether or not our Government had undertaken or would undertake to afford protection, because for some time they had not received the interest upon the bonds.

I do not see how we can protect against those instances, because usually the purchases were made in foreign countries through foreign interests. As stated by the Senator, in a number of instances the holders of bonds have formed committees; but they have been voluntary committees formed by the holders of the securities, and, of course, they have not been subject to the scrutiny or supervision of the Federal Government. It would be very difficult to meet that situation by legislation.

Mr. BARKLEY. Let me respond to that suggestion for just a moment. I agree with the Senator that it is utterly impossible for us to attempt to fix the terms under which foreign securities shall be issued. After they have been issued and are distributed among American citizens, all we can do is to authorize the security holders to take such steps as they may see fit to take in order to protect themselves. However, we cannot, by any legislation of our own, attack the validity of foreign obligations; especially the validity of foreign government obligations. Such an effort would lead us into complications which we have not yet seen fit to undertake, and which I doubt if we ought to undertake. What we are trying to do in the proposed legislation is to prescribe the conditions under which the bonds shall be issued and the long, legalistic documents written, under which trustees are appointed, so that the men and women of the country who go down into their pockets and invest their money in the bonds of such corporations will have all the protection which the law can throw around them, not only in the formation of the instrument, which they may never see—and in most cases can never see—but by putting additional obligations on the trustee, who is primarily the representative of the security holders and not the representative of the issuer or the underwriter. We have attempted to do what I have described.

The Senator from Colorado [Mr. ADAMS] suggested that we have undertaken in general terms to prescribe the conditions and terms of the debenture. Approximately 34 pages of the bill deal with what shall or shall not be contained in a debenture which is filed for qualification with the Securities and Exchange Commission by the company or institution desiring to issue the bond.

We give the Commission no power over the business of the company. We give the Commission no authority over the terms, the rate of interest, or the sinking fund. We give the Commission no authority whatever over the business features of the indenture and the obligations. The bill exempts issues of $1,000,000 or less from its provisions. We say: "If you are going to issue bonds to the extent of more than $1,000,000 under a debenture plan, the debentures shall contain the provisions that are set out as necessary in the bill now pending." Of the 34 pages, 26 could be lifted bodily and put into the indenture without any change, if those who are instrumental in its formation desire to do so.

I will say also that we must base this legislation upon the authority of Congress over the mails and over interstate commerce. All our legislation regulating the issue of securities is based upon the use of the instrumentalities of interstate commerce and the mails. That is our fundamental authority for dealing with the subject.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Is it not true that the foreign government bonds spoken of are nearly all issued without any indenture at all, so that the bill never would affect in any way the issue of foreign government bonds?

Mr. BARKLEY. That is true. I stated practically the same thing. The large majority of them are issued without any indenture at all, so there would be no object in attempting to deal with that subject even if we had the power.

Mr. President, I am now attempting to make only a general statement with respect to the objectives of the bill. In studying the history of the debenture in this country it is amazing to realize how utterly helpless and hopeless those who invest their money in such bonds have been and now are with respect not only to knowing anything about the situation but with respect to having anything to do with it. The debenture and all its terms have been prepared and agreed upon, and the trustee has been appointed before the bonds are distributed to the public. If I, in my home in Kentucky, or if the Senator from Arkansas [Mr. MILLER] out in Little Rock, or if the Senator from Montana [Mr. WHEELER] out in Butte, Mont., desires to purchase $10,000 or $20,000 worth of the bonds which are being distributed by an underwriter, he has no voice in the selection of the trustee. He has no voice in the writing of the terms of the loan. Of course, it may be said that he can always refuse to invest his money in the bonds. That is undoubtedly true; but if everybody refused to invest his money in bonds because he had not had anything to do with the appointment of a trustee or the formation of a trust indenture, there would be much more complaint than there now is in this country to the effect that securities cannot be sold because of a lack of faith in the investors who purchase such securities.

Mr. President, some of the indentures have gone so far as not only to exculpate the trustee from responsibility for ordinary negligence but even to the extent of exculpating him from responsibility for willful misconduct in the management of the trust. The trouble has been that trustees have looked upon the relationship as a sort of glorified clerkship, in which they assume no obligation to keep in touch with the condition of affairs, or to notify the bondholders of the condition of affairs, or to advise them of approaching default in the payment of interest or principal. Even after default, in many cases they have been grossly negligent in notifying the bondholders.

Of course, a bondholder knows when he fails to receive an installment of interest on his money, and he may set in motion inquiries leading to the ascertainment of such information as he can obtain with respect to the cause and probable duration of the default. But the difficulty which surrounds bondholders scattered widely all over the United States, under the terms of the debentures, many of which are apparently designed to protect the trustee more than to protect the bondholders, has been that bondholders are not even furnished with a list of other bondholders so that they might get in communication with them in an effort to form committees or take other effective steps designed to protect their interests. In many cases the trustee himself—or itself, if it is an institution—does not possess a list of the bondholders; and the only reason a list of bondholders is now available at all in the hands of the issuer of the obligation is because of the internal-revenue laws of the United States, which require disclosure of payments of interest to bondholders, for purposes of income tax.

So, Mr. President, the bill undertakes to write into the law the minimum provisions thought necessary to protect the investors of the United States in the bonds of corporate institutions. In my judgment the bill will strengthen the confidence and faith of investors in the purchase of such securities. It will make them understand that a law has been passed, and that there is an agency of our Government which is designed to see to it that in order to issue bonds in the first place a copy of the debenture must be filed with the Commission in Washington. The debenture must comply with the minimum terms of the law which we are now trying to enact; and when the debenture has complied with the minimum requirements of the law which we are now considering, every investor, although he may not know the trustee, although he may never see the indenture, although he may not be familiar with the legal terminology of the indenture, may know that the Government of the United States, through its agency, has provided in advance for as large a modicum of protection to him as it is possible to frame at this time in the form of a statute. The bill makes it impossible for a trustee to agree to a trust under an indenture which relieves him from the responsibility for ordinary negligence.

This bill requires that such an indenture shall contain provisions making it mandatory that the trustee shall exercise the ordinary prudence that any other kind of fiduciary would exercise under similar circumstances in regard to the management of the trust. It requires that he give, upon request, to every bondholder in America a list of other bondholders, so that in case of any difficulty, in case of default, or in case the assets of the corporation are being or have been dissipated the bondholders may communicate one with another in the formation of protective committees looking toward the taking of legal steps which may be available to them in the protection of their interests.

The bill requires that the trustee shall do what he has not been in the habit of doing heretofore, that is, keep somewhat in touch with the concern which has issued the bonds, in order that he himself may be advised as to whether the terms of the indenture are being complied with or whether before default the bondholders are entitled to information that would enable them to take steps to protect themselves under the indenture.

We have all read of the recent case of McKesson & Robbins. The newspapers were full of it. It was a scandal in the financial circles of the United States. That case shows how important it is that the obligor be required to furnish to the trustee adequate evidence of its performance of its obligations under the indenture. The McKesson & Robbins Co. sold an issue of bonds in 1930, $16,000,000 of which are now outstanding. In the indenture the company agreed to maintain a certain current asset position and to furnish financial statements every year; but although three-quarters of the company's assets were represented by inventory and accounts receivable, the indenture did not require the accountants to make a simple "test check" of inventory and receivables.

Only last December a $20,000,000 shortage was discovered in those items, which would have been discovered years before if such a "test check" had been made. While the resulting loss will fall first on the stockholders, it is not yet certain whether the bondholders will not also sustain a loss.

Section 315 (d) of this bill——

Mr. TAFT. Mr. President——

Mr. BARKLEY. I will yield in a moment. Section 315 (d) would have authorized the highly reasonable requirement of a "test check" of inventory and receivables in such a situation.

I now yield to the Senator from Ohio.

Mr. TAFT. As I understand the case referred to by the Senator, there was the usual requirement of investigation by a certified public accountant. There is nothing in this bill that would require anything additional to what was required and was done by the accountants, who simply did not do the job they probably should have done. Is not that the fact?

Mr. BARKLEY. There is a provision in this bill that gives the Commission some supervision over the conduct of certified accountants and the type of experts who are required to do this work.

Mr. TAFT. The certified public accountants in this case were Price, Waterhouse & Co., who have a reputation of being among the best certified accountants in the United States.

Mr. BARKLEY. I have no information as to that. The Senator is probably correct as to the firm that did the work. But the passage of a law which would fix a more rigid responsibility upon the trustee and upon the obligor and even upon those who are selected to investigate and check up on the current financial situation of a concern, which is supposed to be a going concern, would undoubtedly result in a more desirable and concurrent body of information, so that if the trustee had occasion to advise the bondholders of conditions he would have certified information upon which to base his advice and his own comment.

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

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. BARKLEY. I yield.

Mr. ADAMS. Perhaps the question I had in mind was answered in the colloquy between the Senator from Ohio and the Senator from Kentucky. If so, I trust the Senator will pardon me for asking the question again. If the McKesson & Robbins situation had developed while such a bill which the Senator is now advocating had been in existence, would there have been a liability upon the part of the trustee for the loss suffered by the bondholders?

Mr. BARKLEY. There would not have been an automatic liability; or if the Commission had been negligent in the exercise of its discretion in determining upon the type of investigation and check-up and certified accountants, and certification was made, of course, the trustee would not be liable because of any failure to perform its duty by the Commission, which is given discretion in the bill to deal with and pass upon and supervise the type of expert investigation which shall be made in connection with these matters.

Mr. ADAMS. The Senator realizes what was in my mind, namely, a bank or a trust company acting as trustee. Such institutions have deposits, and they would have two obligations—one to their depositors and one to the holders of bonds. If there were default or some misconduct which affected the holders of the bonds, it might readily, if there were liability, react to the very serious damage of the depositors, might it not?

Mr. BARKLEY. That is possible.

Mr. ADAMS. May I ask one further question?

Mr. BARKLEY. Certainly.

Mr. ADAMS. In the State of Colorado we have by statute an official who is known as the public trustee. Indentures or deeds of trust may run to the public trustee whose duties are, in a measure, prescribed by statute. Would the provisions of the bill which is now before the Senate apply to a trust where the trustee is such a public official?

Mr. BARKLEY. It probably would where the issue is under a million dollars.

Mr. ADAMS. Does not the Senator mean where it is over a million dollars?

Mr. BARKLEY. No. The Senator is speaking now about a State officer created by the State of Colorado to deal with the local issue of securities in the State. Of course the authority of the trustee set up by the laws of the Senator's State, with which I do not happen to be familiar, I will say, might conceivably be extended to the point where he could exercise jurisdiction over an issue of bonds which might not be sold wholly within the State of Colorado but might be transmitted in the mails or through instruments of interstate commerce to purchasers of the bonds outside the State.

Mr. ADAMS. But the bill which is before us governs all trustees either corporate or private.

Mr. BARKLEY. It governs the trustees that are made trustees under indentures that have to be filed with the Commission under the form set out in the law.

Mr. ADAMS. I notice in the hearings a statement by one witness that if the bill were passed it might lead to an increase of what he designated as "private placements" as distinguished from regular trustees. I wondered what that signified.

Mr. BARKLEY. I think what that witness had in mind was the possible matter of cost of coming to Washington and filing applications. But the bill attempts to simplify and consolidate not only the filing of applications for qualification of the indentures but with the filing of the application a disclosure as to the bond issue itself; so that it can be a simultaneous transaction and, therefore, reduce to a minimum any additional cost that might be involved in the selling of the bonds under this indenture scheme.

Mr. ADAMS. But if a private individual were selected as a trustee as distinguished from a corporate trustee, it would make no difference in the application of the proposed law?

Mr. BARKLEY. Of course, this bill requires that at least one trustee of bonds and indentures issued under it shall be a corporate institution. There are some States that require personal trustees, and in those States the bill provides for an additional trustee, but there must be at least one corporate trusteeship under the bill as it is now being considered.

Mr. President, I might briefly refer to the risk of liability for the trustee. The bill will hold the trustee to the standard of ordinary prudence, but only in the period after default. Section 315 (c) is the one that provides for that. These sections are scattered throughout the bill, and I am not going to attempt to read them. Under section 315 (d) (1), before default the trustee is liable only for the performance of the specific duties set out in the indenture. Of course, there is a difference in the obligation that would devolve upon the trustee before default and after default, although there is a provision for a 4-month period prior to default in which certain obligations are incurred and certain funds are to be accounted for and set aside out of certain proceeds of the business

itself and other things set out in the proposed statute. There is, however, no reason why any competent trust institution should fear to act under one of these indentures, particularly in view of the safeguards provided by section 315 (d) and 315 (e). This is the view of the American Bankers' Association's special committee and of the F. D. I. C., which insures practically all these banks.

Under section 315 (d) the trustee is protected for action taken in reliance on proper certificates or opinions, or at the direction of the holders of not less than a majority in the principal amount of the outstanding bonds, and it is also protected for errors in judgment made in good faith after reasonable investigation.

Section 315 (e) protects the trustee against the risks of groundless lawsuits by irresponsible parties. Under this section such parties may be required to file an undertaking to pay the reasonable costs of the suit, including reasonable attorneys' fees.

Mr. President, in conclusion I wish to say that in the formulation of this legislation, not only by the Securities and Exchange Commission but by the Committee on Banking and Currency and by all those who have had anything to do with it, an effort has been made to accommodate the legislation to the necessities that required its introduction. In the formulation of the bill the Commission and the committee have had the advice and the cooperation of the American Bankers' Association through its trust committee, and although that committee did not unanimously agree that the bill was workable, and livable, and refrain from registering objection to it, a majority of the members of the trust committee of the American Bankers' Association have expressed their belief that the bill is workable and livable, and have stated that they have no opposition to it. In the hearings and in all the consultations we have had the invaluable advice and cooperation of those in the American Bankers' Association who have been charged by it with the duty of considering not only legislation of this type but the practices of bankers in dealing with trusteeships. While the American Bankers' Association did not initially sponsor the legislation, while they did not inaugurate the proceedings which have resulted in it, they are not opposed to it, and it is their official opinion, if I may say so, that the bill is workable and reasonable, and that they will not and do not oppose its enactment.

Mr. WAGNER. And livable.

Mr. BARKLEY. And livable. They use the word "livable." Any law that is livable in these days of complexity has something to be said in its favor.

We also have had the cooperation of the American Association of Savings Banks, representing the investor; and we have also consulted with the Investment Bankers' Association, although up to date the Investment Bankers' Association have not brought themselves to a position where they either agree to the bill or withdraw opposition to it. But, Mr. President, I can very well understand why there would be opposition to legislation of this sort among those whom it affects. There was opposition among the railroads to the passage of the act to regulate commerce in 1887. There was opposition among the great packing institutions to the passage of the stockyards law and the Meat Inspection Act more than a quarter of a century ago. There was opposition among many of the bankers of our country to the creation of the Federal Reserve System. It was a natural opposition, because many of those who deal in these matters have a conservative turn of mind based upon their conservative experience. But I dare say that among those who opposed the act to regulate commerce, those who opposed the Food and Drug Act, those who opposed the Meat Inspection Act, those who opposed the Stockyards Act, those who opposed the Federal Reserve Act, there would not be found today one who would be willing to take the responsibility of advocating the repeal or abrogation of these regulatory statutes.

It may be a source of regret that we have to indulge in legislation of this sort. It would be a happy situation if our economic and financial and moral conditions were such that all men recognized the legal and moral rights of every other man so that in real truth Jefferson's aphorism that "that government is best which governs least"—a sentence taken out of 12 volumes of letters and writings of the author of the Declaration of Independence—might be fulfilled.

But in the complexity with which we are surrounded, in the acute interchange among all our people of their economic and social and moral and financial relationships, we cannot hope to return to or attain such a degree of perfection among the people of the world that we can say it is not the duty of Government now and then to inject itself into the regulation of these matters which involve the welfare and the happiness and the prosperity of the people.

All we have tried to do in the pending bill is to protect the investor; and, after all, he is entitled to more consideration than he has been receiving. If I own a corporation and I want to borrow money and I issue bonds and distribute them among innocent persons scattered all over the Nation, certainly our Government owes a prime obligation to the innocent investors to surround them with all the protection that is wise and proper and possible within our jurisdictional limitations.

There is in the pending bill nothing that is unfair to any corporation which issues bonds. There is in it nothing that is unfair to any trustee who accepts responsibility under trust indentures. Going from one end of the bill to the other, there is the thread of granting adequate protection also to the third party to the transaction, who, after all, furnishes the money which enables the corporation to issue its bonds and continue in business; and that is the investor, the man or the woman who purchases bonds with money that he or she has earned in the sweat of the brow and by the exercise of wisdom in the accumulation and saving of earnings.

I am sorry to have consumed so much time in this general statement; but I felt that the importance of the subject warranted it. I shall now be satisfied to yield the floor; and if there are any other questions on the part of any Senator with respect to the provisions of the bill which I can answer, I shall be glad to do so.

TAX-EXEMPT SECURITIES

Mr. LEE obtained the floor.

Mr. HILL. Mr. President, will the Senator from Oklahoma yield to me?

Mr. LEE. I yield.

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

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

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

Adams	Donahey	King	Reynolds
Andrews	Downey	La Follette	Russell
Ashurst	Ellender	Lee	Schwartz
Austin	Frazier	Lodge	Schwellenbach
Bailey	George	Logan	Sheppard
Bankhead	Gerry	Lucas	Shipstead
Barbour	Gibson	Lundeen	Slattery
Barkley	Gillette	McCarran	Smith
Bilbo	Glass	McKellar	Taft
Bone	Green	McNary	Thomas, Okla.
Borah	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Hale	Minton	Townsend
Byrd	Harrison	Murray	Truman
Byrnes	Hatch	Neely	Tydings
Capper	Hayden	Norris	Vandenberg
Caraway	Hill	Nye	Wagner
Chavez	Holman	O'Mahoney	Walsh
Clark, Idaho	Holt	Overton	Wheeler
Clark, Mo.	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley
Danaher	Johnson, Colo.	Reed	

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

Mr. LEE. Mr. President, at this time, while we are considering legislation to provide for the regulation and sale of certain securities, I believe it is appropriate that we consider the termination of the issuance of tax-exempt bonds.

In my campaign I announced my opposition to tax-exempt bonds. My position was printed in my campaign literature,

and I denounced the special privilege of tax exemption from every platform in the State.

In my opinion, the mere fact that a person derives his income by clipping coupons from Government bonds is no reason for exempting that person from paying income taxes. The people themselves said so when they passed the sixteenth amendment, which authorized Congress "to lay and collect taxes on incomes, from whatever source derived."

But judicial interpretation has thwarted the will of the people by reading into that amendment tax immunity.

However, today we not only have a President who believes that Congress has authority "to lay and collect taxes on incomes from whatever source derived" but it is beginning to look as if we have a Supreme Court that might likewise agree with the simple language of the amendment.

On April 25, 1938, President Roosevelt sent a message to Congress asking for legislation that would put an end to tax exemption. When I heard that message read to the Senate I could scarcely refrain from shouting my approval. Other Presidents had spoken against tax exemption, but this President was going to do something about it. I now quote in part from that message:

> Whatever advantages this reciprocal immunity may have had in the early days of this Nation have long ago disappeared. Today it has created a vast reservoir of tax-exempt securities in the hands of the very persons who equitably should not be relieved of taxes on their incomes. * * *
>
> Both the States and the Nation are deprived of revenues which could be raised from those best able to supply them.

Later in the message the President said:

> Tax exemptions through the ownership of Government securities of many kinds—Federal, State, and local—have operated against the fair or effective collection of progressive surtaxes. Indeed, I think it is fair to say that these exemptions have violated the spirit of the tax law itself by actually giving a greater advantage to those with large incomes than to those with small incomes.

Then later the President said:

> I therefore recommend to the Congress that effective action be promptly taken to terminate these tax exemptions for the future. The legislation should confer the same powers on the States with respect to the taxation of Federal bonds hereafter issued as is granted to the Federal Government with respect to State and municipal bonds hereafter issued.

Mr. President, as stated at the outset, this was one of the planks in my platform, and, naturally, I am for it. Furthermore, I am convinced that the great majority of the people of Oklahoma are for it. But I regret to say that Mr. Phillips, the Governor of my State, favors tax-exempt bonds and has used his office as Governor to oppose any effort on the part of the Federal Government to tax the income derived from State and local bonds.

Not only did Governor Phillips send protests to the Oklahoma delegation by letter and telegram, but he also sent the attorney general of Oklahoma to Washington to appear before the special committee of the Senate in official protest against President Roosevelt's efforts to put an end to the special privilege of tax exemption. His statement appears on page 446 of the hearings before the Special Committee on Taxation of Governmental Securities and Salaries.

On March 31, 1939, I received a telegram of protest from Governor Phillips, and on the same day an article appeared in the Oklahoma City Times under the headline, "New Deal Tax Plan Hit by State Officials," in which the Governor was reported as vigorously opposing the efforts of the Federal Government to end tax exemption.

Mr. President, I ask permission to have printed in the RECORD at this point as a part of my remarks the telegram and the news item referred to.

The PRESIDING OFFICER. Is there objection?

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

OKLAHOMA CITY, OKLA., *March 31, 1939.*

Senator JOSH LEE,
Senate Office Building:

We hear in Oklahoma there is another threat to revive in the Senate the Federal taxation of State securities. My letter to you of January 16 was in hope that you would join in opposition to this move. I concur wholeheartedly in the letter sent by air mail today by Attorney General Williamson. Do not think he has made his letter strong enough. It affects every county in the State, every school district, and every city and town. It is vital now when we are attempting to fund the deficit caused by extravagant overspending and to generally lower the cost of government to the people. We hope you will join us to resist this in order to lower the cost of government.

LEON C. PHILLIPS,
Governor of Oklahoma.

[From the Oklahoma City Times of March 31, 1939]

NEW DEAL TAX PLAN HIT BY STATE OFFICIALS—PHILLIPS, WILLIAMSON JOIN IN CRITICISM OF GOVERNMENT LEVY

Governor Phillips and Mac Q. Williamson, attorney general, Friday sent protests to Oklahoma's United States Senators against predicted Federal taxation of State and local government incomes, and then joined in the hottest attack on New Deal policies to issue from the statehouse since President Roosevelt took office.

Phillips said a Federal levy on the revenues of cities, towns, school districts and States, which is now being contemplated in the United States Senate, would "wreck every county government in Oklahoma."

"If Oklahoma City has to pay a tax on its water and police revenues, that overthrows my idea of government," he continued.

POLITICAL REVOLUTION FORECAST

"Local self government will be gone, and regimentation started. It can lead to a political revolution—not with guns maybe—but a break-down of our theory of government."

Williamson, who sat in on the Governor's press conference, chimed in with the observation that such a Federal tax would lead "to the overthrow of any party sanctioning it."

The Governor and the attorney general both mentioned President Roosevelt directly, recalling his message to Congress "attacking tax-exempt bond buyers and holders."

CHANGED BOND PRICES SEEN

They pointed out that even the anticipation of a Federal tax on the income from State, city, and school-district bonds would render the bond market uneasy and make it difficult for the State to sell its new $18,000,000 deficit funding bond issue.

"It will change the price of those bonds if such legislation is talked of, let alone passed," the Governor said.

Williamson addressed letters to JOSH LEE and ELMER THOMAS, the two Senators, declaring it is "axiomatic" that the buyers of State and local government bonds will pass on the Federal tax to the people—by demanding a higher rate of interest on the bonds.

Phillips backed him up with telegrams to the Senators in which he said the attorney general had not made it strong enough.

NEW DEAL RAPPED

"It is vital now when we are attempting to fund the deficit caused by extravagant overspending, and generally to lower the cost of government to the people," the Governor said, "We hope you will join us to resist this in order to lower the cost of government."

Williamson, ordinarily cautious in his public statements, abandoned his mild manner in commenting on the United States Supreme Court's decision last Monday that Federal and State Governments can levy a tax on the incomes of each other's employees.

"The Supreme Court is adopting the theories of the New Deal bright young swivel-chair boys," he said. Asked if that was "on the record," he and the Governor chorused, "Yes, sir."

Both said that as far as the Supreme Court went in its decision, they weren't concerned with the levying of taxes on State employees.

"It is the trend that is significant," Williamson said.

"That is just sugar-coating to cover up the bitter bill," the Governor said. "If they can tax State employees 5 percent, they can tax them 50 percent. They can tax the Blackwell power plant, the Oklahoma City water-plant revenues."

Mr. LEE. Mr. President, I wish to repeat that I am not speaking for myself alone when I announce my own hearty approval of President Roosevelt's effort to end tax exemption, for I am confident that the people of my State are also with him in that effort.

Those who favor tax exemption would make it appear that if a person who derives his income from interest on State bonds is required to pay an income tax on that income just as any other person must pay, such a levy would be a tax upon the State itself. That is, of course, the old stock argument of those who benefit by such exemptions.

On that point, the quarrel is with the Supreme Court. I quote from its recent decision dealing with taxation of Government salaries, in which Justice Stone, speaking for the majority, said:

> The theory, which once won a qualified approval, that a tax on income is legally or economically a tax on its source, is no longer tenable.

Although that case decided the question of income tax with respect to salaries, yet the fundamental principle of taxation seems to apply with equal force to the question of taxing income derived from Government bonds.

I quote more fully from the opinion of Justice Stone on the point that taxation of income is not taxation on its source:

> The present tax is a nondiscriminatory tax on income applied to salaries at a specified rate. It is not in form or substance a tax upon the Home Owners' Loan Corporation or its property or income, nor is it paid by the Corporation or the Government from their funds. It is laid upon income which becomes the property of the taxpayer when received as compensation for his services; and the tax laid upon the privilege of receiving it is paid from his private funds and not from the funds of the Government, either directly or indirectly. The theory, which once won a qualified approval, that a tax on income is legally or economically a tax on its source, is no longer tenable.

This would seem to indicate that the Supreme Court is ready to interpret the sixteenth amendment to mean that Congress has power to lay and collect a tax on a person's income, even though it is derived from State and local bonds.

However, I believe that Congress should not wait for judicial interpretation to remove this tax inequity; but, in accordance with the President's request, I believe we should pass legislation with this purpose in view.

Mr. MILLER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. MILLER. Merely for the purpose of clarification, I should like to say that the Special Committee on Taxation of Governmental Securities and Salaries has, as the Senator knows, conducted rather extensive hearings on the economic questions as well as the legal questions which are involved. That committee has not as yet made a full report to the Senate. It will do so next week. The committee, however, reported to the Senate as to the legality, the right of the Congress to enact legislation taxing salaries. That report was made in advance of the Supreme Court decision. The committee has not determined whether or not, in its opinion, the Congress has a right to tax the income from bonds issued by States and municipalities, and, likewise, to give to States the reciprocal right to tax income from Government securities.

We have not reached a determination of the legal right of the Congress in that respect. Some Senators, members of the committee, are of the opinion that a constitutional amendment will be required in order to effectuate such a plan. Other Senators of probably equal ability are not of that opinion. I am advised that the committee will report to the Senate next week, and then it is the purpose of the committee to give to the Senate the benefit of its hearings and studies.

I wish to say to the Senator from Oklahoma that the Congress will have before it all the information which I believe is available on the question, both on the economic side of the question and its legal side. I agree with what the Senator has said. I am one of those who agree that we should not continue to provide storm cellars for the protection of any class of citizens; that all ought to bear their just proportion of the expenses of government.

Mr. LEE. I thank the Senator for that information and for his contribution to my statement. I wish to say in line with what the Senator has just stated that unless a bill originates in the House which has for its purpose removing the tax exemption on income derived from bonds, I shall join with other Members of this body in attaching such an amendment to the next revenue bill that comes over from the House.

Mr. President, in the United States today $50,000,000,000 are invested in tax-exempt bonds, some partially and some wholly exempt. Those who own these bonds are excused, according to the exemptions, from paying taxes on the income derived from them. Other people must bear the burden which the owners of these tax-exempt securities escape. Therefore, this extra burden of taxation is borne by those who are too poor to purchase bonds.

Tax exemption is a special privilege enjoyed only by the rich. The poor are not able to buy bonds and the middle class are not able to buy enough for the exemption privilege to benefit them. Therefore, only those with large incomes are able to salt away a strongbox full of these tax-exempt securities.

Furthermore, the larger the income the greater the benefit from tax exemption, because those whose incomes are in the upper brackets must otherwise pay heavy surtaxes. Hence, the exemption privilege means more to them than it does to those whose incomes are in the lower brackets where the taxes are not so high.

For example, a man with an income of $500,000 would realize more from a tax-exempt bond bearing 3 percent interest than he would from a taxable bond bearing 10 percent interest. In other words, the exemption privilege is worth more to him than 7 percent in interest; whereas, to a man with an income of $5,000, the exemption privilege is worth only two-tenths of 1 percent in interest.

Therefore, I repeat that tax exemption is a special privilege enjoyed by a special class.

If a person has an income from renting a building, practicing law, teaching school, running a store, or working in a shop, or any other occupation, he must pay income taxes both to the State and Federal Governments, but if he has an income derived from the interest on tax-exempt Government bonds, he is excused from paying taxes on that income, yet there are those who favor the continuation of this tax-exemption privilege.

If a married storekeeper living in Oklahoma has an income of $5,000, he must pay income taxes amounting to $146.22, but if his neighbor has an income of $5,000 from the interest on tax-exempt bonds, he is excused from paying any income taxes whatever on that income.

Then, again, if a married man living in Oklahoma, after paying property taxes and paving taxes, has an income of $10,000 derived from renting his own property, he must pay income taxes amounting to $737.85; but if his neighbor has an income of $10,000 derived from the interest on tax-exempt bonds, he is excused from paying any income taxes whatever on that income.

Then, again, if a married man living in Oklahoma has an income of $50,000 derived from the oil business, he would be required to pay income taxes amounting to $11,132.41; whereas if his neighbor has an income of $50,000 derived from tax-exempt Government bonds, he would be excused from paying any income taxes whatever on that income.

Then, again, if a poor farmer does not make enough to pay his property taxes, his farm is sold from under him; but if a rich man has an income of $1,000,000 derived from tax-exempt bonds, he is not required to pay one thin dime of taxes on that income.

Such favoritism is not only unfair and unjust, but it is economically unsound.

The Government is losing millions in revenue because of these tax exemptions. By taxing incomes which are now exempt, the Government will gain much more in revenues than it will lose on account of increased costs, but, of course, those who favor tax exemption argue that if you do not exempt the bonds from taxation, you must pay higher interest rates in order to sell them and that this increased cost offsets the gain in revenue.

But that is not true because only those with large incomes are able to purchase bonds, and these large incomes are subject to heavy surtaxes which would return much more in revenues than the additional interest would cost. Mr. Hanes, Assistant Secretary of the Treasury, reports that it would not be necessary to increase the interest rate more than one-half of 1 percent at the most and perhaps as low as one-fourth of 1 percent.

Therefore, I repeat, the Government loses much more in revenue than it gains in lower interest rates.

Of course, the savings in revenue would differ according to the tax laws of the different States, and also according

to the amount of the income of the purchaser, but let us take a specific example.

Suppose a school district in Oklahoma issues $1,000,000 worth of bonds bearing 3 percent interest, and suppose the entire issue is purchased by a man having an income of $500,000. If the bonds are tax exempt, the Government loses each year in income taxes $21,197.77; whereas, if the bonds were taxable, the increased cost in interest charges would average only $3,750 a year, according to the estimates of the Treasury Department. The difference between $21,197.77, which would be the loss in revenue if the bonds were tax exempt, and $3,750, which would be the increased cost if the bonds were not tax-exempt, is $17,447.77.

In other words, the net loss in revenue on that $1,000,000 issue of tax-exempt bonds is $17,447.77 each year. Then suppose these bonds were issued for 20 years. The total amount of net loss in revenue on that $1,000,000 issue of tax-exempt bonds would be $348,955.40.

For that amount many school bells could be kept ringing, and remember that figure represents the savings on only $1,000,000 worth of tax-exempt bonds; whereas, altogether there are $50,000,000,000 worth of tax-exempt bonds in the United States today.

We could do much for the school boys and girls with the revenue the Government is now losing on account of tax exemptions. In fact, President Roosevelt's entire humanitarian program is lagging for the want of revenue with which to carry it forward.

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

Mr. LEE. I yield.

Mr. HUGHES. I understood the Senator to say that we were losing revenues which would be of help to the schools, and that schoolboys and schoolgirls are kept out of schools on account of that loss of revenue. Is the Senator speaking of the Government tax or the school tax or the State tax?

Mr. LEE. I am speaking of both. There are 25 States that do not tax their own local or State bonds, and they would benefit by the taxation and increase their own revenue. And then the Federal tax would apply to State and local bonds as well as Federal bonds.

Mr. HUGHES. Is it the Senator's idea that any of those States would tax their own school bonds?

Mr. LEE. Some States—in fact, nine States—do so today.

Mr. HUGHES. Tax school bonds?

Mr. LEE. Yes; tax their school and local bonds.

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

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. LEE. I yield.

Mr. MILLER. In connection with the statement made by the Senator a while ago with reference to the attitude of the Governor of Oklahoma and others, the Governor of Arkansas has also taken the same attitude with reference to the taxation of governmental securities. I wonder if the Senator would mind putting in the RECORD as a part of his remarks the table appearing on page 625 of the hearings conducted by the Special Committee on Taxation of Governmental Securities and Salaries, which shows conclusively to my mind, and I think to the mind of any disinterested person, that the fears expressed by the Governors of the various States and by mayors of various cities of our country against the exercise of the reciprocal taxation right are not well founded. The table, apparently authentic, to my mind contains absolute proof that such fears are not well founded.

Mr. LEE. I shall be glad to include the table referred to as a part of my remarks, and I ask leave to have it printed in the RECORD immediately following my remarks.

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

(See exhibit A.)

Mr. LEE. In conclusion, Mr. President, I spoke of the revenue which the Government is losing. That revenue applies to States as well as to the Federal Government, because 25 States exempt State and local bonds from taxation. As I have just pointed out, the loss in revenue is much greater than the additional cost represented by an increased interest charge. As pointed out, estimated, and reported by the Treasury Department, the increase in cost of financing would amount, at the most, to one-half of 1 percent interest; and it is estimated that perhaps it would not be necessary to increase the cost more than one-quarter of 1 percent. Those in the surtax income brackets are particularly interested, because surtaxes are applied to larger incomes, and only those with larger incomes are able to buy bonds to any great extent. Their incomes are pushed up into the surtax brackets, but, because of the tax-exemption feature, the State, and the Federal Government lose the income derived from such securities. If we had the income which the Government is now losing, we could carry forward much of the program which is now falling behind. So far the Federal Government has been unable to pay an adequate old-age annuity to the old people for want of revenue. We have not been able to pay the farmers parity payments for want of revenue; and yet those best able to pay taxes are not paying them because of tax exemptions. I am opposed to tax exemptions, because they constitute a special privilege to a special class; and a special privilege is undemocratic, un-American, and unfair. It is unfair to other Americans to grant to certain classes special privileges which others cannot enjoy because of low income. Therefore, I believe we should proceed at once to put an end to tax exemption, in order that we may increase the Government's revenues and at the same time distribute the burdens of taxation according to the ability to pay. Think of the inconsistency of turning unemployed people off the relief rolls with $50,000,000,000 of tax-exempt bonds in the United States.

EXHIBIT A

TABLE I.—*Comparison of the differential in yield between high-grade corporate and municipal bonds and the maximum rate of the Federal individual income tax, 1900–1938*

[Percent—annual averages for yields]

Year	High-grade corporate bonds [1]	Municipal bonds [2]	Differential	Maximum Federal individual income tax
1900	4.05	3.12	0.93	----------
1901	3.90	3.13	.77	----------
1902	3.86	3.20	.66	----------
1903	4.07	3.38	.69	----------
1904	4.03	3.45	.58	----------
1905	3.89	3.40	.49	----------
1906	3.99	3.57	.42	----------
1907	4.27	3.86	.41	----------
1908	4.22	3.93	.29	----------
1909	4.06	3.78	.28	----------
1910	4.16	3.97	.19	----------
1911	4.17	3.98	.19	----------
1912	4.21	4.02	.19	----------
1913	4.42	4.22	.20	7
1914	4.46	4.12	.34	7
1915	4.64	4.16	.48	7
1916	4.49	3.94	.55	15
1917	4.79	4.20	.50	67
1918	5.20	4.50	.70	77
1919	5.29	4.46	.83	73
1920	5.79	4.98	.81	73
1921	5.57	5.09	.48	73
1922	4.85	4.23	.62	58
1923	4.98	4.25	.73	58
1924	4.78	4.20	.58	46
1925	4.67	4.09	.58	25
1926	4.51	4.08	.43	25
1927	4.31	3.98	.33	25
1928	4.34	4.05	.29	25
1929	4.60	4.27	.33	24
1930	[3] 4.55	4.07	[3] .48	25
1931	4.58	4.01	.57	25
1932	5.01	4.65	.36	63
1933	4.49	4.71	−.22	63
1934	4.00	4.03	−.03	63
1935	3.60	3.41	.19	63
1936	3.24	3.07	.17	79
1937	3.26	3.10	.16	79
1938	3.19	2.91	.28	79

[1] Yields from 1900 through 1929 are those reported by Standard Statistics Co. for 15 high-grade railroad bonds. Yields from 1930 through 1938 are those reported by Moody's Investors Service for high-grade corporate (Aaa) bonds.

[2] Yields are as reported by Standard Statistics Co.

[3] Standard Statistics Co. index of yields of high-grade railroad bonds was 4.39 percent for 1930, and the differential based upon this index, 0.32 percent.

Source: Treasury Department, Division of Research and Statistics.

REGULATION OF TRUST INDENTURES, ETC.

The Senate resumed the consideration of the bill (S. 2065) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes.

Mr. TAFT obtained the floor.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Donahey	King	Reynolds
Andrews	Downey	La Follette	Russell
Ashurst	Ellender	Lee	Schwartz
Austin	Frazier	Lodge	Schwellenbach
Bailey	George	Logan	Sheppard
Bankhead	Gerry	Lucas	Shipstead
Barbour	Gibson	Lundeen	Slattery
Barkley	Gillette	McCarran	Smith
Bilbo	Glass	McKellar	Taft
Bone	Green	McNary	Thomas, Okla.
Borah	Guffey	Maloney	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Hale	Minton	Townsend
Byrd	Harrison	Murray	Truman
Byrnes	Hatch	Neely	Tydings
Capper	Hayden	Norris	Vandenberg
Caraway	Hill	Nye	Wagner
Chavez	Holman	O'Mahoney	Walsh
Clark, Idaho	Holt	Overton	Wheeler
Clark, Mo.	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley
Danaher	Johnson, Colo.	Reed	

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

Mr. TAFT. Mr. President, I wish to speak briefly in opposition to Senate bill 2065, introduced by the Senator from Kentucky [Mr. BARKLEY], and providing for the regulation of trust indentures. The subject is a complicated one. There are 62 pages of language in the bill, which it is practically impossible to understand without almost a month's study; but in substance the bill regulates certain features of trust indentures and gives the Securities and Exchange Commission certain discretion to regulate other features of trust indentures. Trust indentures, of course, are the documents, the mortgages, in effect, which are made, usually by corporations, to secure the bonds which they issue. Bonds and notes may be issued without indentures, and such instruments would not be affected in any way by the bill.

The measure under consideration proposes that certain features of the indentures shall be strictly in accordance with the proposed act, and in four or five other respects it gives discretion to the S. E. C. to establish what shall be included. The bill makes a substantial extension in principle of any legislation now in existence regulating the sale of securities.

The existing S. E. C. Act is based on the theory of full disclosure. It provides that all facts relating to any security issue shall be filed with the Commission and shall be made perfectly apparent to anyone who wants to look at them. The trust indentures themselves must be filed with the Commission so that anybody before he buys securities may ascertain what is in the indentures and may then determine whether he wants to buy the securities. But this measure goes further. It provides what shall be in such trust indentures.

