3645. Also, petition of the Southern Transportation Co., Philadelphia, Pa., opposing Senate bill 2009 and urging support of certain amendments to exclude water carriers of bulk cargoes by barges; to the Committee on Interstate and Foreign Commerce.

3646. Also, petition of the Furriers Joint Council of New York, urging the passage of the Casey bill (H. R. 6470); to the Committee on Appropriations.

3647. Also, petition of the Congress of Industrial Organizations, Washington, D. C., favoring the Casey bill (H. R. 6470); to the Committee on Appropriations.

3648. Also, petition of the United Federal Workers of America, Local No. 52, New York City, favoring the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

3649. By Mr. SCHIFFLER: Petition of the Northern West Virginia Coal Association, Fairmont, W. Va., urging that final action on Senate bill 2420 be postponed until the next Congress convenes, in order to give its membership an opportunity to study it and ascertain whether it will be advantageous or disadvantageous to the coal industry in northern West Virginia and elsewhere; to the Committee on Mines and Mining.

3650. By Mr. THOMAS of Texas: Letter from R. M. Farrar, president, the Union National Bank, Houston, Tex., dealing with the general subject of credit; to the Committee on Banking and Currency.

3651. By Mr. VORYS of Ohio: Petition of Frank Pfleger and 59 others, requesting the Seventy-sixth Congress to enact the House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3652. Also, petition of Laura M. Smith, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3653. Also, petition of F. S. Evans and 59 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3654. Also, petition of Nina Y. Sprecher and eight others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3655. Also, petition of Lena R. Mills and 29 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3656. Also, petition of Audra Limbert and 61 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3657. Also, petition of C. W. Ackerson and 59 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3658. Also, petition of Ed. T. Young and 29 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3659. Also, petition of P. J. Cole, Sr., and 29 others, requesting the Seventy-sixth Congress to enact House bill 5620, the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3660. By the SPEAKER: Petition of the Council of the City of Cleveland, petitioning consideration of their resolution with reference to Senate bill 591 and House bill 2888; to the Committee on Banking and Currency.

3661. Also, petition of the United Federal Workers of America, United States Veterans' Hospital Local 159, petitioning consideration of their resolution with reference to House bill 960; to the Committee on the Civil Service.

3662. Also, petition of the Maritime Federation of the Pacific, San Francisco, Calif., petitioning consideration of their resolution with reference to House Joint Resolution 266, Works Progress Administration appropriation; to the Committee on Appropriations.

3663. Also, petition of the Propeller Club of the United States, port of Pittsburg, petitioning consideration of their resolution with reference to Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

3664. Also, petition of code members of Alabama, southern Tennessee, and Georgia, petitioning consideration of their resolution with reference to the bituminous-coal industry; to the Committee on Ways and Means.

# SENATE

## MONDAY, JUNE 12, 1939

Rev. Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O Lord, most holy, most mighty, and immortal God, who dwellest between the cherubim and seraphim, in majesty and awe: Behold in mercy all Thy servants on whom Thou hast laid the governance of this Nation, and especially for its Senate in Congress assembled; that Thou wouldest be pleased to direct and prosper all their consultations, that all things may be so ordered and settled by their endeavors upon the best and surest foundations, and that they, remembering whose stewards they are, may, both by their lives and works, show forth Thy praise, to Thine eternal glory and the welfare of Thy people; through Jesus Christ, Thy Son, our Lord, to whom with Thee and the Holy Ghost be all honor and glory, world without end. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 9, 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 | Davis | Johnson, Calif. | Pittman |
| Andrews | Donahey | Johnson, Colo. | Radcliffe |
| Ashurst | Downey | King | Reed |
| Bailey | Ellender | La Follette | Russell |
| Bankhead | Frazier | Lee | Schwartz |
| Barbour | George | Lodge | Schwellenbach |
| Barkley | Gerry | Logan | Sheppard |
| Bilbo | Gibson | Lucas | Smith |
| Bone | Gillette | Lundeen | Stewart |
| Borah | Glass | McCarran | Thomas, Okla. |
| Brown | Green | McKellar | Thomas, Utah |
| Bulow | Guffey | McNary | Truman |
| Burke | Gurney | Maloney | Vandenberg |
| Byrnes | Hale | Mead | Van Nuys |
| Capper | Harrison | Minton | Wagner |
| Caraway | Hatch | Neely | Walsh |
| Chavez | Hayden | Norris | Wheeler |
| Clark, Idaho | Herring | Nye | White |
| Clark, Mo. | Hill | O'Mahoney | Wiley |
| Connally | Holt | Overton | |
| Danaher | Hughes | Pepper | |

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] is detained from the Senate because of illness.