In many respects the provisions of the trust indentures guide and affect the whole provisions of the bonds themselves. In principle I can see no difference between regulating trust indentures and giving the S. E. C. power to regulate the rate of interest that may be placed in bonds or the length of the term or the call price or any other feature of the deal, for many of the indenture provisions are just as much features of the deal as is the rate of interest. In fact, it may be said that under the bill the S. E. C. can say to a corporation, "You cannot sell a 4-percent bond because we think, as a matter of fact, anybody who is willing to buy your bonds ought to get 5 percent." In other words, this is an extension beyond anything Congress has done along this line; it is a further extension of Government regulation of the sale of securities. I do not think this is a time when we ought to take that additional step; indeed, I doubt very much whether we ever ought to take it. I was strongly in favor of the original S. E. C. act and I believe that full disclosure is a principle to which we should adhere. I do not believe we ought to go beyond that point.

There is a theory that the investor cannot read a trust indenture. The Senator from Kentucky says that frequently it is hidden away in 200 pages. That is entirely true, and no investor is ever going to read a trust indenture, and no investor is ever going to read a registration statement filed with the Securities and Exchange Commission. Here [exhibiting] is a typical registration statement filed with relation to securities issued by the Gruen Watch Co., which I think probably contains approximately 150 pages.

The truth is that we cannot hope to secure such information for the buyer of every security that he will know exactly what he is purchasing. Any man who buys securities is bound to rely on the advice of someone else. There are experts who give such advice. They can examine the trust indentures and examine the registration statements, and there is nothing we can do that is ever going to protect an investor who gets a bad adviser. If he gets a bad adviser, he is likely to get a bad security.

The theory that we can protect a man against his own stupidity, that we can protect him against his unwillingness to look into the facts of the case, is, I think, untenable. It is beyond, certainly, the power of the Senate of the United States or the other House of Congress or anyone else to provide such protection. All we can do is to see that there is no fraud; that there is no concealment of facts; that there is no deliberate misrepresentation. We can make certain that the facts shall remain available; that those who desire the facts and want to act on them shall have the facts so that they may digest them or may get someone else to go through and digest them and give them advice.

I believe, therefore, Mr. President, that we should not take this additional step of undertaking to regulate private business transactions and say what shall be and what shall not be in a trust indenture, which is a contract between the bondholders and the trustee and the company that issues the bonds.

What does this bill mean in practical results? There is only one objection to the S. E. C., and that is that it has increased the expense and difficulty of issuing securities. In order to prevent fraud, I believe that is justified; but certainly there is no question that the expense involved in hiring lawyers to go through the Securities and Exchange Act, to prepare a registration statement of the kind I have indicated, to employ accountants, experts, and engineers to prepare the necessary certificate—involves a substantial additional outlay.

We had testimony before the committee that if any company wanted to issue less than a million dollars of securities it would hardly be worth the trouble and hardly worth the expense, and they had better raise the money in some other way. In the case of the issuance of securities representing over a million dollars, the expense becomes of rather minor importance compared to the amount involved; but there is that disadvantage even with the S. E. C. When it comes to an indenture, more expense is involved, for it is necessary to prepare an indenture, which is quite a task in itself; it is necessary to agree with the attorney of the trustee; to agree with the attorney of the underwriter; and then to come to Washington and sit down with an attorney from the S. E. C., go over with him a 200-page document, and spend probably a week in Washington talking to some young attorney of the S. E. C. I think the S. E. C. will probably have to add 10 or a dozen attorneys to its staff just to handle this kind of work. That means more delay, more expense, and more discretion in the Securities and Exchange Commission. I do not believe the importance of the subject justifies such an additional burden on the ordinary sale of securities, and the attempt to develop more business.

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

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. TAFT. Certainly.

Mr. LODGE. Is it also true that the bill will tend to centralize in New York City the business of trust indentures?

Mr. TAFT. I think it is. I shall come to that subject a little later, if the Senator is willing to wait for a moment.

Of course, I am not particularly concerned with the trustees. A trustee is able to look after himself. It is true that he has inserted in a number of trust indentures provisions protecting himself against liability and making the trustee in a way a kind of clerical representative of the bondholders. I am concerned, however, with the persons who are trying to sell securities in the United States. After all, these are all three-cornered deals. Every time a trust indenture is executed we have the company that wants to borrow the money, we have an underwriter or an investment banker, and then, as a third party, we have a trustee. This bill is directed altogether at the provisions of the trust indenture that govern the trustee. I think a good many of the clauses of trust indentures could well be improved; but I do not believe the importance of the subject justifies the additional burden on the man who wants to borrow money, the additional burden on the free sale of securities at a time when we should be encouraging the investment of money in private enterprise. The only way in which we shall ever get back to a normal condition of prosperity is to try to get people to put their money into corporate securities in a way which will gradually lead to building up business and gradually bring about more employment.

The Senator from Kentucky did not exactly say, I think, that the pending bill was sponsored by the American Bankers' Association, but he implied that that association almost sponsored it. In the first place, the American Bankers' Association represents the trustees, and I have not very much concern as to what may happen to the trustees; but, as a matter of fact, I should like to read the statement of the representative of the American Bankers' Association when he appeared before our committee in support of this bill. Mr. Page testified as follows:

> As I stated in my testimony on the bill in the previous session of Congress, trust institutions do not welcome Federal regulatory legislation of this type. The American Bankers' Association does not believe that the bill is necessary. It would have preferred to continue its efforts to bring about a satisfactory system of voluntary control, similar to that now in use in connection with personal trusts, and throughout the committee's discussion of the subject I have so indicated to the Securities and Exchange Commission. In substance, the American Bankers' Association does not desire to appear to favor nor to oppose the passage of the bill.

What happened was that a very much more drastic bill on the subject was introduced several years ago, a bill so drastic that the trustees felt that no trustee could ever accept a corporate trust if its provisions went into effect. So they went to the Securities and Exchange Commission and said, "Let us help ameliorate this bill," and they did so, on condition that if their views were reasonably met they would not oppose the passage of the bill. As a matter of fact, every banker who appeared before us, with the exception of Mr. Page, I think, opposed the bill very strenuously, and particularly all the bankers from the smaller cities of the country, because they all felt that the provisions which required complete divorcement of the trustee from any connection with the company in any way would prevent banks in the smaller cities from ever acting as trustee, and therefore the bill would drive these trusts to the big institutions in New York. At this point I answer the question of the Senator from Massachusetts [Mr. LODGE] by saying "yes"; the opinion of all the bankers who appeared before us was that the passage of this bill would seriously handicap the smaller banks in the smaller cities, and would force this trust business to New York; and, strangely enough, the only bankers who were willing to accept the bill were bankers from some of the large banking institutions of the city of New York.

As a matter of fact, I do not believe anybody is sponsoring or really urging the enactment of this bill today. If so, I do not know who it is. The bill comes, of course, from the Securities and Exchange Commission. It was gotten up 2 or 3 years ago; and I venture to say that today the Commission itself has largely lost interest in the passage of the bill.

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

Mr. TAFT. Surely.

Mr. KING. In reading the record—I do not recall the page—when I hastily examined it yesterday, I found two references to the Securities and Exchange Commission as urging the passage of the bill. The word "urge" was used by the person who testified, and who, as I recall, spoke for the Securities and Exchange Commission. So the Securities and Exchange Commission, not the people, is urging the enactment of the bill. The Commission wants to increase its power, its authority, and its jurisdiction.

Mr. TAFT. I do not know anybody in the country who is interested in the passage of the bill except the Securities and Exchange Commission. Mr. Douglas was the original sponsor of the bill, but apparently he has lost interest in it. The Senator from North Dakota [Mr. FRAZIER] the other day referred to an interview of Mr. Douglas by Arthur Krock. The article says:

> In Mr. Douglas' opinion the activities of the S. E. C. have reached their practical peak. He thinks its scope is now as wide and deep as it effectively can be.

If that is not a condemnation of this bill by Mr. Douglas, I do not know what it can be.

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

Mr. TAFT. Surely.

Mr. BARKLEY. I happen to know that Mr. Douglas not only has not withdrawn his endorsement of this bill or changed his position with regard to it, but that in the last communication he made before retiring from the position of Chairman of the S. E. C., among three recommendations that he made was one for the passage of this particular legislation.

Mr. TAFT. I read further from the article of Mr. Krock:

> The Chairman went on to say he thought that at some later time an eminent drafting committee—

Should revise the law—

> But the quest for recovery is affected now by any tampering with laws in the category of these two acts, he said, and revisions can well await a more propitious time.

I do not know whether or not Mr. Douglas is still for the bill, but I do know that if he is his position is absolutely inconsistent with the statement he made to Mr. Krock, because he knows this is not a time at which to impose additional restrictions on business.

Other gentlemen have taken the same position. Mr T. Jefferson Coolidge, former Assistant Secretary of the Treasury in this administration, wrote a letter to the committee, in which he said:

> This bill therefore will, in our judgment, accomplish little public good, will increase the difficulty and expense of obtaining funds for expanding business, and in many cases will make it impossible to obtain necessary funds on reasonable terms, to the special disadvantage of small concerns lacking well-established individual credit. We believe the disadvantages will far outweigh any possible advantages.
>
> Certain sections of the bill will have a tendency to drive local business away from the local centers, where it has its home, and force it into the metropolitan centers, where is will not receive, in our opinion, as understanding treatment.

Furthermore, the opinion of the Federal Reserve Board was asked. I cannot find that the Board itself ever took any action, but the Board did transmit this letter from its Federal Advisory Council:

> The Federal Advisory Council desires to call the attention of the Board of Governors of the Federal Reserve System to Senate bill 477 relating to the regulation of trust indentures under which securities are issued.
>
> The Council feels strongly that the imposition of some of the liabilities as provided in the bill would create contingent liabilities for banks of deposit accepting corporate trusteeships which might be dangerous to themselves and the banking system as a whole.

In other words, they say this bill imposes on corporate trustees such a heavy burden that it might well endanger

their deposits, and after all, we have an interest in protecting the depositors and the stockholders of corporate trustees.

Furthermore, the Council believes that the bill would materially increase the cost of and make more difficult long-term public financing, particularly to smaller corporations, and would thus tend to hinder expansion of plants and businesses at a time when such expansion is particularly desirable in the interest of business recovery.

* * * * * * *

The Council requests the Board to submit this expression of its opinion to the Senate Committee on Banking and Currency with the request that it be put in the record of the hearings before its subcommittee considering the bill.

One Commissioner, Mr. Eicher, appeared before our committee in favor of the bill. He took no further tremendous interest in it and so far as I can see the Commission itself has in effect lost interest in pushing further the provisions of this trust indenture bill, and has left its entire charge to some of the subordinate attorneys of the Commission.

I think something can be done along this line. I think, in the first place, the Commission has never tried to write a sample or model trust indenture. If it does, the model will be very largely followed. Writing a trust indenture is a pretty mechanical thing. I think most attorneys would be more than glad to receive the Commission's suggestions.

I call attention to an article in the Yale Law Review of February 1939, by Talcott M. Banks, Jr., in which he suggests such a course:

If the Commission should render its resources of experience and expert personnel available for a study of the modern indenture, with a view to perfecting its form and improving its protective features, such work would receive most interested cooperation and would have profound influence. No one is satisfied with the usual indenture of the present day. Its abbreviation and clarification is earnestly to be desired. Lawyers and businessmen alike would welcome the appearance of simple, standard clauses adapted to achieve the various indenture purposes. If the Commission were to recommend such provisions, framed after careful study and consultation, the authority of its recommendation would assure that the suggestions would be considered by every draftsman, and, so far as they proved valuable, widely adopted. Here is a way in which the unique resources of a Federal agency could be of great assistance, without any of the risks of concentrated authority or unwise regulation.

Mr. President, I do not desire to go through the bill, but on page 5 I find this language:

Abuses of the character above enumerated have been so widespread that, unless regulated, the public offering of notes, bonds * * * by the use of means and instruments of transportation * * * is injurious to the capital markets * * * and to the general public.

There have been some abuses. Frankly, it seemed to me there was a complete absence of proof that any of the losses which occurred in 1929 had really resulted from any of the properly criticised provisions of the trust indentures. I would say that 99 percent of the losses resulted because the company failed, because the company was not good, because it could not pay its debts, and not because of anything done by the corporate trustee. I have seen a good many corporate indentures, and, personally, I never regarded the position of trustee as particularly important. Until a default occurs there is very little the trustee can do. When default occurs, the matter is almost inevitably thrown into court, and the whole thing is left up to the court. There is a good deal more abuse in the formation of the bondholders' protective committees, of which I think there might well be a study, and legislation to deal with them, than in any action of the corporate trustees. Furthermore, there is always a recourse against a corporate trustee, if he does something wrong, and the position of a trustee is such that he is not anxious to assume any responsibility if he can help it.

There is one provision in the bill to which I shall call attention only as being typical. I refer to the provision which deals with conflicting interests. There is a provision beginning on page 23 and running for about 10 pages, that a trustee shall resign whenever his interest as trustee in any way conflicts with any other interest. It seems to me that any trustee who assumed to act when he has a substantial conflicting interest certainly subjects himself to a suit for damages, which the courts will properly enforce. But there is set up in these pages a long, artificial attempt to say when an interest is in conflict and when it is not. Think of this. A trustee must resign if he is "the beneficial owner of, or holds as collateral security for, an obligation which is in default as hereinafter defined, (A) 5 percent or more of the voting securities of an obligor"; that is, of the company which issues the bonds. That means that if a trustee bank had a loan out to Mr. X and Mr. X had put up 5 percent of the stock of an obligor company, and that loan should be 30 days overdue—which would be a default—if for some reason after 30 days Mr. X did not pay the loan, the trustee would be defined by law to have a conflicting interest; and if he proceeded and acted, and happened to overlook the matter, he would subject himself to complete liability, although he was not at all affected by the conflict in interest; or he might have completely to resign the trust, and find someone in another city, probably, to take on the trust.

Mr. BARKLEY. Mr. President——

Mr. TAFT. I wish Senators would read the provisions from page 23 to page 30 with relation to the attempt to say when a trustee has a conflicting interest which shall disqualify him, and when he has not. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator realizes that there is nothing new in legislation prohibiting conflicting interests of those acting in a fiduciary capacity. In the National Bank Act of 1933 there is a provision by which affiliations on the part of bankers or officers of banks with underwriters are to a great extent prohibited. The New York Stock Exchange will not accept as trustee for a listed bond issue a bank which is trustee under other indentures of the same obligor.

Mr. TAFT. Whenever there is any substance, I would entirely agree, for, as a matter of fact, a bank which takes on a conflicting interest subjects itself to liability to the bondholders. It cannot afford to do it. But the question is one of substance, and it seems to me the courts would finally decide that question. I do not think we can sit here and say that ownership of 5 percent of the stock of a company which is in default on an obligation would create a conflict of interest, whereas there would not be such a conflict in case of ownership of 4 percent. What sense is there in any such provision of law?

Mr. BARKLEY. I am sure the Senator does not advocate that he, as a trustee under an indenture providing for the issue of bonds of a given obligor, ought to be in a position to have a conflicting interest, whether it were substantial or otherwise—and of course it has to be substantial to be of any importance. He ought not to be in the embarrassing position of having to decide, as a trustee, between, for instance, a prior or a junior set of obligations of the same obligor. He ought not to be in a position where he would have to decide as between different issues of bonds, or different relationships, or different interests, so that there might be any inducement for him to favor one as against the other, or relax in any way in the performance of his duty to one because he is interested in another which would be conflicting.

I am sure the Senator would not justify such a situation. He may not think that any of these matters are substantial, that they contain substance, and that is a matter of opinion; but where there is an important conflict—and the bill undertakes to set out the conditions under which there are conflicts—certainly no trustee ought to be put in the position, embarrassing as it might be, where it might in any way advance or promote his selfish interest or the selfish interest of one security as against another, because he occupies a dual situation with respect to these obligations.

Mr. TAFT. I would say that any trustee who finds himself with a conflicting interest should resign. I would say that it is absolutely impossible for us to provide by legislation when he has a conflicting interest and when he has not a conflicting interest. He acts at his peril. If he refuses to resign when there is a conflicting interest, he takes a chance. But I cannot understand the basis on which 5

percent or 10 percent of the stock of a company makes a difference, and some other figure does not.

Mr. BARKLEY. The Senator then relies on the moral sensibility of the trustee to resign when he ought to resign?

Mr. TAFT. I rely on the trust law, which provides that a trustee who acts and is influenced by conflicting interests is liable to those against whom his act may operate injuriously.

Mr. BARKLEY. People who suffer loss because of that dual relationship ought not to be compelled to go into court in order to enforce their rights against the trustee. He may have acted in an unprofessional or an unethical way by retaining the trusteeship.

Mr. TAFT. If the Senator wishes to relieve everyone who is wronged from the necessity of going to court, then he might as well advocate the repeal of all the laws and the handing of administration over to some administrative officer. All we can do is to provide a legal remedy for people if they are wronged.

Mr. BARKLEY. We are seeking to provide such a condition that it will not be necessary to resort to the legal remedy when it may be too late to take advantage of the remedy.

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

Mr. TAFT. I yield.

Mr. WHEELER. I shall later call the attention of the Senator to some evidence adduced before the Senate Committee on Interstate Commerce with reference to one of the most important trust companies in the United States, located in the city of New York. They found themselves in a conflicting position, representing on the one hand the bondholders, and representing on the other hand the stockholders, also representing their own institution as a lender to one of the big holding companies of this country. As I shall point out, even some of the most prominent law firms of the city of New York said theirs was an untenable position. They did not intend to put themselves in that position. Some may think they did, but I do not believe they intended to. But they found themselves in that situation, and they still are in that situation, and some litigation has been started in St. Louis as a result. But they never should have been permitted to be in that position in the first instance. They were not only in the position with reference to the lending of money, but they were also in the position with reference to stock which was sold, representing the bondholders.

Mr. TAFT. I do not contend that there may not be abuses in the situation, but I do contend that there are remedies already provided, that we do not need to add to the authority of the Securities and Exchange Commission in order to deal with the evil. As a matter of fact, when we started consideration of the subject, it seemed to me that we should draw a very simple bill prohibiting about three things; that we might reasonably take care of those cases without giving any additional authority to the Securities and Exchange Commission. I must say the bill was modified to some extent; but I think there are still left in it four important matters in which discretion is left to the Securities and Exchange Commission to decide what shall go into an indenture and what shall not. That seems to me to be an addition to power. The advantage of a short bill, merely providing that certain things shall go into an indenture, would be that one would not have to come to Washington and spend a week trying to work the indenture out with the Commission.

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

Mr. TAFT. I yield.

Mr. HUGHES. I feel quite sure that the Senator recalls that in the hearings before the subcommittee we were told that a great many trustees had recognized the necessity of complying with the requirements of the bill, and had changed their practice. One witness said it therefore was not necessary to enact the legislation because the evil had been remedied.

Mr. TAFT. No; I do not think that was the testimony. The testimony was that some trust indentures had followed this measure in all respects, I think, except the clause with regard to negligence, to which they objected, as I remember. I think it is quite true that most trustees would follow the suggestions of the Securities and Exchange Commission. My principal objection to the bill is the necessity for the applicants to come to Washington and to submit the whole deal to the Securities and Exchange Commission and to get its approval of the deal.

Mr. HUGHES. As I recall, the Senator from Ohio made an objection in the subcommittee, and he probably has the same objection now, to the expense involved in the applicants coming to Washington. I understand that the bill, in its present form, provides that the applicant shall come to Washington when he makes his application, but it is not necessary to come here a second time when the bond issue is made. What is necessary to be done by the applicant can all be done at one time.

Mr. TAFT. I think the applicant would have to come to Washington first with respect to the trust indenture and get that settled before he finally comes to the matter of the securities themselves. I do not think the applicant is going to be saved an additional trip. I think he is going to have to spend additional time in working out the trust indenture even as the bill is today, which is an improvement over what it was when consideration of it was begun.

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

Mr. TAFT. I yield.

Mr. BARKLEY. It probably would be necessary for the Commission to pass on the qualification of the indenture, which means that it would have to comply with the law before the other step was taken. But both applications can be filed simultaneously, unless the indenture is found not to be in compliance with the law. That is all the Commission has the power to do. The Commission does not dictate the terms of the indenture.

Mr. TAFT. Oh, yes; it does. The Commission passes on three or four features, including the negligence clause.

Mr. BARKLEY. There are three questions as to which the Commission has some discretion. One is with reference to notice concerning defaults. Two of them have relation to notice before and after default, and the other has relationship to the authority of the Commission to pass on the type of expert accountants, certification, and things of that sort. Those are the only three matters of discretion that are still left in the Commission under the bill.

Mr. TAFT. That is correct. But that is discretion, and that is enough discretion so that the only way an indenture can be approved is by the applicant coming to Washington, employing additional lawyers, and sitting down with the attorneys of the Commission to work it out. I may say once more in reference to the conflict of interest that I think the particular provisions of the bill regarding conflict of interest are so tight and so arbitrary that a large number of banks in small cities could not conform to them and act as trustees in any trust indentures for companies within those cities. That is the testimony of the bankers, and that is a necessary result. That is one reason for the statement on the part of Mr. Coolidge and others that the bill is going to force the trusts into the New York banks because the local company evidently will find that the local bank is disqualified to handle the trusteeship of its indentures.

Mr. HUGHES. As I understand—and does not the Senator also so understand—an issue of a million dollars does not come under the provisions of the bill?

Mr. TAFT. That is correct; an issue of a million dollars does not come under the provisions of the bill.

Mr. HUGHES. Small communities, the local communities of which the Senator speaks, would not have many issues of more than a million dollars, I take it.

Mr. TAFT. The Senator may be surprised to learn that they do. In the city of Cincinnati, from which I come, the issues are very often in excess of a million dollars. The most strenuous opponents to the measure were gentlemen from Boston and some from Cincinnati and Cleveland, cities of intermediate size, where there are issues of considerably more than a million dollars.

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

Mr. TAFT. I yield.

Mr. LODGE. I know that in Boston there are issues of more than a million dollars, and if this business is forced away from Boston it will mean not only a loss of the business but it will have a generally depressing effect.

Mr. HUGHES. As I recall, more than 70 percent of the business was done in Chicago and New York, and it is now. I did not class the Senator's city of Boston as one of the small cities.

Mr. TAFT. Too much of it is done in New York now. The passage of the bill would put it all in New York.

Mr. BARKLEY. I do not agree at all to the suggestion that the bill is going to drive business out of any place into some other place. Eighty-five percent of all this business now is done in New York and Chicago, and 95 percent of it is done in New York, Chicago, and seven other cities—Boston, Cleveland, Milwaukee, Philadelphia, Pittsburgh, St. Louis, and San Francisco.

So, those nine cities already do 95 percent of all the trust indenture bond business of the United States. There is nothing in the bill which will drive any business from Boston to New York or away from Chicago to New York, or away from San Francisco either to Chicago or New York, or away from one city into another city.

Mr. TAFT. That is what Mr. T. Jefferson Coolidge says would happen, and I think he is a banker who knows more about the business than even the Senator from Kentucky.

Mr. BARKLEY. I know Mr. Coolidge, and I admire his ability; but I do not accept dogmatically a statement made by any person to the effect that a measure of this character is going to run business out of one city and into another. Certainly 85 percent of it has been run by something or other out of other places into the city of New York and the city of Chicago. Certainly they have facilities for financing bond issues that are more satisfactory to the industries of the country that desire to issue bonds than exist elsewhere.

Mr. LODGE. Is it not reasonable for us to want to keep the little we have?

Mr. BARKLEY. Certainly it is, and even to get more than you have. I am not at all opposed to that. I am very fond of the city of Boston, but I cannot conceive of any provision of the bill that would take away from Boston a bond issue that some Boston concern desired to float on the market.

It is said that the bill may result in increased cost. I doubt that, because of the provision that simultaneous applications can be filed as to the disclosures and the qualifications of the indenture. Conceivably a second trip to Washington might be required; but I do not know; that is problematical. However, so far as the extra cost is concerned, if there should be any, it would apply just as much to a New York or a Chicago application as it would to one from Boston, Pittsburgh, Philadelphia, St. Louis, or San Francisco.

Mr. TAFT. Mr. President, I do not want to take the time of the Senate except to summarize my feeling about the bill. It is not a tremendously important bill. It does not extend the power of the Government indefinitely into great new fields. But it does extend the principle of present Government regulations in a small field. It does abandon, apparently, the theory that what we are interested in is giving the security holders of the United States the opportunity of finding out the facts. We are going beyond that now. We are saying that people shall not make the deals they want to make. We are saying that the Securities and Exchange Commission shall step in and tell people what their deals shall be. We are imposing an additional expense, which means that it is going to be just that much more difficult to finance new enterprises.

Mr. President, it seems to me our present condition is due in part to the psychological fear of putting money into any new enterprise lest it may be lost. That is due to the fact that people are afraid of Government regulation and of additional taxation. I do not know how we are ever going to bring about recovery in this country unless we get people into such a state of mind that they will feel again that they can put money into American enterprises, into new enterprises, large and small, into stocks and bonds and securities of companies, and thus provide new capital, develop new machinery, and put more men to work. I have no question that the reaction throughout the country to the passage of the bill is going to be an additional discouragement.

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

Mr. TAFT. I yield.

Mr. BARKLEY. The thing that will encourage the men with money to put their money in bonds and stocks is the belief that they are going to get it back.

Mr. TAFT. With due respect to the Senator from Kentucky, I think that that is absolutely untrue. I do not think that there is an investor who will invest in one single bond merely because the bill is passed; and who would not have invested in it anyway. I do not think there is any fear of substantial bond issues in this country.

Mr. BARKLEY. That is all speculative. But the Senator, I am sure, would not contend that the fact that we are trying more adequately to protect the man who puts his money into bonds will result in retarding his desire to put his money into bonds. Certainly, if he feels that all possible protection is thrown around him in the exercise of his right, it is not going to keep him from putting his money in bonds. Whether it will induce him to put his money in bonds is another question, which may be speculative and debatable, but certainly it is not going to discourage him.

Mr. TAFT. It is going to discourage industry from going ahead and trying to expand. It is going to discourage industry from putting out more bond issues, just as the Securities and Exchange Commission Act has. In that case I think it is worth the money. I think we must prevent fraud. But this is going further. I do not think it is necessary.

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

Mr. TAFT. I yield.

Mr. AUSTIN. I observe that the Senator is touching upon the very point which had occurred to me, and about which there did not seem to be much discussion. I wish to ask the Senator whether or not the consideration by the committee involved the idea that the investor is not the starter. It is not the buyer who is the starter of the Securities and Exchange Commission and its activities. It is management. The management of business starts the Securities and Exchange Commission into action. Therefore, what I should like to know is whether or not the investigation by the committee went into the subject of the possible effect of additional control by the Government upon the activities of management, as bearing upon the question whether or not we shall have new money poured into industry by reason of adding more Government control than we already have.

Mr. TAFT. Answering the Senator, I do not think I could do better than to quote again the opinion of the Federal Advisory Council of the Federal Reserve Board, which is made up of one man from each district in the United States. The Council says:

> The Council believes that this bill would materially increase the cost of and make more difficult long-term public financing, particularly to smaller corporations, and would thus tend to hinder expansion of plants and businesses at a time when such expansion is particularly desirable in the interest of business recovery.

I do not put my opinion above theirs, and I put their opinion above that of any of the Senators who have discussed the bill, with all due respect to the Senators.

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

Mr. TAFT. I yield.

Mr. BARKLEY. I do not wish to prolong the colloquy; but I think all of us will agree that when a corporation starts to issue bonds and borrow money, that operation, of course, depends upon the success with which it can borrow money from the public in order that its enterprise may go forward with the borrowed money and additional capital which is brought to its service. In the six hundred and more trust

indentures which were examined by the S. E. C. the overwhelming and predominating defect was a lack of protection to the investor.

If I am the owner or the head of a corporation, I have no right to appeal to thousands of citizens scattered all over the country to lend me money—not my money but their money—in order to carry on my industry unless I am willing to give them the maximum amount of protection which would induce them to invest their money in my bonds, and to assure them that they are protected in the event they have to assert their rights.

I will say to the Senator from Vermont [Mr. AUSTIN] that there is nothing in the bill which attempts to control management. There is nothing in the bill which authorizes the Commission to pass upon the desirability of the loan, the merits of the loan, the rate of interest, the sinking-fund requirements, the terms of payment, amortization, or anything connected with the business. The bill provides only that before the corporation issues bonds as an inducement to gather to itself the money of thousands of persons scattered all over the country the indenture upon which the bonds are issued shall contain certain protective features in the interest of the investor, the lender of the money, who certainly has a right to be protected in his desire to advance to corporations the money which will enable them to expand or to operate.

Mr. AUSTIN. Mr. President, will the Senator from Ohio permit me to ask the Senator from Kentucky a question?

Mr. TAFT. I yield.

Mr. AUSTIN. The author of the bill has just made a statement which seems to be to be of great importance if it is accurate. I am not very familiar with the bill. I have read it over but have not made a study of it. However, I gathered the impression that management was very strenuously controlled by the pages which quite strictly define the disqualifications of trustees. That is to say, it appeared from a reading of the bill that it restricts the freedom of management in selecting and keeping a trustee in which the management has confidence or a trustee with which suitable arrangements adapted to the locality can be made. It happens that I have had some practice in the issue of such indentures, and I can conceive that the bill, if passed, might deter me or entirely stop me from putting out a refunding issue of bonds partly on account of the control which the bill would immediately impose upon me in the selection of my trustee.

Mr. BARKLEY. Mr. President, I do not regard the selection of a trustee to be the trustee of obligees or bondholders as a part of the management of the business, because if one trustee who might be desirable is disqualified under any of the provisions of the bill which set out disqualifications, of course, it does not follow that it is impossible to select a trustee who does qualify. The mere selection of a trustee has no influence at all on the management of the business, except remotely, in case the corporation gets into trouble.

Mr. AUSTIN. Oh, before that.

Mr. BARKLEY. In case the corporation gets into trouble, the trustee may have an obligation to keep a little more in touch with the current course of the corporation's business, so as to know to what extent the rights of investors are protected both before and after default. However, so far as concerns the management of the business, fixing the rate of interest, the terms of payment, the amortization, or passing upon the desirability or necessity of the loan itself, the bill gives the Commission no authority whatever.

Mr. AUSTIN. Does the Senator recognize that in nearly all indentures issued by factories, quarry companies, or companies engaged in active production of any kind, there is a control of the management of the business throughout the indenture? For example, development is limited to a certain ratio between liquid assets and cost of development; and throughout the life of the indenture there must be an active, and in some instances a very intimate, relationship between the trustee and the management. So, at the outset, management is interested in the selection of the trustee.

Mr. BARKLEY. Of course I can understand that; and there ought to be a close connection—even closer than has heretofore existed in many cases—between the trustee and the operation of the concern, because that relationship may very vitally affect the interests of the bondholders for whom the trustee is acting, and their ability to assert their rights in a given set of circumstances.

For example, if a bond issue is being floated, and a trustee is appointed to represent the whole situation, of course those who have put their money into the bonds of the company cannot be ignored. If later something occurs in the management of the business, or in the dissipation of its assets, or in the issue of additional bonds of some other sort, which would affect the interests of the prior obligees who are represented by the particular trustee, there ought to be a way in which they could have some voice, and some knowledge of the situation, because in a real sense the bondholders, those who have put their money into the bonds of the company, are certainly entitled to equal rights with those who have simply bought stock and put their money into the company in another form.

All the bill does is to tighten up on the obligations of the trustee, and compel him to keep more closely in touch with the operations of the company, to see that the terms of the indenture are complied with. If that obligation involves management in some way, or if it impinges upon what might technically be called management, it is only necessary because of the right of those who have invested their money to be protected all along the line.

Mr. TAFT. Mr. President, I should like to make one point in connection with the discussion. The Senator said that bondholders have always been accustomed to look to the trustees. The truth is that bondholders have not been accustomed to look to the trustees. If the Senator has any bonds of his own, or if he has any clients who have bonds, I venture to say that he does not know, and none of his clients knows, who are the trustees on those bonds. No; the truth is not that they look to the trustees.

Mr. BARKLEY. I did not make that statement.

Mr. TAFT. The Senator made that statement earlier in the day.

Mr. BARKLEY. In many cases the bondholders does look to the trustee if he happens to know the trustee. If the trustee is an outstanding institution whose reputation for soundness and integrity is known all over the country, that fact undoubtedly has an effect upon the willingness of the investor to buy the bonds of the concern which is issuing them.

Mr. TAFT. I question the accuracy of that statement. I question whether any investor knows who is the trustee on a bond issue. Not only that; the fact is that 99 percent of the bondholder's safety depends not on the trustee, but on the solvency of the obligor, and the way in which the obligor is managed. The bondholder looks to the obligor. If the obligor remains solvent and earns money, the bondholder will get back his money; and if it fails, he probably will not get back his money.

The only reason why I do not feel strongly on the subject of the bill is that I do not think its importance is sufficient to justify taking the afternoon to discuss the question. The truth is that nobody looks to the trustee. The trustee's position makes very little difference in the ultimate result. The only thing I object to is that the bill imposes additional machinery, making it more difficult for anyone to float a bond issue. It discourages financing. It discourages putting money into capital. I believe that today the people of the country, from the President down, are anxious to convince the businessman that the Government wants to help him, and not to hamper him; that it wants to reduce regulation and taxation, and wants to encourage him to go ahead and put back to work some of the 11,000,000 unemployed.

Mr. WHEELER obtained the floor.

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

Mr. TAFT. I have concluded.

Mr. LODGE. I desire to ask the Senator from Ohio a brief question. Will the Senator from Montana permit me to ask a question?

Mr. WHEELER. I will if it will not take too long.

Mr. LODGE. It will not take long at all. I merely wish to recur once more to the question of taking business away from other cities and putting it into New York.

Mr. WHEELER. I fear it will take a long time to answer that.

Mr. LODGE. It will not take long to answer the question I desire to ask; I wish to get it in for the RECORD. I wish to say that, in my opinion, there is no one better qualified to express an opinion on a matter of that kind than is Mr. T. Jefferson Coolidge, and I wish to know if any evidence was put into the record to controvert his opinion?

Mr. TAFT. Mr. President, frankly, I do not remember that there was any such evidence; I should not like to say now, after some 2 or 3 months since the hearings were held, that I positively remember; but I do not recall that any evidence was offered in opposition to the claim of a considerable number of bankers that local business would tend to be shifted to New York because of the restrictions on trustees which are provided by the pending bill.

Mr. LODGE. I thank the Senator for his answer, and also thank the Senator from Montana for yielding.

Mr. WHEELER. Mr. President, I do not happen to have the honor of knowing Thomas Jefferson Coolidge, of Boston, but I do know that I have come in contact with numerous people who have been interested in getting some of the business away from New York and into the smaller cities. I am sure they will say it is not such things as the S. E. C. that take business away from Boston or Cleveland or Cincinnati and give it to New York, but that there are deeper and more fundamental factors involved in the question of business moving away from or to New York City than the matter of whether or not this bill shall be passed.

The Senator from Ohio says that no one looks to the trustee. I will have to differ with him in respect to that statement. When it comes to the selling of bond issues, whether they are railroad bonds or any other kind of bonds, why is it that the name of trustee for the bonds is so prominently displayed upon the literature that is sent out to prospective purchasers? When there is put upon such literature the statement that the Guaranty Trust Co. of New York is going to act as trustee or that the House of Morgan is associated with the financing, almost immediately the prospective purchaser is led to believe that it must be a good security because of the fact that the bonds are being issued by, say, one of the institutions referred to, or because such an institution is going to be the trustee. It does have a tremendously important effect on the sale of the securities. That is why institutions such as the Guaranty Trust Co. and other similar institutions pride themselves on their reputations in dealing with securities so that they may sell them.

Mr. President, I have not read all the details of the pending bill, but I wish to call attention to some matters which were disclosed before the Interstate Commerce Committee and which this bill seeks to correct, although not in the railroad industry but in other lines of endeavor.

This bill, known as the Barkley bill, is of great moment to thousands of public investors who have placed billions of dollars of their savings in corporate bond issues. Investors have long been under the illusion that the great banks and trust companies, who ostensibly act as fiduciaries under the usual corporate trust indenture, are in fact active guardians of their interests. Even if there were not any evidence before the Banking and Currency Committee to that effect, there certainly was evidence to that effect before the Interstate Commerce Committee investigating the finances of the railroads under Senate Resolution 71 of the Seventy-fourth Congress. I understand that this bill is designed to translate these illusions into fact. The sponsors of the bill propose to accomplish this result by eliminating many palpable defects known to exist in trust indentures and by correcting certain serious abuses in corporate trust practice.

The defects and abuses which this bill has been drafted to prevent were disclosed to the Senate as a result of a study of trust indentures conducted by the Securities and Exchange Commission. Although the Commission's study in its field was conducted with painstaking and comprehensive thoroughness, it did not go into railroad financing; it did not consider trust indentures under which billions of dollars of railroad bonds have been issued to the public. Railroad indentures were entirely outside the scope of the Commission's study, but information on that subject is nevertheless available. It is my unpleasant duty to inform the Senate that the inquiries in the railroad field by the Committee on Interstate Commerce at the Senate's direction pursuant to Senate Resolution 71 of the Seventy-fourth Congress, in connection with the investigation of railroad financing and holding companies, show that precisely the same defects and abuses which were discovered by the Securities and Exchange Commission outside the railroad field are only too common in railroad indentures.

Railroad indentures, like the indentures examined by the Securities and Exchange Commission, contain the familiar "exculpatory" clauses which customarily relieve trust companies even of the obligation to exercise ordinary prudence in the management of their trusts. Of these provisions, Mr. Frederick A. O. Schwarz, of Davis, Polk, Wardwell, Gardiner & Reed, prominent New York lawyers and counsel for one of the most influential and well-known trust companies in the country, testified before our committee. I want to call the attention of the Senator from Ohio to this statement by Mr. Schwarz, of the firm of Davis, Polk, Wardwell, Gardiner & Reed. Testifying before our committee, he said:

> I for one—and I am expressing only my personal opinion now—feel that the so-called exculpatory clauses in trust indentures, relieving the trustee from any common-law responsibility—

And that is all they do—relieve them of "common-law responsibility"—

> which it would have as a trustee under a corporate trust, are undesirable.

Mr. President, I further desire to call attention to the fact that this same lawyer, whose firm is counsel for the principal banking firm in America, testified in that investigation that some of the provisions in bond indentures are—to use his own language—"terrible."

Railroad indentures, like the indentures examined by the Securities and Exchange Commission, customarily permit the indenture trustee to acquire interests which materially conflict with those of the bondholders whom it is supposed to protect as trustee. Our investigation has disclosed numerous instances where this unhealthy situation has existed.

One striking example occurred in the reorganization of the Missouri Pacific system. In that situation a prominent New York trust company was the trustee under an indenture securing a quarter of a billion dollars of publicly held bonds. In addition, the trust company was on its own account a large creditor of the railroad for whose bondholders it was trustee. This trust company had the foresight to arrange the terms of its own loan so that in the pending reorganization of the railroad the trust company's loan will receive preferential treatment over the publicly held bonds. The trust company was also the holder of a substantial block of junior debentures which had been obtained through the financing of a transaction on behalf of Alleghany Corporation, the holding company which controlled the railroad. The same trust company also had numerous relationships toward this holding company. The transaction under which the trust company acquired the debentures was ultimately carried through by contracts for the transfer of the properties involved to the Missouri Pacific, which contracts became a major financial scandal. The same trust company became the depositary under these contracts and also became the trustee of certain notes which were issued by the vendor company, a wholly owned subsidiary of Alleghany which also controlled the railroad. The terms and conditions of these contracts were subsequently found by the district court in which the Missouri Pacific reorganization proceeding is pending to be so onerous and unfair that lawsuits have since been instituted to disaffirm the contracts and recover the moneys expended by the railroad under them. Needless

to say, the trust company is a defendant in these lawsuits. The notes of the vendor company, Alleghany's wholly owned subsidiary, and Alleghany's stock and bond holdings in the Missouri Pacific system, were all pledged as collateral behind three trust indentures of Alleghany Corporation. And the same trust company was also the indenture trustee under each of these Alleghany trust indentures. Because of defaults in the collateral requirements under these trust indentures, as the record of our investigation shows, the trust company was for a long period in control of the Alleghany stock holdings in Missouri Pacific, and in that capacity it was its duty to act for the benefit of Alleghany bondholders. At the same time, however, it had these numerous other conflicting interests in the Missouri Pacific situation, including its own personal creditor position and its position as trustee for Missouri Pacific bonds.

The mere recital of these numerous conflicting positions in which the trust company permitted itself to become involved is sufficiently clear evidence of the impossibility of affording the bondholders of the railroad and the holding company the vigorous trusteeships to which they were entitled. The situation I have just described, moreover, is by no means uncommon in the railroad field, and clearly calls for corrective legislation. Our investigation showed a number of cases where the trustee was on both sides of the fence, and the indenture permitted the trustee to act despite the trustee self-interest which was in conflict with its duties as trustee. I am happy to see that defects and abuses such as these, which we have uncovered in our own investigation, will be eliminated by this bill in the case of trust indentures which are filed hereafter under the Securities Act, and I hope the bill will be passed. I realize that the bill does not apply to railroad indentures, but I trust its passage will provide a basis for the enactment of similar legislation in the railroad field. At any rate, I am glad to support a proposal for the correction of these situations in indentures to which the bill applies.

The Senator from Ohio says they might be sued; but the provisions of the indenture itself permitted the trustee to act in a dual capacity. I do not say the trustee in this particular instance acted from any ulterior motive. It simply got itself into a certain position unwittingly, without thinking of the consequences. If an attorney practicing law before any of the courts of this country had acted in the way in which the trustee acted, he would have been disbarred because of the fact that he occupied a position that was entirely untenable, representing conflicting interests, in some of these instances, to the extent of three or four different parties.

This bill, as I understand it, seeks in the first instance to prevent that. We are told that in such cases the trust company may be sued. This railroad went into bankruptcy; and after it went into bankruptcy and defaulted on its bonds, the judge who was presiding had the matter called to his attention, and he directed the bankruptcy trustee to bring suit. If it had not been for the fact that the company happened to go into bankruptcy, no suit ever would have been brought; and they had to go through a long period of delay, and will have to go through a long and tedious trial to find out whether or not they can actually recover.

Mr. TAFT. But, Mr. President, of course, under this bill they can go on. There is nothing in the bill which says that such persons or institutions shall not act as trustee. They simply contract that they will not represent conflicting interests, and that they will resign if the interests do conflict. Suppose they do not do so. In other words, suppose a man does not do what he ought to do. There is no way that I can see in which he can be made to do it, and the bill will not regulate that feature of the matter. The bill simply says that trust indentures shall provide that the trustee shall not do these things. Suppose he does them anyway. There is no penalty except a suit that may be brought by anybody who may be hurt, and in the case the Senator cites the whole thing was finally brought into court. There is no evidence that I can see, however, that ultimately any bondholders were injured.

My point is, I agree that there are abuses. I only say that I have yet to see the tremendous importance or the direct effect on bondholders' losses that will justify this additional extension of Government authority into another field. It is simply a cumulative building up of Government regulation until business is so hampered that it fails to function.

Mr. WHEELER. Let me say to the Senator that in this particular instance if there had been in the law a provision saying that the trustee should not enter into conflicting relations, and that provision had been in the indenture, I am just as sure as that I am standing here that this particular trust company would have looked into the matter and never would have permitted itself to get into that position.

Mr. TAFT. Any lawyer would have advised them that they were doing wrong, anyway. Any lawyer would have told them, and, in fact, they, themselves, should have known it. They did not look into the common law. The Senator says they would look into the indenture. The fact is that they will not look into the common law. I do not see the distinction the Senator makes.

Mr. WHEELER. But in their indenture they were relieved from the common-law liability.

Mr. TAFT. No; not in the indenture. They relieved themselves from liability for negligence but not from liability for representing conflicting interests, contrary to the interests of those whom they represented.

Mr. WHEELER. I say to the Senator that in this particular indenture they did relieve themselves from common-law liability.

Mr. TAFT. Yes; for negligence, but not for deliberate breach of trust.

Mr. WHEELER. Not for deliberate breach of trust; but this trust company was one of the biggest in the country, one of the most influential, and one that the Senator and I and everybody else would look up to, and say that if that trust company put its O. K. on an issue of bonds, we would feel that we would be guaranteed protection of our interests; and it employed the best lawyers in the country. There is no question in my mind that they did not go into this thing with the idea of cheating somebody; but they found themselves in a position where unconsciously, I think, they represented conflicting interests.

The Senator says they could have looked into the matter, and they should have done so, and any lawyer should have advised them of the situation; but this was one of the most influential companies in the United States, and their lawyers did not advise them, or they perhaps did not ask their lawyers because of the fact that they thought they knew so much about the subject.

When we come to talk about passing legislation of this kind, and say that that is the thing that is retarding recovery in the United States, I say that whether we pass this bill or do not pass it will have very little effect upon recovery in the United States. I do not want to go back and get into a political discussion of what brought about the present condition in America; but, if I were to do so, all I would say would be that we had no regulation of the stock exchange, and we had no regulation of any of these things in 1929, and that is one of the reasons why we are in our present condition. We had a wild orgy of speculation in which there were unloaded upon the little banks all the Triple A bonds and the double A bonds, and so many little banks in the West and so many other banks in the West went broke because of the fact that there were unloaded upon those banks fake securities and fake bonds. Then when we want to correct these conditions, we are told, "You cannot have any reform because, if you do, you are going to retard business."

As a matter of fact, that is what is said by everybody who comes before the Interstate Commerce Committee of the Senate when efforts are made to pass the slightest little bill with reference to some reform or to put under regulation somebody who ought to be under regulation. Opponents of the legislation come in and say, "I am afraid of what is going to happen." We have a fear psychology in the United

States today, and that is what is guiding us. Every lobbyist who comes before our committees, trying to protect some selfish interest that he is representing, or representing himself, says "If you pass this legislation, something terrible is going to happen to the country." I am becoming disgusted with it.

Whether this bill passes or does not pass is not going to affect in the slightest degree the question of whether we shall put to work the 11,000,000 unemployed persons in the United States. That is the great problem that is before us; but everybody who comes before the committee says, "If you pass this bill, we cannot put those 11,000,000 persons back to work." I wish the problem were as simple as that, but I am sure it is not.

I hope the bill will pass. I think it is time that these matters were regulated. The evidence before the Committee on Interstate Commerce entirely bears out the conclusion which was reached by the Securities and Exchange Commission, that there is need of such legislation; and I am sure the Senate is going to pass it.

Mr. MILLER. Mr. President, I shall not detain the Senate very long; but there are some things to which I desire to allude which to my mind are sufficient reasons for supporting the pending bill.

In the beginning, it should be understood that by the passage of this bill, or any other legislation which the present session of Congress may enact, we shall do very little to put an end to defaults in bonds. Bond investors in this Nation should not entertain the idea that merely because we are attempting to regulate the conduct of the trustees of bond issues, their investments in bonds are thereby made safe. On the other hand, the testimony before the committee, and the experience which has been acquired by the Securities and Exchange Commission over a period of almost 3 years, are, in my opinion, sufficient to justify the enactment of this proposed legislation.

It has been stated by the able Senator from Ohio [Mr. TAFT], for whom I entertain a very high regard and who always makes a legalistic and logical argument, that one complaint regarding this bill has been that the Congress is attempting to lay down a formula for writing trust indentures. We are attempting to do that, and the bill does prescribe a formula for such indentures; but what has happened in actual business? Probably every lawyer here who ever drafted an indenture went to his shelves or to his filing cabinets and took from some prior indenture nine-tenths of its phraseology and simply inserted it in the document he was drawing. Those clauses, as some witnesses said, are called "boilerplate" clauses. As a general thing there is very little difference between the various indentures that are drawn up. Country lawyers do not know so very much about this sort of thing, except what they learn at the expense of their clients; but the city law firms which draw up trust indentures charge enormous fees for doing nothing in the world except inserting "boilerplate" indenture clauses. What we ourselves are doing here is to substitute a little "boilerplate" for the "boilerplate" which has grown up over a period of years. I hope our action will have a salutary effect upon business.

Trust indentures are very mystifying to a lawyer, and, of course, much more so to a layman. They frequently contain 50 pages or even as much as 200 pages, which it is said nobody reads; and I presume that is true, for I think very few men could stay awake long enough to read intelligently an indenture. But when a practice has grown up in this Nation, as it has grown up, of hiding away in trust indentures clauses which exculpate the trustee not merely from negligence but from willful misconduct, it seems to me it is about time for the Congress or some other body to step in and regulate the matter.

It is interesting to read the report of the Securities and Exchange Commission on the 600 indentures which the Commission examined. We find that few of the indentures contain any restrictions as to conflicting interests on the part of the trustee, whether or not the trustee should become a creditor of the borrower or the issuer, whether or not he should become the holder of additional securities, and so forth; and of all the abuses that have grown up in the country, one of the worst is the conflicting interests of the trustee under the average indenture.

We hear much said about confidence and the lack of confidence in this Nation. I say that if the investing public knew the provisions of the average trust indenture, there would be no investments made. Notwithstanding the fact that the trustee is not the managing authority of the business, and notwithstanding the fact that the question whether or not the bonds will be repaid, or whether or not the interest will be met, is one of business management of the corporation or of the issuer itself, still the trustee does have an obligation to perform. I do not know of any provision in the bill which is going to cause any restriction or undue liability upon business. If there is any such provision, I fail to find it.

Complaint is made that additional cost will be incurred. The only additional cost will be for the mere simultaneous filing of the indenture, that is all. Under the present law the indenture is filed in order that a full disclosure may be made of its contents. The only change will be in examination of the indenture for the purpose of seeing that it complies with the law. That will be the only additional expense.

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

Mr. MILLER. I yield.

Mr. TAFT. Are there not at least three provisions which will have to be submitted to and discussed with the Commission?

Mr. MILLER. I am coming to that point.

Mr. TAFT. And as to which the Commission's express approval will have to be obtained?

Mr. MILLER. There are three items upon which the Commission will or may exercise its discretion, to which I will refer in a few moments.

As to the fear that the enactment of this measure will result in sending trusteeships to New York and Chicago, most of the trusteeships are found in those centers anyway. Out of four and a half billion dollars of indentures which have been filed since the Securities and Exchange Commission came into existence, 87 percent in number have gone to Chicago and New York, and 85 percent in volume have gone to those two cities. They will continue to go to the cities where the financing is done.

Senators need not be alarmed about that matter. There are no trusteeships in 26 States in this Union, under the indentures filed with the Securities and Exchange Commission during the last 2½ years. My State is one of the 26. Not a trustee is named in 26 States; so Senators need not be worried about that. Their States will not lose any of this kind of business, because they have not any. They are not going to gain any until they can become financial centers such as New York and Chicago, because a trustee is going to be named where the investment banker lives. So we need not be at all alarmed about that.

The Senator from Ohio has referred to the matter of discretion. The bill does authorize the Securities and Exchange Commission to exercise certain discretion in three or four particulars, which are provided for, I believe, in section 310 of the bill. But that is only in connection with acts to be performed by the trustee immediately prior to default by a borrower. We cannot write a formula in this regard, for much will depend on the conditions which exist at that time. We have gone as far as we can in writing a formula to govern the conduct of the trustee, and require absolute good faith on his part and ordinary honesty in his dealings with the bondholders. That is all the bill does.

I think I am just as much opposed as is any other Senator on this floor to excessive Government regulation of business, but we know that there has been almost a national scandal in the bond business. I am not saying that had this measure been a law it would have prevented all abuses, though I think probably it would have been a deterrent, but there is nothing in the bill which will prevent investments.

There are provisions in it which will tend to increase investment confidence, and that is what we need.

I do not desire to consume the time of the Senate in a discussion of the bill, because I do not see anything in it which in any wise gives us any reason to view with alarm its operations. There is every reason in the world why a trustee should exercise ordinary prudence. Some trustees do. Indentures can be found in this country, such as indentures spoken of by the Senator from Vermont, to which the measure would not apply. Of course, the courts would apply the law. But many trustees do not need regulating, and the law will apply to those who do.

I hope the bill will be enacted.

Mr. DANAHER. Mr. President, earlier in the debate the Senator from Kentucky offered us the privilege of asking him questions to bring out any explanation of the figures we desired, and I should like to ask him under what condition additional bonds can be issued with reference to outstanding indentures.

Mr. BARKLEY. Mr. President, in subsection (c), on page 12, there is the following provision:

(c) The Commission shall, on application by the issuer and after opportunity for hearing thereon, by order exempt from any one or more provisions of this title any security issued or proposed to be issued under an indenture under which, at the time such application is filed, securities referred to in paragraph (3) of subsection (a) of this section are outstanding, if and to the extent that the Commission finds that compliance with such provision or provisions, through the execution of a supplemental indenture or otherwise—

(1) would require, by reason of the provisions of such indenture, or the provisions of any other indenture or agreement made prior to the enactment of this title, or the provisions of any applicable law, the consent of the holders of securities outstanding under any such indenture or agreement; or

(2) would impose an undue burden on the issuer, having due regard to the public interest and the interests of investors.

In other words, when an application is filed before the Commission, it will be subject to hearing, and the Commission can then pass upon the question whether additional securities may be isued.

Mr. DANAHER. Does not the Senator understand, however, that there still remains in the Commission the discretion to decide whether or not additional issues may be offered?

Mr. BARKLEY. Yes. The bill provides that when such an application is made the Commission shall hold hearings upon it and be governed by the effect it might have upon outstanding obligations already issued, or what the effect might be upon the situation described in these subparagraphs.

Mr. DANAHER. With the consequent disruption, perhaps, of the financial structure of the issuer.

Mr. BARKLEY. If the issuer be sufficiently disinterested in his own financial structure as to make application for the issue of additional bonds which would disrupt and destroy his financial structure, certainly the Commission at least ought to interfere with any such project by declining to approve the issue of additional bonds. It is hardly to be conceived that any corporation would deliberately make application of that kind for the purpose of disrupting its own financial structure.

Mr. DANAHER. Of course I do not believe that any issuer would do that for the purpose of disrupting its own financial structure.

Mr. BARKLEY. If there were an issuer which would do it, the Commission certainly ought to intervene and not permit it.

Mr. DANAHER. Keeping those things in mind, I ask the Senator what provision there is with reference to refunding outstanding issues under existing indentures.

Mr. BARKLEY. The refunding would be a new issue. It would have to be qualified just as the original issue was qualified, so that there would have to be a new indenture. The new issue under ordinary circumstances might require a different kind of indenture from that which was prepared originally. Under the proposed law, if the loan is refunded, it is treated as a new issue, so far as concerns the requirement that the indenture shall conform to the requirements of the provisions of the bill in order that it may qualify, if the bonds are to be sold and distributed among the public, which I assume they would be.

Mr. DANAHER. Does not the Senator feel that securities under indentures outstanding before the adoption of this measure ought to be able to qualify without the issuer coming to Washington and submitting to the discretion of the Commission?

Mr. BARKLEY. I do not.

Mr. DANAHER. Does not the Senator necessarily then feel that the exercise of that discretion might be adverse, and hence cause absolute collapse on the part of the already outstanding issue?

Mr. BARKLEY. No; I do not think it would, because if it is merely a refunding of an outstanding issue which has been issued under an indenture which qualified under the provisions of the bill and the applicant came and filed with the Commission an indenture under which it proposed to refund outstanding bond issues, the Commission would then pass on the question whether the indenture for that particular refunding issue complied with the law.

Mr. DANAHER. Right there, Mr. President, I will ask the Senator what terms he says the Commission would approve in the indenture.

Mr. BARKLEY. The terms, so far as the loan itself is concerned, are not subject to the approval of the Commission. The Commission's duty is to find whether in the body of the indenture itself the provisions are set out in compliance with the requirement of the law. The maturity date or dates of the bond issue, the amount of it, the amount of interest, the provision for amortization or repayment are not subject to approval of the Commission; they are not even subject to approval if they are contained in the indenture. The only thing that the indenture has to do in order to qualify is to conform to the provisions of the law, and they do not pertain to what may be called the business deal of the transaction.

Mr. TAFT. Still, in the case of a company which has outstanding an open first mortgage, let us say, with "A" bonds, and it wants to extend its financing under the mortgage, it cannot sell any bonds except first-mortgage bonds, and it comes out with a series "B" bonds. It is true, as I understand, that the Commission could say, "You cannot issue any 'B' bonds under the indenture." The bill, in fact, therefore, gives the Commission power absolutely to turn down a financing if they wish to do so. I do not say that they would, but is it not true that they could put that power into effect so that the company in question could not extend its financing by the issuance of any additional obligations?

Mr. BARKLEY. Under the provisions for exemptions which I read a moment ago, the Commission could pass upon the question whether the additional type of bond should be issued, or, in other words, whether it should be exempt from the provisions of the indenture.

Mr. DANAHER. Under section 312, page 37 of the bill on our desks, we find reference to bondholders' lists. Does the Senator find the reference?

Mr. BARKLEY. Yes.

Mr. DANAHER. I should like to ask, Mr. President, when we are undertaking to protect bondholders, why it should not be possible for a bondholder, after default, to go to the trustee and get a list of all other bondholders? Why should there be an option on the part of the trustee as to whether he will or will not release that list? The Senator will find the reference at the bottom of page 38.

Mr. BARKLEY. The committee and the Commission and all those who have had anything to do with the framing of this legislation, have undertaken to provide in the bill that under circumstances which are deemed sufficient and adequate, when bondholders desire, or there is a necessity to form a bondholders' committee to protect their interests, they shall have the right to apply for a list of all other bondholders so that they may communicate with them on the question of whether they desire to have a bondholders' committee appointed. It is conceivable also that there might be some mischievous desire on the part of some individual, a troublemaker here and there, who might apply for a bond-

holders' list simply for the purpose of instigating trouble, for the purpose of beginning litigation. In such cases the trustee probably ought to be given the power to decide whether a bondholders' list shall be furnished to an individual bondholder who makes the request.

Mr. DANAHER. So that there is an election remaining in the trustee.

Mr. BARKLEY. There is certain discretion in the trustee in that particular case.

Mr. DANAHER. And he may refuse to give the list?

Mr. BARKLEY. He might do so; yes.

Mr. DANAHER. Mr. President, right there, does not that suggest to the Senator that we ought properly to protect the trustee? Give the bondholders the right to get a list of all bondholders. Remember, sir, all this is after an existing default. Give the bondholder that right, so that he may be in a position to obtain the names of all the bondholders. The trustee should be protected to the extent that no suit would lie against him unless and until the Securities and Exchange Commission authorized such a suit. Then we would have the advantage not only of protecting the bondholder so he might maintain his rights but the trustee would also be protected. Certainly that ought to be done. If no restriction is placed upon the filing of a suit against the trustee, it may often result in irreparable damage being done—perhaps a run on a bank.

Mr. BARKLEY. I think we have gone as far as possible to protect not only the trustee but also the investor, for, after all, we cannot overlook what seems to be a prime obligation to the investor to the one who has trusted not only the trustee but has trusted the underwriter, and has trusted the issuer, and who does not have the facilities that are enjoyed by all those on the inside to understand all about the issues and the conditions of the company. I think we have gone as far as we can safely go to protect the trustee from undue harassment or unnecessary litigation consistent with protecting the bondholder in his right, so that he may obtain the list of bondholders in case of necessity without having to go to the only source now from which he can obtain it. And he cannot obtain them then unless the issuing company, the obligor, is willing to give to him such a list.

Mr. DANAHER. Does the Senator know whether or not the provision appearing at the foot of page 38 which retains in the trustee the discretion as to whether he will or will not grant the list of bondholders, is the result of compromise between interests involved in the bill?

Mr. BARKLEY. Yes; many of the provisions of the bill, I will say, are the result of negotiations and conferences of various kinds not only on the part of the Securities and Exchange Commission but the American Bankers Association, the American Association of Savings Banks, and, I will say, the Investment Bankers Association, which, as I said a while ago, have never come all the way along in endorsing the bill. However, many of the provisions of the bill have been worked out after negotiations, discussions, and conferences over the table with all interests involved in the issue of bonds and the formulation of indentures. I may say that the provision here is the result of those conferences and efforts to draft a provision that would be fair to those who have a right to expect protection.

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

Mr. BARKLEY. I yield.

Mr. TAFT. There was one statement made earlier in the day about the Investment Bankers' Association that I think was perhaps in error, and I want to correct it. Every investment banker of the United States is 100 percent opposed to the bill. I think there ought to be no misunderstanding as to their position.

Mr. BARKLEY. There is no misunderstanding about it. The Investment Bankers' Association as an organization is opposed to the bill. Whether or not every individual member of it is opposed to it I do not undertake to say. I do not intend to leave the impression, and I do not think I did by a proper construction of my remarks on the subject, that the Investment Bankers' Association as such has endorsed the bill and is not opposed to it.

Mr. DANAHER. Mr. President, I have only one other question to ask the indulgent Senator from Kentucky, and that is whether he knows of any losses that have occurred to bondholders because of the form of the indenture since the adoption of the Securities Act of 1933?

Mr. BARKLEY. Mr. President, that is not a fair test, I will say, of the measure we are now considering, because very few such indentures or bond issues have run sufficiently long to enable us to tell whether there will be losses. The time of their expiration has not yet arrived. We have not even nearly approached it. We can tell more about that, perhaps, 5, 10, or 15 years from now, when the bonds begin to approach maturity. Of course, in view of the fact that all these bond issues have been compelled under the law to be filed with the Commission, disclosures have been made. That of itself has operated as a protection to the public, because it then knew as much as it could know by an investigation and inspection, the nature of the bonds and of the company. It is hardly a fair test to ask or for me to attempt to answer as to the losses that have occurred since the act of 1933 or the act of 1934. I will say that the losses have not been very substantial in the last 4 years. But whether they will be substantial in the future on securities already issued which do not come under the provisions of this particular bill it is utterly impossible to foresee.

Mr. DANAHER. I wish to thank the Senator for his courtesy and his cooperation with me. I will say in passing that I had already talked over this phase with the able counsel for the Securities and Exchange Commission, Mr. Burke, who has been in charge of the bill before the committee. There were phases of it which it seemed to me ought particularly to be considered here, and I have raised them in question form. Particularly, it seems to me we ought to have in mind maturing obligations under already outstanding bonds. If the bill is enacted in its present form, I believe we shall leave ourselves open, in that particular, to some serious inroads upon the structure and the status of businesses today. If the situation were entirely prospective, that would be one thing; but in the absence of its being entirely prospective, and since the bill will not have an influence on maturities of outstanding indentures, I fear that all the spokesmen for the bill have offered is a sanguine hope in that particular.

I thank the Senator.

Mr. BARKLEY. I appreciate the Senator's remarks. His questions have been constructive and sincere. I will say that, of course, we cannot go back ab initio and revise the terms under which outstanding bond issues have been made. All we can do is to provide protection for the future; and in case outstanding bond issues are refunded they will have to come in under the shelter of the law, just as though they were original issues.

Mr. SCHWELLENBACH. Mr. President, I should like to submit a question to the Senator from Connecticut [Mr. DANAHER], if I may.

Mr. DANAHER. Certainly.

Mr. SCHWELLENBACH. Am I to understand that the Senator from Connecticut feels that it is entirely proper to have these debentures in the original issuance of bonds on an open-end mortgage concealed somewhere in the middle of an indenture, and to have the bonds sold to the investing public, in most cases with no knowledge on the part of the investing public that it is an open-end mortgage, and that the Senator would object to some restraint upon that sort of practice?

Mr. DANAHER. In answer to the question, Mr. President, I will say that as the law now stands there is no limitation upon the right of a person to enter into a contract. The contract has been entered into, interests have vested, title has passed, and persons have changed position in reliance upon the terms of the indenture as at present drawn.

There is no question in the world that any buyer who chose to do so could have had an opportunity to examine such

indentures. Under those circumstances maturities will come along and must be met, and the company's position may, indeed, be at stake. If the possibility of compliance with the discretion reposed in the Commission by the bill is a necessary condition precedent to whether the company does or does not stay in business, I have an idea that there will be failure to comply. The Senator knows that there are thousands of outstanding issues of corporations and businesses all over the country.

Mr. SCHWELLENBACH. I was limiting my first question to the question which I understand the Senator first raised; that is, the question of open-end mortgages. The Senator is answering by talking about the question of refunding issues.

Mr. DANAHER. I believe my question had to do with the matter of refunding issues, and I think the point to which the Senator adverts was interjected by the Senator from Ohio [Mr. TAFT].

Mr. SCHWELLENBACH. That may be. However, take as an example a corporation which issues $10,000,000 of bonds. The time comes when the bonds are due. We know that many corporations take the position that they never intend to pay the bonds. They intend merely to refund them. Does not the Senator think that the investing public which purchases the bonds for refunding purposes is entitled to the same amount of protection as the investing public which purchased the bonds when they were first issued?

Mr. DANAHER. The question at stake is, To what extent is the United States Government, through one of its agencies, to become a third party to every contract? After all, that is the question involved. Of course I recognize that there is much to be said in favor of the principle of the bill. I understand the degree of protection that is asked, and the hope that is held out for it. I must confess myself in doubt as to whether or not it is necessary at the present time, however, or whether there has been any demonstrable justification for it.

Mr. SCHWELLENBACH. I do not care to enter into an argument with the Senator, but I think there have been many abuses in this country in the matter of refunding issues, and in the attitude of corporations when they put out a bond issue which they never intend to pay off. I refer to the practices of certain public utilities throughout the years. Certainly the provisions of the bill, which are mild as compared with what some would like to do in the matter of regulation, are only those to which the investing public is entitled.

Mr. DANAHER. Let me say, Mr. President, that since the requirement for registration under the Securities Act of 1933, I know of no information called for by the registration requirements today which has disclosed any loss in any way whatever because of the form of the indenture. I know of no evidence of any such loss. I know of no claim of any. Quite the contrary; I believe the only justification offered by Mr. Douglas in his report with reference to the subject was that some 400 defaulting structures had been examined by him before 1933, with respect to which the same terms of indenture were written into the reissue indenture since 1933. He felt that there was thus reason to suspect and fear the worst from now on. He felt that this type of protection should be had from now on, and hence wrote the bill. I think that is the excuse for it. I know of no other.

Mr. SCHWELLENBACH. Mr. President, I wish to say just a word.

I am not a member of the committee which studied the bill, and therefore I am not in a position to discuss the testimony before the committee. However, in the past the reliance which has been placed by the investing public upon the name of a trustee has been most profound. I know of no greater fraud—and I use the word "fraud" in the sense of criticism—that has been perpetrated upon the investing public, taking into consideration the confidence they had in the name of a trustee, than the inclusion in trust indentures of provisions which completely deprive the investing public of any right so far as the trustee is concerned.

Anyone who has had any experience in the investment-banking business knows that a salesman goes out and says, "Here is a great institution which is the trustee. Don't you know that if this were not a proper issue the trustee would not act for it?" The salesman does not tell the public what every lawyer knows, that in that trust indenture are provisions which make it absolutely impossible for the investor to look to the trustee to protect him in any way.

Mr. ADAMS. Mr. President, will the Senator from Kentucky be good enough to allow me to ask a question?

Mr. BARKLEY. Certainly.

Mr. ADAMS. I was looking at page 45 of the bill, subdivision (4), under the heading "Duties and responsibilities of the trustee; duties prior to default." It is provided that the trustee's duties are to be imposed without limitation. Subdivision (4) bothers me a little. It says:

> The performance by the obligor of such of its other obligations under the indenture as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

That language seems to indicate that there may be some obligations which are not to be enforced. It says "such of its other obligations." I am wondering just what the interpretation of that language is.

Mr. BARKLEY. That language is a part of section 315, which pertains to the duties and responsibilities of the trustee, under the subhead "Duties prior to default." The section reads as follows:

> DUTIES AND RESPONSIBILITY OF THE TRUSTEE
>
> Duties prior to default
>
> SEC. 315. (a) The indenture to be qualified shall contain provisions imposing upon the indenture trustee such specific duties and obligations prior to default (as such term is defined in such indenture) as are consistent with the duties and obligations which a prudent man would assume and perform prior to such a default if he were trustee under such an indenture, including, without limitation, action in respect of the following matters—
>
> (1) the recording, re-recording, filing, and refiling of the indenture;
>
> (2) the application of the indenture securities and the proceeds thereof to the purposes specified in the indenture;
>
> (3) the existence of or compliance with all conditions precedent to the authentication and delivery of the indenture securities, to the release or substitution of any property subject to the lien of the indenture, to the satisfaction and discharge of the indenture, and to any other action by the trustee under the indenture; and
>
> (4) the performance by the obligor of such of its other obligations under the indenture as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

In other words, in addition to the specific things set out in subparagraphs (1), (2), and (3) in order for the indenture to be qualified it must also contain a provision that the trustees shall perform such specific duties and obligations prior to default as are consistent, and so forth, with respect to the performance by the obligor. That is a duty enjoined on the trustee.

Mr. ADAMS. I understand.

Mr. BARKLEY. It is his duty to see to it, before default, insofar as the trustee can do so, that the obligor is performing its duty.

Mr. ADAMS. I have not succeeded in making clear my point. I am not complaining of the rigidity of the provision, but of its liberality. It seems to indicate that there are some obligations the performance of which the Commission will not require, because it says:

> the performance by the obligor of such of its other obligations under the indenture as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

I am wondering why there are obligations which the Commission is not going to require the obligor to perform, and what they could be.

Mr. BARKLEY. Of course this all pertains to the duty of the trustee; and among the duties of the trustee before default, of course, is the duty to see, insofar as the trustee can, that the terms of the obligation, the bonds and the indenture, shall be complied with with respect to reserves, sinking funds, and anything included in the debenture which will work toward the possibility of the obligor performing

its duty in respect of such matters at the time of maturity, if that is when the duty is to be performed, or before maturity.

Mr. ADAMS. Is not the implication of this section that there may be vested in the Commission a discretion to say to the obligor, "There are some of your obligations which you do not need to perform"? It seems to me that if an obligation is entered into, it ought to be performed, and the Commission ought to have no authority to waive it.

Mr. BARKLEY. That implies, I think fairly, the suggestion that in writing the indenture the Commission may exercise some jurisdiction over the trustee in determining that some other duty which the obligor is under as a result of the indenture may be waived for specific reasons which may exist at the time. It may be that in a certain case it would be better to hold off, and not to insist upon the actual rigid enforcement of the obligation of the trustee meticulously to do in detail everything that is set out in such a case under subsection (4).

Mr. ADAMS. I may be a bondholder and I may be interested in the enforcement of the clause. Does the Senator think the Commission should say to me, "Though you have bought the bond relying upon that clause, we are going to waive its performance"?

Mr. BARKLEY. Only in case the Commission decides that to do that is for the protection of the investment and in the interest of the public.

Mr. ADAMS. Would the Senator object if that paragraph should be stricken out?

Mr. BARKLEY. I do not think it ought to go out. There is not much discretion left to the Commission in the bill anyway. One of the few things the Commission may do is to exercise some discretion with respect to these very matters that may transpire prior to a default. Another is with respect to notices after default, and another relates to the Commission's approval of certain types of legal and accounting services. There is not very much left in the bill in the way of discretion to the Commission. It is practically all automatic. When the obligor has complied with the provisions of the bill by writing up his indenture in compliance with the law, the duties of the Commission almost entirely cease.

Mr. ADAMS. May I bother the Senator with just one more item?

Mr. BARKLEY. Yes.

Mr. ADAMS. I refer to the portion of the bill with reference to disqualification, on page 26, subsection (5).

In my State, in the city of Denver—which is quite a local commercial capital—there are a number of banks which engage in the business of acting as trustee. The financial center is not very large, and I have been finding some difficulty in working out the various details as to what would disqualify a trustee. I can understand an absolute, rigid rule that if the trustee has a single share of stock, or if anybody connected with the trustee has a single share, there is a disqualification. Here, however, we are setting out that ownership of 5 percent in one instance and 10 percent in another shall disqualify. That is, we abandon the hard and fast rule and attempt to work out the matter on a mathematical basis.

I can conceive that in the community of Denver there may be an individual owning 5 percent of the stock of a bank which is a trustee, and who happens also to be a director of, say, a mining company, or a lumber company, or a coal company. Under this bill the local trustee could not act. That is, the disqualification would be there because of a minority interest of the trustee in one case and a directorship in the other. Does not the Senator think that is a pretty stringent provision when we consider these smaller financial centers?

Mr. BARKLEY. Of course, we have undertaken to relieve the small financial centers by exempting all bond issues of a million dollars or less.

Mr. ADAMS. Of course, Denver is not small. We have a number of bond issues of more than a million dollars.

Mr. BARKLEY. I understand that Denver is not in that category, and I did not think the Senator was talking about Denver when he was talking about financial centers. We have attempted to relieve the so-called or actual small financial centers by exempting all bond issues of a million dollars or less. I assume that the Senator is talking about subsection (5) at the bottom of page 26.

Mr. ADAMS. Yes.

Mr. BARKLEY. The trustee would be disqualified, for instance, if—

5 percent or more of the voting securities of such trustee is beneficially owned either by an obligor or by any director, partner, or executive officer thereof—

That is, a single one—

or 10 percent or more of such voting securities is beneficially owned collectively by any two or more of such persons—

And so forth. We had to establish some arbitrary percentage; and it was the best judgment of the committee that in the case of a single individual the ownership of more than 5 percent ought to disqualify a trustee from acting, and that in the case of two or more individuals 10 percent or above that percentage ought to disqualify a trustee from acting.

Mr. ADAMS. I agree with the Senator that the percentage is arbitrary. It occurred to me that it was just a little too arbitrary, though I do not mean to question the action of the committee.

Mr. BARKLEY. I understand the Senator's point. If we go above that percentage, we get into a realm where there may be such conflict of interest that the trustee ought not to serve. In other words, even a smaller percentage of interest in the assets or the stock or the beneficial ownership of the obligations of a corporation might in some cases color the conduct of the trustee in such a way as to make possible the neglect of his larger duty as trustee of the widely diffused public that happens to own the obligations. Even in the smaller financial circles, and certainly in a major financial circle like the city of Denver, I think this 5- and 10-percent requirement would not work any hardship.

Mr. LODGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Ellender	McNary	Sheppard
Andrews	Frazier	Maloney	Shipstead
Austin	Green	Miller	Slattery
Bankhead	Guffey	Minton	Taft
Barbour	Gurney	Neely	Thomas, Utah
Barkley	Hayden	Norris	Townsend
Capper	Hill	Overton	Wagner
Caraway	Hughes	Pepper	Walsh
Chavez	Johnson, Colo.	Russell	White
Connally	Lodge	Schwartz	Wiley
Danaher	McKellar	Schwellenbach	

The PRESIDING OFFICER. Forty-three Senators having answered to their names, there is not a quorum present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BURKE and Mr. TOBEY answered to their names when called.

The PRESIDING OFFICER. Forty-five Senators have answered to their names. There is not a quorum present.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

The following Senators entered the Chamber and answered to their names: Mr. BILBO, Mr. BONE, Mr. CLARK of Missouri, Mr. GERRY, Mr. HATCH, Mr. LUNDEEN, Mr. MURRAY, Mr. O'MAHONEY, Mr. PITTMAN, Mr. REED, Mr. THOMAS of Oklahoma, and Mr. WHEELER.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present.

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

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

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. HALE's name was called). On this vote my colleague the senior Senator from Maine [Mr. HALE] is paired with the junior Senator from South Carolina [Mr. BYRNES]. If my colleague were present and at liberty to vote, he would vote "nay." I am not informed as to how the junior Senator from South Carolina would vote.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from Vermont [Mr. GIBSON] and vote "nay."

The roll call was concluded.

Mr. SHIPSTEAD. On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am not informed as to how he would vote, and therefore I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. McKELLAR. The junior Senator from Tennessee [Mr. STEWART] is absent on important public business. He is paired with the junior Senator from Oregon [Mr. HOLMAN]. If the junior Senator from Tennessee were present, I am informed that he would vote "yea."

Mr. MINTON. I am authorized to announce that on this vote the Senator from New York [Mr. MEAD] is paired with the senior Senator from Michigan [Mr. VANDENBERG]. I am informed that if the Senator from New York were present and voting he would vote "yea," and that the Senator from Michigan would vote "nay."

I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Maryland [Mr. RADCLIFFE] are unavoidably detained from the Senate. I am advised that if present and voting they would vote "nay."

The Senator from Indiana [Mr. VAN NUYS] is absent because of illness.

The Senator from Arizona [Mr. ASHURST], the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Michigan [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senators from South Carolina [Mr. BYRNES and Mr. SMITH], the Senator from Idaho [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from West Virginia [Mr. HOLT], the Senator from Utah [Mr. KING], the Senator from Oklahoma [Mr. LEE], the Senator from Kentucky [Mr. LOGAN], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from New York [Mr. MEAD], the Senator from New Jersey [Mr. SMATHERS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained.

Mr. AUSTIN. My colleague the junior Senator from Vermont [Mr. GIBSON] and the Senator from Pennsylvania [Mr. DAVIS] are necessarily detained from the Senate.

I announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Georgia [Mr. GEORGE].

The Senator from North Dakota [Mr. NYE] with the Senator from Illinois [Mr. LUCAS].

The result was announced—yeas 40, nays 16, as follows:

YEAS—40

Andrews	Ellender	Maloney	Russell
Bankhead	Frazier	Miller	Schwartz
Barkley	Green	Minton	Schwellenbach
Bilbo	Guffey	Murray	Sheppard
Bone	Hatch	Neely	Slattery
Capper	Hayden	Norris	Thomas, Okla.
Caraway	Hill	O'Mahoney	Thomas, Utah
Chavez	Hughes	Overton	Wagner
Clark, Mo.	Lundeen	Pepper	Walsh
Connally	McKellar	Pittman	Wheeler

NAYS—16

Adams	Danaher	Lodge	Tobey
Austin	Gerry	McNary	Townsend
Barbour	Gurney	Reed	White
Burke	Johnson, Colo.	Taft	Wiley

NOT VOTING—40

Ashurst	Donahey	Holt	Radcliffe
Bailey	Downey	Johnson, Calif.	Reynolds
Borah	George	King	Shipstead
Bridges	Gibson	La Follette	Smathers
Brown	Gillette	Lee	Smith
Bulow	Glass	Logan	Stewart
Byrd	Hale	Lucas	Truman
Byrnes	Harrison	McCarran	Tydings
Clark, Idaho	Herring	Mead	Vandenberg
Davis	Holman	Nye	Van Nuys

So the bill (S. 2065) was passed.

THE FARM PROBLEM

Mr. BARKLEY obtained the floor.

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

Mr. BARKLEY. I yield.

Mr. WILEY. Mr. President, I shall not detain the Senate long. In view of the fact that it is necessary for me to depart for a little while into the Middle West, I feel that it is incumbent upon me to bring to the attention of the Senate a very significant matter.

Probably the indictment most frequently directed at any legislator is that he loses perspective. It is very easy for us, sitting in the quiet of this Chamber, with the warm Washington sun beating down outside, completely to forget that elsewhere 10,000,000 farmers stand in the ever-lengthening shadow of starvation earnings and loss of morale.

Today I listened with a great deal of—shall I say pleasure?—to the significant statements of Senators when they spoke about the need of staying in session to stop the possibility of war, or of America's getting into war. I agree with that conclusion. Our common concern today over foreign affairs and bond issues seems very great. It is very easy for us to forget that the $60,000,000,000 American farm investment totters on the brink of financial annihilation. In Washington it is perilously simple for us to ignore the gaunt tanned man who swaps his toil in a losing barter, in which his rightful wage is lost in the shifting sands of commodity price levels.