The Senator from Arkansas [Mr. MILLER] is absent because of illness in his family.

The Senator from Virginia [Mr. BYRD], the Senator from Montana [Mr. MURRAY], the Senator from Illinois [Mr. SLATTERY], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. McNARY. I announce that my colleague the junior Senator from Oregon [Mr. HOLMAN] is necessarily absent on public business.

I also announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of an operation.

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

MESSAGE FROM THE HOUSE DURING ADJOURNMENT—ENROLLED BILLS SIGNED

Under authority of the order of the 8th instant,

On June 9, 1939, after adjournment of the Senate, the following message was received by the Secretary from the House of Representatives: That the Speaker had affixed the signature to the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 1031. An act to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof; and

S. 1243. An act to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939.

MESSAGES FROM THE PRESIDENT

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

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 the bill (S. 1886) to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended, with an amendment, 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. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate No. 18 to the bill and concurred therein.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6260) making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SNYDER, Mr. TERRY, Mr. STARNES of Alabama, Mr. COLLINS, Mr. KERR, Mr. POWERS, Mr. ENGEL, and Mr. BOLTON were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 6635) to amend the Social Security Act, and for other purposes, in which it requested the concurrence of the Senate.

TRIBUTE TO THE LATE SENATOR COPELAND, OF NEW YORK

Mr. BILBO. Mr. President, I prepared an address which I expected to deliver when the memorial addresses were made in the Senate a few days ago on the life, character, and public service of the late Senator from New York, Hon. Royal S. Copeland, but on account of lack of time on that occasion did not do so. I therefore now ask unanimous consent to have inserted in the RECORD the remarks prepared by me as a fitting tribute to the memory of the late Senator from New York.

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

Mr. BILBO. Mr. President, the law profession possibly has contributed more men to Government service than any other of the professions. It has fallen to the happy lot of Senator ROYAL SAMUEL COPELAND, more affectionately known as Dr. COPELAND, to furnish incontrovertible proof that the knowledge of jurisprudence is no more essential for high achievement in the affairs of government than a corresponding knowledge of the science of medicine.

Dr. ROYAL COPELAND was the incarnation of a great physician. It was with the eyes of a man skilled in the treatment of the frailties of the human body that he looked upon the physical and economic ills of society. His analysis of the provisions of any proposed measure for congressional consideration was not from the viewpoint of a practiced and experienced attorney, but from the higher vantage ground of a sympathetic and inquiring physician. He diagnosed rather than analyzed by first seeking the cause of the ailment or maladjustment to be treated and then applied the remedy, which he already knew. His powerful intellect represented an apothecary shop, shelved with all the scientific curative preparations essential for the control and alleviation of political and social agony. Being a physician to the manner born, he was possessed of a versatility of interests. True to his high calling, devotion to all things of human concern was exemplified in the wide range of his tireless activities—activities that embraced a scope confined to no less limits than the full compass of all of man's privations and sorrows.

No finer or more appropriate trinity of words for the delineation of character can be applied to this great and good man than to speak of him and to think of him as patriot, physician, and philanthropist. Patriot, in the sense that he loved democracy and democratic institutions; physician, in the sense that he pondered profoundly upon the way of man that led not unto death but to an abundant life and a sustained happiness; philanthropist, in the sense that he gave freely of his time, of his talent, and of his great storehouse of scientific knowledge to the service and betterment of humanity.