In Washington it is too easy and too politic for us to become so engrossed in conciliating various pressure groups that we lose sight of the great basic industry of the country.

In Washington it is sometimes too expedient to play the farm interest "against the middle"; to stall one bill while another is introduced; to consider one isolated, completely unintegrated part of a program, independent from a coordinated program; and to stir the cauldron of farm cross-interest for political purposes rather than to settle the problem.

Mr. President, I desire to bring to the attention of the Senate—and I shall not take more than 5 minutes—the fact that we do not seem to be getting anywhere in solving the farm problem. To me it is the greatest problem before the American people, because the farmers of the Nation constitute the economic backbone of the Nation. We sit here and laugh and talk and discuss other issues and let the backbone crack up.

Several months ago, because every sector of our farm group had individual bills introduced, I suggested the need of a coordinated bill wherein every farm section would be represented. Nothing came of that suggestion, so on the 28th of March I introduced an amendment to House bill 5269, calling for an appropriation of $100,000,000, $50,000,000 of which was to be used under section 32 of the A. A. A. Act to buy surplus butter.

After the bill was introduced, a conference was called, and some of the dairy and wheat farmers met in the office of the Senator from Illinois [Mr. LUCAS]. In view of the fact that there has been some talk among Senators as to what went on, I am glad to state that the purpose of the meeting apparently was to see if a coordinated bill could not be worked out. As a result, the Senator from Illinois was appointed chairman of a subcommittee, and he appointed the Senator from

Wisconsin [Mr. LA FOLLETTE] and the Senator from Idaho [Mr. CLARK] as members of the subcommittee.

It will be observed that the Republicans were not represented on the subcommittee.

What I cannot understand is that the Senate amendment to House bill 5269 was introduced thereafter, on April 6, as the bill resulting from the work of this subcommittee; but up to date no coordinated bill has been whipped into shape, no bill representing the interests of cotton, corn, wheat, dairy products, and so forth.

Another meeting of the committee was held recently, with the result that the subcommittee, as I understand, was to carry on with the other sectors of the agricultural picture, and see if a bill could not be gotten into shape that would satisfy the varied interests of the farm industry.

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

Mr. WILEY. I yield.

Mr. CLARK of Missouri. Merely for the purpose of keeping the record straight, I desire to make a brief statement.

The Senator has just stated that the subcommittee which was appointed consisted of the Senator from Illinois [Mr. LUCAS], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Idaho [Mr. CLARK]. I am perfectly willing to assume my part of the responsibility for whatever has been done by the subcommittee. It was the Senator from Missouri, and not the Senator from Idaho, who was the third member of the subcommittee.

Mr. WILEY. I beg the pardon of the Senator from Missouri. Was he on the subcommittee?

Mr. CLARK of Missouri. I certainly was; and I am perfectly willing to defend in the Senate, and before any Senate committee, the actions which have been taken by the subcommittee.

Mr. WILEY. I am not attacking the subcommittee. I am not attacking anyone. I am directing the attention of the country to the fact that we may discuss various things here. As was suggested earlier in the day by the Senator from Alabama [Mr. BANKHEAD], we may hold sessions of our committees, and we may arrive nowhere. As to the subcommittee, I want to say that when meetings were held by it, apparently the subcommittee was to report back to the general committee. We have had no report so far as I know.

At the time the committee was called into the office of the Senator from Illinois [Mr. LUCAS] I had in preparation a bill which represented the "Wisconsin idea" for taking care of the dairy farmers' interest. When the meeting was held, and again the coordinated idea was advanced that all "farm interests" should join to see if some feasible, practicable, and constructive plan could not be evolved, I went no further in introducing the bill on behalf of the dairy interest. I am informed that such a bill will be introduced soon.

I make this statement to dispel a little smoke screen that has been thrown out in this matter. My real object, however, in rising to my feet at this time is to pray to this session of Congress that they will recognize, as most of us do not recognize, the serious situation of the farmers. I mean that they are literally bleeding to death. Letters to this effect continually pour in from my State. Now letters are pouring in from bankers who tell us about the situation. I am bringing the matter to the attention of the Senate, as I say, because I expect to be gone for the next few days, and I feel that I should be remiss in the discharge of my duty if I did not make this statement.

I have introduced in the Senate a measure known as Senate Joint Resolution 93, which provides for a common-sense moratorium in relation to the foreclosure of mortgages by the Government. Up to date that bill has gotten nowhere. I have tried to get somewhere before the committee and to find out what is going on. As you know, the facts are that the Government is foreclosing mortgages and adding to the broken morale that has already grown to vast proportions. The Government, through its agencies, goes right on foreclosing, literally kicking people off the farms, making bums of many of them, putting the rest on W. P. A., and adding more and more people to the class known as "broken morale folks."

On April 27 I submitted in the Senate a resolution the purpose of which was to call to the attention of the Congress and the people a supplementary way of aiding the farmer. In the resolution I suggested that the President investigate the feasibility of entering into some barter arrangement to obtain materials which we do not produce in this country by exchanging dairy products for them.

Everyone knows that the price the farmer gets for his milk which produces butter and cheese is away below what it should be. During the past year the Government and its agencies accumulated about 80,000,000 pounds of butter. No effort was made by the Government to dispose of that butter in foreign markets, and no effort is now being made. It hung like the sword of Damocles above the heads of the farmers, with the result that the market for butter and milk products dropped to its present ruinous level.

Several months ago I talked to the Secretary of Agriculture about that situation, and I again talked with him several weeks ago, suggesting that this butter be sold in foreign markets even if a loss had to be taken, since the loss the Government would sustain was nothing compared with the loss the farmers were sustaining because of the depreciated market. At that time I was informed by the Secretary himself that he and the President and others felt that the American people would not approve such a step. The idea was to feed this butter out to the needy and the underprivileged of the Nation.

While I feel that this decision was honestly arrived at, I think it was a foolish decision. I am informed that most of the surplus butter could have been disposed of some months ago in foreign markets at 20 cents a pound or better, which is about 7 cents below the amount the Government had invested in the butter. If the Government had sold the butter, and had taken the money it would have received and purchased with it part of the butter that was being currently produced in America, it would have stabilized the market here, the farmers would have gotten somewhere near the cost of production for their butter, and the dairy farmers would not be facing the condition they are facing today.

Under our plan for rearmament there are certain necessary and vital so-called strategic war materials which we need, and which we do not produce in sufficient amounts in this country. Other countries which owe us money should sell us this material, and apply the purchase price on their indebtedness. If this arrangement cannot be worked out, then these countries should barter with us, exchanging their surplus strategic materials for our surplus dairy products.

I am grateful to the Senator from Kentucky for yielding to me sufficient time to make this statement.

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 REPORTS OF COMMITTEES

Mr. WAGNER, from the Committee on Banking and Currency, reported favorably the nomination of Leon Henderson, of New Jersey, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1939, vice William O. Douglas.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Thomas M. Simpson, to be postmaster at Hagerstown, Md., in place of J. T. Hartle, deceased; and also the nominations of several other postmasters.

Mr. HILL, from the Committee on Commerce, reported favorably the following nominations:

Pay Clerk James Black to be a chief pay clerk in the Coast Guard, to rank as such from March 1, 1939; and

Pay Clerk George M. Bailey to be a chief pay clerk in the Coast Guard, to rank as such from April 14, 1939.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The reports will be placed on the Executive Calendar.

CIVIL AERONAUTICS AUTHORITY—EDWARD P. WARNER

Mr. HILL. Mr. President, yesterday the Senate confirmed the nomination of Mr. Edward P. Warner, of Connecticut, to be a member of the Civil Aeronautics Authority. I ask unanimous consent that the President be notified forthwith of the confirmation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Lipe Henslee to be collector of internal revenue for the 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, as there is a vacancy because of the death of the former collector.

The PRESIDING OFFICER. Without objection, it is so ordered, and the President will be notified.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the calendar.

ORDER FOR ADJOURNMENT TO THURSDAY—AUTHORITY TO COMMITTEES TO REPORT, ETC.

Mr. BARKLEY. As in legislative session, I ask unanimous consent that when the Senate concludes its business today it adjourn until Thursday next; that in the meantime the Vice President be authorized to sign bills and resolutions, that committees be authorized to report bills, resolutions, and nominations, and that the Secretary of the Senate be authorized to receive messages from the House.

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

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, and under the order just entered, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, May 4, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 2 (legislative day of May 1), 1939

COLLECTOR OF INTERNAL REVENUE

Lipe Henslee to be collector of internal revenue for the district of Tennessee.

PROMOTIONS IN THE NAVY

MARINE CORPS

Donald K. Kendall to be a lieutenant colonel.

Evans F. Carlson to be a major.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 2, 1939

The House met at 12 o'clock noon.

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

Spirit of the living God, oh, that all men might know Thy atoning Lamb that taketh away the sin of the world; Master of Truth, descend upon us that we may testify to the sublime virtue of Thy holy name. As each day sets its task, steady us with concentration and perseverance and hold us to the conviction that triumph or failure rests with us. Heavenly Father, make us altogether worthy of the world's daily life; fill us with grace that we may enjoy the passing hours. Increase the power of our faith and inspire us with the realization that happy is the man who has his open Bible, who meditates, prays, and feels that the creation itself shall be delivered from the bondage of corruption into the liberty of the glory of the children of God. In the name of the Christ, our Saviour. 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 a bill of the following title, in which the concurrence of the House is requested:

S. 685. An act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

LEAVE OF ABSENCE

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that I be given a leave of absence for 1 week in order that I may attend the obsequies of my lifelong friend, Frank P. Walsh, of Kansas City and New York, who died suddenly and unexpectedly this morning.

Mr. Walsh was one of the greatest men it has been my privilege to know. He was a great American—great in Kansas City, great in New York, great in the world. Wherever Frank Walsh was, there was a man truly great in every respect.

He was the unfailing friend of the common man, the untiring champion of mankind in the battle for human rights. Even this morning, with death so near, he was representing the people before the Power Authority of New York.

Frank P. Walsh was my friend for more than 50 years. He was everything to me. To use the immortal words of Robert E. Lee at the time of the death of Stonewall Jackson, "I feel that I have lost my right arm." And well might this be said by all suffering and oppressed humanity, for Frank Walsh was their advocate, their friend.

The SPEAKER. Is there objection to the request of the gentleman from Missouri for a week's leave of absence?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a few excerpts.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. 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 California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I am presenting a resolution entitled "Withholding Relief Benefits from Those Engaged in Un-American Activities." This has to do with the Federal Government's subsidizing people who make it their business to become professional agitators, professional rioters, breakers of the law, and disturbers of the peace, and who are living on money furnished by the United States Government. I am referring this to the committee investigating the W. P. A., and I hope that every Congressman who has the welfare of this country at heart will vote to help me get this resolution through to take these people off the rolls of the United States Government. [Applause.]

Resolution withholding relief benefits from those engaging in un-American activities

Whereas throughout the world certain philosophies of government have arisen which are inconsistent with that of the people

of the United States, and are subversive thereto, which philosophies advocate and teach the expansion of their influence over other governments and peoples; and

Whereas under such philosophies there have been created despotic regimes, the adherents of which long have been, and now are, making every effort to substitute such regimes for the democracy under which the people of the United States have prospered in the past and have been supremely happy in their independence; and

Whereas such subversive groups are known to be internationally organized and to be appealing for support to the less fortunate in our midst; and

Whereas it is known to be a fact that such subversive groups advocate the overthrow of our Government by ballot, by force of arms, by propaganda, by fomenting discord and discontent, and by any other means wherever possible; and

Whereas it is known that many of the local representatives of such foreign subversive groups and their followers repeatedly participate in practically every assemblage where seeds of discontent are being sown, and in nearly every unruly demonstration, agitation, and riot; and

Whereas these same representatives are known to be professional agitators, propagandists, rioters, lawbreakers, disturbers of the peace, and advocates of subversive doctrines; and

Whereas many such local representatives of foreign subversive groups and their converts are receiving relief directly and indirectly and are enjoying the bounty of that Government which they would destroy; and

Whereas such representatives and their followers constantly attempt to harass and coerce the representatives of the Government in the several governmental seats, and threaten disturbances of the peace of the community, threaten families of legislators, and further again threaten use of the un-American so-called sit-down strike and other means of mass violence, intimidation against property and the persons of public officials and their families, and law-abiding citizens: Now, therefore, be it

Resolved by this House of Representatives, That it does hereby deplore the fact that professional agitators, rioters, disturbers of the peace, lawbreakers, and others seeking to overthrow government are permitted to enjoy the bounty of such Government and while receiving therefrom relief which they sorely need, are verily biting the hand that feeds them; and be it further

Resolved, That this House of Representatives calls upon every loyal citizen to help stamp out such destructive and un-American activities; and be it further

Resolved, That this House of Representatives urge the special committee which is now investigating the Works Progress Administration to recommend such amendments to the law as to prohibit the furnishing of public aid to any person engaged or participating in any of the subversive activities hereinbefore referred to, especially and particularly those members of the Workers' Alliance and other communistic organizations, and wherever it is found that members of the Workers' Alliance or members of any other communistic organization are found to engage in any of the subversive activities outlined above, that any such member of any such group be immediately and permanently removed from any Federal Government pay roll.

CORRECTION OF ROLL CALL

Mr. MARTIN of Massachusetts. 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 Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I was surprised this morning upon reading the RECORD to find on page 4969, where there appears the roll call on yesterday of the so-called veterans' pension bill, that a host of Republicans were paired as in opposition to the bill. I was surprised because, of course, no instructions were given to the pair clerks to pair anyone against the bill. After making an investigation I find that the pair clerks sent the record down to the Government Printing Office in proper form with general pairs on the part of those who were away. It was impossible to get a favorable pair because of lack of opposition. I have now been informed by a majority of the Members so recorded they were strongly in favor of the measure, and if here would have voted that way. Everybody understands, of course, there was only one vote in the House against the bill.

In order to correct the RECORD and make it conform with the facts, I ask unanimous consent these gentlemen be not recorded as being opposed to the bill but be given a general pair, as I understand there is no one opposed to the bill to pair with them.

The SPEAKER. The Chair understands the request of the gentleman from Massachusetts is that the permanent RECORD be corrected so as to show only general pairs for the gentlemen referred to, with no specific instructions for or against the bill.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from Missouri.

Mr. COCHRAN. As a matter of fact, judging from the result, if every Republican and every Democrat who was missing yesterday had been present he would have voted for the bill without a shadow of a doubt?

Mr. MARTIN of Massachusetts. That is my understanding.

Mr. COCHRAN. It is reasonable to assume that practically everyone absent was in favor of the legislation.

Mr. MARTIN of Massachusetts. Of course, I understand it must be a mistake in the Printing Office, because anyone who read the RECORD and saw only one vote against the bill would know it was an impossible pair record. Furthermore, as the bill was passed under suspension, two favorable votes would be required to one vote in opposition.

The SPEAKER. Without objection, the request of the gentleman from Massachusetts will be granted.

There was no objection.

The SPEAKER. The Chair thinks it proper, in view of the confusion that has arisen with reference to this matter, to call the attention of all Members to the correct practice on the part of any Member desiring to secure a pair. It is his duty to make a request to the pair clerks on the right of the Chair, giving them his personal and individual instructions with reference to securing pairs and stating with whom the pair is to be made and for what purpose. If all Members would follow this rule and practice there would be no confusion about matters of this sort.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make a statement about this same practice.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, I called attention a year ago or 2 or 3 years ago to this matter, and I would like to have the attention of the gentleman from Massachusetts [Mr. MARTIN], as well as the attention of the majority leader.

I called attention several years ago to the fact that the pair clerks are indiscriminately pairing Members against Members of their own party. If your constituents ever read this RECORD and turn to the general pairs, they are going to find a most ridiculous situation. In other words, if Members are not here and they run out of Members of the opposite party, they pair them against each other. For this reason, I served notice on them not to pair me at all without my instructions.

I call attention to this again because somebody in authority ought to instruct the pair clerks not to place a Member's name in the RECORD as paired generally against a Member of his own party, because that not only cancels his pair but makes him look ridiculous.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a concurrent resolution passed by the Michigan Legislature and also a short excerpt from the Pontiac Daily Press on the subject of sugar.

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

There was no objection.

CORRECTION OF ROLL CALL

Mr. DIRKSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DIRKSEN. Would it be in order, Mr. Speaker, to ask unanimous consent that all of roll call No. 60, in corrected form, be reinserted in today's RECORD?

The SPEAKER. The Chair is clearly of the opinion that the request would be in order.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that roll call No. 60 be reinserted in the RECORD of today in corrected form in line with the observations made by the minority leader.

Mr. RANKIN. The gentleman only refers to the pairs and not to the Members who answered the roll call?

Mr. DIRKSEN. I will amend it to include the pairs, Mr. Speaker.

The SPEAKER. The gentleman from Illinois asks unanimous consent that there be inserted in the RECORD of today, in corrected form, so far as the pairs are concerned, a proper record as indicated by the remarks of the gentleman from Massachusetts [Mr. MARTIN]. Is there objection?

Mr. DIRKSEN. Mr. Speaker, before the Chair puts the question, may I say that unless the entire roll call is put in——

Mr. RANKIN. I mean put in the entire roll call, but not to change anything in the roll call.

Mr. DIRKSEN. Insert the entire roll call, but the changes to be made are only with respect to the pairs.

The SPEAKER. The gentleman from Illinois asks unanimous consent that there be inserted in the RECORD of today's proceedings a corrected roll call, No. 60, of the vote taken on yesterday, including a correct statement with reference to the pairs.

Mr. MURDOCK of Utah. Mr. Speaker, reserving the right to object, I am not fully aware of just what the correction would do. I am paired in favor of the bill, and if there is any correction with respect to that pairing I would like the opportunity to state that I was absent from the chamber unavoidably, but I had conferred with members of the committee having the bill in charge and was informed that they did not anticipate opposition to it and, in all probability, no record vote would be asked, and depending on their statements, I was attending to some important matters pertaining to my district in the Departments and for that reason I was unavoidably absent, but had I been here I would have voted for the bill.

Mr. DIRKSEN. I am referring to roll call No. 60 and only to the roll call.

Mr. MURDOCK of Utah. I would say that I am paired for the bill, and if you correct that and destroy that pair, then certainly I should be given the right to explain my absence; that I was enthusiastically for the bill, and would have voted "aye."

Mr. MARTIN of Massachusetts. The gentleman would not want a pair to stand that would do an injustice to the other man.

Mr. MURDOCK of Utah. Certainly not, and I am sorry the gentleman should imply that I have that in mind.

Mr. MARTIN of Massachusetts. May I say to the gentleman that I am not trying to imply any such thing, because I knew he would not do that. I simply wanted to clarify his statement.

Mr. MURDOCK of Utah. Certainly not.

Mr. SHANNON. Mr. Speaker, I would like to reserve the right to object for the moment, and say that I was unavoidably absent, 600 miles away, and had I been here I would have voted for the bill. Knowing that there was not much opposition to it, I did not hurry back, but had I been present I would have voted for the bill.

Mr. ANGELL. Mr. Speaker, reserving the right to object, I would like to say that I was absent unavoidably and requested to be called, but through inadvertence I was not called. If I had been here I would have voted for the bill.

Mr. BOLLES. Mr. Speaker, I wish to say that I was absent yesterday. I had a general pair. I am recorded as voting against this bill. If any bill presented in this House would have received my "aye" vote, it is the bill that was voted upon yesterday. I would like to have the RECORD corrected to so state.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE of New York. Mr. Speaker, I also am paired on roll call No. 60 against the bill. I was unavoidably absent, due to the fact that my partner suffered a shock while in court last week and I was called home. I could not be present. Had I been present, I would have voted for the bill, and I would like the RECORD to so show.

Mr. WIGGLESWORTH. Mr. Speaker, I wish to state that I was also absent at the time of this roll call, unavoidably so, being in the committee investigating the Works Progress Administration. Had I been present, I should also have supported the legislation.

Mr. TABER. Mr. Speaker, I was attending the investigation of the W. P. A. downstairs. We had out-of-town witnesses and the committee was unable to leave. We sent the clerk up with instructions to the pair clerk to provide a general pair, realizing that nothing else was available. If I had been present, I would have voted for the bill.

Mr. CORBETT. Mr. Speaker, I was unavoidably absent on roll call No. 60 yesterday, and would have voted for the bill had I been present.

Mr. DOUGLAS. Mr. Speaker, on roll call 60 yesterday I was detained in the Department of Commerce. Had I been present, I would have voted "yea" on roll call No. 60.

Mr. SANDAGER. Mr. Speaker, my colleague, Mr. RISK, was called home last Friday on account of the illness of his daughter and therefore was paired against this bill. The gentleman from Rhode Island [Mr. RISK] is former Rhode Island commander of the American Legion. He has always been interested in veterans' affairs, and he certainly should not have been paired against this measure. He absolutely would have voted for it. I make this defense of a fine friend of the veteran.

Mr. AUSTIN. Mr. Speaker, I was unavoidably absent from the House yesterday, and I find myself recorded as paired against the bill. Had I been present, I certainly would have voted "aye" on the bill, and I wish to be so recorded.

Mr. GIFFORD. Mr. Speaker, relating to this same measure, had I been present on yesterday I would have voted in favor of the bill.

Mr. HOFFMAN. Mr. Speaker, had I been present yesterday on this roll call, I would have voted in favor of this measure.

Mr. JARRETT. Mr. Speaker, I was unavoidably absent yesterday on roll call No. 60. Had I been present, I would have voted "aye."

Mr. WHEAT. Mr. Speaker, I ask to have the vote corrected on yesterday, to show that I would have voted "aye" had I been present. I was having emergency dental work done, and it was impossible for me to be here.

Mr. DIRKSEN. Mr. Speaker, I was out of the city on yesterday. Had I been present, I would have voted for the bill.

Mr. LEWIS of Colorado. Mr. Speaker, in justice to the pair clerks, it should be emphasized again what the minority leader stated, namely, that the RECORD went down to the Printing Office in proper form, but through some error that happened down there the general pairs were printed as specific pairs and not stated to be general pairs. It was not the fault of the pair clerks. Since the generous statement made by the minority leader, I have conferred with him and with the pair clerks and have examined both the original and carbon copies of the matters sent to the Printing Office. The error did not occur in our organization up here. There were no specific pairs at all in the copies that went to the Printing Office.

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a brief editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. EATON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a short article by Paul G. Hoffman on the subject of roads.

The SPEAKER. Is there objection?

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include an editorial from the Milwaukee Journal.

The SPEAKER. Is there objection?

There was no objection.

CORRECTION OF ROLL CALL

Mr. RANKIN. Mr. Speaker, further reserving the right to object, had I known I could write such a popular measure, I would also have drawn a tariff bill, and probably a power bill, a money bill, and a farm bill.

Mr. DIRKSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DIRKSEN. Has my request been disposed of?

The SPEAKER. Without objection, the request of the gentleman from Illinois will be granted.

There was no objection.

Corrected roll call No. 60 follows:

The yeas and nays were ordered.

The question was taken; and there were—yeas 360, nays 1, not voting 69, as follows:

[Roll No. 60]

YEAS—360

Alexander	Crowther	Heinke	Marshall
Allen, Ill.	Culkin	Hendricks	Martin, Colo.
Allen, La.	Cullen	Hennings	Martin, Iowa
Allen, Pa.	Curtis	Hess	Martin, Mass.
Andersen, H. Carl	D'Alesandro	Hinshaw	Mason
Anderson, Calif.	Darden	Hobbs	Massingale
Anderson, Mo.	Delaney	Holmes	May
Andresen, A. H.	Dempsey	Hook	Merritt
Andrews	DeRouen	Hope	Michener
Arends	Dickstein	Houston	Miller
Ashbrook	Dingell	Hull	Mills, Ark.
Ball	Disney	Hunter	Mills, La.
Barden	Dondero	Izac	Monkiewicz
Barnes	Doughton	Jacobsen	Monroney
Barry	Dowell	Jarman	Moser
Barton	Doxey	Jenkins, Ohio	Mott
Bates, Ky.	Drewry	Jenks, N. H.	Mouton
Beam	Duncan	Jensen	Mundt
Beckworth	Dunn	Johns	Murdock, Ariz.
Bell	Durham	Johnson, Ill.	Murray
Bender	Dworshak	Johnson, Ind.	Nelson
Blackney	Eaton, Calif.	Johnson, LutherA.	Nichols
Bland	Eaton, N. J.	Johnson, Lyndon	Norrell
Bloom	Edmiston	Johnson, Okla.	O'Brien
Boehne	Ellis	Jones, Ohio	O'Connor
Boland	Elston	Jones, Tex.	O'Day
Bolton	Engel	Kean	O'Leary
Boren	Englebright	Kee	O'Toole
Boykin	Fay	Keefe	Oliver
Bradley, Pa.	Fenton	Kennedy, Martin	Owen
Brewster	Fernandez	Kennedy, Md.	Pace
Brooks	Fitzpatrick	Kennedy, Michael	Parsons
Brown, Ga.	Flaherty	Keogh	Patman
Brown, Ohio	Flannagan	Kerr	Patrick
Bryson	Flannery	Kilday	Patton
Buckler, Minn.	Ford, Leland M.	Kinzer	Pearson
Buckley, N. Y.	Ford, Miss.	Kirwan	Peterson, Ga.
Bulwinkle	Ford, Thomas F.	Kitchens	Pfeifer
Burch	Fries	Kleberg	Pierce, Oreg.
Burgin	Fulmer	Knutson	Pittenger
Byrne, N. Y.	Gamble	Kocialkowski	Plumley
Byrns, Tenn.	Garrett	Kramer	Poage
Caldwell	Gartner	Kunkel	Polk
Cannon, Fla.	Gathings	Lambertson	Powers
Cannon, Mo.	Gavagan	Landis	Rabaut
Carlson	Gearhart	Lanham	Ramspeck
Cartwright	Gehrmann	Larrabee	Randolph
Case, S. Dak.	Gerlach	Lea	Rankin
Casey, Mass.	Geyer, Calif.	Leavy	Rayburn
Celler	Gibbs	LeCompte	Reece, Tenn.
Chandler	Gilchrist	Lemke	Reed, Ill.
Chapman	Gillie	Lesinski	Reed, N. Y.
Chiperfield	Gore	Lewis, Colo.	Rees, Kans.
Church	Gossett	Lewis, Ohio	Rich
Clark	Graham	Lord	Richards
Clason	Grant, Ala.	Luce	Robertson
Claypool	Grant, Ind.	McAndrews	Robinson, Utah
Clevenger	Gregory	McCormack	Robsion, Ky.
Cluett	Griffith	McDowell	Rockefeller
Cochran	Griswold	McGehee	Rodgers, Pa.
Coffee, Nebr.	Gross	McGranery	Rogers, Mass.
Coffee, Wash.	Guyer, Kans.	McLaughlin	Rogers, Okla.
Cole, Md.	Gwynne	McLean	Romjue
Cole, N. Y.	Hall	McLeod	Routzohn
Collins	Halleck	McMillan, John L.	Rutherford
Colmer	Hancock	McMillan, Thos. S.	Ryan
Connery	Hare	Maas	Sacks
Cooley	Harness	Maciejewski	Sandager
Cooper	Hart	Magnuson	Satterfield
Cox	Harter, N. Y.	Mahon	Schaefer, Ill.
Creal	Harter, Ohio	Maloney	Schafer, Wis.
Crosser	Havenner	Mapes	Schiffler
Crowe	Hawks	Marcantonio	Schuetz
Schulte	South	Thill	Weaver
Schwert	Sparkman	Thomas, Tex.	Welch
Scrugham	Spence	Thomason	West
Seccombe	Springer	Thorkelson	Whelchel
Secrest	Steagall	Tibbott	White, Ohio
Seger	Stefan	Tinkham	Whittington
Shafer, Mich.	Sullivan	Tolan	Williams, Del.
Sheppard	Sumner, Ill.	Treadway	Williams, Mo.
Short	Sumners, Tex.	Van Zandt	Winter
Simpson	Sutphin	Vincent, Ky.	Wolcott
Smith, Conn.	Sweeney	Vinson, Ga.	Wolfenden, Pa.
Smith, Maine	Talle	Voorhis, Calif.	Wolverton, N. J.
Smith, Ohio	Tarver	Vorys, Ohio	Wood
Smith, Va.	Taylor, Colo.	Vreeland	Woodruff, Mich.
Smith, Wash.	Taylor, Tenn.	Wallgren	Woodrum, Va.
Smith, W. Va.	Tenerowicz	Walter	Youngdahl
Somers, N. Y.	Terry	Warren	Zimmerman

NAYS—1

Costello

NOT VOTING—69

Angell	Douglas	Johnson, W. Va.	Sabath
Arnold	Eberharter	Keller	Sasscer
Austin	Elliott	Kelly	Shanley
Bates, Mass.	Evans	Ludlow	Shannon
Bolles	Faddis	McArdle	Sirovich
Bradley, Mich.	Ferguson	McKeough	Smith, Ill.
Buck	Fish	McReynolds	Snyder
Burdick	Folger	Mansfield	Starnes, Ala.
Byron	Gifford	Martin, Ill.	Stearns, N. H.
Carter	Green	Mitchell	Taber
Corbett	Harrington	Murdock, Utah	Thomas, N. J.
Crawford	Hartley	Myers	Wadsworth
Cummings	Healey	Norton	Wheat
Curley	Hill	O'Neal	White, Idaho
Darrow	Hoffman	Osmers	Wigglesworth
Dies	Horton	Peterson, Fla.	
Dirksen	Jarrett	Pierce, N. Y.	
Ditter	Jeffries	Risk	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following general pairs:

Mr. Mansfield with Mr. Darrow.
Mr. Ludlow with Mr. Taber.
Mr. O'Neal with Mr. Ditter.
Mr. Johnson of West Virginia with Mr. Carter.
Mr. McReynolds with Mr. Wigglesworth.
Mr. Dies with Mr. Gifford.
Mr. Starnes of Alabama with Mr. Jeffries.
Mr. Faddis with Mr. Bolles.
Mr. Green with Mr. Fish.
Mr. McKeough with Mr. Hoffman.
Mrs. Norton with Mr. Pierce of New York.
Mr. Peterson of Florida with Mr. Wheat.
Mr. Shanley with Mr. Thomas of New Jersey.
Mr. Buck with Mr. Crawford.
Mr. Harrington with Mr. Bates of Massachusetts.
Mr. Murdock of Utah with Mr. Risk.
Mr. Sirovich with Mr. Jarrett.
Mr. Hill with Mr. Stearns of New Hampshire.
Mr. Cummings with Mr. Douglas.
Mr. Myers with Mr. Bradley of Michigan.
Mr. Snyder with Mr. Austin.
Mr. Eberharter with Mr. Corbett.
Mr. Healey with Mr. Angell.
Mr. Arnold with Mr. Hartley.
Mr. Shannon with Mr. Osmers.
Mr. Kee with Mr. Horton.
Mr. Ferguson with Mr. Burdick.
Mr. Mitchell with Mr. Curley.
Mr. Elliott with Mr. Sasscer.
Mr. Smith of Illinois with Mr. McArdle.
Mr. Byron with Mr. Martin of Illinois.
Mr. Keller with Mr. Folger.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GOVERNMENT REORGANIZATION

Mr. COCHRAN. Mr. Speaker, later in the day I shall submit a report from the Select Committee on Government Reorganization, reporting out the Taber resolution. It is the purpose of the committee to call the measure up tomorrow noon.

Mr. Speaker, I now ask unanimous consent that debate on this bill be limited to 5 hours, to be equally divided and to be controlled by the gentleman from New York [Mr. TABER] and myself.

I have conferred with all the members of the committee, and this request is perfectly satisfactory to them.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand the gentleman asks for 5 hours of general debate?

Mr. COCHRAN. Yes; the entire membership of the committee was present this morning, and it was agreed that 5 hours would be reasonable time for debate, 2½ hours on a side.

Mr. MARTIN of Massachusetts. When would that bring the vote?

Mr. COCHRAN. Tomorrow evening.

Mr. MARTIN of Massachusetts. It is the gentleman's purpose to continue until the measure is disposed of?

Mr. COCHRAN. Yes.

Mr. RICH. Mr. Speaker, reserving the right to object, is this another reorganization bill?

Mr. COCHRAN. It is the Taber resolution.

Mr. MAPES. Mr. Speaker, reserving the right to object, I have no objection to the request personally, but I call the Speaker's attention to the fact that the law provides for 10 hours' general debate on the motion to consider the proposed reorganization.

Mr. COCHRAN. Not to exceed 10 hours; but the House, by unanimous consent, can agree upon time.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, this is the first time I have heard about this proposal. For the present I shall object.

The SPEAKER. The gentleman from Massachusetts objects.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short statement by Matthew Woll, vice president of the American Federation of Labor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF ROLL CALL

Mr. VAN ZANDT. 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 Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I was amazed to find in this morning's RECORD the names of many stanch supporters of the veterans recorded as paired against the bill H. R. 5452, which was passed by the House yesterday.

It was beyond my comprehension to find such outstanding war veteran Members of the House of Representatives as HAMILTON FISH, of New York, one of the charter members of the American Legion, paired against a measure which was designed to do a simple act of justice to thousands of World War and Spanish-American War veterans, their widows, and dependents. I could not believe my eyes when I saw the name of CHARLES RISK, of Rhode Island, past department commander of the American Legion in that State, recorded as paired against a bill to increase the benefits now received by sightless, armless, and legless veterans. I was astonished to find the names of such war-veteran legislators as VINCE HARRINGTON, of Iowa; ED MCKEOUGH, of Illinois, and CHARLES FADDIS, of Pennsylvania, listed among those absent when a roll call was taken on an important piece of veteran legislation.

Among the loyal friends of the veterans, men who have supported every piece of legislation in behalf of the veterans since their election to Congress, who were listed as absent, although paired for the bill were JOE SHANNON, of Missouri; ABE MURDOCK, of Utah, and COMPTON WHITE, of Idaho.

When I reached the floor of the House, I found many other members as mystified as myself over this unusual and inexplicable situation. Several of us made an informal investigation and I wish to give the House the result. I wish to make this statement in fairness to all of the 69 Members who are recorded as absent and not voting and especially in behalf of the Members who were recorded as paired against this important piece of legislation. I make it in behalf of Democrats and Republicans alike, because there is no partisanship where the veteran is concerned.

We found that the Clerk charged with that duty had sent down to the Government Printing Office the list of the Members not voting on the roll call, together with a list of Members who had general pairs. This list of general pairs was printed in the CONGRESSIONAL RECORD, following the vote of 360 to 1, for suspension of the rules, as paired for and against the bill. Below the list of those paired for and against the bill was printed a list of general pairs. Why or how this division was made nobody seems to know.

Now, it is not my purpose to place the blame for this error upon anyone, the Clerk here in the House or the officials of the Government Printing Office. I simply wish to correct an obvious error, an error that is unfair to some of the best friends the veterans have in Congress.

I have not attempted to canvass the list of Members recorded as absent and not voting or those paired for and against the bill, but I have talked with a large number of them. I found that many of those recorded as merely absent were detained on Government business but only after they had been assured there was no opposition to this bill. If they had believed there would be even a remote chance of defeating this bill they would have been present and voting—voting for the bill.

A number of the Members listed as paired against the bill told me they were most enthusiastically in favor of the measure. I cannot speak for all the Members involved in this error, but I do wish to make this statement to show that a mistake has been made in a number of instances and veterans should be slow to criticize Members on the face of this record until the Member has had an opportunity to state his position, if he wishes to do so.

As a past commander in chief of the Veterans of Foreign Wars of the United States, I know the veterans throughout the country appreciate the all-but-unanimous vote cast for the bill. I am pleased to believe that if a full membership of the House had been present the vote would have been 434 to 1.

[Here the gavel fell.]

Mr. O'TOOLE. Mr. Speaker, on roll call No. 60 yesterday I voted in the affirmative. I was present in the Chamber and voted on the first call. I am carried in the RECORD as not voting. I ask unanimous consent that the RECORD and the Journal may be corrected accordingly.

The SPEAKER. Without objection, the Journal and the RECORD will be corrected accordingly.

There was no objection.

DISTRICT OF COLUMBIA MILK INVESTIGATION

Mr. RANKIN. Mr. Speaker, on behalf of the gentleman from West Virginia [Mr. RANDOLPH], I ask unanimous consent that a subcommittee of the Committee on the District of Columbia, the subcommittee investigating the milk situation in the District of Columbia, be permitted to sit during the session of the House today.

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

There was no objection.

EXTENSION OF REMARKS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the W. P. A. program.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by publishing a speech made by my colleague the gentleman from New Jersey [Mr. POWERS].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a report of the new industries board of the chamber of commerce.

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

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a statement by E. Clements Horst, an economist.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a statement prepared by Capt. Tom Kirby, of the Disabled American Veterans of the World War, giving an explanation of the bill that was passed yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

MELVIN GERARD ALVEY

The Clerk called the first bill on the Private Calendar, H. R. 4131, for the relief of Melvin Gerard Alvey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Melvin Gerard Alvey, boatswain's mate, first-class, lifesaving, United States Coast Guard, the sum of $120.54, in full satisfaction of his claim against the United States for damage to and loss of his personal effects on September 17, 1934, when the Coast Guard station at Nome, Alaska, was destroyed by fire: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The 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.

PERSONAL PRIVILEGE

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

The SPEAKER. The gentleman will state his matter of personal privilege.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-eight Members are present, not a quorum.

Mr. COOPER. 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. 61]

Andresen, A. H.	Elston	Keogh	Schiffler
Arends	Evans	Kramer	Simpson
Arnold	Faddis	Lambertson	Sirovich
Buck	Ferguson	McReynolds	Smith, Conn.
Buckley, N. Y.	Fish	Maloney	Smith, W. Va.
Bulwinkle	Fulmer	Mansfield	Snyder
Byrne, N. Y.	Gavagan	Merritt	Starnes, Ala.
Byron	Green	Myers	Stearns, N. H.
Casey, Mass.	Gross	Nichols	Sumners, Tex.
Costello	Harness	Norton	Terry
Creal	Harrington	Osmers	Thomas, N. J.
Curley	Harter, Ohio	Peterson, Fla.	Thorkelson
D'Alesandro	Hartley	Rayburn	Wadsworth
Darrow	Healey	Reece, Tenn.	Walter
Dies	Horton	Risk	White, Ohio
Ditter	Jenks	Ryan	
Duncan	Kelly	Sabath	
Edmiston	Kennedy, Md.	Sacks	

The SPEAKER. On this roll call 361 Members have answered to their names. A quorum is present.

On motion of Mr. COOPER, further proceedings under the call were dispensed with.

PERSONAL PRIVILEGE

The SPEAKER. The gentleman from California [Mr. GEARHART] will state his question of personal privilege.

Mr. GEARHART. Mr. Speaker, with the indulgence of the Chair, may I point out that I will during the course of my remarks introduce or read copies of telegrams and an envelope, and I ask unanimous consent of the House that the telegrams may be printed in capital type.

The SPEAKER. The Chair would rather have the gentleman present his question of personal privilege in order to determine whether or not he has a question of personal privilege.

Mr. GEARHART. Mr. Speaker, there is one other request I will address to the Chair before proceeding to answer that. Since the matters and things which I am about to discuss will involve another Member of this body, with the indulgence of the Chair, I will now present to the Chair copy of telegram which I have this morning sent to the Representative of the Tenth Congressional District of California, Hon. A. J. ELLIOTT.

The SPEAKER. The gentleman will send up the telegram.