Senator COPELAND enacted the role also of a great pacificator. It was almost invariably thrust upon him the peculiar prerogative to adjust difficult and sensitive differences, to heal angry wounds, and apply a soothing ointment to old sores. With an amazing facility he brought about the meeting of many minds with respect to important legislation. The major operation was always trusted to his trained hands by virtue not only of his skill in performing the operation but of his willingness to do the job, and the major responsibilities were always shifted to his strong shoulders because there was no other so eminently capable of carrying the weight of the burden to be borne.

To my mind, Senator COPELAND was a man—

Who never turned his back but marched breast forward,
Never doubted clouds would break;
Never dreamed, though right were worsted, wrong would triumph,
Held we fall to rise, are baffled to fight better,
Sleep, to wake.

Many years ago Mr. Joe Mitchell Chapple, while engaged in collecting Favorite Heart Throbs of Famous People, for publication in a volume of that title, called upon Dr. COPELAND to ascertain his favorite heartthrob in relation to poems. The great physician immediately recited these lines:

What are the names of the Fortunate Isles?
Duty and Love and a Broad Content,
These are the Isles of the Watery Miles,
That God let down from the Firmament.
Duty and Love and a baby's smile,
Ah, these, O friends, are the Fortunate Isles.

After repeating this poem as his favorite heartthrob, he said:

I memorized those words and carried the newspaper clipping in my pocket until it was worn out, but failed to learn the name of the author. If you can tell me, I will appreciate it very much.

Upon being informed that Joaquin Miller was the author, he expressed his appreciation of the information, and after again quoting the six lines of his favorite poem, he said:

It reflects the sentiment of a lover of children and discloses a new "somewhere" in the widening vision of humans—the broad planes and spheres of duty, the heights and depths of love, all of which is enhaloed in the great objective of one of life's sweetest dreams—a baby's smile.

In this favorite heartthrob of the great physician there is afforded appropriate conclusion to this brief and affectionate tribute to his memory.

CREATION OF TRUSTS BY INDIVIDUAL INDIANS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the creation of trusts by individual Indians with the United States as trustee, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

LANDS FOR SAN CARLOS APACHE TRIBE, ARIZONA

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the purchase of certain lands for the San Carlos Apache Tribe, Arizona, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

VARIABLE PAYMENT OF CONSTRUCTION CHARGES ON RECLAMATION PROJECTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes, which, with the accompanying paper, was referred to the Committee on Irrigation and Reclamation.

APRIL REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, the report of the activities and expenditures of the Corporation for the month of April 1939, including a statement of loan and other authorizations made during the month, showing the name, amount, and rate of interest or dividend in each case, and so forth, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of Nebraska, which was referred to the Committee on Banking and Currency:

Legislative Resolution 39

Resolution memorializing the Honorable F. F. Hill, Governor of the Farm Credit Administration, to defer payments of principal and interest on defaulted Federal land bank and Land Bank Commissioner loans as to deserving farmers of the State of Nebraska

Whereas the State of Nebraska has been visited by 5 successive years of devastating droughts; and

Whereas the crops of the State of Nebraska have been ravaged for a number of years by grasshoppers; and

Whereas it is now evident that irreparable damage has already been done this year to the small-grain crop, by insufficient moisture and grasshoppers; and

Whereas the small-grain crop is the first cash crop for the farmers of the State of Nebraska; and

Whereas due to these ravages of Nature, the purchasing power of the farmers of the State of Nebraska is the lowest of any other State in the United States, as shown by recent reports of the Department of Agriculture of the United States: Now, therefore, be it

*Resolved by the Legislature of the State of Nebraska in fifty-third regular session assembled:*

(1) That the Nebraska Unicameral Legislature respectfully calls these matters to the attention of the Honorable F. F. Hill, Governor of the Farm Credit Administration, and respectfully requests that payments of principal and interest on defaulted Federal land bank and Land Bank Commissioner loans be deferred as to deserving farmers of the State of Nebraska until another crop can be harvested and marketed.

(2) That this resolution be spread at large upon the journal of this legislature, and that the clerk of this legislature is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the Honorable F. F. Hill, Governor of the Farm Credit Administration, to the President of the United States, to the Vice President of the United States as presiding officer of the United States Senate, to the Speaker of the House of Representatives of the United States; and to each of the United States Senators and Congressmen representing the State of Nebraska in the Congress to the end that representatives in the Government and in the Congress of the United States will be advised that this legislature considers as imperative the deferment of defaulted Federal land bank and Land Bank Commissioner loans to deserving farmers of the State of Nebraska.

The VICE PRESIDENT also laid before the Senate a resolution of Farmers Union Local No. 267, Hogeland, Mont., favoring the enactment of Senate bill 2395, to amend the Agricultural Adjustment Act of 1938, as amended, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a telegram in the nature of a memorial from Rev. W. R. Thomas, pastor of Zephaniah Baptist Church, Chicago, Ill., remonstrating against the laying off of and alleged discrimination against certain employees of the Works Progress Administration, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Local No. 402, Boca Tunnel and Construction Workers Union, of Truckee, Calif., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate the memorial of the American Baptist Association, representing 2,000 Baptist churches in about 15 States, remonstrating against amendment of the Social Security Act so as to affect religious bodies, which was referred to the Committee on Finance.

He also laid before the Senate the petition of a committee of retired railway employees of Terre Haute, Ind., praying for the enactment of legislation granting to each retired railway employee over 65 years of age who is entitled to retirement benefit and pension not less than $50 per month, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate telegrams in the nature of memorials from the grand regent, Court Columbia, Catholic Daughters of America, and the grand State regent, Catholic Daughters of America, both of New York, N. Y., remonstrating against the confirmation of the nomination of Archibald MacLeish, of Connecticut, to be Librarian of Congress, which were referred to the Committee on the Library.

He also laid before the Senate the petition of the Central Labor Union of Toledo, Ohio, praying for the enactment of pending legislation providing an additional $800,000,000 for Federal housing projects, which was ordered to lie on the table.

Mr. VANDENBERG presented memorials, numerously signed, of sundry citizens of the State of Michigan, remonstrating against the exclusion of white-collar workers, including the Federal music project, from the terms of the bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, which were ordered to lie on the table.

Mr. REED presented telegrams and papers in the nature of memorials from the librarian of the Winfield Public Library, the librarian of the Carnegie Free Public Library of Manhattan, the librarian of the Hutchinson Public Library, the president of the board of trustees, and the president of the Library Trustees' Association of Kansas, the president of the Kansas Library Association, officers of the Kellogg Library and the Kansas State Teachers College, of Emporia, all in the State of Kansas, and the assistant cataloger of the University of Maryland, College Park, Md., remonstrating against the confirmation of the nomination of Archibald MacLeish, of Connecticut, to be Librarian of Congress, which were referred to the Committee on the Library.

Mr. HOLT presented the memorial of Local No. 1643, United Mine Workers of America, of Monangah, W. Va., remonstrating against amendment of the National Labor Relations Act at the present time, which was referred to the Committee on Education and Labor.

He also presented a resolution of the Northern West Virginia Coal Association, favoring postponement of Senate bill

2420 until the next session of Congress so as to ascertain whether it will be advantageous or disadvantageous to the coal industry in northern West Virginia, which was referred to the Committee on Mines and Mining.

He also presented a paper in the nature of a memorial from 50 citizens of Pittsburgh, Pa., remonstrating against a third term of office for any President, regardless of party affiliation, which was ordered to lie on the table.

Mr. WALSH presented a resolution of the City Council of Marlboro, Mass., favoring additional appropriations for the Works Progress Administration and the preservation of "white collar" projects, which was referred to the Committee on Appropriations.

He also presented the petition of the mayor and 19 members of the City Council of Boston, and sundry citizens, all in the State of Massachusetts, praying adequate appropriations for the Works Progress Administration to continue unimpaired the laboring, "white collar," and Federal arts projects without further increase in costs to local governments, which was referred to the Committee on Appropriations.

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

Resolutions memorializing Congress in favor of the granting of full United States citizenship to aliens who served in the Military or Naval Establishments of the United States during the World War and were honorably discharged from such service

*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to give proper recognition to aliens who served this country during the World War by the enactment of en masse legislation and the taking of such other action as may be necessary to declare that every alien who served in the Military or Naval Establishment of the United States during the World War and who has received an honorable discharge from such service is a citizen of the United States by virtue of such service; and be it further

*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States and to the presiding officers of each branch of Congress and to the Members thereof from this Commonwealth.