The Chair may say to the gentleman from California that, in order for the Chair to pass upon the question whether or not the gentleman presents a question of personal privilege, it is incumbent upon the gentleman from California to present for the consideration of the Chair statements or articles that reflect upon his character and reputation as a Member of the House of Representatives. The Chair is of the opinion that the telegram which the gentleman from California [Mr. GEARHART] sent to a colleague is not a sufficient basis to present a question of personal privilege. In other words, in order to be entirely fair to the gentleman, the Chair will give him full opportunity to present his alleged question of personal privilege, and calls the attention of the gentleman to the fact that he must present for the review of the Chair some charges or attacks that have been made upon him.

The Chair is of the opinion that the telegram which the gentleman sent to another colleague, a Member of Congress, is not a sufficient basis or ground for the matter of personal privilege.

Mr. GEARHART. Mr. Speaker, the telegram is offered as notice that I am going to discuss the conduct of a Member of this body. I did not want to do this without giving him ample notice, and in the telegram I set forth in detail what I intend to discuss and establish by proof. For these reasons I think the telegram should be received to show that notice has been given.

The SPEAKER. If the gentleman establishes the matter of personal privilege, of course he may use his own judgment about presenting the text of the telegram in his statement; however, the gentleman has not as yet presented for the consideration of the Chair any matter involving a question of personal privilege that affects the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, I am confident I will be able to do that.

The SPEAKER. The Chair desires the gentleman to do that now.

Mr. GEARHART. Mr. Speaker, I do not desire to speak in a derogatory way in reference to a colleague of this House without first demonstrating to the membership of the House that I gave him due and formal notice of exactly what I intended to say. That is the only purpose for which I sent the telegram to the desk and the only reason I ask that it be read.

The SPEAKER. Will the gentleman kindly present now the matter upon which he bases his question of personal privilege?

Mr. GEARHART. Mr. Speaker, I ask the recognition of the Chair on these grounds and because of these reasons:

(a) That my rights in my representative capacity to propose and urge upon the appropriate legislative bodies the favorable consideration of legislation has been unjustifiably interfered with, restricted, and circumscribed by reason of unparliamentary, unfair, character-destroying, personal attacks, based upon falsehoods and misrepresentations by

the Representative of the Tenth Congressional District of California.

(b) That my reputation in my representative capacity for truth, honesty, and integrity has been impugned and brought into question by reason of the malicious initiation and circulation of false rumors by the Representative of the Tenth Congressional District to the effect that I am a cheap, money-taking, grafting, self-serving politician in the worst sense of that term, and by the exhibition at public gatherings, open meetings, and private conferences, and in the presence of numerous persons, collectively and individually, of photostats of certain documents, among others a check purporting to be that of Mrs. Gertrude Achilles, with the representation, express and implied, that such photostats constituted and were conclusive evidence of the base character and dishonest propensities of the Representative from the Ninth District of California in respect to his representative capacity.

(c) That my conduct in my representative capacity has been maliciously misrepresented by the Representative from the Tenth Congressional District and by others deceived and misled by him, to the people of the country, and especially to the people of the Ninth and Tenth Congressional Districts of California as base, dishonest, corrupt, and as utterly inconsistent with the high obligation which is that of those who compose the membership of this honorable body, to my damage and detriment.

In support of the grounds and reasons just mentioned I present the following proofs and explanations:

Mr. Speaker, on the 7th day of February 1939 I introduced in the House of Representatives of the Congress of the United States——

The SPEAKER. Will the gentleman pardon the Chair for just a moment? Does the gentleman state upon his responsibility as a Member that the charges to which he has referred affecting the character and reputation and standing of the gentleman who is presenting this question were made by the other gentleman from California, a Member of this House?

Mr. GEARHART. I state that on my own responsibility as a Member of this body and from affidavits which I will present in the course of this statement.

The SPEAKER. Has the gentleman the affidavits?

Mr. GEARHART. The affidavits come to me from persons whom I know to be of the utmost respectability and upon whose word I place complete reliance.

The SPEAKER. Will the gentleman kindly present one or more of those affidavits for the consideration of the Chair?

Mr. GEARHART. I will state to the Chair with all due respect that I have arranged everything in chronological order, and if I am required to present my evidence in a disorderly way I am afraid the import thereof will be lost.

The SPEAKER. The Chair has no disposition to interfere with the order of the gentleman's argument, but the Chair has a very solemn preliminary decision to make; that is, whether or not the gentleman has sufficient evidence of these charges being made, by affidavit or in the public prints or otherwise, before the Chair can entitle the gentleman to the floor to discuss his matter of privilege.

The Chair trusts that the Member will feel that the Chair has no inclination whatever to interfere with his method of presenting his case, but the Chair must have before him some substantive or rather conclusive evidence that the gentleman's character and reputation as a Member have been assailed. The Chair cannot recognize the gentleman on a matter of personal privilege until the gentleman has furnished evidence of that fact; in other words—and the Chair does not know whether or not the gentleman is a lawyer—under the procedure here the gentleman must make out and establish a prima facie case involving the question of personal privilege. This has been the uniform practice in all cases heretofore arising in the House.

Mr. GEARHART. I may state to the Chair that I am legally trained.

The SPEAKER. If the gentleman has an affidavit and desires to present fully his question of privilege, the Chair suggests that the gentleman furnish it to the Chair at this point.

Mr. GEARHART. Do I understand that the Chair desires to glance at it?

The SPEAKER. Only.

Mr. GEARHART. Very well.

The SPEAKER. The Chair does not desire to mislead the gentleman. If the affidavit is offered, it probably on request will go in the RECORD; but that, the Chair thinks, will not interfere with the gentleman's presentation.

The Clerk will read the affidavit for the benefit of the RECORD.

The Clerk read as follows:

AFFIDAVIT

STATE OF CALIFORNIA,
County of Santa Clara, ss:

Gertrude S. Achilles, being duly sworn, deposes and says:

I reside near Morgan Hill, Calif.; I am interested in the proposed John Muir-Kings Canyon National Park and received literature from some of the organizations interested in the creation of that project. These communications requested me to write Congressman B. W. GEARHART and Congressman ALFRED J. ELLIOTT.

On March 4, 1939, I wrote two notes on cards; one of these I addressed to Congressman B. W. GEARHART and the other to Congressman ALFRED J. ELLIOTT, both in my own handwriting. These I enclosed in envelopes of the same type of stationery as the cards and these envelopes were large enough to hold the cards without the cards being folded. I enclosed in the envelope addressed to Congressman ALFRED J. ELLIOTT by mistake a check for $100, payable to Congressman B. W. GEARHART, which I expected to be used in furthering the project.

I later received a letter from Congressman B. W. GEARHART dated March 9, 1939, in which he thanked me for my interest in the project. I later received a letter dated March 15, 1939, from Congressman B. W. GEARHART in which he thanked me for my proffered assistance and with which he returned to me the above-mentioned check, which check I had formerly sent in the envelope addressed to Congressman ALFRED J. ELLIOTT.

I have been shown an envelope addressed by a typewriter to Congressman B. W. GEARHART, postmarked San Jose, Calif., March 13, 1939, with an air-mail sticker attached. I had never seen this envelope until it was recently shown me on March 27, 1939. I did not send this envelope to Congressman GEARHART. I do not possess any such stationery; I do not own a typewriter, and I did not authorize anyone to address such envelope for me on a typewriter. My letters are written by me in my own handwriting, as were the two notes dated March 4, 1939, above-mentioned, and I did not authorize anyone to address an envelope by a typewriter to Congressman GEARHART. I addressed but one envelope to Congressman GEARHART and that contained the note dated March 4, 1939, and was in my own handwriting.

GERTRUDE S. ACHILLES.

Subscribed and sworn to before me this 1st day of April A. D. 1939.

A. M. FREE,
Notary Public in and for the County of Santa Clara, State of California.

Mr. GEARHART. Mr. Speaker, may I ask that the second affidavit be read, as it will indicate the misuse of the check in question by the Representative of the Tenth Congressional District of California?

The Clerk read as follows:

STATE OF CALIFORNIA,
County of Fresno, ss.

H. B. Williams, being first duly sworn, deposes and says:

That he is a citizen of the United States of America and a resident of the County of Kings, State of California; that his postoffice address is route 2, box 417, Kingsburg, Calif.; that he is by occupation a farmer, and has resided at his present address continuously for the past 22 years;

That for sometime last past he has been in favor of the creation of the John Muir-Kings River Canyon National Park and the Pine Flat bill; that on the evening of April 13, 1939, he was invited by one W. B. Wilbur, of Tulare, Calif., to attend a conference to be held at the city of Tulare, County of Tulare, State of California, with Congressman A. J. ELLIOTT; that affiant was informed that there would be exhibited at such conference photostatic copies of certain documents that would compromise Congressman B. W. GEARHART in his efforts to establish the national park and enact the so-called Pine Flat bill; that these documents were in the possession of Congressman ELLIOTT, but that Mr. GEARHART did not know of Mr. ELLIOTT's possession of said documents.

That the following persons, all residents of Kings County, Calif., were invited by the said W. B. Wilbur to attend said conference, to wit: C. L. Montgomery, J. J. Dawson, S. W. Tome, Nick Weiss, Ralph Gilkie, Clarence Salyers, and Louis Robinson; that affiant attended said conference on Friday morning, April 14, 1939, at the offices of the Tulare Chamber of Commerce in Tulare, Calif.; that all of the persons heretofore mentioned attended said conference and in addition there were present W. B. Wilbur, R. W.

Wilbur, Congressman A. J. ELLIOTT, and three other persons unknown to this affiant; that at said conference Mr. ELLIOTT stated that he had not arranged the meeting but had received an invitation to attend;

That shortly after Mr. ELLIOTT's return to California in April of 1939 a report spread through Tulare and Kings Counties that Mr. ELLIOTT had in his possession certain documents which would discredit Mr. GEARHART and his support of the park and Pine Flat bills;

That after Mr. ELLIOTT had concluded his statement of his reasons for opposing the park bill, questions were asked him regarding the subject of insincerity on the part of those who were supporting the bills; that Mr. ELLIOTT then produced three photostats consisting (1) of an ordinary envelope addressed to A. J. ELLIOTT, House of Representatives, Washington, D. C., (2) a short note or letter from Mrs. Achilles, and (3) a check in the sum of $100, made payable to W. B. GEARHART, signed by Mrs. Achilles;

That before producing the photostatic copies herein mentioned, Mr. ELLIOTT stated that he always believed Mr. GEARHART to be honest, and after exhibiting the photostatic copies herein mentioned Mr. ELLIOTT stated, in substance and effect, that those present could use their own judgment; that after affiant had inspected the check, he stated to Mr. ELLIOTT that the documents did not appear to him to be evidence of corruption, because $100 would be only small change. Mr. ELLIOTT stated to affiant that it wouldn't be small change if one received enough of them;

That during the course of the conversation one of the persons present asked Mr. ELLIOTT what had become of the check and Mr. ELLIOTT stated that he gave the check to Mr. GEARHART, but he didn't know what GEARHART had done with it.

H. B. WILLIAMS.

Subscribed and sworn to before me this 25th day of April 1939.

[SEAL] EMMA DELK,

Notary Public in and for the County of Fresno, State of California.

The SPEAKER. The Chair is of the opinion that the affidavit just offered might have a tendency, although not very clearly or definitely, charging corruption, but it affords the gentleman from California a basis for a question of personal privilege, and the Chair recognizes the gentleman.

Mr. GEARHART. Mr. Speaker, on the 7th day of February of 1939 I introduced in the House of Representatives of the Congress of the United States a bill to establish in California a new national park, to be known as the John Muir-Kings Canyon National Park, and to transfer thereto the lands now included in the now existing General Grant National Park.

In accordance with the rules of the House of Representatives, this bill (H. R. 3794) was duly referred to the Committee on Public Lands, where the bill at this moment now rests.

The support of this bill is widespread throughout the entire United States. Among the organizations which are supporting this measure is the Sierra Club, an organization of mountain climbers and wilderness enthusiasts. In order to further this bill this highly reputable organization caused to be issued and disseminated widely a pamphlet or brochure which bore the title "The Kings River Region Should Be a National Park."

In this pamphlet there was inserted a loose-leaf page, upon which in printed words stating that all those who favored the legislation were urged to write Congressman B. W. GEARHART, who introduced the bill, and Congressman A. J. ELLIOTT, of the House Committee on Public Lands, in expression of their approval of the measure.

For reasons quite beyond my ability to explain, my bill for the creation of the John Muir-Kings Canyon National Park and for the transfer thereto of certain lands in the now existing General Grant National Park incurred the bitter opposition of the Representative in Congress from the Tenth Congressional District in California, an opposition which has not abated nor been carried on with less vigor to this day.

Among the members of the Sierra Club there is listed a Gertrude Achilles, of Morgan Hill, Santa Clara County, Calif., an elderly woman of the utmost respectability, as are most of the members of the Sierra Club, if not all of them.

Mrs. Achilles became very earnestly alined in support of the legislation to which I have just referred. Upon receiving a copy of the pamphlet of the Sierra Club and reading the admonition to write to Congressman ELLIOTT and myself, Mrs. Achilles, actuated by the best of intentions, endeavored to comply with the suggested course. On March 4, 1939, she wrote a letter to me and enclosed a letter, properly addressed, with postage prepaid, in an envelope directed to me. This letter arrived in Washington in due course via 3-cent rail mail on the 9th day of March 1939 and was delivered at my office, suite 1118, New House Office Building, where it was later brought to my attention.

I will now send a copy of this letter to the Clerk, with the request that it be read.

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

There was no objection.

The Clerk read as follows:

MORGAN HILL, CALIF., *March 4, 1939.*

Hon. Mr. GEARHART:

DEAR SIR: Please support to your utmost your bill for the creation of the John Muir National Park. He had, I am sure, no more ardent supporter, or one who appreciates what he would love to have done. Call upon me should there be need for financial help. See Mr. ELLIOTT.

Yours sincerely,

Mrs. GERTRUDE S. ACHILLES.

Am a member of the Sierra Club of San Francisco.

Mr. GEARHART. On the date that the letter from Mrs. Gertrude Achilles of March 4, 1939, was received, that is, on the 9th day of March 1939, I immediately replied. I now send to the desk of the Clerk the copy of the letter which I wrote to this most estimable lady and ask that it be read.

The SPEAKER. Without objection, the Clerk will read the letter.

There being no objection, the Clerk read as follows:

MARCH 9, 1939.

Mrs. GERTRUDE S. ACHILLES,
Morgan Hill, Calif.

MY DEAR MRS. ACHILLES: I appreciate more than I can express in mere words the receiving of your letter of recent date, in which you voice your approval of H. R. 3794, which I recently introduced in the House of Representatives.

I know that you are a busy woman, but if you will spare a few minutes to write similar letters to every Member of Congress in the California delegation, I know that such action will lend tremendous impetus to our drive to have this bill enacted into finished legislation. The small and selfish minority has already flooded Washington with letters opposing the bill. It is time for the friends of this legislation to come to the rescue.

With kindest personal regards, I beg to remain,

Most cordially yours,

B. W. GEARHART,
Member of Congress.

Mr. GEARHART. On the 15th of March 1939 I received a second letter from Mrs. Gertrude S. Achilles, of Morgan Hill, Calif. Though it bore the same date as the former letter—that is, March 4, 1939—it did not reach my hands until the 15th day of March of this year.

With this second letter from Mrs. Achilles, which arrived at my office on March 15, 1939, there was enclosed a check for $100, which was drawn upon a New York bank, the name and identity of which I cannot now state or reveal, for the reason, as will very shortly appear, that I returned that check to Mrs. Achilles on the same day that it was by me received. This check was made out in favor of W. B. GEARHART, my initials being reversed.

I will now send a copy of this letter to the desk of the Clerk, and ask that it be read.

The SPEAKER. The Clerk will read the letter without objection.

There being no objection the Clerk read as follows:

MORGAN HILL, CALIF., *March 4, 1939.*

DEAR SIR: Kindly accept my contribution for the creation of The John Muir National Park. I have been over parts of the ground and can interest many people in the project. My son, T. C. Achilles in the State Department, joins me in furthering this project.

Wishing the bill success.

Very sincerely,

Mrs. GERTRUDE S. ACHILLES.

Mr. GEARHART. I will now send to the desk of the Clerk a copy of the envelope in which the letter of Mrs. Achilles, which has just been read, was received. And I ask that the written matter on that envelope be read including the post-office stamp cancelation markings which indicate that the letter last referred to was mailed, not in Morgan Hill, but in the city of San Jose, a city which is situate some 15 miles, more or less, from Morgan Hill.

I further point out that the envelope in which this second letter of Mrs. Achilles, which has just been read, was received was addressed in typewriting and not in longhand, as Mrs. Achilles is accustomed to address the envelopes of letters which she mails. May the envelope be read.

The SPEAKER. Without objection, the Clerk will read the written matter on the envelope.

There being no objection, the Clerk read as follows:

[Copy of envelope]

Via air mail.

[Post-office stamp cancelation.] "San Jose, Mar. 13, 3 p. m., 1939, Calif." [Two 3-cent stamps.]

Congressman W. B. GEARHART, House of Representatives, Washington, D. C.

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

Mr. GEARHART. I will not yield at this time until I finish my statement. The second letter of Mrs. Achilles, the one to which I am now referring, arrived at my office on the morning of March 15, 1939, 2 days after it was mailed in San Jose, Calif., as indicated by the stamp-cancelation marks of the Post Office Department.

During the course of that day I replied to her letter under date of March 15, 1939, and returned to her in the envelope containing my letter the check to which I have just referred.

Mr. Speaker, I now send to the desk a copy of my letter to Mrs. Achilles of March 15, 1939, and I ask that it be read.

The SPEAKER. Without objection, the letter will be read into the RECORD.

There being no objection, the Clerk read as follows:

MARCH 15, 1939.

Mrs. GERTRUDE S. ACHILLES,
Morgan Hill, Calif.

MY DEAR MRS. ACHILLES: In this morning's mail I received your brief note of the 4th instant. By way of reply, permit me to thank you most kindly for your proffered assistance in the matter of the creation of the John Muir-Kings Canyon National Park, a bill for which I have heretofore introduced in the House of Representatives.

In view of the fact that I have no bookkeeping system or organizational set-up for the handling of trust funds, it would be quite inconvenient for me to accept the contribution to the cause which your generous check of $100 represents. To date everything that I have expended in support of my bills has been expended out of my private funds and I really prefer to continue that way as the amounts involved are too insignificant to give me much concern. In returning the check, which I am enclosing herewith, I trust that you will understand.

My bill is being supported vigorously by several national organizations, among them the American Planning and Civic Association, 901 Union Trust Building, Washington, D. C.; the Emergency Conservation Committee of New York, of which Mrs. C. M. Edge is chairman, 734 Lexington Avenue, New York; the John Muir Association, of which Mrs. Linnie Marsh Wolfe is secretary, 2831 Garber Street, Berkeley, Calif.; and the Sierra Club, Mills Tower, San Francisco. I do not know whether or not any of these organizations accept contributions, but I do know that they have expended considerable sums in the printing of pamphlets which they have disseminated. I might suggest that you communicate with one or the other of them, as they would be very glad to know that their efforts in support of the legislation is appreciated.

Thanking you very kindly for your great interest in the success of the John Muir-Kings Canyon National Park legislation, and with kindest personal regards, I beg to remain,

Most cordially yours,

B. W. GEARHART,
Member of Congress.

Mr. GEARHART. About a week passes. On the 21st or 22d day of March, I received a telephone call from one, the identity of whom is to me quite unknown. The person whose voice I heard over the telephone wire conveyed to me most startling information, all of which I have since verified as a result of painstaking efforts of investigation. It is because I have verified the information so conveyed to me, the facts which I will later in my remarks of today present proof of, that I make mention at this time of this anonymous telephone call at all.

I was informed by the one who spoke that the Representative from the Tenth Congressional District of California, the Honorable A. J. ELLIOTT, had for the sole and only purpose of accomplishing the defeat of the pending legislation to which reference has already been made, fabricated an elaborate scheme for the personal entrapment of the author of the legislation, and for the purpose of accomplishing the utter destruction of the reputation of the one who now addresses this honorable body for truth, honesty, and integrity, both as a Member of this honorable body and as a citizen worthy of respect and confidence; and I was cautioned to avoid the trap and to by no means cash a certain check for $100 which the one who spoke to me had learned was to be sent to me through the cooperated activities of the Representative from the Tenth Congressional District of California and an unnamed confederate residing in the city of San Jose, county of Santa Clara, State of California.

Going into detail, my informant advised me that he had learned that the gentleman from California, [Mr. ELLIOTT] had received by mistake a note from a lady in California with which a check for $100 was enclosed which was intended for the Representative from the Ninth Congressional District of California, the one who now occupies the floor; and that he, the gentleman from California [Mr. ELLIOTT], had taken the letter and the check to the Federal Bureau of Investigation in Washington and caused the same to be photostated; that he had instructed the Federal Bureau of Investigation to dispatch a man to the New York bank upon which the check was drawn and to rephotostat the check if and when it arrived at that banking institution with the endorsement of the Representative from the Ninth Congressional District of California, and to transmit such additional photostat to the Representative from the Tenth Congressional District of California.

I was further informed by the unidentified voice that the Representative from the Tenth Congressional District of California had further instructed the Federal Bureau of Investigation to dispatch one of their operatives to Morgan Hill, Santa Clara County, Calif., to interview the said Gertrude Achilles, and to ascertain, if possible, whether or not the said Gertrude Achilles stood to profit as a consequence of the enactment of legislation for the creation of the John Muir-Kings Canyon National Park.

The voice concluded by words in substance and effect as follows:

He is out to frame you, Buddy, and I would not be a party to it. I had to tell you. Be on your guard.

This was the first information I had received from any source that any part or portion of my epistolary relationship with Mrs. Gertrude Achilles, Morgan Hill, Santa Clara County, Calif., was not in every respect aboveboard. It was the first information that I had received from any source that the Representative from the Tenth Congressional District had had anything to do whatever with the free exchange of letters which Mrs. Gertrude Achilles and myself had written, one to the other.

Placed on inquiry by the receipt of this information, believing that I should ascertain and reduce to evidentiary form the true facts under such circumstances that they could not thereafter be questioned, I wrote a long letter to the Honorable Arthur M. Free, an outstanding member of the bar now practicing his profession in the city of San Jose, county of Santa Clara, State of California—a gentleman of the highest integrity and also of great ability. Mr. Free is a former district attorney in and for the county of Santa Clara, State of California, and a former Member of this legislative body, representing as he did with honor and distinction the congressional district which is now known as the Eighth Congressional District of California.

I now send to the Clerk's desk a copy of this letter, and ask that it may be read.

The SPEAKER. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

MARCH 23, 1939.

Hon. ARTHUR FREE,
Attorney and Counselor at Law, San Jose, Calif.

MY DEAR ARTHUR: As you have no doubt read in the public prints, some time ago I introduced a bill for the creation of a John Muir-Kings Canyon National Park in the high Sierras of Fresno County. For no reason worth while considering, my colleague from the Tenth District of California, ALFRED J. ELLIOTT, has interested himself in promoting a vigorous opposition to the program. In his zeal for his cause he has resorted to tactics which, I do not believe, can be considered within the amities. In other

words, he has so disported himself in these precincts as to have incurred my ire. In still other words, I am mad.

And when I, in the succeeding paragraphs of this communication, recite to you that which he has been reported to me as having done, I am sure that you, as a former Member of the popular branch of the National Legislature, will feel that I am not without justification. Though my displeasure may be personal in its larger aspects, it affects every other Member of this group. And I feel that I should not let the matter pass without at least endeavoring to reveal the facts.

It is because of that desire that I am assuming to impose upon you, Arthur, old friend, in this instance.

There is a lady living in Morgan Hill by the name of Mrs. Gertrude S. Achilles. Under date of March 4 she wrote me a brief communication heartily endorsing my bill for the creation of the John Muir-Kings Canyon National Park. In this communication she inquired as to whether or not she could be of financial help. Under date of March 9 I replied to her communication, thanked her profusely for her proffered assistance, but ignored her inquiry concerning a possible contribution to the cause.

Following this the Sierra Club, of which she asserts she is a member, and other organizations, including the John Muir Association, the American Planning and Civic Association, the Emergency Conservation Committee of New York, caused to be printed and disseminated a number of highly artistic pamphlets in each of which it was urged that the reader write to B. W. GEARHART, the author of the bill, and to A. J. ELLIOTT, a member of the Public Lands Committee, the committee to which the bill had been referred, in support of the measure. Parenthetically I might point out that ELLIOTT was specifically mentioned, because at the time of the printing of these pamphlets it was anticipated he might be in the opposition.

Again, under date of March 4, 1939, Mrs. Achilles wrote a second time and on this second occasion included a check for $100 drawn in my favor upon a New York bank. The envelope in which this second letter was sent to me was postmarked San Jose and postmarked dated March 13. The envelope, which does not fit the card, is addressed on the typewriter, not in the handwriting of the lady herself.

When I received this communication, I again wrote to Mrs. Achilles, again thanked her for her proffered assistance, and returned to her her check, with thanks, of course.

In order that you may comprehend the file to which I have herein referred, I am enclosing the all thereof herewith. Because of the importance of this correspondence to me, I trust that you when it has served your purposes will return it all to me. Because of the importance of the envelope in which the second letter came I trust that you will guard that especially.

There is nothing unusual in the facts that I have just recited. It is that which I am now about to report to you which has made me indignant.

Three Members of Congress, each one a gentleman whose confidence I must keep, have come to me and told me of a conversation which they severally had with Mr. ELLIOTT in which he said that he was going to ruin me personally by demonstrating to the House of Representatives beyond the preadventure of a doubt that I was promoting the John Muir-Kings Canyon National Park bill for profit and that I was taking donations from all sources and devoting the money to my own uses. He further said that the second letter of Mrs. Achilles had been sent to him by mistake; that he had put it back, together with the check, into an envelope which he had addressed to me and sent the letter to San Jose for mailing to me in Washington. He further said that he had notified the Bureau of Investigation and that at his request they were "covering" the bank in New York and that as soon as the check with my endorsement was presented to that institution for cancelation and payment, he would be supplied with a photostatic copy..

Though I haven't expended any money out of my own pocket for the advancement of my park bill, it is my intention to separately print several of my speeches in favor of the park, and in the days to come I will probably be out a tidy sum because of my espousal of this legislation. It would have been entirely proper for me to have accepted the donation and applied the funds to that purpose. But I did not do so because I have long ago learned, as a public official, that if you take money from any person, no matter how disinterested your objective may be, your explanation is never accepted by those who are prone to suspect all persons in public office of chronic dishonesty. I had sent the check back to Mrs. Achilles simply because I did not want to incur the necessity of explanation.

But because one of my colleagues is opposed to one of my bills, he has deliberately set out to lay a trap for me. If I had stumbled into his snare he would have undoubtedly used the happening to convince those that might believe him that I was utterly without integrity, a cheap grafter, one entirely devoid of legislative decency.

Now, unless I am imposing upon you way beyond the limits which our ancient friendship would justify, I would appreciate it very, very much indeed if you would do these things for me.

Would you be good enough to interview Mrs. Achilles and obtain from her the facts? Ask her how she happened to write two cards on March 4, 1939. Ask her why she did not await my reply to her card in which she inquired of me as to whether or not she could be of financial assistance before writing the second time and enclosing the check. Exhibit to her the envelope in which the second letter came and ask her if that was from her stationery box. Inquire of her as to whether or not she addressed it or had it addressed by another. Ask her why it was mailed in San Jose rather than Morgan Hill. In other words, I would like to know all about that which has transpired there.

It may be that ELLIOTT sent the letter back to her and that she herself remailed it to me. This would relieve him of much of the guilt. This would leave him a little bit better off than he would be if he used a confederate in the City of the Roses. But even if he did return it to Mrs. Achilles, I would be interested in knowing if he included the stamped and addressed envelope for her use.

If Mrs. Achilles is a friend of my park proposal, she will, of course, very gladly cooperate. But if she is a "plant," that fact might be revealed. Anyway, I would like very, very much to know all about that which has transpired at the other end. As you know from experience, if ELLIOTT had been acting in a friendly manner as one colleague ought to be acting toward another, he would have sent Mrs. Achilles' letter to me immediately upon its receipt in his office with a brief line of transmittal. The fact that he went to all of the trouble to lay a trap for me certainly ought to condemn him as one unworthy of the association with those who endeavor to adhere to the standards which we associate with the word "gentlemen." If I could get the facts so I could clinch every nail, I wouldn't hesitate to move for his expulsion from this body. Because I feel so deeply about it, I would more than appreciate your sympathetic consideration of that which I have forced upon your attention herein. I trust that I really am not imposing too great a burden upon you.

Trusting this finds you in the best of health, and with kindest personal regards, I beg to remain,

Most cordially yours,

B. W. GEARHART,
Member of Congress.

Mr. GEARHART. Mr. Speaker, on the 30th day of March 1939 I received an air-mail letter from the Honorable Arthur M. Free, which bore the date of March 28, 1939, a letter which was dispatched to me by way of air mail. I now send a copy of this letter to the Clerk's desk and ask that it may be read.

The SPEAKER. Without objection, the letter will be read into the RECORD.

There was no objection.

The Clerk read as follows:

REA, FREE & JACKA,
LAW OFFICES, COMMERCIAL BUILDING,
San Jose, Calif., March 28, 1939.

Hon. BERTRAND W. GEARHART,
Member of Congress, House Office Building, Washington, D. C.

MY DEAR "BUD": I saw Mrs. Gertrude S. Achilles last night. She is an elderly and wealthy woman who is a great admirer of John Muir. She received the literature of some of the organizations interested in the new park and apologetically said that she should have sent the money to them, but having been informed that you were interested in the movement, sent the check to you, which check was finally returned and destroyed by her.

She informs me that she has never seen the envelope with the air-mail sticker attached; that she has no such envelopes, she does not own a typewriter, has no secretary who does, writes her letters in her own hands, and has them mailed at Morgan Hill; that she did not mail the envelope enclosed, nor did she have anyone mail it for her, did not address it, and that the envelope did not come out of her possession.

I therefore conclude that all of your surmises are correct and that your friend ELLIOTT tried to job you by having the check mailed in that envelope here in San Jose.

If I can be of further service in the matter, please advise me. Mrs. Achilles says that she will do anything to help you out in the matter, as she feels that the trouble arose from the fact that she sent the check to you and not one of the organizations interested in the movement.

I return herewith note of Mrs. Achilles dated March 4, 1939, attached to carbon copy of your letter dated March 15, 1939, also card of hers dated March 4, 1939, attached to carbon copy of your letter dated March 9, 1939, and envelope addressed with a typewriter with air-mail sticker attached, showing it to have been mailed in San Jose, Calif.

Hoping this finds you well, and with kindest regards, I am,

Yours very truly,

A. M. FREE.

Mr. GEARHART. Immediately following the receipt on March 30 of the letter of the Honorable Arthur M. Free, which has just been read, I dispatched a telegram to my correspondent, a telegram which I am now sending to the desk of the Clerk, and which I ask may be read.

The SPEAKER. Without objection, the Clerk will read the telegram.

There was no objection.

The Clerk read as follows:

MARCH 30, 1939.

Hon. ARTHUR FREE,
Attorney and Counselor at Law, San Jose, Calif.:

Letter received; greatly appreciate cooperation. Please make every effort to obtain affidavit reciting all facts in detail. If subject has no idea how second letter to me was misdirected, opinion would

be interesting. Realize preparation of affidavit is legal matter, and I will insist upon compensating you for your services.

GEARHART, M. C.

Mr. GEARHART. At the same time that I caused the telegram to be sent to the Honorable Arthur M. Free, of San Jose, the telegram which has just been read, I also caused a telegram to be sent to Mrs. Gertrude S. Achilles at Morgan Hill, Calif.

I now send a copy of this telegram to Gertrude S. Achilles to the desk of the Clerk and ask that it may be read.

The SPEAKER. Without objection, the Clerk will read the telegram.

There was no objection.

The Clerk read as follows:

MARCH 30, 1939.

MRS. GERTRUDE S. ACHILLES,
Morgan Hill, Calif.:

Would deeply appreciate your further cooperation in respect to matter concerning that which former Congressman Free discussed with you. Opponents resorting to foul methods. Your assistance now would be very helpful. Mr. Free will communicate with you again I am sure.

Congressman B. W. GEARHART.

Mr. GEARHART. On the day following, that is, on the 31st day of March 1939, I sent a second telegram to the Honorable Arthur M. Free at San Jose, Calif.

I now send to the Clerk's desk a copy of this telegram of March 31, 1939, and ask that it may be read.

The SPEAKER. Without objection, the Clerk will read the telegram.

There was no objection.

The Clerk read as follows:

MARCH 31, 1939.

ARTHUR FREE,
Attorney at Law, Commercial Building,
San Jose, Calif.:

Is it correct to infer, since both letters bear same date of March 4, that subject wrote both letters that day. Did she write other Congressmen, including ELLIOTT, at same time. If so insertion of letter to me in wrong envelope by mistake would account for mystery. Am most anxious to have Mrs. Achilles' affidavit at earliest possible moment. Other evidence amassed here complete. Have telegraphed subject urging cooperative assistance.

GEARHART, M. C.

Mr. GEARHART. On or about the 3d day of April 1939, I received a letter from the Honorable Arthur M. Free at San Jose, Calif., which was sent to me via air mail, a letter which was written to me in response to my previous communications with him.

I now send a copy of the letter of the Honorable Arthur M. Free of April 1, 1939, to the desk of the Clerk and ask that it may be read.

The SPEAKER. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

REA, FREE & JACKA,
LAW OFFICES, COMMERCIAL BUILDING,
San Jose, Calif., April 1, 1939.

Hon. B. W. GEARHART,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR BUD: I herewith enclose affidavit of Mrs. Gertrude S. Achilles, which I think covers all of the matters in which you are interested in regard to the $100 check. I purposely did not put into the affidavit the fact that the check had been destroyed.

If you need anything more let me know.

You spoke of compensating me for this work. I would not think of this, as I may want to impose upon your congressional generosity some time. In fact, if you feel real kindly, you could get me copies of the United States Statutes since 1932 and a copy of the latest Congressional Directory; I would forgive you for all your past sins.

Sincerely yours, A. M. FREE.

P. S.—I dictated the above before I saw Mrs. Achilles today. When I got to her home, she said the Department of Justice was sending a man down to see her and would I stay until he arrived. I did. She told him the story as it was and I gave him a copy of the affidavit herein enclosed duly signed and sworn to by her. His name was Thurston. He was very pleasant and agreed with me that this was an attempt by ELLIOTT to make trouble for you.—A. M. F.

Mr. GEARHART. Mr. Speaker, at this point I had intended to have the affidavit of Mrs. Achilles included in my remarks. May I ask unanimous consent to have it considered read and included in the RECORD at this point?

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The affidavit referred to follows:

AFFIDAVIT

STATE OF CALIFORNIA,
County of Santa Clara, ss:

Gertrude S. Achilles, being duly sworn, deposes and says:

I reside near Morgan Hill, Calif.; I am interested in the proposed John Muir-Kings Canyon National Park and received literature from some of the organizations interested in the creation of that project. These communications requested me to write Congressman B. W. GEARHART and Congressman ALFRED J. ELLIOTT.

On March 4, 1939, I wrote two notes on cards; one of these I addressed to Congressman B. W. GEARHART and the other to Congressman ALFRED J. ELLIOTT, both in my own handwriting. These I enclosed in envelopes of the same type of stationery as the cards, and these envelopes were large enough to hold the cards without the cards being folded. I enclosed in the envelope addressed to Congressman ALFRED J. ELLIOTT by mistake a check for $100, payable to Congressman B. W. GEARHART, which I expected to be used in furthering the project.

I later received a letter from Congressman B. W. GEARHART, dated March 9, 1939, in which he thanked me for my interest in the project. I later received a letter dated March 15, 1939, from Congressman B. W. GEARHART, in which he thanked me for my proferred assistance and with which he returned to me the above-mentioned check, which check I had formerly sent in the envelope addressed to Congressman ALFRED J. ELLIOTT.

I have been shown an envelope addressed by a typewriter to Congressman B. W. GEARHART, postmarked San Jose, Calif., March 13, 1939, with an air-mail sticker attached. I had never seen this envelope until it was recently shown me on March 27, 1939. I did not send this envelope to Congressman GEARHART. I do not possess any such stationery, I do not own a typewriter, and I did not authorize anyone to address such envelope for me on a typewriter. My letters are written by me in my own handwriting, as were the two notes dated March 4, 1939, above mentioned, and I did not authorize anyone to address an envelope by a typewriter to Congressman GEARHART. I addressed but one envelope to Congressman GEARHART, and that contained the note dated March 4, 1939, and was in my own handwriting.

GERTRUDE S. ACHILLES.

Subscribed and sworn to before me this 1st day of April, A. D. 1939.

A. M. FREE,
Notary Public in and for the County of Santa Clara,
State of California.

Mr. GEARHART. Pending the receipt of definite information from the Honorable Arthur M. Free, of San Jose, Calif., and the affidavit of Mrs. Gertrude Achilles, of Morgan Hill, Calif., I caused due inquiry to be made concerning the activities of the Representative of the Tenth Congressional District of California in respect to my exchange of correspondence with Mrs. Gertrude Achilles, of the Federal Bureau of Investigation of the United States Department of Justice at Washington, D. C., and became fully informed in respect to that which had occurred.

Being desirous of a full and complete report from that very efficient agency of our Federal Government, I, on the 25th day of April 1939, addressed a letter to the Honorable Frank Murphy, Attorney General of the United States, in which I requested that I be advised in detail concerning the investigation which had theretofore been conducted at the request and under the direction of the Representative in Congress from the Tenth District of California, and that I be furnished with a report in respect to the results thereof.

In order that my right to this very great consideration might be made more definite and clear, I sought and obtained and was graciously accorded a personal interview by the Attorney General of the United States who, after fully considering the subject, directed that I be furnished in writing with the information desired.

In full compliance with my request for a report from the Department of Justice, I received on April 28, 1939, a letter from the Honorable John Edgar Hoover, Director of the Federal Bureau of Investigation of the United States Department of Justice, to which was attached a copy of a letter of even date from the Director of the Federal Bureau of Investigation to the Representative in Congress from the Tenth Congressional District of California, the Honorable ALFRED J. ELLIOTT.

I now send the Honorable John Edgar Hoover's letter to me of April 28, 1939, to the desk of the Clerk and ask that it

and the attached letter to the Representative in Congress from the Tenth Congressional District in California be read.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., April 28, 1939.

Hon. BERTRAND W. GEARHART,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With reference to your letter of April 25, 1939, I am enclosing herewith a copy of a letter which I have today directed to the Honorable ALFRED J. ELLIOTT, House of Representatives, Washington, D. C.

With expressions of my highest esteem and best regards,

Sincerely yours,

J. EDGAR HOOVER.

APRIL 28, 1939.

Hon. ALFRED J. ELLIOTT,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With reference to the interview conducted at your request with you on March 11, 1939, concerning information reaching you indicating that Congressman BERTRAND W. GEARHART had received a check in the amount of $100 from Gertrude S. Achilles, I desire to advise you that a complete investigation has been made into the facts in this situation. The investigation conducted by the Bureau discloses that the check sent to Congressman GEARHART by Gertrude S. Achilles was not only not cashed by Congressman GEARHART but was returned to Gertrude S. Achilles, who subsequently destroyed this check. It appears, therefore, that the conduct of Congressman GEARHART in this situation was entirely proper.

In accordance with your request I am returning herewith the photostatic copies of the documents which you submitted.

I am sending a copy of this letter to the Honorable BERTRAND W. GEARHART, House of Representatives, Washington, D. C.

Sincerely yours.

Mr. GEARHART. For a week or 10 days, perhaps 2 weeks, prior to the 6th day of April 1939, the House of Representatives Committee on the Public Lands had been conducting hearings in respect to the bill which is now pending before that committee for the creation of the John Muir-Kings Canyon National Park and for the inclusion in said park of the lands now embraced in the now existing General Grant National Park. The last witness to appear before that committee was the Representative of the Tenth Congressional District of California, Mr. ELLIOTT. During the course of his testimony the Representative of the Tenth Congressional District of California frequently protested his warm and fervent friendship for the Representative of the Ninth Congressional District, the author of the bill. Regretting, as he indicated, the necessity of his opposition to the creation of the park, he constantly referred to the one who now occupies the floor as "my friend, Mr. GEARHART," and took pains to relate to the members of the Public Lands Committee that the Representatives of the Ninth and Tenth Congressional Districts in California have always "been good friends." So frequently did the Representative from the Tenth Congressional District of California repeat such phrases as "my good friend, Mr. GEARHART," that the Representative of the Ninth Congressional District of California became convinced that the Representative of the Tenth Congressional District of California, upon being informed that the Representative of the Ninth Congressional District of California had not cashed the Gertrude Achilles check but had returned it to the sender, was trying to make amends for his unparliamentary conduct in endeavoring to entrap a colleague.

Being completely deceived by the attitude of the Representative from the Tenth District in California toward the Representative from the Ninth Congressional District of California, indignant as he had been theretofore because of what he regarded as an outrageous attempt to misrepresent him in respect to that which was in every respect an honorable transaction, was inclined toward dropping the whole subject and saying nothing more of or concerning the carefully concocted and fabricated plot and plan to accomplish his destruction.

On or about the 7th or 8th, perhaps the 9th, of April 1939, the Representative from the Tenth Congressional District of California decided to return to his district for the purpose of rendering an account to his constituents in respect to his activities as a Member of the Congress of the United States.

As soon as the Representative of the Tenth Congressional District of California arrived within his congressional district, rumors began to circulate "like wildfire" among the people of the counties of Kern and Tulare in the Tenth Congressional District and in the counties of Kings and Fresno in the Ninth Congressional District, to the effect that the Representative of the Ninth Congressional District was a crook, a cheap, grafting politician, who had introduced and was now supporting the bill for the creation of the John Muir-Kings Canyon National Park for the sole purpose of profit; that the Representative of the Tenth Congressional District in California had cleverly set a trap for the Representative from the Ninth Congressional District, and caught him, had possessed himself of photostats of letters and checks and other evidence which, when revealed to the public and to the Members of the House of Representatives, would completely destroy the reputation of the Representative of the Ninth Congressional District for truth, honesty, and integrity and drive him from public life; that the Representative from the Tenth Congressional District of California would produce said letters, documents, and check photostats at the proper time, so the rumor had it.

That the Representative of the Ninth Congressional District of California has heretofore been informed by numerous persons, persons who are entitled to the highest credibility and in whom the Representative of the Ninth Congressional District of California reposes the greatest confidence, and he doth verily believe from such information so conveyed to him, that the Representative of the Tenth Congressional District of California has, on at least four occasions in public meetings, and to hundreds of individuals in private conversation, exhibited the photostat of (1) Mrs. Gertrude Achilles' letter to the Representative of the Ninth Congressional District, (2) a photostat of Mrs. Achilles' check for $100 drawn upon a New York bank in favor of W. B. GEARHART, and (3) a photostat of an envelope addressed to Congressman A. J. ELLIOTT, Representative in Congress, Washington, D. C., with the representation expressed and implied, that such photostats constituted proof positive of the base character and cheap grafting propensities of the Representative of the Ninth Congressional District of California.

Upon receiving the information of the character just mentioned and described, the Representative in and for the Ninth District of California telegraphed to one H. B. Williams, a long-time and a most highly respected resident of the county of Kings, State of California, a person who, so the Representative for the Ninth Congressional District of California had been informed, and did verily believe, had attended at least one of said meetings and with his own eyes and ears had witnessed the performance and listened to the words of the Representative of the Tenth District in California, and urged the said H. B. Williams to appear before an attorney of undoubted respectability and make an affidavit of that which he observed and heard.

I now send to the desk of the Clerk a copy of my telegram to the said H. B. Williams and ask that it be read.

The SPEAKER. Without objection, the Clerk will report the telegram.

There was no objection.

The Clerk read as follows:

APRIL 19, 1939.

Mr. H. B. WILLIAMS,
District Deputy, Kings County Pomona Grange,
Route 2, Box 331, Kingsburg, Fresno County, Calif.:

Your letter received. Astonished by information you convey. Please have affidavit by someone, preferably yourself, executed before an attorney-notary which will emphasize following facts: First, that immediately after return of ELLIOTT to California rumors began to circulate that I was corrupt and that I had accepted money for supporting park bill and that ELLIOTT had in his possession photostats of checks including a $100 check. Second, fully describe incident when others were present that ELLIOTT exhibited photostats describing same in accordance with best memory of them. Other matters you mention in your letter equally false and equally outrageous but I will deal with them later. Must have sworn proof of circulation of rumors shortly after his arrival

and of his exhibition of photostats with implied or express representation of personal corruption on my part. Since this involves my very character, not only as an official but as a citizen, I sincerely hope that I can have your full cooperation in revealing this dastardly attempt to ruin me through false representations when he fully and well knows that I have not ever accepted one red cent because of my espousal of this or any other bill. Any legal expense you are put to will be promptly reimbursed out of my personal funds. Suggest employment of highly ethical lawyer such as Gilbert Jertberg or Philip Conley in Fresno, or Sidney Sharp in Hanford. As soon as lawyer selection is made telegraph me and I will phone him long distance with supplemental information in respect to requirements for Washington use. For reasons that are obvious, please treat this matter confidential in California until I can handle it here. Fondest fraternal regards.

Congressman B. W. GEARHART.

Mr. GEARHART. Mr. Speaker, in due course I received the affidavit of H. B. Williams from California, the affidavit which was read earlier in the day. I ask unanimous consent that that affidavit of H. B. Williams may be considered as having been read at this point and be printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The affidavit referred to is as follows:

AFFIDAVIT OF H. B. WILLIAMS

STATE OF CALIFORNIA,
County of Fresno, ss:

H. B. Williams, being first duly sworn, deposes and says:

That he is a citizen of the United States of America and a resident of the county of Kings, State of California; that his postoffice address is Route 2, Box 417, Kingsburg, Calif.; that he is by occupation a farmer and has resided at his present address continuously for the past 22 years.

That for some time last past he has been in favor of the creation of the John Muir-Kings River Canyon National Park and the Pine Flat bill; that on the evening of April 13, 1939, he was invited by one W. B. Wilbur, of Tulare, Calif., to attend a conference to be held at the city of Tulare, county of Tulare, State of California, with Congressman A. J. ELLIOTT; that affiant was informed that there would be exhibited at such conference photostatic copies of certain documents that would compromise Congressman B. W. GEARHART in his efforts to establish the national park and enact the so-called Pine Flat bill; that these documents were in the possession of Congressman ELLIOTT, but that Mr. GEARHART did not know of Mr. ELLIOTT's possession of said documents.

That the following persons, all residents of Kings County, Calif., were invited by the said W. B. Wilbur to attend said conference, to wit: C. L. Montgomery, J. J. Dawson, S. W. Tome, Nick Weiss, Ralph Gilkie, Clarence Salyers, and Louis Robinson; that affiant attended said conference on Friday morning, April 14, 1939, at the offices of the Tulare Chamber of Commerce in Tulare, Calif.; that all of the persons heretofore mentioned attended said conference and in addition there were present W. B. Wilbur, R. W. Wilbur, Congressman A. J. ELLIOTT, and three other persons unknown to this affiant; that at said conference Mr. ELLIOTT stated that he had not arranged the meeting but had received an invitation to attend;

That shortly after Mr. ELLIOTT's return to California in April of 1939 a report spread through Tulare and Kings Counties that Mr. ELLIOTT had in his possession certain documents which would discredit Mr. GEARHART and his support of the Park and Pine Flat bills;

That after Mr. ELLIOTT had concluded his statement of his reasons for opposing the Park bill, questions were asked him regarding the subject of insincerity on the part of those who were supporting the bills; that Mr. ELLIOTT then produced three photostats consisting (1) of an ordinary envelope addressed to A. J. ELLIOTT, House of Representatives, Washington, D. C.; (2) a short note or letter from Mrs. Achilles; and (3) a check in the sum of $100 made payable to B. W. GEARHART, signed by Mrs. Achilles;

That before producing the photostatic copies herein mentioned, Mr. ELLIOTT stated that he always believed Mr. GEARHART to be honest, and after exhibiting the photostatic copies herein mentioned Mr. ELLIOTT stated, in substance and effect, that those present could use their own judgment; that after affiant had inspected the check, he stated to Mr. ELLIOTT that the documents did not appear to him to be evidence of corruption, because $100 would be only small change. Mr. ELLIOTT stated to affiant that it wouldn't be small change if one received enough of them;

That during the course of the conversation one of the persons present asked Mr. ELLIOTT what had become of the check, and Mr. ELLIOTT stated that he gave the check to Mr. GEARHART, but he didn't know what GEARHART had done with it.

H. B. WILLIAMS.

Subscribed and sworn to before me this 25th day of April 1939.

[SEAL] EMMA DELK,
Notary Public in and for the County of Fresno, State of California.

Mr. GEARHART. Mr. Speaker, the allegations in this affidavit speak for themselves. In the light of that which I have heretofore said and sent to the desk to be read by the Clerk, there is nothing, it strikes me, that requires from me at this time any further explanation, admissions, or denials, save one allegation.

Addressing myself to that allegation, I do now, and upon my integrity as a Member of this body, deny, and deny as effectively as I can, that the Representative from the Tenth Congressional District of California ever exhibited to me, least of all, gave to me, the Gertrude Achilles check for $100, or any other check of any kind or character, either relating to the matters and things in my remarks of today more specifically mentioned or in respect to any other matter.

And in this connection I desire to further state and emphasize that to this day the Representative from the Tenth Congressional District in California has maintained, insofar as the Representative from the Ninth Congressional District is concerned, a complete silence in respect to his activities and knowledge of the matters and things which I have today referred to in such detail.

In other words, the Representative from the Tenth Congressional District of California, though he has had every opportunity in the world so to do, has never made mention at any time of anything in which Gertrude Achilles or the Representative from the Ninth Congressional District of California might be involved.

Rumors of the kind hereinbefore described, initiated and deliberately circulated by the Representative in Congress from the Tenth Congressional District of California in public meetings, private conferences, and in conversations with innumerable individuals, as aforesaid, soon found their way into the public prints of California. In the Los Angeles Daily News of April 20, 1939, a newspaper of general circulation distributing in the neighborhood of 100,000 copies each day, under a two-column headline entitled "Trap Set for Congressman Fails to Land Victim," prints the sordid story of Mrs. Gertrude Achilles' check, giving currency to the rumor to which I have hereinbefore frequently referred.

On April 27, 1939, the San Francisco News, a newspaper of general circulation distributing in the neighborhood of 100,000 copies each day, carries the story under the title or caption of "Two Congressmen Plus One G-Man Enjoy Red Faces," in which further currency to the rumor of the corruption of the author of the bill for the creation of the John Muir-Kings Canyon National Park is given.

Mr. Speaker, this has been the performance of the most unpleasant duty of my life. If there is anything I have—or anything that you have—that is worth fighting to retain, it is the reputation I have spent a lifetime building. I say it is wrong, terribly wrong, for one of our body to even attempt to set the kind of a trap that he did in respect to a transaction in itself, per se, honest and honorable in every one of its phases, to set a trap for the sole and only purpose of destroying me to defeat a bill that I have in accordance with my right as a Member of this body introduced and offered for your consideration. But I say it is damnable for one of our body, after he knows that the trap he has set has failed to catch its quarry, after he knows the check had not been cashed, to take to California photostats of that check and refer to them, to take them to California and exhibit them in public meetings and, by implication, as set forth in the affidavits before you, to tell the people that assembled about him asking a report upon his activities in Congress that the check represented evidence of my corruption, to spread rumors everywhere, from one end of the San Joaquin Valley to the other. I say that is wrong.

I have searched the precedents of this body, searched them down through the 150 years of the history of this body, and I fail to find one case referred to in those proceedings that even approaches that which I have been compelled to lay before you.

I ask no action. There was a time when I thought of expulsion. There was a time when I thought of disciplinary action. But that is all of the past now. The record is made. I am content. [Applause.]

Mr. ELLIOTT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to speak at this time on the false statements made by the gentleman from California [Mr. GEARHART] of District 9 of California.

The SPEAKER. For how long a period of time does the gentleman desire to speak?

Mr. ELLIOTT. From 30 to 40 minutes.

The SPEAKER. The gentleman from California asks unanimous consent to address the House for 40 minutes. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, the gentleman from California [Mr. GEARHART] has painted a picture to make the Members feel that I had no right to ask for an investigation of this check. Never at any time did I display this check to more than eight Members of the House of Representatives, a member of the F. B. I., and the clerk of the Public Lands Committee. While I was in California I was asked to display this check, and when I did I said, "This check has not been cashed, to my knowledge, and I am not doing anything to hurt Mr. GEARHART's feelings" [laughter]; and when displaying it I reaffirmed my belief a second time, and the Members of the House, to whom I showed this check, will verify that those were the words I spoke to them.

Now, I am compelled to go back to bring out why I asked for an investigation on this check. There is always a reason to bring out the facts.

In 1938 the gentleman from Louisiana [Mr. DEROUEN], of the Public Lands Committee, introduced a bill in the House, sponsored by the Department of the Interior, known as Kings Canyon National Park bill. That bill was tabled. At that time I made the statement to three different people in Mr. GEARHART's district that he was interested in this bill. I learned from the gentleman from California [Mr. GEARHART] that he was not interested in the bill, and I wrote letters in his district restracting my statement.

Along after primary elections were over in August the gentleman from California [Mr. GEARHART] made numerous talks in his district discussing this park bill and Pine Flat Dam in connection therewith, two separate bills.

In January, on returning to Congress, I spoke to the gentleman from California [Mr. GEARHART] and asked if he was going to introduce this bill and he told me he was. He did not tell me what area he was going to take in. However, this bill takes in an area in my Tenth Congressional District and in my home county.

In February Mr. Ickes, Secretary of the Department of the Interior, made a trip to California, and while there talked to various groups in behalf of this bill.

The State legislature, in January of 1939, by approximately an 85-percent vote, voted against the creation of this area into a national park in the State of California.

While Mr. Ickes was in California, he brought pressure to bear on various individuals to furnish resolutions supporting both his and Mr. GEARHART's bills, even to the point wherein he publicly made the statement:

> I have been Santa Claus to California and this is the first time I have ever asked for anything.

On February 7, 1939, the gentleman from California [Mr. GEARHART] introduced those bills, and I received the check the gentleman from California [Mr. GEARHART] spoke about after that date. As I told you, I conversed with eight other House Members, who advised me what to do. Contrary to Mr. GEARHART's statement, I did not send the check to California personally. Contrary to the statement he made that the first letter sent to me—and the only letter I received from this party—was sent from Morgan Hill, I have a photostatic copy which shows San Jose, Calif., canceled postmark.

Now, what happened? The bill was picking up momentum from the ones opposing and the ones in favor.

On Mr. Ickes' trip to California he told the people of that State:

> If you will give me the park bill, I will support the $25,000,000 Pine Flat Dam; in other words, you have got to trade with me, if you expect to get what you want in flood control and power, but in return I want the park bill.

So men went out and worked upon that theory, namely, if we do not give Mr. Ickes his park, he will work against our Pine Flat Dam bill.

So that was the kind of program that was built up, and in the meantime I was offered different things for my district if I would withdraw my objections and comply with Mr. Ickes' program.

On the 13th day of March I was called down to the Department of the Interior by Mr. Ickes. He said, "I guess you know what I asked you to come for." I said, "No, sir; I presume the Central Valley's water project." "No," he answered, "It is about the park bill." I replied, "Mr. Ickes, my people do not want the park bill." He said, "That is what you think; but your people do want the park bill." Then he informed me that he held the strings to the money bags and if I did not withdraw my objections, I would not receive certain favors in my congressional district.

Mr. CULKIN. Mr. Speaker, will the gentleman yield at that point?

Mr. ELLIOTT. I will not yield at this time.

My secretary was present in the Department of the Interior. He said, "If you have any fear that you will be defeated in 1940—and I have never told this to any other Congressman—I will go out in your district and will make a public speech in your behalf." [Laughter.] Continuing, he said, "If this bill is killed, young man, I am laying this at your doorstep and a block of Republicans." [Laughter.]

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield at that point?

Mr. ELLIOTT. I yield.

Mr. O'CONNOR. As the gentleman knows, I am a member of the Committee on Public Lands and participated in the cross-examination of Secretary Ickes when he was on the stand.

Mr. ELLIOTT. You are telling me a story now. I did not yield for that.

Mr. O'CONNOR. I want to ask this question: Was Secretary Ickes cross-examined by you or anyone else upon the subject you are now telling this House about?

Mr. ELLIOTT. I am coming to that.

Mr. O'CONNOR. Well, answer the question. Was he?

Mr. ELLIOTT. No.

Mr. O'CONNOR. You know that there never was a single suggestion made to Secretary Ickes with reference to what you are now speaking about before that committee.

Mr. ELLIOTT. We are not through with the bill yet.

Mr. O'CONNOR. Well, answer that question. It was never even suggested to him?

Mr. ELLIOTT. What do you mean, "suggested"?

Mr. O'CONNOR. That he had made you any promises in support of that bill?

Mr. ELLIOTT. I said we are not finished with the bill yet. I can still make a statement on that.

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

Mr. ELLIOTT. No further.

Now, the point I want to bring out is this: After Mr. Ickes' invitation to his mansion, where he promised me various things and made suggestions, and told me I would not get this or I would not get that, on the afternoon of the same day Congressman GEARHART came to my office, sat down, and he said just this, "A. J., you should withdraw your objections and go up to the Department of the Interior with me and Mr. Ickes and have your picture taken." [Laughter.] He said, "I can get you additional things for your district if you will just do that."

Mr. CUMMINGS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. CUMMINGS. The point of order I make is this: I do not know whether it is well taken or not, but the gentleman is stating remarks that somebody else is supposed to have made, that would not be in evidence in any court on God's green earth. Can a man come here and villify another man and say, "This man told me so and so," and introduce it as evidence? I am just asking.

The SPEAKER. The House gave the gentleman unanimous consent to address the House.

Mr. CUMMINGS. Are there not any rules regulating what he shall say? [Laughter.]

The SPEAKER. The Chair will state in answer to the point of order that the gentleman is replying to a question of privilege. The Chair knows of no limitation that can be placed upon his statements. There is no evidence, under the rules of the House, to be submitted by the gentleman from California.

The gentleman from California is recognized.

Mr. ELLIOTT. If I may be permitted now to finish: There is a trade on this proposed park measure. The gentleman from California [Mr. GEARHART] is aware of the fact. There is private ownership involved in this area that very few people know about. The transfer of this area—over 400,000 acres—has led to talk throughout the Nation, "Save the big trees." The gentleman from California [Mr. GEARHART] said before the Public Lands Committee:

> You don't saw; you dynamite. When you fell these trees they come thundering to the ground in little splinters to rot. Only a small percentage is used for commercial purposes. Those are for redwood posts and grape stakes.

Now, Members of the House, where these big trees lie is not in this area [indicating on map]. The big trees are over here on Redwood Mountain, 30 miles distant. You are going to be called upon to purchase from private ownership those trees. In the same breath the gentleman from California [Mr. GEARHART] testified that there were no natural resources in this area [indicating]. Then when we in committee had a representative of the Federal Power Commission on the stand, he testified that the area contained a second Boulder Dam, making available 800,000 horsepower; 3,600,000 kilowatt-hours of electric energy to be created in this high area supported by dams.

When I received this check, knowing that private ownership depended on selling Redwood Mountain, not knowing who this interested party might be, I did not deliberately nor otherwise go out to wreck Mr. GEARHART's life. I wanted to find out if there were some people interested who were relatives of this lady who wanted to sell Redwood Mountain to the Government. There is a bill in the Senate calling for $460 an acre for this area. When I talked to the F. B. I. I specified: "I don't want to do anything to hurt the character of Congressman BUD GEARHART. All I am asking you to do is to follow this thing through, and your findings will be divulged to me and nobody else. But if you find that this check has been destroyed, I want you, when you write a letter to me, to submit a duplicate copy to BUD GEARHART." If that F. B. I. official were here, he would affirm those words; that and nothing more.

Now, after knowing that there was a transaction regarding privately owned property; knowing that Mr. Ickes had been in California trying to buy this area at a lesser price than the Senate bill called for; knowing that Mr. Ickes went to California at the expense of the Government; knowing that Mr. Ickes on three or four different occasions in one day called California at the expense of the Government relative to the proposed park bill; knowing he also called the Southern Pacific of California to do what it could to stop me, and that he had endeavored to influence my friends—even Mr. McAdoo has been drawn into the picture with one of my close friends to try to stop my opposition to this bill.

Now, Mr. Speaker, with such situation existing and then having something of this nature coming up, I felt justified in following it up as I did. I think it has been a funny deal clear down the line. I wanted to know more about this piece of legislation. I wanted to know whether people were attempting to influence legislation with money.

Here is something that has been mailed out; maybe some of you received a copy of it. It reads:

> Emergency Conservation Committee. Mrs. C. N. Edge, chairman, 734 Lexington Avenue, New York. Will you kindly help us in our campaign to establish the John Muir-Kings Canyon National Park? Enclosed find—

And a blank space is left in which the amount of money may be indicated.

Knowing that these things were being mailed to people I felt I had a perfect right as a member of the Committee on the Public Lands to follow this check through to see if they were relatives, or if the party owned property in this area where the Federal Government was going to be called upon to purchase land. It had nothing to do with destroying the character of the gentleman from California "BUDDY" GEARHART, at any time. I was acting within my perfect right.

When I went into my district I did not hold a public meeting. Men came to my office in the Tulare Chamber of Commerce, as I am executive secretary of that organization and also manager of the county fair held on the grounds there. Individuals came to my office and said they heard I had a check and wanted to see it. I never advertised it, and when I showed it to them, I said: "Ladies and gentlemen, this is no reflection on Mr. GEARHART." I followed the method I had been advised to pursue. I did not—and I will take an oath on it—address the envelope back to California, nor did anyone in my office. Neither were the photostatic copies made in the F. B. I. I did not want anyone to know of this incident, but I did want to find out its significance, if any, since it was rumored to me on numerous occasions that various persons were interested in the outcome of the legislation.

Let me repeat that Mr. Ickes was doing his utmost to put this thing over and laying the blame of the opposition to me.

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

Mr. ELLIOTT. I cannot yield at this time. Mr. Ickes laid the blame on me. It was said that I was working in the interest of the power people, which is a false statement.

When I showed this check to the Members here, to the clerk of the committee, to the F. B. I., I properly protected the gentleman from California [Mr. GEARHART]. Whoever says I did not is guilty of a gross misrepresentation.

Mr. Ickes through his method of operation made it more probable for me to believe that there was perhaps money involved in this issue.

Mr. KEEFE. Mr. Speaker, will the gentleman yield at that point?

Mr. ELLIOTT. No.

Mr. Speaker, let me say further that out in California the Argonaut, a famous California weekly founded in 1877, published at San Francisco, in its issue of April 21, printed the following statement:

> Harold L. Ickes, Secretary of the Interior, and a leading proponent of the park plan, said: "We would have had this bill reported favorably by the House committee long before this if it had not been for the stubborn opposition of Congressman ELLIOTT and Congressman ENGLEBRIGHT, of California, who seem determined to defeat this bill at all costs, regardless of its merits."

They are now bringing the gentleman from California, Congressman ENGLEBRIGHT, into the picture. [Laughter.]

> "In face of the bitter, unfair, and foul tactics," he says, "of those who oppose the development of our mountains and valleys in the interest of the people, to stop now would constitute surrender, which I for one will not be a party to. Not alone have they resorted to 'phony' telegrams and unauthorized objections, but they have stooped so low as to sequester from stenographic reports letters and documents which I, during course of my testimony, introduced in the record. Not only that but effort has been made to entrap me, and by misrepresentation to destroy my reputation for truth, honesty, and integrity, and all this just to defeat a legislative proposal."

There he points out that the gentleman from California, Congressman ENGLEBRIGHT, and I deliberately mislaid, misplaced, and took away evidence from the committee. I challenge any member of the Committee on the Public Lands to stand up and say that either the gentleman from California [Mr. ENGLEBRIGHT] or I took a single document away from the committee.

Mr. SCHAFER of Wisconsin. Mr. Speaker, if the gentleman will yield, who made that charge?

Mr. ELLIOTT. Ickes. Ickes charges that the gentleman from California [Mr. ENGLEBRIGHT] and I were working together.

Mr. SCHAFER of Wisconsin. What has Ickes' statement got to do with an answer to the gentleman from California [Mr. GEARHART]? What paper is the gentleman reading from?

Mr. ELLIOTT. The Argonaut, a California paper.

Mr. SCHAFER of Wisconsin. What issue?

Mr. ELLIOTT. April 21, 1939.

Mr. SCHAFER of Wisconsin. Is the gentleman answering Mr. Ickes? As one Member who granted unanimous consent to the gentleman from California to address the House I withheld objection because the gentleman said he was going to answer the gentleman from California [Mr. GEARHART], not try Mr. Ickes here. [Laughter.]

Mr. ELLIOTT. We are not trying Mr. Ickes here. Yet in the face of this publication it is reasonable to presume that a correspondence between Mr. Ickes and the gentleman from California [Mr. GEARHART], have brought them to the rash conclusion that as opponents to the Gearhart bill we are guilty of "bitter, unfair, and foul tactics." That is the representation made to a publication which on its own assertion is "read and quoted throughout the world." Both Mr. Ickes and the gentleman from California [Mr. GEARHART] share this opinion just because there is opposition to his legislation. If conscientious bona fide opposition to an issue signifies foul tactics then there is a warped viewpoint as to what really is fair and what is foul. In further answer: The statement that the gentleman from California [Mr. GEARHART] made, that I at any time made any allegation in California detrimental to him, regardless of who made it, is a false statement, and I challenge anyone who makes such a statement to prove its truth.

There are three or four members of the Public Lands Committee of the House who saw this check. At no time to those members or the other four members did I ever say anything against the gentleman from California, Congressman GEARHART. I only wanted this check followed through, knowing the volume of money and time that had been taken up by Secretary Ickes to try to shove this piece of legislation down the people's throats. I could not help but reasonably believe there was something funny down the line.

Mr. HOFFMAN. Will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why did the gentleman take that photostatic copy to California after he knew that the gentleman from California [Mr. GEARHART] had not cashed the check?

Mr. ELLIOTT. I did not have it. It was air-mailed to me.

Mr. HOFFMAN. Did somebody out there ask you to see it?

Mr. ELLIOTT. Yes.

Mr. HOFFMAN. Why did the gentleman show it if he knew it was not cashed?

Mr. ELLIOTT. I did not know at that time whether or not the check had been cashed.

Mr. HOFFMAN. The gentleman did not know it had been cashed?

Mr. ELLIOTT. No. Not until I returned to Washington, April 21. Here is the photostatic copy of the check and letter and also the letter from the F. B. I., dated April 28. You will note the letter from Mrs. Gertrude S. Achilles is addressed to me postmarked "San Jose, Calif., March 5"; the letter is headed, "Morgan Hill, Calif., March 4," and the check to W. B. GEARHART is dated March 2.

Congressman A. J. ELLIOTT, House of Representatives, Washington, D. C.

Fifth Avenue Office
Guaranty Trust Co. of New York
Fifth Avenue at Forty-fourth Street

No. ——

NEW YORK, N. Y., *March 2, 1939.*

Pay to the order of W. B. GEARHART one hundred dollars.

GERTRUDE S. ACHILLES.

MORGAN HILL, CALIF., *March 4, 1939.*

DEAR SIR: Kindly accept my contribution for the creation of the John Muir National Park. I have been over parts of the ground and can interest many people in the project. My son, T. C. Achilles, in the State Department, joins me in furthering this project.

Wishing the bill success,

Very sincerely,

Mrs. GERTRUDE S. ACHILLES.

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., April 28, 1939.

Hon. ALFRED J. ELLIOTT,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With reference to the interview conducted at your request with you on March 11, 1939, concerning information reaching you indicating that Congressman BERTRAND W. GEARHART had received a check in the amount of $100 from Gertrude S. Achilles, I desire to advise you that a complete investigation has been made into the facts in this situation. The investigation conducted by the Bureau discloses that the check sent to Congressman GEARHART by Gertrude S. Achilles was not only not cashed by Congressman GEARHART but was returned to Gertrude S. Achilles, who subsequently destroyed this check. It appears, therefore, that the conduct of Congressman GEARHART in this situation was entirely proper.

In accordance with your request, I am returning herewith the photostatic copies of the documents which you submitted.

I am sending a copy of this letter to the Honorable BERTRAND W. GEARHART, House of Representatives, Washington, D. C.

Sincerely yours,

J. EDGAR HOOVER.

Mr. HOFFMAN. Who asked you to see it?

Mr. SCHAFER of Wisconsin. Ickes.

Mr. HOFFMAN. How did they learn out in California about this check?

Mr. ELLIOTT. I do not know. I never wrote a letter about it. I never sent a telegram, and I never mentioned it over the telephone.

Mr. HOFFMAN. What did the gentleman do with the check after he received it in Washington? To whom did he give it?

Mr. ELLIOTT. To whom did I give it?

Mr. HOFFMAN. Yes.

Mr. ELLIOTT. A party in Washington.

Mr. HOFFMAN. Who was it? Name him. We want to know how that check got back to California and remailed to the gentleman from California [Mr. GEARHART].

Mr. ELLIOTT. I did not mail the check.

Mr. HOFFMAN. I know the gentleman did not, but the gentleman said he gave it to someone.

Mr. ELLIOTT. Yes.

Mr. HOFFMAN. To whom did you give it? I am sure the House is interested in what the gentleman did with the check after he received it. I feel friendly toward the gentleman. I would like to know what he did with that check after he got it. [Laughter.]

Mr. VINCENT of Kentucky. Will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Kentucky.

Mr. VINCENT of Kentucky. Nobody questions that the check was written by this lady in California?

Mr. ELLIOTT. No.

Mr. VINCENT of Kentucky. There is no question about that?

Mr. ELLIOTT. No.

Mr. VINCENT of Kentucky. The check was written and mailed by her?

Mr. ELLIOTT. Yes.

Mr. VINCENT of Kentucky. Then the question of what you did with it seems to me to be very immaterial.

Mr. LEAVY. Will the gentleman yield for just one short question?

Mr. ELLIOTT. Just one short one.

Mr. LEAVY. The gentleman has made a charge against a high public official, the Secretary of the Interior, in reference to the fact that he was told he would get a $25,000,000 dam by going along on the park. In fairness to that official, I think the gentleman ought to state the time, the place, and who was present when that conversation occurred so that it can be answered.

Mr. ELLIOTT. I will answer that. The statement was made in Fresno, Calif., in the month of February during his trip there.

Mr. LEAVY. The place and who was present?

Mr. ELLIOTT. It was at a public meeting.

Mr. LEAVY. At a public gathering?

Mr. ELLIOTT. At a public meeting.

Mr. LEAVY. Held where?

Mr. ELLIOTT. I think at the California Hotel. I was not present.

Mr. LEAVY. It was part of a public address?

Mr. ELLIOTT. Yes.

Mr. LEAVY. Can the gentleman give us the date?

Mr. ELLIOTT. No; I cannot give that. Here is a telegram about the meeting:

FRESNO, CALIF., *March 16, 1939.*

Hon. ALFRED J. ELLIOTT,

United States Congressman, Washington, D. C.:

In protesting unfair tactics used by Secretary Ickes in conducting California hearings February 13 and 14, we cite following instances. San Francisco meeting Almon Roth, vice president, State chamber of commerce, presented S. P. Frisselle, director of State chamber, to present views of San Joaquin Valley Council, which had been approved by State chamber board of directors. Secretary heard Roth and Frisselle and when Burke, also State chamber director, representing lower San Joaquin area arose to make his presentation he was denied the floor by Ickes saying that State chamber had been heard. Two representatives State chamber heard, one refused. At least four representatives John Muir Association afforded unlimited time to talk with no objection. In Fresno meeting Frank Long, representing Farm Bureau, only allowed to talk after verbal clash with Secretary. Same treatment given Buckman and Dudley. All park proponents afforded unlimited time without heckling. We feel park opponents definitely not accorded same fair treatment proponents received. The undersigned were present at meeting in question. We further call attention to fact Secretary chose to challenge and belittle nearly every park opponent who attempted to offer evidence. Ickes closed both San Francisco and Fresno meetings with sarcastic and unfair statements relative opponents; permitting no rebuttal.

S. P. FRISSELLE.
C. T. BUCKMAN.
W. M. CLINGAN.
E. F. WALLACE.
LUCIAN SCHMITTOU.

Mr. O'CONNOR. Will the gentleman yield?

Mr. ELLIOTT. No.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Did I understand the gentleman to say that Secretary Ickes told him in substance that unless he went along on the park he would penalize the gentleman by not giving him things in his district?

Mr. ELLIOTT. He made this statement:

That I hold the strings to the money bag, young man.

Mr. THOMAS F. FORD. Where was that statement made?

Mr. ELLIOTT. In Mr. Ickes' office on the 13th day of March.

Mr. THOMAS F. FORD. In Washington?

Mr. ELLIOTT. In Washington, D. C.

Mr. THOMAS F. FORD. In the presence of whom?

Mr. ELLIOTT. In the presence of my secretary and no one else.

Mr. THOMAS F. FORD. And yourself?

Mr. ELLIOTT. Yes.

Mr. KEEFE. Mr. Speaker, will the gentleman yield for a question?

Mr. ELLIOTT. I yield for a question, just a short question.

Mr. KEEFE. The gentleman was asked by the gentleman from Michigan [Mr. HOFFMAN] for an explanation as to how that check got back to California and who sent it. The gentleman stated that he would advise the House who sent it. I think it is very important as bearing upon this question for the House to know, and I know I would like to know, in view of the charge of entrapment which has been made by the gentleman's colleague, how that check got back to California to be mailed back to the gentleman from California [Mr. GEARHART] here in Washington, and who did it. The gentleman has stated that he conferred with eight Members of this House. Was the action the result of a conspiracy of the gentleman with eight other Members to entrap the gentleman from California [Mr. GEARHART], and to whom did the gentleman give the check?

Mr. ELLIOTT. The gentleman asked one question, did he not?

Mr. KEEFE. I did, and I would like to have it answered, and I know the House would like to have it answered.

Mr. ELLIOTT. I will answer. To prove that I did not send it——

Mr. KEEFE. I accept the gentleman's word.

Mr. ELLIOTT. Sit down; just hold still and I will tell you.

The check was given in an envelope addressed to Mr. Dunwoodie, and Mr. Dunwoodie mailed it to a friend of his in San Jose, Calif., and it was returned to the gentleman from California [Mr. GEARHART]. I did not send that check, as has been accused.

Mr. KEEFE. Who is Mr. Dunwoodie?

Mr. ELLIOTT. He is a member of the State Chamber of Commerce of California, the secretary.

Mr. KEEFE. The gentleman mailed it to Mr. Dunwoodie in California?

Mr. ELLIOTT. Oh, no; he was here.

Mr. KEEFE. The gentleman gave it to Mr. Dunwoodie?

Mr. ELLIOTT. I gave it to him.

Mr. KEEFE. With instructions that he should mail it to the gentleman from California [Mr. GEARHART] from Fresno; is that right?

Mr. ELLIOTT. No.

Mr. KEEFE. What were the gentleman's instructions to him?

Mr. ELLIOTT. From San Jose. [Laughter.]

Mr. KEEFE. Then, so the record may be clear, if I understand the gentleman's statement correctly, the gentleman gave this check to Mr. Dunwoodie?

Mr. HOOK. Mr. Speaker, a parliamentary inquiry.

Mr. ELLIOTT. You asked me to yield for one short question, and I answered your question.

Mr. KEEFE. I think perhaps you did.

Mr. ELLIOTT. Then sit down.

The SPEAKER. Does the gentleman from California yield to the gentleman from Michigan for a parliamentary inquiry?

Mr. ELLIOTT. I yield.

Mr. HOOK. I want to know whether this is a controversy between individuals or whether it is a controversy between parties. From the acts of the Republicans one would think it was a party controversy.

The SPEAKER. The Chair may state that he does not consider that a real parliamentary inquiry. The Chair will repeat that the House gave the gentleman from California the right to talk 40 minutes on any subject he saw fit.

Mr. ELLIOTT. Now, if I may be permitted to proceed, some of you might think you are making a monkey out of me, but that cannot be done. [Laughter.]

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

Mr. ELLIOTT. I yield.

Mr. HOFFMAN. I made the statement a while ago that I felt friendly toward the gentleman and some of the Members laughed at that statement. The gentleman knows, does he not, that I have been friendly throughout his service in this House?

Mr. ELLIOTT. You have. Thank you very much, Mr. HOFFMAN.

Mr. Speaker, I was hoping I might be able to finish my statement before anyone started asking me questions, but I have been kind enough to yield a part of my time to those wishing to ask questions. Now I am going back, if I may be permitted without further delay, to say that this bill is a dangerous piece of legislation the way it has been carried on up to the present time. I had a perfect right, after I discovered the many irregularities that were happening and the pressure that was being put on by the Department of the Interior—and he has had lobbyists on this floor. Mr. Beiter, a former Member of this House, now working for the Department of the Interior, sat in the second row of

seats facing the speaker and tried to induce me to withdraw my objections to this bill. They have had other paid men on this hill. They have had men working in California for the past 15 months making speeches before Rotary Clubs, Lions Clubs, and others, to try to pass this piece of legislation, knowing all the time, after telling the people "We want to save our big trees," that they moved over and included this area 30 miles distant from the Kings Park area for a sucker grab to make the people feel that there were big trees in this area, knowing they were going to have to purchase this area from private owners and the taxpayers were going to be called upon to pay for it.

Mr. Speaker, as a member of the Public Lands Committee, when I received this check, knowing that statements of solicitation had been sent us for this park area, I had a perfect right to find out and demand where this check was going and what was behind the movement, and that is all I asked of the Department when I turned it over to them.

I turned it over to the Department in good faith that they would follow this thing through, and these are the words in which I asked the gentleman, "Will you find out whether or not this lady has any relatives that own land in Redwood Mountains, and if this check is cashed I want you to notify me and nobody else"—that is the statement I made to the gentleman—"I don't want any harm done to BUDDY GEARHART."

In concluding, I do not wish to take up any further time of this honorable assembly. Conceivably, my colleague from California, whose extensive experience in law should have taught him otherwise, has, in part, presented a case on an "anonymous telephone call." Naturally, those of you who have had the advantage of pursuing law and formal principles of law, know full well the weight of hearsay evidence. It was only through Mr. GEARHART'S admissions that we learned of such an anonymous conversation, and the nature of the same.

I have outlined my every movement and have openly challenged a face-to-face rebuttal of any ulterior motive; such a challenge went unanswered!

As Congressman from the Tenth District of California, I, like other Members here present, have several purposes in accepting the responsibility of a congressional office. Primarily, to serve both this body and the people whom I represent to the best of my ability, within honorable bounds, and, by all means, with aboveboard practices. Therefore, the why and wherefore of everything I did, and mind you, gentlemen, it was with absolute good faith that I pursued the course I did in the tracing of a check, my privilege as a member of the Public Lands Committee considering legislation for which funds are known to be solicited by outside interests to further its approval. My constituents do not want it; and I am representing my constituents. I am but a medium through whom they speak. They have pronounced an emphatic "No!" to the passage of this bill, and in compliance with my oath of office, I shall protect their welfare.

[Here the gavel fell.]

PRIVATE CALENDAR

R. DOVE AND LAURA J. DOVE

The Clerk called the next bill, H. R. 2044, for the relief of R. Dove and Laura J. Dove.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. Dove, of Bartlesville, Okla., the sum of $1,394.31; and to Laura J. Dove, of Bartlesville, Okla., the sum of $2,500; in all, $3,894.31 in full settlement of their respective claims against the United States for injuries received when the vehicle in which they were riding struck a truck of the Works Progress Administration on United States Highway No. 64, near Hartman, Ark., November 13, 1937.