The VICE PRESIDENT laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Immigration.

Mr. LODGE presented a resolution identical with the foregoing, which was referred to the Committee on Immigration.

Mr. LODGE also presented a petition of sundry citizens of the State of Massachusetts praying for the enactment of legislation to prevent the advertising of alcoholic beverages by press and radio, which was ordered to lie on the table.

Mr. SHEPPARD presented the following resolution of the House of Representatives of Texas, which was referred to the Committee on Agriculture and Forestry:

House Resolution 303

Whereas the surplus stocks of cotton in this country now total about 14,000,000 bales, of which 11,400,000 bales are stored under Government loan to producers; and

Whereas for over a century growers have been wrapping cotton in an imported material which is known as jute bagging; and

Whereas the commissioner of agriculture of Texas estimates that approximately 2 percent of the bagging used for wrapping cotton in Texas is cotton bagging and approximately 98 percent is jute; and

Whereas jute is used for the purpose of wrappers, bags, burlap, and twine; and

Whereas millions of square yards of cotton cloth, which were once used for making all commodities, have retreated before the paper bags; and

Whereas in 1925 only 10 percent of the national cement supply was shipped in paper bags, and in 1936 this figure had risen to 42 percent; and

Whereas cotton bagging is cheaper in the long run because it can be used 10 or 12 times, while paper is only used once; and

Whereas jute, paper, and rayon are three relentless enemies of the cotton industry, each armed with the deadliest weapon—lower cost; and

Whereas the cotton mountain would melt like a snow pile if an ambitious program to reinforce roads and airport runways with a layer of cotton fabric is carried through on a national basis; and

Whereas there are now well over 500 miles of cotton roads in 22 States—a mile of roadway uses 8 to 10 bales of cotton; and

Whereas the United States produces about 45 percent of the world cotton crop, and Texas is the greatest producer of cotton in the United States and the world, and American cotton exports have decreased; and

Whereas in 1936 the world's production of cotton was 28,250,000 bales, in 1938 the United States' production was 18,946,000 bales, and in 1938 Texas' production was 3,125,000 bales; and

Whereas we must do something about this surplus or risk economic disaster for the entire Nation and particularly the people of the South, who depend almost entirely on cotton for their livelihood; and

Whereas a dollar spent in research will pay rich dividends: Now, therefore, be it

*Resolved*, That the House of Representatives of Texas urge that the honorable body of the United States Congress be requested to make a thorough investigation of the uses of cotton; and be it further

*Resolved*, That the Federal Government be requested to establish in Texas a cotton gin and fiber laboratory for the purpose of improving cotton technique and devising means of improving cotton fiber; and be it further

*Resolved*, That Congress be requested to make necessary appropriations to pay the difference between jute and cotton bagging so as to enable the farmers in cotton-producing States to purchase cotton bagging at the gin, which will take over 100,000 bales of cotton off of the market; and be it further

*Resolved*, That a copy of this resolution be forwarded to each Member of Congress from Texas.

LIBRARIAN OF CONGRESS

Mr. MINTON (for Mr. REYNOLDS) presented a telegram from Mrs. Nell G. Battle, president of the North Carolina Library Association, Rocky Mount, N. C., which was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

ROCKY MOUNT, N. C., *June 10, 1939.*

HON. ROBERT R. REYNOLDS,
*United States Senate, Washington, D. C.:*

The North Carolina Library Association earnestly protests against the appointment of any but a professionally trained librarian as Librarian of Congress. The most important library in the world needs a trained and experienced library administrator.

NORTH CAROLINA LIBRARY ASSOCIATION.
(Signed) MRS. NELL G. BATTLE, *President.*

REPORTS OF COMMITTEES

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act, reported it without amendment and submitted a report (No. 586) thereon.

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (S. 1021) to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes, reported it with an amendment and submitted a report (No. 587) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, submitted a report (No. 588) to accompany the bill (S. 1850) to aid the States and Territories in making provisions for the retirement of employees of the land-grant colleges, heretofore reported by him from that committee with amendments.