With the following committee amendments:

Line 6, strike out the figures "$1,394.31" and insert "$250."
Line 7, strike out the figures "$2,500" and insert "$750."
Line 8, strike out the figures "$3,894.31" and insert "$1,000."
At the end of the bill add the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

ANTHOULA S. MASKAS

The Clerk called the next bill, H. R. 5077, for the relief of Anthoula S. Maskas.

Mr. ALLEN of Louisiana, Mr. HANCOCK, and Mr. BARDEN objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MARY COHEN BIENVENU

The Clerk called the resolution (S. J. Res. 72) readmitting Mary Cohen Bienvenu to citizenship.

Mr. ALLEN of Louisiana and Mr. TALLE objected, and, under the rule, the Senate joint resolution was recommitted to the Committee on Immigration and Naturalization.

ELBERT R. MILLER

The Clerk called the next bill, H. R. 2687, for the relief of Elbert R. Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective on and after the date of enactment of this act, all rights, claims, and benefits forfeited by Elbert R. Miller (C–132757) under the provisions of section 504 of the World War Veterans' Act, 1924, as amended, by the decision of the Director, United States Veterans' Bureau, dated October 28, 1929, are hereby restored.

With the following committee amendment:

In line 8 of the bill after the last word, "restored", change the period to a comma and insert the clause "but this act shall in nowise be construed as authority to pay any sum, claim, or benefit that may have matured or become due prior to effective date of this act."

The committee amendment was agreed to.

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

RELIEF OF THE NINETY SIX OIL MILL, OF NINETY SIX, S. C.

The Clerk called the next bill, H. R. 3345, for the relief of the Ninety Six Oil Mill, of Ninety Six, S. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to D. M. Lipscomb, sole surviving trustee of Ninety Six Oil Mill, Ninety Six, S. C., the sum of $5,842.76, balance due on cotton linters in accordance with the findings of fact made by the Court of Claims under date of May 2, 1938.

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.

ANNE BOICE

The Clerk called the next bill, H. R. 1831, for the relief of Anne Boice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anne Boice, of Columbia, S. C., the sum of $361 in full satisfaction of her claim against the United States for adjusted compensation earned prior to the resignation from the Army of her late husband, Leonard Theodore Boice, who was a second lieutenant of Infantry, National Army, and was formerly attached to Headquarters Company, Three Hundred and Sixth Ammunition Train.

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.

MIKE CHETKOVICH

The Clerk called the next bill, S. 1093, for the relief of Mike Chetkovich.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LOUISIANA NATIONAL BANK OF BATON ROUGE

The Clerk called the next bill, S. 1515, for the relief of the Louisiana National Bank, of Baton Rouge, and the Hibernia Bank & Trust Co., of New Orleans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Louisiana National Bank, of Baton Rouge, La., the sum of $400, in full satisfaction of its claim against the United States for refund of the amount of a judgment paid to the United States based upon four fraudulent United States postal money orders issued on December 23, 1932, by Harry G. Peek, a former postmaster at Sondheimer, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The judgment against the Hibernia Bank & Trust Co., of New Orleans, La., in the amount of $1,100, based upon certain fraudulent United States postal money orders issued by the said Harry G. Peek, is hereby canceled.

SEC. 3. Nothing in this act shall be construed to prevent the recovery by the United States of funds embezzled by the said Harry G. Peek, or on money orders unlawfully issued by him, except those which are the subject of this act.

With the following committee amendments:

Page 1, line 11, strike out the first five words of the proviso; and on page 2, beginning in line 1, strike out all of lines 1 to 11, inclusive, and the words "not exceeding $1,000" in line 12, and insert "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

NADINE SANDERS

The Clerk called the next bill, H. R. 1876, for the relief of Nadine Sanders.

The SPEAKER. Is there objection?

There was no objection.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that Senate bill 1164 be substituted for the House bill.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nadine Sanders, Santa Fe, N. Mex., the sum of $1,096.40. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Nadine Sanders on account of personal injuries received on February 13, 1937, when the automobile in which she was riding was struck in Santa Fe, N. Mex., by a Soil Conservation Service truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BARDEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: On page 1 of the Senate bill, in line 6, after the words "the sum of", strike out "$1,096.40" and insert in lieu thereof "$750."

The amendment was agreed to.

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

A similar House bill (H. R. 1876) was laid on the table.

MARGUERITE KUENZI

The Clerk called the next bill, H. R. 1883, for the relief of Marguerite Kuenzi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marguerite Kuenzi, Mayville, Wis., the sum of $7,500. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Marguerite Kuenzi as the result of personal injuries received on March 24, 1936, when a partition, constituting part of the interior of the post office at Prairie du Sac, Wis., fell and struck her.

With the following committee amendments:

Page 1, line 6, strike out "$7,500" and insert "$2,500."

Page 2, line 1, after the word "her", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

JESSIE DENNING VAN EIMEREN ET AL.

The Clerk called the next bill, H. R. 2058, for the relief of Jessie Denning Van Eimeren, A. C. Van Eimeren, and Clara Adolph.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jessie Denning Van Eimeren, of Cincinnati, Ohio, the sum of $520; to A. C. Van Eimeren, of Cincinnati, Ohio, the sum of $450; and to Clara Adolph, of Cincinnati, Ohio, the sum of $1,655.95. These payments shall constitute settlement in full of all their claims against the United States for personal injuries sustained by them on October 7, 1936, when the automobile in which they were riding was struck by a Civilian Conservation Corps truck, said collision occurring on Colerain Avenue, Cincinnati, Ohio: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BARDEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: Page 1, line 6, strike out "$520" and insert in lieu thereof "$250."

Page 1, line 7, strike out "$450" and insert in lieu thereof "$200."

Page 1, line 8, strike out "$1,655.95" and insert in lieu thereof "$1,000."

The amendments were agreed to.

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

HOWARD E. DICKISON

The Clerk called the next bill, H. R. 2071, for the relief of Howard E. Dickison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard E. Dickison, Cass

Lake, Minn., the sum of $3,500. The payment of such sum shall be in full settlement of all claims against the United States for losses sustained by the said Howard E. Dickison on account of the death of Ronald Dean Dickison, his minor son, as the result of an accident on January 15, 1938, near Cass Lake, Minn., involving a motor vehicle in the service of the Civilian Conservation Corps.

With the following committee amendments:

Page 1, line 6, strike out "$3,500" and insert "$2,500."

Page 2, line 2, after the word "Corps", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

HOMER C. STROUD

The Clerk called the next bill, H. R. 2097, for the relief of Homer C. Stroud.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer C. Stroud, first sergeant, United States Marine Corps, in full settlement of all claims against the Government of the United States, the sum of $500 for reimbursement for damages to and loss of personal effects while in shipment, under Government care, from the Marine Corps Base, San Diego, Calif., to the Marine Corps Barracks, Quantico, Va.

With the following committee amendment:

Line 6, after the word "Corps", insert "Reserve."

Line 8, strike out the figures "$500" and insert "$324."

Line 9, after the word "shipment", insert "from April 13, 1936, to May 22, 1936."

At the end of the bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

R. H. GRAY

The Clerk called the next bill, H. R. 2345, for the relief of R. H. Gray.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1934 ed., title 5, secs. 767 and 770), are hereby waived in favor of R. H. Gray, San Antonio, Tex., who sustained an injury on May 5, 1933, while employed as a quarantine officer in the United States Public Health Service, which resulted in permanent physical disability, and his case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files a claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

With the following committee amendments:

Page 1, line 9, after the word "who", insert "is alleged to have."

At the end of the bill add: "*Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

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

VIRGIL KUEHL

The Clerk called the next bill, H. R. 2346, for the relief of Virgil Kuehl, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Virgil Kuehl, a minor, of San Antonio, Tex., the sum of $7,500, in full settlement of all claims against the Government for injuries sustained on December 13, 1935, when a ladder, negligently placed against a school building by employees of the Works Progress Administration, fell upon him at Perry School, Perry, Tex.

With the following committee amendments:

Line 7, strike out the figures "$7,500" and insert "$5,000."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

A. W. EVANS

The Clerk called the next bill, H. R. 2583, for the relief of A. W. Evans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. W. Evans, of Mount Olive, Miss., the sum of $7.500 in full and final settlement of any and all claims against the United States for injuries received when he was struck by a Forest Service truck in Mount Olive, Miss., on August 18, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HANCOCK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: Page 1, line 6, strike out "$7,500" and insert in lieu thereof "$5,000."

The amendment was agreed to.

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

JAKE C. AARON ET AL.

The Clerk called the next bill, H. R. 2903, for the relief of Jake C. Aaron and Thomas W. Carter, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, jointly to Jake C. Aaron and Thomas W. Carter, Jr., of Martinsville, Va., the sum of $2,000 as a reward for the apprehension of Dr. H. R. Hege in connection with the mailing of a parcel containing a bomb.

With the following committee amendments:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $2,000, as may be required by the Postmaster General to reward Virginia Guthrie, Jake C. Aaron, and Thomas W. Carter, Jr., for the apprehension of Dr. H. R. Hege, in connection with the mailing of a parcel containing a bomb. The amount to be rewarded to each person is to be determined by the Postmaster General, and to be accepted in full settlement of all claims of the said Virginia Guthrie, Jake C. Aaron, and Thomas W. Carter, Jr., against the United States for their parts in said apprehension: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BARDEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN to the committee amendment: Strike out the figure "$2,000" and insert "$1,200."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Virginia Guthrie, Jake C. Aaron, and Thomas W. Carter, Jr."

CAPT. ROBERT E. COUGHLIN

The Clerk called the next bill, H. R. 4617, for the relief of Capt. Robert E. Coughlin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Capt. Robert E. Coughlin, Engineer Corps, United States Army, in the sum of $165 on account of stoppage of pay as the result of alleged neglect of duty while stationed at Fort Worden, Wash., during the year 1922, and to certify the same to Congress for an appropriation.

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.

JOLIET NATIONAL BANK ET AL.

The Clerk called the next bill, H. R. 5719, conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War.

Mr. BARDEN and Mr. HANCOCK objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

CAPT. ROGER H. YOUNG

The Clerk called the next bill, H. R. 5720, for the relief of Capt. Roger H. Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roger H. Young, late captain, United States Infantry, the sum of $727.55, representing the amount refunded by him on account of the loss of the company funds of Company G, Horsed Battalion, Fifth Ammunition Train, United States Army.

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.

EVELYN GURLEY-KANE

The Clerk called the next bill, H. R. 5722, for the relief of Evelyn Gurley-Kane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evelyn Gurley-Kane the sum of $116, in full and final satisfaction of her claim against the United States for reimbursement of travel and miscellaneous expenses incurred under authority of the Veterans' Administration in the care of her son, Cecil Gurley-Kane, a veteran of the World War.

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

FRED G. LEITH

The Clerk called the next bill, S. 513, to provide for the promotion on the retired list of the Navy of Fred G. Leith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint Fred G. Leith (chief pharmacist's mate, United States Navy, retired) as a lieutenant, junior grade, United States Navy. The President is authorized, immediately upon such appointment, to place the said Fred G. Leith on the retired list with the rank of a lieutenant, junior grade, United States Navy: *Provided*, That he shall not receive any increase in retired pay, allowances, or other benefits as the result of the passage of this act.

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

SGT. MAJ. EDWIN O. SWIFT, UNITED STATES MARINE CORPS

The Clerk called the next bill, H. R. 4511, to extend to Sgt. Maj. Edwin O. Swift, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Sgt. Maj. Edwin O. Swift, United States Marine Corps (retired), is hereby placed on the retired list of the United States Marine Corps with the rank of second lieutenant: *Provided*, That no increase in active or retired pay or allowances shall result from the passage of this act over and above that now authorized under the act of June 6, 1924, to enlisted men on the retired list.

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

WILLIAM A. REITHEL

The Clerk called the next bill, H. R. 3907, for the relief of William A. Reithel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay the sum of $20,000 to William A. Reithel, of Brooklyn, N. Y., for personal injury by reason of the negligent driving of an Army autotruck driver which resulted in driving over the foot of the said William A. Reithel and necessitating amputation of the foot: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 4, after the word "authorized", insert "and directed."

Page 1, line 4, strike out the figures "$20,000" and insert in lieu thereof "$5,000 out of any money in the Treasury not otherwise appropriated."

Page 1, line 5, after "New York", insert "in full settlement of all claims against the United States."

The committee amendments were agreed to.

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

CHARLES H. PARR

The Clerk called the next bill, H. R. 3965, for the relief of Charles H. Parr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of Charles H. Parr for disability alleged to have been incurred by him on or about September 14, 1933, when engaged in authorized activities while an enrollee of the Civilian Conservation Corps at North Vernon, Ind., and to determine said claim upon its merits under the provisions of said act.

With the following committee amendment:

Page 2, line 3, after the word "act", insert a colon and the following: ": *Provided*, That said claim shall be filed with the United States Employees' Compensation Commission not later than 60 days after the approval of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

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

RUSSELL J. VAUGHAN

The Clerk called the next bill, H. R. 5364, for the relief of Russell J. Vaughan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Russell J. Vaughan, of Muskogee, Okla., the sum of $980.84. Such sum shall be in full settlement of all claims against the United States for pay withheld from said Vaughan, and shall represent reimbursement for suspension from duty and pay status for a period from October 18, 1933, to April 19, 1934, inclusive.

With the following committee amendment:

Page 1, line 11, after the word "inclusive", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

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

JACK STUCKEY

The Clerk called the next bill, H. R. 5395, for the relief of Jack Stuckey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Stuckey the sum of $3,500 as compensation in full for medical expenses and injuries received October 29, 1934, when an automobile he was driving was struck in a collision by a truck operated for the Federal Emergency Relief Administration by D. C. Oldham.

With the following committee amendments:

Page 1, line 6, after "$3,500", strike out "as compensation in full" and insert "in full settlement of all claims against the United States."

Page 1, line 11, after the word "Oldham", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

JOHN T. CLARKSON

The Clerk called the next bill, H. R. 5601, for the relief of John T. Clarkson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the of the Treasury be, and he is hereby, authorized and directed to pay to John T. Clarkson, out of any money in the Treasury not otherwise appropriated, the sum of $478, in full settlement of all claims against the United States for losses incurred by him as a result of a collision with a Chevrolet truck, No. 3630, being negligently driven by a member of the Civilian Conservation Corps stationed at Camp No. 769, near Albia, in Monroe County, Iowa, on July 21, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The 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.

LOFTS & SON

The Clerk called the next bill, S. 270, for the relief of Lofts & Son.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lofts & Son, of Hood River, Oreg., the sum of $33,500 in full satisfaction of all its claims against the United States for damages resulting from the loss of its sand and gravel plant at the mouth of the Hood River and its inability to further carry on the operations of removing sand and gravel on land now leased from the Oregon Lumber Co., because such land will be flooded by the backwaters of the Bonneville Dam: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the word "dam", strike out down to and including line 13 and insert the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

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

L. M. BELL AND M. M. BELL

The Clerk called the next bill, S. 1038, for the relief of L. M. Bell and M. M. Bell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. M. Bell and M. M. Bell, of Portland, Oreg., the sum of $943.33, in full satisfaction of their claim against the United States for payment of rental of three trucks, under contract numbered ER–Tps–94–1789, dated July 16, 1936, from November 17, 1936, to the time each such truck was returned in as good condition as when received, ordinary wear and tear excepted: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, after the word "excepted", strike out all of lines 11 and 12, down to and including line 11, page 2, and insert the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

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

KENNETH B. CLARK

The Clerk called the next bill, H. R. 2695, for the relief of Kenneth B. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth B. Clark, captain, Field Artillery Reserve, United States Army, the sum of $850, for the loss of uniforms, clothing, and other personal

property belonging to the said Kenneth B. Clark, as a result of a fire in the quarters of the Three Hundred and Thirty-seventh Company, Civilian Conservation Corps Camp S–139, Canadensis, Pa., on the 1st day of October 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of service rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$850" and insert "$790.55."

Page 1, line 12, after the word *"Provided"*, strike out the remainder of the line and all down to and including line 12, page 2, and insert the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. HANCOCK. Mr. Speaker, I offer an amendment to the Committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: Page 1, line 7, strike out "$790.55" and insert "$650."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

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

BERNARD WOODRUFF

The Clerk called the next bill, H. R. 2926, for the relief of Bernard Woodruff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended by sundry acts, including the act of February 15, 1934, are hereby waived in favor of Bernard Woodruff, and the United States Employees' Compensation Commission is authorized to receive and consider his claim under the remaining provisions of said act as extended to enrollees in the Civilian Conservation Corps, for disability resulting from an injury alleged to have been sustained while in the performance of his duty as an enrollee in the said corps during the month of October 1935: *Provided*, That claim hereunder shall be filed within 6 months from the approval of this act.

With the following committee amendments:

Page 2, line 1, after the word "injury", insert "to his foot."

Page 2, line 5, after the word "act", insert a colon and the following: *"And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

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

EDGAR GREEN

The Clerk called the next bill, H. R. 3074, for the relief of Edgar Green.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, authorized to consider and determine, notwithstanding the limitations of time in sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the claim of Edgar Green, of Chillicothe, Ohio, on account of disability due to a blow on his head alleged to have been suffered while on duty and during the course of his employment by the Works Progress Administration on September 8, 1936, on Works Progress Administration project No. 7585, in Ross County, Ohio: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act.

With the following committee amendment:

Page 2, line 6, after the word "act", insert a colon and the following: *"And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

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

JOHN CHASTAIN AND MOLLIE CHASTAIN

The Clerk called the next bill, H. R. 3541, for the relief of John Chastain and Mollie Chastain, his wife.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Chastain and Mollie Chastain, his wife, of Soledad, Monterey County, Calif., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said John Chastain and Mollie Chastain, his wife, against the United States for the death of their minor son, Thomas Chastain, on August 11, 1937, when he was struck down and killed by a truck, the property of the United States, in the service of the Civilian Conservation Corps, on the Salinas River Bridge on Highway No. 101, 1 mile south of Soledad, Monterey County, Calif.

With the following committee amendments:

Page 1, line 7, strike out "$5,000" and insert "$3,500."

Page 2, line 4, after "California", insert *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

WISCONSIN MILLING CO. AND WISCONSIN TELEPHONE CO.

The Clerk called the next bill, H. R. 2478, for the relief of the Wisconsin Milling Co. and Wisconsin Telephone Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sums of $813.36 to the Wisconsin Milling Co. and $9.09 to the Wisconsin Telephone Co. for damage to property caused by a Civilian Conservation Corps truck on April 16, 1937, at Menomonie, Wis.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 10, after the word *"Provided"*, strike out down to and including line 11 on page 2 and insert the following: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

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

GRACE ROUSE

The Clerk called the next bill, H. R. 3300, for the relief of Grace Rouse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the

Treasury not otherwise appropriated, the sum of $2,000 to Grace Rouse in full settlement and satisfaction of her claim against the United States for expenses and permanent personal injuries sustained as the result of being struck by a National Youth Administration car, on February 28, 1938, at Markham and Main Streets, in Little Rock, Ark.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$2,000" and insert "$1,000."
Line 6, after the word "Rouse", insert "of Little Rock, Ark."

The committee amendments were agreed to.

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

FRANCES VIRGINIA M'CLOUD

The Clerk called the next bill, H. R. 5933, for the relief of Frances Virginia McCloud.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frances Virginia McCloud, widow of Robert C. McCloud, late American vice consul at Naples, Italy, the sum of $3,000, such sum representing 1 year's salary of her deceased husband who died while in the Foreign Service.

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.

W. ELISABETH BEITZ

The Clerk called the next bill, H. R. 5934, for the relief of W. Elisabeth Beitz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. Elisabeth Beitz, widow of William E. Beitz, late American consul at Rio de Janeiro, Brazil, the sum of $4,400, such sum representing 1 year's salary of her deceased husband who died while in the Foreign Service.

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.

CHARLOTTE J. GILBERT

The Clerk called the next bill, H. R. 5935, for the relief of Charlotte J. Gilbert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charlotte J. Gilbert, widow of Prentiss B. Gilbert, late American Counselor of Embassy at Berlin, Germany, the sum of $8,600, such sum representing 1 year's salary of her deceased husband who died while in the Foreign Service.

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.

FILIBERTO A. BONAVENTURA

The Clerk called the next bill, H. R. 1904, for the relief of Filiberto A. Bonaventura.

Mr. MOTT and Mr. BARDEN objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

OTIS M. CULVER, SAMUEL E. ABBEY, AND JOSEPH REGER

The Clerk called the next bill, H. R. 1882, for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Otis M. Culver, Samuel E. Abbey, and Joseph Reger shall be held and considered to have been honorably discharged on December 10, 1898, as privates, Company C, Third Battalion, Fourth Regiment Wisconsin Volunteer Infantry, United States Army: *Provided*, That no pension, back pay, bounty, or other benefit shall be held to have accrued by reason of this act prior to its passage.

Mr. THILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THILL: Page 1, line 6, after the word "Reger", insert "and August Miller."

Mr. THILL. Mr. Speaker, the case of August Miller is identical with the other cases this bill proposes to rectify.

The amendment was agreed to.

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

The SPEAKER. This concludes the call of the Private Calendar.

The Chair recognizes the gentleman from Mississippi.

DETENTION OF CERTAIN ALIENS

Mr. COLMER. Mr. Speaker, I call up House Resolution 175.

Mr. DICKSTEIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DICKSTEIN. I have several points of order I would like to raise on this rule and on the so-called Hobbs bill whose consideration this resolution makes in order. I would like to know when is the proper time for me to make my points of order against the rule and against the bill?

The SPEAKER. The Chair is of the opinion that the gentleman would be entitled to make a point of order against the resolution when read.

The Clerk will report the resolution.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

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

The SPEAKER. Evidently, there is no quorum present.

CALL OF THE HOUSE

Mr. COLMER. 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. 62]

Andresen, A. H.	Darrow	Horton	Sabath
Arends	Dies	Jenks	Shafer, Mich.
Arnold	Dirksen	Kelly	Shannon
Bates, Ky.	Elliott	Kennedy, Md.	Simpson
Bradley, Pa.	Elston	Keogh	Sirovich
Buckler, Minn.	Evans	Lea	Smith, Conn.
Buckley, N. Y.	Ferguson	McGranery	Smith, Ill.
Bulwinkle	Fish	McReynolds	Smith, Maine
Burch	Flaherty	Maloney	Smith, W. Va.
Burdick	Flannagan	Mansfield	Snyder
Burgin	Folger	Marshall	Starnes, Ala.
Byron	Ford, Thomas F.	Martin, Ill.	Stearns, N. H.
Cannon, Fla.	Fulmer	Mason	Sumners, Tex.
Case, S. Dak.	Gavagan	Merritt	Sweeney
Casey, Mass.	Gibbs	Myers	Terry
Chandler	Gifford	Nichols	Thomas, N. J.
Chapman	Gross	Norton	Thorkelson
Clark	Harness	Osmers	Voorhis, Calif.
Cooley	Hart	Peterson, Fla.	Wadsworth
Costello	Harter, Ohio	Peterson, Ga.	Wallgren
Creal	Hartley	Rayburn	White, Idaho
Cummings	Healey	Reece, Tenn.	Winter
Curley	Hennings	Risk	Wood
D'Alesandro	Hill	Ryan	

The SPEAKER. On this roll call 335 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain excerpts from an address which I delivered before the Men's Club, Orange, Va., May 1, 1939.

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

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a talk that I made before the Finlandia Chorus this morning.

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

There was no objection.

DETENTION OF CERTAIN ALIENS

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 175

Resolved, That immediately 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 consideration of H. R. 5643, a bill to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendments 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.

Mr. DICKSTEIN. Mr. Speaker, I make a point of order to the substance of the resolution and the adoption of the resolution for consideration of this bill upon the ground that this bill did not have a hearing before the committee authorized by the rules of the House, and that the Rules Committee had no right to hear it, because there was no proper report from a committee authorized to conduct the hearings on this legislation or to sanction the approval of this bill.

This bill is 100 percent immigration, but was referred to the Committee on the Judiciary; and I submit, Mr. Speaker, I should like to have some time to go into the precedents and the rules of the House which will establish definitely that this bill is improperly before the House for consideration under a rule or under any other provision of the laws of this Congress or any other Congress, and that this is an immigration bill and the Immigration Committee has had no consideration of this measure by hearings or otherwise.

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

Mr. DICKSTEIN. I yield.

Mr. MICHENER. Did the gentleman avail himself of the opportunity of taking this matter up after the bill had been referred to the Judiciary Committee?

Mr. DICKSTEIN. Well, to be frank with the gentleman, I did not know until 2 or 3 days after the bill was introduced and referred to the Judiciary Committee that there was such a bill pending before the Judiciary Committee.

Mr. MICHENER. Does not the gentleman realize that after a bill has been referred to a committee and has been acted upon by the committee and reported to the House, under the precedents of the House it is then too late to raise the question?

Mr. DICKSTEIN. I am going to the substance of the power of the House to consider this legislation under precedents that I have, which I have checked, that do not give the House any power to consider it unless you do so by some method that I do not know anything about. The gentleman may be right that I might have turned around the day after the bill was referred to the committee and asked consent to refer it to the Committee on Immigration, but this goes further than the point which the gentleman now makes.

Mr. MICHENER. I think the Speaker is familiar with the precedents.

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

Mr. DICKSTEIN. I yield.

Mr. COLMER. Did the gentleman avail himself of the opportunity to appear before the Rules Committee and oppose the resolution on the ground that he now opposes it?

Mr. DICKSTEIN. I did not. That does not affect the substance of my argument. I am not opposing this bill in principle. I am not here defending the criminal aliens. I am referring to the jurisdiction and the basic principles of this Congress when bills are referred to committees to which they do not belong. For example, my attention was called to the fact that a bill belonging to the Committee on Indian Affairs was referred to the Judiciary Committee. Mr. Speaker, from an examination of the authorities that I believe I have showing the jurisdiction of the committees of this House, the Hobbs bill, being completely an Immigration Committee bill, had no right and can never obtain the right to go to another committee when the powers of the right committee have not had a chance even to consider the legislation.

The SPEAKER. May the Chair ask the gentleman from New York a question in order that this matter may be fully presented? Did the gentleman from New York raise the question of jurisdiction with respect to this bill, so far as the proper committee is concerned, before the Committee on the Judiciary had reported the bill back to the House?

Mr. DICKSTEIN. Mr. Speaker, I did not. I did not appear before the Judiciary Committee.

The SPEAKER. Did the gentleman in any way attempt to raise that question prior to the time the bill was actually reported back to the House by the Judiciary Committee?

Mr. DICKSTEIN. To be frank, I did not. As a matter of fact, as I stated to my colleague from Michigan [Mr. MICHENER], I only learned that this bill was referred to the Committee on the Judiciary several days after the bill was referred to that committee. But I go further than that, Mr. Speaker. I raise the point of jurisdiction. The next point I raise is that this bill is not properly before the House and therefore could not properly be before the Rules Committee, because the standing committee created under the law for the purpose of considering legislation pertaining to various phases of deportation did not consider the bill. Since the Congress, by its precedents, which I am ready to present to the Speaker, has created this committee, I say there is no jurisdiction at this time to consider this legislation. We might as well send a farm bill to the Committee on Immigration or an immigration bill to the Committee on Agriculture. I say that this bill has no semblance of bearing on any question which should be dealt with by the Judiciary Committee, and that we are trespassing upon the prerogatives of the House and also the standing committees which this House has created. We are destroying every principle of legislation by this method, and I submit that the mere fact that I did not move, on the next morning or at any other time after the introduction of the bill, when it was referred to the Committee on the Judiciary, to have it referred back to the Committee on Immigration does not deprive me of raising the question of jurisdiction now.

If the Speaker sees fit to permit me to go into the question, I have taken the time to study the history of the creation of the committee and the powers granted and the designation of bills pertaining to certain legislation. Technically I may be wrong, but, in my opinion, it seems to me it is the wrong procedure to follow, just because someone made a mistake. I have gone into this matter very carefully and I have examined the precedents. If the Speaker will permit me to proceed——

The SPEAKER. The Chair will be glad to hear the gentleman if he has precedents bearing upon this question.

Mr. DICKSTEIN. Mr. Speaker, prior to the creation of the Committee on Immigration, jurisdiction in the House of Representatives over matters in this field rested principally with the Committees on the Judiciary and on Foreign Affairs. That is how the matter was referred to the Judiciary Committee.

In 1882——

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

Mr. DICKSTEIN. I will not for a moment.

In 1882 that portion of the President's message dealing with "the construction of the law restricting immigration of laborers from China" was referred to the Committee on the

Judiciary. (CONGRESSIONAL RECORD, 47th Cong., 2d sess., p. 56.) The general question of Chinese immigration, however, had rested with the Committee on Foreign Affairs, the first legislation on the subject having resulted from a bill, H. R. 4747, reported from the committee in 1875 (18 Stat. L. 474).

Up to 1893 the Committee on the Judiciary exercised jurisdiction over naturalization, reporting general bills in the Forty-eighth, Forty-ninth, Fiftieth, Fifty-second, and Fifty-third Congresses. (Hinds, Asher C,, Hinds' Precedents of the House of Representatives of the United States, vol. IV, p. 829.) The Judiciary Committee also reported in 1894 on the exclusion and deportation of alien anarchists, on the inspection of immigrants by consuls (H. Repts. 1460 and 416, 53d Cong., 2d sess.), and on bills relating to the ownership of lands within the United States by aliens (H. Rept. 1951, 49th Cong., 1st sess.; H. Rept. 255, 50th Cong., 1st sess.; H. Rept. 2388, 51st Cong., 1st sess.)

December 9, 1889, Representative Mark S. Brewer (Michigan) submitted a resolution:

> That there be created and added to the other standing committees of the House a committee to be known and designated as "the Committee on Immigration." (House Journal, 51st Cong., 1st sess., p. 17.)

The committee was to be composed of 11 members, and the proposed resolution was referred to the Committee on Rules.

Representative William McKinley, Jr. (Ohio), on December 20 submitted a report from this committee which provided among other things for the appointment by the Speaker of:

> A select Committee on Immigration and Naturalization, to consist of seven members, to which shall be referred all proper legislation relating to immigration and naturalization. (House Journal, op. cit., p. 74.)

The resolution was agreed to and the next day the following Representatives were appointed to the committee: William D. Owen, Indiana; Mark S. Brewer, Michigan; Herman Lehlbach, New Jersey; John J. DeHaven, California; James W. Covert, New York; James E. Cobb, Alabama; Herman Stump, Maryland.

(The first mention of this committee in the Congressional Directory is as the "Select Committee on Emigration and Naturalization." (Congressional Directory, 51st Cong., 1st sess., 2d edition, p. 143.) A later edition of the directory carried the corrected title.)

The committee was made a standing committee August 18, 1893, and increased in size to 11 members. (CONGRESSIONAL RECORD, 53d Cong., 1st sess., p. 477.) Although this change was effected in an amendment to the rules of the House, no explanation for it is found in the debate. The number of members comprising the committee has been increased four times, from 11 to 14 in 1905 (CONGRESSIONAL RECORD, 59th Cong., 1st sess., pp. 296–297), 14 to 15 in 1907 (CONGRESSIONAL RECORD, 60th Cong., 1st sess., p. 356), 15 to 17 in 1924 (CONGRESSIONAL RECORD, 68th Cong., 1st sess., p. 1143), and 17 to 21 in 1927 (CONGRESSIONAL RECORD, 70th Cong., 1st sess., p. 111).

Examples of the general jurisdiction of this committee may be found among representative measures reported—

On the immigration laws: House Reports 3472 and 3807, Fifty-first Congress, second session; House Report 1573, Fifty-second Congress, first session; House Reports 2197, 2206, 2542, Fifty-second Congress, second session; House Report 1597, Fifty-fourth Congress, first session; House Reports 3021, 3635, 4558, 4912, Fifty-ninth Congress, first session.

On the construction of facilities for the inspection of immigrants: House Report 3857, Fifty-first Congress, second session; House Report 4640, Fifty-ninth Congress, first session; House Reports 8026, 8028, 8061, Fifty-ninth Congress, second session.

On the naturalization of aliens: House Reports 1789 and 3632, Fifty-ninth Congress, first session; House Report 1185, Sixty-sixth Congress, third session; House Report 1634, Sixty-eighth Congress, second session.

On the naturalization and citizenship of married women: House Report 1110, Sixty-seventh Congress, second session.

On extending privileges to aliens who served honorably in United States forces in the World War: House Report 157, Sixty-ninth Congress, first session.

On purchasing equipment for immigration officers and providing overtime pay: House Report 1042, Sixtieth Congress, first session; House Report 1512, Sixty-eighth Congress, second session.

On establishing the Bureau of Immigration and Naturalization: House Report 1185, Sixty-sixth Congress, third session.

On a head tax on immigrants and other pertinent regulations concerning aliens: House Report 481, Sixtieth Congress, first session; House Report 851, Sixty-second Congress, second session.

On the deportation of aliens: House Report 143, Sixty-sixth Congress, first session; House Report 867, Sixty-seventh Congress, second session.

On the admission into the Territory of Hawaii of aliens otherwise inadmissible to meet an agricultural labor shortage (CONGRESSIONAL RECORD, 67th Cong., 1st sess., p. 2838); and on exempting certain Spanish residents of Puerto Rico from the provisions of the Immigration Act: House Report 927, Sixty-ninth Congress, first session.

Without going into further detail, I ask at this point to extend and revise my remarks, which will give you other precedents which will lead up to the point of jurisdiction.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I submit that where there is no jurisdiction of a subject matter the mere reference of a bill to another committee does neither legalize that jurisdiction nor create it.

This bill, made in order by the pending rule, proposes to create a concentration camp for alien criminals. It proposes to do the same thing that Hitler has been doing in Germany. We have a number of criminals who I agree ought to be deported and for this very reason I am pleading with the Rules Committee to give the Committee on Immigration and Naturalization a rule to permit us to dispose of these alien criminals.

This bill proposes in substance—and I am appealing to the Chair, because it will have an effect on my argument—to change present immigration and deportation practices. Under the present law an alien who commits a crime is to be deported. To do so the Government must obtain a passport and send him back to his native country. In certain instances the passport cannot be obtained because either the country of origin has been destroyed under the Versailles Treaty or there has been a change of the map since. Some of these aliens have been here a long time. They should be deported. Under the pending bill, if this man cannot get out within 90 days or obtain a passport to the country of his birth he is to be placed in a concentration camp. If we should have a Secretary of Labor who is not interested in these aliens they can stay there for a lifetime under the provisions of the bill.

The whole subject matter of the bill deals almost entirely with jurisdictional matters pertaining to the Committee on Immigration and Naturalization, a committee of this House created by Congress many years ago; but because the bill provides for review by the circuit court of appeals, the Committee on the Judiciary assumes jurisdiction of matters pertaining to immigration, naturalization, and deportation. I might here say that the alien has always had the opportunity of judicial review of an administrative order of the Department of Labor by means of the writ of habeas corpus; and, as a side light, it is interesting to note that, notwithstanding the fact that the bill comes from the Judiciary Committee with a favorable report, the right to a writ of habeas corpus guaranteed by the Constitution is apparently withdrawn in the cases covered by the bill.

There is another bill—H. R. 5138—along the same line, before the Judiciary Committee, which rightfully belongs before the Immigration Committee—the Hobbs bill—and I am not disagreeing with my colleague in the principle of

getting rid of criminals, even though I would prefer another method, if the bill were properly before the Immigration Committee, to solve this problem which I have been hoping to solve the moment I get a rule from the Rules Committee—the Hobbs bill is not the proper way to solve this problem. It cannot be solved by the creation of camps or prisons for aliens.

I call attention further to the fact that this bill is retroactive in nature. Under its provisions you can go back 50 years. If an alien committed only a misdemeanor many years back, under this bill, he can be thrown into a concentration camp if there is no way of deporting him. This, I submit, is a matter that comes under the jurisdiction of the Committee on Immigration and Naturalization. While I may have been technically wrong in not asking for reference immediately after the bill was introduced, my argument, Mr. Speaker, is that the basic jurisdiction has not been complied with.

Either we are a committee which has the right to develop, to discuss, and to recommend to this House legislation pertaining to particular problems dealing with immigration, naturalization, and deportation. If this be not so, why not abolish the committee?

If this is just a hunting proposition, let us know something about it. I think 22 members of my committee, of high intelligence, men who understand the problem thoroughly, who have been working on this problem for years, ought to have the opportunity to consider legislation that pertains to matters clearly within the jurisdiction of their committee.

Mr. Speaker, I submit this bill is not properly before the House.

Mr. HOBBS. Mr. Speaker——

The SPEAKER. Does the gentleman from Alabama desire to be heard on the point of order?

Mr. HOBBS. Yes, Mr. Speaker.

The SPEAKER. The Chair will hear the gentleman.

Mr. HOBBS. Mr. Speaker, I am perfectly sure that the distinguished gentleman who has just spoken understands full well that the constituted authorities of this House never have had the remotest idea of doing violence to the jurisdiction of any committee, much less the important Committee on Immigration and Naturalization.

What I wish to say is, no doubt, already in the Speaker's mind, but I wish to call to the attention of the distinguished chairman of the Committee on Immigration and Naturalization that this bill has nothing whatever to do with immigration, has nothing whatever to do with naturalization, has nothing whatever to do with deportation until after warrant has been aborted. It is merely a sincere attempt to plug a hole in the dike. After the constituted authorities of this Nation, acting under congressional mandate, have ordered the deportation of these aliens that fall within the four classes covered by this bill, their deportation has failed because foreign nations thumb their nose at Uncle Sam and say, "Keep our trash." We take it up, therefore, at a point where the jurisdiction of the Committee on Immigration and Naturalization of the House has utterly ceased, in a field that its jurisdiction never was designed to cover; and, what is more—and I submit that probably that profound, honest, and erudite gentleman who made the reference to the Judiciary Committee may have had this in mind, the outstanding characteristic of this bill is that it enlarges the jurisdiction and function of the circuit courts of appeals of the judicial system of this country, and also somewhat changes the practice of the district courts. Dealing, therefore, with a matter involving judicial jurisdiction and functions, and covering a subject matter which is in a field beyond the jurisdiction of the Committee on Immigration and Naturalization, it was properly, naturally, and inevitably referred to that committee which has jurisdiction of the judiciary.

The SPEAKER. The Chair is prepared to rule.

Mr. MICHENER rose.

The SPEAKER. Does the gentleman from Michigan desire to be heard?

Mr. MICHENER. Briefly.

The SPEAKER. The Chair will hear the gentleman.

Mr. MICHENER. The gentleman from Alabama has clearly stated the purposes of the bill, and if his analysis is correct—and it is correct—then the jurisdiction of the Judiciary Committee is plainly apparent. Permit me, however, to suggest another and a controlling reason why the point of order made by the gentleman from New York [Mr. DICKSTEIN] cannot prevail, and that is because it comes too late.

Under the precedents of the House, even though a bill has been improperly referred to a committee by the Speaker, if that bill receives consideration by the committee to which it was referred and is reported back to the House and placed on the House Calendar, it is then too late to raise the point of order which has been raised by the gentleman from New York as to the jurisdiction of the committee reporting the bill. The argument of the gentleman from New York was aimed largely at the merits of the bill and the reasons for creating the Immigration Committee and is academic so far as the practical point of order is concerned. Neither reasons why the Immigration Committee was set up, nor the advisability of the law, are involved in the point of order.

The gentleman from Michigan [Mr. MAPES] has called my attention to a precedent found on page 401 of Jefferson's Manual which substantiates my position, to which I call the Speaker's attention. The Speaker has the precedent before him and I am sure is familiar with it. It settles this controversy.

The SPEAKER. The Chair is familiar with that precedent. The Chair is prepared to rule.

The gentleman from Mississippi, on behalf of the Committee on Rules of the House, has offered a resolution, which has been reported, providing for the consideration of H. R. 5643.

The gentleman from New York, chairman of the Committee on Immigration and Naturalization, has raised a point of order, which may be stated in two different forms, possibly, that the resolution now offered is out of order. Primarily, as the Chair understands, the point of order is raised against consideration of the bill because of the fact that the Committee on the Judiciary, to which it was referred, had no jurisdiction or authority under the rules of the House to consider the bill; therefore it had no legal right to report the bill to the House for its consideration under the rules of the House.

The Chair has given considerable consideration to the problem, because it is a matter of some importance. It is a matter of grave importance, of course, to all committees, their chairmen and members, affecting as it does the matter of jurisdiction of the committees over important legislation. For this reason it is not to be acted upon capriciously or without due consideration.

This is not a new matter that is now raised by the gentleman from New York. It may be proper here to state that the present occupant of the chair nor any other Speaker who has been his predecessor has had any personal interest in reference to any bill. The Speaker does not participate in the deliberations by the committees. His function is entirely to undertake to preserve the rules and precedents of the House as its presiding officer.

This bill now being attacked in the ordinary course was referred to the Parliamentarian, and, with the consent of the Speaker, referred to the Committee on the Judiciary, for the reasons rather admirably stated by the gentleman from Alabama. It was felt at that time that the Committee on the Judiciary was the proper committee to which the bill should be referred. But for the purpose of this decision the Chair does not think it necessary to review the arguments on that question of jurisdiction.

The defect in the position taken by the gentleman from New York, although earnestly and conscientiously contended

for, is that under the uniform practices and precedents of the House, as far as the Speaker has been able to find them, the gentleman has slept upon his rights in raising this question, if the Chair may use that term, although he may not have been actually advised of this bill until recently called to his attention; however, constructively at least, he has been guilty of parliamentary laches.

In making this ruling, the Chair desires to refer to a decision heretofore made by the present Speaker of the House on an identical question involving the jurisdiction of a committee. This is found on page 1526 of the CONGRESSIONAL RECORD of January 26, 1938.

On January 26, 1938, Mr. MAY, by direction of the Committee on Military Affairs, called up the bill (H. R. 8176) providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War, and for other purposes.

The gentleman from Texas [Mr. PATMAN] made the point of order that the bill was improperly referred to the Committee on Military Affairs, the proper committee being the Committee on World War Veterans' Legislation. He made the point of order that the bill was not in order for consideration at that time. As the Chair understands that is the principle invoked by the gentleman from New York.

The gentleman from Kentucky [Mr. MAY] made the point of order that the question of order raised by Mr. PATMAN came too late, inasmuch as the bill had been reported to the House.

The Speaker, in sustaining a point of order made by Mr. MAY, said:

The gentleman from Texas [Mr. PATMAN] raises the point of order against consideration of the bill, that it was not referred under the rules of the House to the Committee on World War Veterans' Legislation, to which, according to his contention, it should have originally been referred.

Pending that question the gentleman from Kentucky [Mr. MAY], the chairman of the Committee on Military Affairs, raises the point of order that the point of order made by the gentleman from Texas comes too late.

In view of that issue being raised the Chair feels it is his duty primarily to dispose of that question, because a disposition of that question possibly might settle the original point of order raised by the gentleman from Texas.

This is not a matter of first impression, the Chair will state, as there have been a number of decisions and precedents upon this particular question. The Chair refers especially to a decision made by Mr. Speaker Longworth, as reported in volume 7 of Cannon's Precedents of the House of Representatives, section 2113.

Then quoting Speaker Longworth's decision:

After a public bill has been reported—

As is the case here, the bill having been referred to the Committee on the Judiciary, whether properly or erroneously referred, the quotation goes on to say:

it is not in order to raise a question of committee jurisdiction—

And so forth. The gentleman from Michigan has cited for consideration of the Chair a syllabus found on page 401, section 854, of the House Rules Manual, which the Chair will quote:

According to the later practice, the erroneous reference of a public bill, if it remains uncorrected in effect, gives jurisdiction to the committee receiving it, and it is too late to move a change of reference after such committee has reported the bill.

The Chair desires particularly to direct the attention of the House to a decision made by Mr. Speaker Crisp which may be found in Hinds' Precedents, volume IV, section 4365. In that instance Speaker Crisp delivered an elaborate opinion on a question which the Chair thinks is on all fours with the one now before him.

The Chair could cite, of course, a number of other precedents along the same line by former occupants of this chair; but for the purposes of this decision the Chair is clearly of the opinion that despite the fact there might be considerable merit in the contention made by the gentleman from New York so far as the spirit and purposes in the establishment of committees are concerned, nevertheless, under these precedents, which seem to be absolutely uniform, the Chair is constrained to overrule the point of order made by the gentleman from New York.

Mr. MAPES. Mr. Speaker, in order to protect the rights of the Committee on Rules, will the Chair permit this observation? The gentleman from New York slept on his rights further until the Committee on Rules reported a rule making the consideration of this measure in order. Even though the reference had been erroneous and the point of order had been otherwise made in time, the Committee on Rules has the right to change the rules and report a rule making the legislation in order. This point also might be taken into consideration by the Speaker, if necessary.

The SPEAKER. The Chair is of the opinion that the statement made by the gentleman from Michigan, although not necessary to a decision of the instant question, is sustained by a particular and special decision rendered by Mr. Speaker GARNER on a similar question. The decision may be found in the RECORD of February 28, 1933. In that decision it is held, in effect, that despite certain defects in the consideration or the reporting of a bill by a standing committee, such defects may be remedied by a special rule from the Committee on Rules making in order a motion to consider such bill. The Chair thinks that that decision by Mr. Speaker GARNER clearly sustains the contention made by the gentleman from Michigan.

Mr. MAPES. I call attention to the point, Mr. Speaker, only for the purpose of future reference. I agree fully with the ruling of the Speaker.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

I yield myself 5 minutes, Mr. Speaker.

This bill is not, as has been said, an immigration bill. This is merely a bill which undertakes to plug the loopholes by which undesirable aliens who have been ordered deported have been escaping deportation heretofore; in other words, the Congress has heretofore in its wisdom seen fit to provide that certain undesirable aliens shall be deported. It has been discovered that in the practical operation of deportation proceedings some of these aliens have escaped deportation after all the legal machinery has been set in motion for their deportation simply because the country to which they were to be deported would not give them passports or the other necessary papers. Under those circumstances, it seems, there was nothing the Department of Labor could do but to release the aliens, and they were back upon the country.

The gentleman from Alabama [Mr. HOBBS], a member of the Committee on the Judiciary, has very wisely given study to this question and has introduced this bill which you are considering today. This bill represents a great deal of time and thought on the part of the distinguished gentleman from Alabama, and I am sure that the House is grateful to him, as well as the Judiciary Committee, for the very fine job that he and the committee have done in this respect.

This bill would stop that practice, or at least would stop it to a large extent, and would provide that in the event the aliens who were ordered deported did not leave the country or their countries did not provide for their transportation they should still be held in the custody of the Labor Department. Provision is made for considerable latitude in the discretion of the Secretary of Labor in that event and provision is made for bond.

There is nothing in this bill that I can see at which any American citizen should get alarmed. This country has pursued a course of rather broad latitude in its attitude toward immigrants who came to this country seeking the benefits they would find here. However, when these immigrants abuse the privileges that are offered them here and violate the laws of this country we should not be in the position of being held powerless to do anything about it.

This bill does not affect all aliens, but simply a small group of aliens of four classifications: Certain classes of criminals who have violated the laws of this country and have been convicted of felonies or crimes involving moral

turpitude; certain violators of the narcotic laws; certain anarchists and those of kindred classes; and certain classes of immoral persons, those who deal in the abominable trade of white slavery. These are the four classes and the only four classes this bill undertakes to reach; not to deport them, if you please, but to see that they do not escape deportation after they have been ordered deported, which has happened heretofore because the aliens could not get the necessary passports or other documents.

Mr. Speaker, as I intimated a moment ago, there is nothing in this bill for loyal, patriotic Americans to get concerned over. This bill is a much-needed piece of legislation. For the life of me I cannot understand how any American citizen who is interested in keeping our philosophy of government intact, and who is desirous of seeing undesirable aliens who have abused the privileges this country extended to them, could object. Who is it that desires to see this class of criminals described in the bill remain in this country even after the courts have determined that they should be returned to their native countries? I am very much in hope, Mr. Speaker, that this bill will pass and that this type of alien who has been ordered deported can no longer remain in this country by collusion with officials of their own countries, as we have reason to suspect has been done heretofore. Under the present laws there is nothing that we can do about it. This bill, if enacted into law would, to say the least, make it uncomfortable for those who desire to evade the law by conniving with consular officials and others in having passports refused them. This is an American bill. It should be supported and hailed by all good Americans everywhere. [Applause.]

[Here the gavel fell.]

Mr. DICKSTEIN. Will the gentleman yield himself a little more time so I may ask a question in order to clarify some of the statements the gentleman has made?

Mr. COLMER. With all due deference to my distinguished colleague, I assure the gentleman he will have plenty of opportunity to ask questions of other Members.

Mr. DICKSTEIN. No; I just want to clear up something.

Mr. COLMER. I have used my time. Others desire to speak.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, it is not my purpose to attempt to influence any Member in regard to this bill. I merely wish to make a few observations. As I see it, the purpose of this bill is this: We find many aliens in this country who have been found guilty by our courts and turned loose to continue the practices which caused their imprisonment. We find that aliens who have been found guilty of selling narcotics or of making money through prostitution, or who have been found guilty of crimes involving moral turpitude, have been turned loose on the country. The present laws require that they be deported; but because foreign countries will not accept them, they remain in this country and continue to prey on American citizens.

In my opinion, there are two limitations to this bill. First, I believe that practically everyone realizes that the Department of Labor has been totally unfit and inefficient in regard to the deportation of criminal aliens.

Mr. O'TOOLE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. O'TOOLE. If these aliens repeat their crimes, are they not subject to the laws of the country, and do not the laws of the country provide how they shall be punished?

Mr. ALLEN of Illinois. Yes; if the aliens are caught; but I believe if we leave such aliens in this country, it is important for us to detain them until the time comes when they are accepted by foreign countries. It is true that this works a hardship on criminal aliens so adjudged by our courts, but I feel it is better they undergo certain inconveniences and hardships instead of turning them loose to again prey on American citizens.

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

Mr. ALLEN of Illinois. I yield.

Mr. MAGNUSON. I wonder if the gentleman will clear up this point: Page 4 of the bill provides that—

> Those aliens who have been sentenced to imprisonment for a term of 1 year or more because of conviction in this country of a crime involving moral turpitude—

And I am sure the gentleman recalls the ill-fated eighteenth amendment, when many States of the Union provided that possession of liquor was a felony, and some of our courts, in a somewhat intolerant mood in those days, held that possession of liquor was a crime involving moral turpitude. I am wondering if under this bill some alien who had made some wine, some Italian alien, perhaps, could be put in a detention camp because he had been convicted of such a felony in prohibition days.

Mr. ALLEN of Illinois. The able gentleman from Washington, I am sure, has made a contribution that will be helpful to the debate.

Mr. MAGNUSON. Will the gentleman answer my question?

Mr. ALLEN of Illinois. It is a phase we should wisely consider.

Mr. CELLER. Will the gentleman yield to me, so that I may answer the question?

Mr. ALLEN of Illinois. I yield.

Mr. CELLER. I will say to the gentleman that it would involve the detention of that alien, innocent as he may have been, because he is an alien and because this bill is retroactive and goes back any number of years. Therefore if an alien has committed two felonies involving imprisonment for 1 year or more he would be involved, because the language is in the alternative. It may be a mere misdemeanor involving imprisonment for 1 year or it may be a felony if it involves something more, and therefore that particular alien, if he has committed a crime twice and has been imprisoned twice, although he has been here for 40 years, can be taken and held in a concentration camp under the provisions of this bill.

Mr. ALLEN of Illinois. I am of the opinion that we owe little to criminal aliens. We should be thinking more of our misguided and innocent American citizens that have undergone detriments by reason of the actions of these criminal aliens.

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

Mr. ALLEN of Illinois. I yield to the gentleman, briefly.

Mr. MARCANTONIO. Inasmuch as this bill has been described, both by its author during the argument on the point of order and by the gentleman from Mississippi, as not necessarily an alien bill and as a bill which does not deal with deportation, how can the gentleman justify detention without due process of law from a constitutional standpoint? How does the gentleman meet the constitutional question involved there?

Mr. ALLEN of Illinois. That is a question, of course, that we do not know about for sure. The gentleman might contend that, while others might contend differently, but I do know this, as far as I am personally concerned, I owe nothing to those aliens who are in this country who go out and sell narcotics, or who go out and derive profits from prostitution and to go ahead and say to them, "We will let you go free and continue to sell opium and other drugs and wreck the bodies and minds of American citizens," to me is unthinkable.

I say the regrettable part of this bill is that it puts too much power in the hands of the Secretary of Labor, a department that has continuously demonstrated its inefficiency and its neglect in dealing with these aliens. It is provided in this bill that the Secretary of the Department of Labor shall determine a great many things, and in my opinion, a great many too many things.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield for an observation?

Mr. ALLEN of Illinois. In just a moment.

Some will argue, I know, that it is wrong to put people in detention camps. They feel that that is a thing that belongs in foreign countries, but I repeat that I know it is going to inconvenience some of these criminal aliens to go into some of these detention camps. It may even wreck the body and minds of some of these alien criminals, but I would ask you if it would not be better to do that than have them go throughout the United States continuing to sell their drugs to the young people of this Nation.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman now yield for an observation?

Mr. ALLEN of Illinois. Yes.

Mr. DICKSTEIN. On pages 3 and 4, the gentleman will admit there are four provisions in this bill, one dealing with alien radicals, is not that right?

Mr. ALLEN of Illinois. That is right.

Mr. DICKSTEIN. The Department now has jurisdiction to deport them. The next refers to criminals and the next one to immoral cases and the next one to violators of the narcotic law. These are four classes of aliens that the Judiciary Committee has considered with respect to this bill. I am agreeing with the gentleman that the men who sell narcotics or the criminals referred to ought to be deported or disposed of in some way or other; but you are approaching the thing from a bad angle in our form of a democracy. You are taking men who have been out of prison for 20 years, who have paid the penalty to the State, who are no longer criminals and have not been for the past 20 years, who are married to American women and have fine American children, and under this bill you are making the law retroactive for 20 years or more when this man's country or the country in which he was born is no longer in existence, and through no fault of his own he cannot get a passport, and yet you are going to throw him into this camp and keep him there for a lifetime. Is that going to justify the ends of this bill?

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. Yes.

Mr. THOMAS F. FORD. The presumption is that the attempt to concentrate these aliens is for the protection of democracy, our form of government. In order to do that we must import from Russia, Germany, and Italy a form that is absolutely abhorrent to all democratic principles and employ that to save America. You are simply taking the first step to break down American institutions. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SCHAFER of Wisconsin. I hold in my hand a 72-page Communist pamphlet indicating that the Communist Party in America is linked directly to the bloody "red" Communist butchers in Moscow and Spain, through the internationale. This pamphlet contains the plan of destroying our democracy by violence and replacing it with a Communist system of autocracy. I have personal knowledge of aliens who have been ordered deported because they were Communists, and when I asked the Immigration Office why they had not been sent back to Moscow, I was informed that they could not be sent back because those in charge of the Moscow "red" Communist government would not issue passports. That is a good way for Moscow to keep their Communist hencemen over here to undermine and destroy our American constitutional system of government.

I hope the Congress will pass this bill and lock those alien Communists up in a concentration camp—those alien Communists who no doubt have been sent here by the Moscow Government. A concentration camp is very lenient. They should be put in the penitentiary for the rest of their natural lives.

Let us approach our vote on this bill with the welfare of our American constitutional democracy in mind and not the welfare of its alien enemies.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. Yes; I yield.

Mr. LEWIS of Colorado. This is an open rule, is it not, with 2 hours of general debate on the bill?

Mr. ALLEN of Illinois. That is correct.

Now, Mr. Speaker, in conclusion, as I have heretofore stated, we can expect little from the Department of Labor. Their sympathies seem to be with these aliens. It seems to me the only solution of this problem is to have the Department of State, which is an able and efficient department, revive our treaties with foreign countries, whereby they will agree to accept these aliens who have come here and violated our laws. In return we naturally would accept American criminals in other lands. I would like to see some effort made by our State Department to revive the treaties to take care of these aliens who have violated our law.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. THOMAS F. FORD. Is that not the orderly, decent, and democratic way to proceed?

Mr. ALLEN of Illinois. Yes; that is an orderly way, and I hope eventually that will come about.

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

Mr. ALLEN of Illinois. I yield.

Mr. CELLER. I have been in touch with the State Department. They have indicated they would much prefer to deal with the question in the way indicated by the gentleman from California, namely, by treaty arrangement, and for some time past they have been endeavoring to work out a situation satisfactory to all parties. They feel that this method of attacking the problem is an erroneous method. The Labor Department is on all fours with the statement in that regard. It is for that reason that the Labor Department has sent to the Judiciary Committee a very strong letter protesting against the passage of this bill. That letter will be placed in the RECORD later on. The State Department has likewise issued a strong letter in opposition to certain phases, similar to those found in the so-called Smith bill, reiterating that they would much prefer to settle this matter by treaty with those offending nations.

Mr. ALLEN of Illinois. Mr. Speaker, in conclusion, I believe the gentleman from Alabama [Mr. HOBBS] has brought forth a bill that merits favorable consideration until the time comes when the State Department can enter into treaties with foreign countries to take care of the situation, and I hope the membership of this House will pass this rule. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my 30 minutes to the gentleman from Mississippi [Mr. COLMER], to use as he sees fit.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, it is with great reluctance that I find myself in a position opposing this bill. I would much prefer not to say anything in opposition to a bill that seeks to deport—to get rid of the despicable classes of aliens mentioned in this bill, like procurers, dope fiends, narcotic peddlers, and such like. But the bill goes much further and involves also aliens who may have committed mere misdemeanors, provided they were sentenced to at least 1 year's imprisonment. Remember many prohibition violations were deemed crimes involving moral turpitude. The bill is retroactive and therefore can reach back for years and cause great trouble for aliens who may have been State liquor or prohibition law violators although such aliens may be here for 30 or 40 years.

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

Mr. CELLER. I yield.

Mr. WALTER. There is nothing in this bill that seeks to deport anyone.

Mr. CELLER. I differ with the gentleman, because the purpose of the bill is to compel voluntary departure or forceful deportation, and if nations from which these men originally came refuse to give a passport to insure departure or deportation, then these criminals can be held or detained or imprisoned or placed in a camp. So that I differ with the distinguished gentleman from Pennsylvania by saying it is a deportation bill.

The proponents of the bill want to deport them, but because they cannot deport them this bill goes to these unlawful and unconstitutional extremes. Its real vice is its failure to grant due process and its double jeopardy.

I hold no brief for those wretched persons who violate our statutes, but I am here to defend something that is priceless, far more important than denying rights to those whom I have mentioned. That is the principle underlying our Constitution. Even the vilest criminal is entitled to his day in court. The Constitution says so. This bill denies that right, as I shall prove in my main argument when we come to general debate under the bill.

There is a false notion that prevails in some parts of this House that the Constitution does not apply to aliens. I say that the Constitution in its entirety does apply to aliens.

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

Mr. CELLER. I yield.

Mr. WALTER. Of what right, constitutional or otherwise, is this class of undesirables deprived?

Mr. CELLER. Because I say this bill would inflict upon them dual punishment, because I say they are denied due process, because they are denied trial by jury, and are subject to cruel and inhuman treatment; their constitutional rights are denied and invaded. If they committed a crime, for example, and served their sentence, they have expiated the crime. You then come along with this bill and say: "Despite the fact that you have expiated your crime, despite the fact that you have been already punished, you shall be subjected to a second punishment or imprisonment. You are again to be held or detained in custody or deprived of liberty or imprisoned because the country of origin refused to grant a passport to permit your deportation."

You may cavil with me and say there is no second imprisonment, but there is, for you deprive the individual of his liberty; you detain him. I do not care where you detain him, whether on a farm, at Ellis Island, in the county jail, or at Lewisburg or San Quentin, it makes no difference—that is imprisonment; and, mind you, it may be for life.

There is no limitation whatsoever on the time during which the Secretary of Labor may hold such an alien despite the fact he has once served his sentence, has theretofore been imprisoned. The Secretary of Labor may act on good grounds or "coffee grounds." There is no limitation upon her authority. She can imprison for the term of office and her successor can continue the incarceration during his term and so on indefinitely.

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

Mr. CELLER. I yield.

Mr. PACE. What is the gentleman's authority for the statement that an alien is vested with all the constitutional rights of an American citizen?

Mr. CELLER. The gentleman asks for authorities; I will give him the decisions.

ALIENS WITHIN THIS COUNTRY ARE NOT WITHOUT THE PROTECTION OF THE CONSTITUTION OF THE UNITED STATES

I cite the case of *Yick Wo* v. *Hopkins* (118 U. S. 356), and I quote the following from the opinion of Judge Matthews:

> The fourteenth amendment to the Constitution is not confined to the protection of citizens. It says: "Nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."
>
> These provisions are universal in their application to all persons within the territorial jurisdiction, without regard to any differences of race, of color, or of nationality; and the equal protection of the laws is a pledge of the protection of equal laws. It is accordingly enacted by section 1977 of the Revised Statutes that "all persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other."

ALIENS MAY NOT BE RESTRICTED IN EMPLOYMENT SO AS TO DENY THEM THE ORDINARY MEANS OF A LIVELIHOOD

I also cite the case of *Truax and the Attorney General of the State of Arizona* v. *Raich* (239 U. S. 33), wherein it was decided that an alien admitted to this country not only has the privilege of entering and abiding in the United States but also entering and abiding in any State; and that being an inhabitant of any State, he is entitled, under the fourteenth amendment, to the equal protection of the laws. Consequently it was further asserted by Justice Hughes, who delivered the opinion of the Court, the alien's right to work for a living in the common occupation of the community is part and parcel of the essence of that personal freedom and opportunity which it was the purpose of the fourteenth amendment to secure. Hence the conclusion of the Court that the State of Arizona had no right to enact a statute requiring that employers employ only a specified percentage of alien employees, since such statute denies to aliens the equal protection of the law.

Another case in point is *Frazer* v. *McConway* (82 Fed. 257).

THE PROPERTY OF ALIENS, LAWFULLY ACQUIRED, MAY NOT BE TAKEN FROM THEM

In *Terrace et al.* v. *Thompson, Attorney General of the State of Washington* (263 U. S. 197), it was held that a statute of the State of Washington disqualifying aliens from taking or holding interest in land in the State for farming or other purposes was unconstitutional, in that it in essence resulted in the taking of property without due process of law, and, further, that it tended to prohibit an alien from following a common occupation of the community.

See also *Fairfax* v. *Hunters Lessee* (7 Cr. 603) and *Philips* v. *Moore* (100 U. S. 208).

ALIENS MAY NOT BE DENIED THE USE OF THEIR FOREIGN LANGUAGES

In *Meyer* v. *State of Nebraska* (262 U. S. 390), the Court held that a law of the State of Nebraska forbidding under penalty the teaching in any private, denominational, parochial, or public school of any modern language other than English to any child invades the liberty guaranteed by the fourteenth amendment and exceeds the power of the State. Such State law, the Court held, is, therefore, unconstitutional.

See also *Farrington* v. *Tokushige* (273 U. S. 284) and *Yu Cong Eng* v. *Trinidad* (271 U. S. 500).

ALIENS MAY NOT BE DEPRIVED OF LIBERTY WITHOUT DUE PROCESS OF LAW—A REASONABLE OPPORTUNITY TO BE HEARD AND A REASONABLE DETERMINATION OF THEIR RIGHTS

In *Chin Yow* v. *United States* (208 U. S. 8) it was held by the Supreme Court that a Chinese person who sought to enter the United States is entitled to a fair hearing, and that if without a fair hearing or being allowed to call witnesses he is denied admission and delivered to the steamship company for deportation he is deemed to be imprisoned without due process of law to which he is entitled. The decision in this case, it is interesting to note, was delivered by the late great Justice Oliver Wendell Holmes.

See also the *Japanese Immigrant Case* (189 U. S. 86), *Gegun* v. *Uhl* (239 U. S. 3), *Ny Fung Ho* v. *White* (259 U. S. 276), *U. S.* v. *Williams* (185 Fed. 598), *Roux* v. *Commr. of Immigration* (203 Fed. 413). [Applause.]

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SIROVICH, indefinitely, on account of illness.

To Mr. MYERS, for the balance of the week, on account of illness.

EXTENSION OF REMARKS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include

therein an address made before the National Chamber of Commerce this morning by S. Clay Williams.

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

There was no objection.

OTIS M. CULVER ET AL.

Mr. THILL. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the bill (H. R. 1882) for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger was passed; and I make this request for the purpose of offering a clarifying amendment.

The Clerk read the title of the bill.

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

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Otis M. Culver, Samuel E. Abbey, and Joseph Reger shall be held and considered to have been honorably discharged on December 10, 1898, as privates, Company C, Third Battalion, Fourth Regiment Wisconsin Volunteer Infantry, United States Army: *Provided*, That no pension, back pay, bounty, or other benefit shall be held to have accrued by reason of this act prior to its passage.

Mr. THILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THILL: Page 1, line 6, after the comma following the word "Abbey", strike out the word "and"; and after the word "Reger", insert "and August H. Krueger."

The amendment was agreed to.

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

REORGANIZATION PLAN NO. 1

Mr. COCHRAN, from the Select Committee on Government Organization, submitted the following adverse report, to accompany House Concurrent Resolution 19, which was referred to the Union Calendar and ordered printed:

The Select Committee on Government Organization, to whom was referred the resolution (H. Con. Res. 19), after consideration, report the same unfavorably with the recommendation that the resolution do not pass.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. HARRINGTON]?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, on yesterday, May 1, 1939, when H. R. 5452, a bill, providing certain benefits for World War veterans and their dependents, was under consideration, I was present and in the Chamber during most of the debate. Just prior to the conclusion of the debate, the passage of the bill, and the roll call thereon, I was called from the Chamber on official business and was unable to return until after my name had been passed on the second call of the roll. Not being able to qualify, I could not vote, but had I been permitted to do so I would have voted "aye."

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 279. Joint resolution making supplemental appropriations for printing and binding and stationery for the Treasury Department for the fiscal year ending June 30, 1939.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1034. An act to authorize the Secretary of War to terminate certain leases of the Long Island Railroad Co.; and

S. 2044. An act making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air-navigation purposes.

ADJOURNMENT

Mr. COLMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 3, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m., Wednesday, May 3, 1939, for the consideration of H. R. 6065, to authorize major overhauls for certain naval vessels and for other purposes.

COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in the Caucus Room of the House Office Building at 10:30 a. m., Thursday, May 4, 1939, on proposed amendments to the National Labor Relations Act.

COMMITTEE ON FLOOD CONTROL

There will be a meeting of the Committee on Flood Control at 10 a. m. on Wednesday, May 3, 1939, for the consideration of pending resolutions, pending bills for examinations and surveys, and pending amendments to the act of 1938.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, May 3, 1939, at 10:30 a. m., for the consideration of H. R. 952, H. R. 2390, H. R. 5746, H. R. 5758, H. R. 5851, and H. J. Res. 117.

The meeting of the Roads Committee originally called for Tuesday, May 2, 1939, at 10 a. m. has been postponed until Thursday, May 4, 1939, at 10 a. m.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, May 3, and Thursday, May 4, 1939, on bills H. R. 3657, H. R. 5401, H. R. 5402, and H. R. 5403. These hearings will be public.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, May 3, 1939, at 10 a. m., on H. R. 5584, amending the Canal Zone Code.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers; and H. R. 5130, merchant marine bill, 1939. Hearings will be held on sections 1, 3, 5 to 11. Sections 2, 4, and 12 will be heard at some later date.

On Tuesday, May 16, 1939, at 10 a. m., on H. R. 4051, relating to hiring of seamen on Government vessels.

On Wednesday, May 31, 1939, at 10 a. m., on H. R. 4985, relating to fishery educational service in Bureau of Fisheries (CALDWELL); H. R. 5025, purchase and distribution of fish products (BLAND); and H. R. 5681, purchase and distribution of fish products (CALDWELL).

COMMITTEE ON THE JUDICIARY

There will be a hearing before Subcommittee No. 2 of the Committee on the Judiciary on Tuesday, May 9, 1939, at 10 a. m., on the bill (H. R. 4587) to give the Supreme Court of the United States authority to prescribe rules of pleading, practice, and procedure with respect to proceedings in criminal cases prior to and including verdict or finding or plea of guilty. Room 346, House Office Building.

There will be a public hearing before Subcommittee No. 1 of the Committee on the Judiciary on Wednesday, May 10,

1939, at 10:30 a. m., on House Joint Resolution 190, to make available to the Federal Government the facilities of the Council of State Governments, and for other purposes. Room 346, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

687. A letter from the Acting Secretary of Agriculture, transmitting data and other information prepared by the Bureau of Agricultural Economics on the subject of cotton-crop insurance (H. Doc. No. 277); to the Committee on Agriculture and ordered to be printed.

688. A letter from the Comptroller of the Currency, transmitting a copy of the complete Annual Report of the Comptroller of the Currency for the year ended October 31, 1938; to the Committee on Banking and Currency.

689. A letter from the Acting Secretary of the Interior, transmitting copies of two resolutions passed by the Municipal Council of St. Thomas and St. John, V. I., on April 13, 1939; to the Committee on Insular Affairs.

690. A letter from the Secretary of War, transmitting the draft of a bill authorizing cash relief for certain employees of the War and Navy Departments in the Canal Zone not coming within the provisions of the Civil Service Retirement Act; to the Committee on the Civil Service.

691. A letter from the acting Secretary of the Treasury, transmitting a proposed bill to amend the Government Losses in Shipment Act; to the Committee on Expenditures in the Executive Departments.

ADVERSE REPORT

Under clause 2 of rule XIII,

Mr. COCHRAN: Select Committee on Government Organization. House Concurrent Resolution 19. Concurrent resolution opposing the No. I plan for reorganization (Rept. No. 531). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H. R. 6109. A bill to extend the times for commencing and completing the construction of a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.; to the Committee on Foreign Affairs.

By Mr. BLAND:

H. R. 6110. A bill to clarify the status of personnel of the Lighthouse Service serving under the jurisdiction of War or Navy Department during national emergency; to the Committee on Merchant Marine and Fisheries.

By Mr. BUCKLER of Minnesota:

H. R. 6111. A bill to extend the times for commencing and completing the construction of a bridge across the Red River at or near a point suitable to the interests of navigation, from a point in Walsh County, N. Dak., at or near the terminus of North Dakota State Highway No. 17; to the Committee on Interstate and Foreign Commerce.

By Mr. COOLEY:

H. R. 6112. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. COSTELLO:

H. R. 6113. A bill to provide pensions, compensation, retirement pay, and hospital benefits for certain Reserve officers of the Army of the United States; to the Committee on Military Affairs.

By Mr. DIMOND:

H. R. 6114. A bill to authorize postmasters within the Territory of Alaska to administer oaths and affirmations, and for other purposes; to the Committee on the Territories.

By Mr. DOUGHTON:

H. R. 6115. A bill to authorize the sale of the monthly document prepared by the Treasury Department entitled "Bulletin of the Treasury Department"; to the Committee on Ways and Means.

By Mr. HORTON:

H. R. 6116. A bill granting the consent of Congress to the States of Montana, North Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; to the Committee on Irrigation and Reclamation.

By Mr. IGLESIAS:

H. R. 6117. A bill to amend the Merchant Marine Act, 1936, as amended, to further promote the merchant marine policy therein declared, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 6118. A bill to amend the Merchant Marine Act, 1936, as amended, and to remove discrimination in such act against Puerto Rico in connection with ship subsidies, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LEWIS of Colorado:

H. R. 6119. A bill to authorize the construction of works for flood control, and other purposes, on Cherry Creek and tributaries in Colorado; to the Committee on Flood Control.

By Mr. PLUMLEY:

H. R. 6120. A bill to exclude employment performed by certain students from the definition of "employment" for the purposes of the taxes and benefits of the Social Security Act, as amended; to the Committee on Ways and Means.

H. R. 6121. A bill to exclude employment performed by certain students from the definition of "employment" for the purposes of the taxes and benefits of the Social Security Act, as amended; to the Committee on Ways and Means.

By Mr. SCRUGHAM:

H. R. 6122. A bill creating a Mines Finance Commission, defining its duties, establishing its salaries, defining and establishing its authority, defining the qualifications of its commissioners, providing for its operation and providing funds to carry on its purposes, and to encourage production of commercial and strategic minerals; to the Committee on Banking and Currency.

By Mr. SUTPHIN:

H. R. 6123. A bill for the relief of certain purchasers of lands in the city of New Brunswick, N. J.; to the Committee on Claims.

By Mr. THOMASON:

H. R. 6124. A bill giving the consent of Congress to the addition of lands to the State of Texas and ceding jurisdiction to the State of Texas over certain parcels or tracts of land heretofore acquired by the United States of America from the United Mexican States; to the Committee on Foreign Affairs.

By Mr. VOORHIS of California:

H. R. 6125. A bill to amend section 2 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 28, 1938; to the Committee on Flood Control.

By Mr. COLLINS:

H. R. 6126. A bill authorizing appropriations to reimburse States, counties, and other political subdivisions for loss of tax receipts on account of the acquisition of certain lands by the United States; to the Committee on the Public Lands.

By Mr. CANNON of Florida:

H. J. Res. 283. Joint resolution to establish the Maj. Gen. William Jenkins Worth Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Maj. Gen. William Jenkins Worth; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Puerto Rico, memorializing the President and the Congress of the United States to consider their Concurrent

Resolution No. 9, with reference to the critical situation of the coffee growers of Puerto Rico; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BATES of Kentucky:

H. R. 6102. A bill granting a pension to William Ridgway; to the Committee on Invalid Pensions.

By Mr. DEMPSEY:

H. R. 6103. A bill granting a pension to Florence Cravens; to the Committee on Invalid Pensions.

By Mr. GILLIE:

H. R. 6104. A bill granting a pension to Jessie C. Donaldson; to the Committee on Invalid Pensions.

By Mr. PATMAN:

H. R. 6105. A bill authorizing the President to present a Distinguished Service Medal to Harold R. Wood; to the Committee on Naval Affairs.

By Mr. REECE of Tennessee:

H. R. 6106. A bill granting a pension to Isabelle Bullock; to the Committee on Pensions.

By Mr. VINCENT of Kentucky:

H. R. 6107. A bill for the relief of Barnet Warren; to the Committee on Claims.

By Mr. WOODRUFF of Michigan:

H. R. 6108. A bill for the relief of Regina Howell; to the Committee on Claims.

By Mr. WHELCHEL:

H. J. Res. 282. Joint resolution to confer jurisdiction on the Court of Claims or the District Court of the United States for the Northern District of Georgia to hear, determine, and render judgment upon the claim of Mrs. J. W. Marks, of Stephens County, Ga.; 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:

2827. By Mr. CROWTHER: Petition of the Federation of Italian-American Societies of Schenectady, N. Y., protesting against the lifting of the embargo on the shipment of war materials to warring countries; to the Committee on Foreign Affairs.

2828. By Mr. EATON of California: Resolution adopted by the Council of the City of South Gate, Calif., and signed by H. C. Peiffer, as city clerk, urging the Congress of the United States to give favorable consideration to House bill 4576, to the end that the relief afforded thereby may be experienced at the earliest possible moment; to the Committee on Appropriations.

2829. By Mr. ENGEL: Petition of Edward Baltzer, Harry Smith, A. E. Johnson, and others of Mason County, Mich., urging adoption of the Ludlow war referendum bill; to the Committee on Foreign Affairs.

2830. By Mr. MARTIN J. KENNEDY: Petition of the American Humane Association, Albany, N. Y., opposing the shipment of horses and mules to foreign countries in the event of war; to the Committee on Foreign Affairs.

2831. Also, petition of the New York City Federation of Women's Clubs, Inc., urging support of House bill 944, wool labeling bill; to the Committee on Interstate and Foreign Commerce.

2832. Also, petition of Caddo Lodge, No. 769, Brotherhood of Railway and Steamship Clerks, Marshall, Tex., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2833. Also, petition of the Merritt-Chapman & Scott Corporation, New York City, concerning House bill 1809; to the Committee on Rivers and Harbors.

2834. Also, petition of the Jewish Fellowship Unit, No. 1, New York City, concerning the Rogers-Wagner refugee bills; to the Committee on Immigration and Naturalization.

2835. By Mr. KEOGH: Petition of the New York City Federation of Women's Clubs, Inc., concerning the Martin wool labeling bill (H. R. 944); to the Committee on Interstate and Foreign Commerce.

2836. Also, petition of the National Rivers and Harbors Congress, Washington, D. C., concerning the Wheeler bill (S. 2009); to the Committee on Agriculture.

2837. By Mr. SCHIFFLER: Petition of J. M. Hogl, secretary of Townsend Club of Wheeling, W. Va., urging the Ways and Means Committee to make a favorable report on House bill 2, known as the General Welfare Act; to the Committee on Ways and Means.

2838. By Mr. REES of Kansas: Petition of Tabor College, Hillsboro, Kans.; to the Committee on Foreign Affairs.

2839. Also, petition of Townsend Club, No. 1, of Junction City, Kans.; to the Committee on Ways and Means.

2840. Also, petition of G. E. Segelquist, of Scranton, Kans., and approximately 250 other citizens of that community; to the Committee on Agriculture.

2841. By Mr. SANDAGER: Memorial of the Pawtucket Businessmen's Association and Chamber of Commerce, Pawtucket, R. I., commending the action of the President and the Secretary of the Treasury and concurring with the reasons given: (1) It is especially urgent that at this time we do not place any avoidable burden on American productive enterprise; (2) a suspension of the increase in the tax-rate scheduled to take place in 1940; to the Committee on Ways and Means.

2842. By Mr. SCHAEFER of Illinois: Petition of citizens and members of Marissa (Ill.) Townsend Club, John A. Stodghill, president, with endorsements from local organizations of United Mine Workers of America, Progressive Mine Workers of America, and its auxiliary, and Workers' Alliance, urging enactment of House bill 2, known as the General Welfare Act; to the Committee on Ways and Means.

2843. Also, petition of Hoyleton (Ill.) Townsend Club, No. 1, F. William Grote, secretary, urging enactment of House bill No. 2, known as the Townsend Old Age Pension Act; to the Committee on Ways and Means.

2844. By Mr. VORYS of Ohio: Petition of Roy Walling, president of the Columbus Society for Handicapped, signed by 2,000 persons and petitioning for the enactment of a law providing pensions for all needy handicapped persons who by reason of their disability are kept from gainful employment; to the Committee on Appropriations.

2845. By the SPEAKER: Petition of the Empire Typographical Conference of the International Typographical Union, Niagara Falls, N. Y., petitioning consideration of their resolution with reference to National Labor Relations Act; to the Committee on Labor.

2846. Also, petition of the American Society of Mammalogists, College Station, Tex., petitioning consideration of their resolution with reference to predatory prey regulations in national parks; to the Committee on the Public Lands.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 3, 1939

The House met at 12 o'clock noon.

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

O gracious Father of mankind, do Thou cleanse our prayer from all human dross and attune our hearts to Thee. Draw near us, through Christ, that Thy promises may assume fresh meaning and power. O Thou who art the Father-God, who made the mother's heart like unto Thine own, care for our youth and keep them from the sin and shame which bruise the souls which love them most. When vicissitude comes, when adversity overtakes, and when the storm breaks, hold Thou the hand and cheer the trembling heart. Oh, may the shifting sand beneath weary feet be as