Mr. JOHNSON of Colorado, from the Committee on Military Affairs, to which was recommitted the bill (S. 1155) to provide for probationary appointments of officers in the Regular Army, reported it with an amendment and submitted a report (No. 589) thereon.

Mr. HATCH, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 43) requesting the President to proclaim October 9 as Leif Erikson Day, reported it without amendment and submitted a report (No. 590) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 9, 1939, that committee presented to the President of the United States the enrolled bill (S. 189) to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof.

BILLS INTRODUCED

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

By Mr. SCHWELLENBACH:

S. 2587. A bill for the relief of Juanita L. Caza; and

S. 2588. A bill for the relief of Ellis L. Rogers; to the Committee on Claims.

By Mr. MINTON:

S. 2589. A bill to authorize the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind.; to the Committee on Commerce.

By Mr. TRUMAN:

S. 2590. A bill to provide for the transfer to the government of the District of Columbia of a certain tract of land belonging to the United States; to the Committee on Public Lands and Surveys.

By Mr. O'MAHONEY:

S. 2591. A bill to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. CLARK of Idaho:

S. 2592. A bill to provide for assistance by the Federal Government in the control and eradication of noxious weeds; to the Committee on Agriculture and Forestry.

S. 2593. A bill to amend section 186 of the Criminal Code, as amended; to the Committee on Post Offices and Post Roads.

By Mr. MALONEY:

S. 2594. A bill relating to pensions for dependents of the officers and enlisted men who lost their lives in the submarine *Squalus;* to the Committee on Finance.

By Mr. HATCH:

S. 2595. A bill for the relief of Lloyd S. Harris; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 6635) to amend the Social Security Act, and for other purposes, was read twice by its title and referred to the Committee on Finance.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. HAYDEN submitted two amendments intended to be proposed by him to the bill (H. R. 6635) to amend the Social Security Act; and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

EXPENSES OF JOINT COMMITTEE ON ARRANGEMENTS AND RECEPTION OF THE KING AND QUEEN OF GREAT BRITAIN

Mr. BARKLEY submitted a concurrent resolution (S. Con. Res. 20), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and Mr. BYRNES, subsequently, from the same committee, reported the resolution without amendment, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the expenses incurred by the joint committee appointed pursuant to Senate Concurrent Resolution No. 17, Seventy-sixth Congress, to arrange for the reception of Their Majesties the King and Queen of Great Britain in the Rotunda of the Capitol on June 9, 1939, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

RED CEDAR SHINGLES IMPORTED FROM CANADA

Mr. SCHWELLENBACH submitted a resolution (S. Res. 144), which was ordered to lie on the table, as follows:

*Resolved*, That the Secretary of State is requested to enter into negotiations with the Government of Canada with a view to arranging for modification of the trade agreement entered into with Canada on November 17, 1938, in such manner as to provide for reserving to the United States the right to limit the quantity of red cedar shingles which may be imported into the United States, to the same extent that the quantity of such shingles permitted to be imported was limited under section 811 of the Revenue Act of 1936 prior to the making of such trade agreement.

CAPE FEAR RIVER, N. C., AT AND BELOW WILMINGTON (S. DOC. 83)

On motion by Mr. BAILEY, a letter from the Secretary of War to the chairman of the Committee on Commerce, United States Senate, transmitting, in response to a resolution of the committee, a report on a reexamination of the Cape Fear River at and below Wilmington, N. C., was ordered to be printed, with an illustration, and referred to the Committee on Commerce.

APPROPRIATIONS FOR CIVIL FUNCTIONS OF WAR DEPARTMENT

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6260) making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. SHEPPARD, Mr. TOWNSEND, and Mr. BRIDGES conferees on the part of the Senate.

APEX HOSIERY CASE—LETTER FROM SENATOR NORRIS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a letter from Senator NORRIS to Gardner Jackson, of Labor's Nonpartisan League, relative to the Apex Hosiery case, which appears in the Appendix.]

FOREIGN AFFAIRS—ADDRESS BY SENATOR REYNOLDS

[Mr. MINTON asked and obtained leave to have printed in the RECORD a radio address delivered by Senator REYNOLDS on June 10, 1939, on the subject of foreign affairs, which appears in the Appendix.]

FOREIGN AFFAIRS—TELEGRAM TO SENATOR REYNOLDS

[Mr. MINTON, for Mr. REYNOLDS, asked and obtained leave to have printed in the RECORD a telegram on the subject of foreign affairs, addressed to Senator REYNOLDS by O. G. Werner, of Dover, N. J., which appears in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY AT ANNUAL CONVENTION OF UTAH CHAPTER, NATIONAL ASSOCIATION OF POSTMASTERS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Postmaster General Farley at the annual convention of the Utah Chapter of the National Association of Postmasters at Salt Lake City, Utah, on May 22, 1939, which appears in the Appendix.]

INDEPENDENCE OF THE PHILIPPINES—ADDRESS BY SALVADOR ARANETA

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an address delivered by Salvador Araneta before the convocation program at the University of Manila, May 25, 1939, on the subject of the independence of the Philippines, which appears in the Appendix.]

ATTITUDE OF MILWAUKEE ASSOCIATION OF COMMERCE TOWARD NATIONAL LEGISLATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement of the position of the Milwaukee (Wis.) Association of Commerce on legislation now pending before Congress, which appears in the Appendix.]

ARMY CHIEFS OF STAFF—LETTER BY MAJ. GEN. WILLIAM C. RIVERS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a letter written by Maj. Gen. William C. Rivers to the editor of the New York Times and printed in that newspaper on Sunday, June 4, 1939, which appears in the Appendix.]

THE N. Y. A. SLASH—ARTICLE BY ERNEST LINDLEY

[Mr. HILL asked and obtained leave to have printed in the RECORD an article by Ernest Lindley, published in the Washington Post of June 11, 1939, entitled "The N. Y. A. Slash," which appears in the Appendix.]

THE NATIONAL YOUTH ADMINISTRATION

[Mr. NEELY asked and obtained leave to have printed in the RECORD two editorials on the subject of the National Youth Administration, one published in the Fairmont (W. Va.) Times of Thursday, June 8, 1939, and the other in the Wheeling (W. Va.) News-Register of June 8, 1939, which appear in the Appendix.]

ORDER DISPENSING WITH CALL OF CALENDAR

The VICE PRESIDENT. If there be no resolutions coming over from a preceding day and no further morning business, the calendar under rule VIII is in order.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the calling of the calendar be dispensed with for the time being.

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

IMPORTATION OF INFESTED BULBS

Mr. SCHWELLENBACH. Mr. President, last Wednesday I submitted a resolution (S. Res. 143) asking for the appointment of a special subcommittee of the Committee on Agriculture and Forestry. I asked that the resolution lie on the table. My understanding was that the resolution would come up under the order of resolutions coming over from a previous day.

The VICE PRESIDENT. A tabled resolution does not come up automatically as a resolution coming over from the previous day. The Senator can move to take up his resolution.

Mr. SCHWELLENBACH. I do not intend to make such a motion at this time, but I do wish to place in the RECORD some very brief remarks concerning the resolution.

The basis of the resolution was the action upon the part of the Department of Agriculture which would result in the abandonment by that Department of the provisions of the Plant Quarantine Act so far as the importation of narcissus bulbs is concerned. I discussed the matter last Wednesday. It happens that yesterday in the Washington Star an article appeared which is of interest and importance so far as this particular resolution is concerned. In the article it is pointed out that, as a result of an obscure importation of iris bulbs from Japan in the year 1912, an importation which went only to one locality, there was brought into this country an infestation known as the Japanese beetle. That infestation spread from the place where the iris bulbs were originally planted to all sections of the country. We are now spending a total of three and a half million dollars a year as a result of the loss due to that particular infestation.

The author of the article in yesterday's Washington Star submits evidence to show that as a result of the infestation in that one obscure importation of Japanese iris bulbs there has been a total loss to this country of $100,000,000.

It is all very well for the Department of Agriculture to say that it is proper, in order to enable the State Department to enter into trade negotiations and treaties with Holland so as to increase our trade, that the limitations which have been placed upon the importation of narcissus bulbs should be relaxed or abandoned. The total amount of importations of narcissus bulbs to this country prior to the time of the placing of the quarantine was about $250,000 a year. I think it but fair to state that, as a result of a relaxation of the limitations of the Plant and Quarantine Act so far as the importation of narcissus bulbs is concerned, we cannot expect to get more out of Holland than the amount Holland would get coming in, or $250,000 a year; and yet the evidence which I discussed last week shows that these bulbs are infested, and that the infestation is such as to spread rapidly, and spread to other agricultural products of this country.

Having seen the result of laxness on the part of this Government, so far as the importation of iris bulbs is concerned, at a cost to the people of this country of $100,000,000, certainly no one can justify running a similar risk with narcissus bulbs in order to get trade to the amount of $250,000 a year.

I ask unanimous consent that there be printed at this point in my remarks the article to which I have referred from the Washington Star of yesterday.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The article is as follows:

MADE IN JAPAN—A $100,000,000 HEADACHE FOR AMERICA

(By J. D. Ratcliff)

No one paid any particular attention to the shipment of irises from Japan that passed by New York customs officials one day in 1912. There were other more important things to be considered in the vast bulk of imports—tea from Ceylon, woolens from England, dyes from Germany. So the irises slipped quietly through, carrying a cargo of passengers—minute white worms.

The worms looked even more insignificant than most worms; they were small and white—curled up as if they were suffering from a particularly violent stomach ache. The newspapers, of course, didn't note the entrance of the immigrant worms, but they might well have made headline news of the event. For the descendants of those worms were destined to become a national problem of major importance. These descendants have driven more than one orchardist into bankruptcy and have been the despair of home gardeners. At present they are costing the Nation well over $3,500,000 a year, and this figure will continue to rise. All because of that shipment of irises.

Some of them went to Riverton, N. J., and were planted in home gardens. The small worms—or grubs—came to life after their long journey from the Orient. Conditions, they found, were eminently suitable for growth. The ground was warm and moist, and the climate was generally similar to the climate of their native island in Japan. They shed their skins and grew into larger grubs—some growing until they were nearly an inch long. They burrowed their way through the soil and got near enough to the surface to feed on the tender young roots of flowers and grass. The new country was thoroughly satisfactory. All of the natural enemies of the worms had been left behind in Japan, and all of the good points Japan had to offer were being duplicated in New Jersey.

After hibernating that first winter the grubs came to life the following spring. Once again they shed their skins. After losing these capsules they were no longer lowly worms. Instead they were rather handsome and splendid flying insects. Their small bodies, not much larger than a potato bug, were a pleasing metallic green and their wings were bronze. Members of the species Popillia japonica Newman began to make their way to the surface. It was mid-June when the first ones tried their wings. They flew to whatever vegetation was at hand—fruits, shrubs, vegetables.

Thus ends a circumstantial account of how the Japanese beetle arrived in the United States. Actually his presence went unnoticed until he was a problem of rather staggering proportions. Today he is a familiar sight in 22 States; and particularly those States along the North Atlantic seaboard.

The first beetle was found in August 1916. An employee of the New Jersey Department of Agriculture picked up one of the insects. Not recognizing it and being unable to classify it, he sent it to Washington. Authorities there had no better luck. They sent it to the British Museum. Word came back that it was the Japanese beetle. Better get busy.

Entomologists went to Japan to gather what information they could and field men pumped tens of thousands of gallons of insecticides on an arbitrary spray belt created around Riverton. The latter attempt was a complete failure. The beetles marched through the barrier as if it didn't exist. They spread to orchards, truck farms, and home gardens. In the grub stage they destroyed golf-course greens, eating off grass roots, and as adults they completely stripped shade trees of foliage. It was soon evident that the beetles couldn't be exterminated without sifting every ounce of topsoil in New Jersey in a search for grubs. Perhaps they could be controlled—a job that loomed large, since there were no known natural enemies capable of large-scale destruction to aid the entomologist.

Any war on insects must begin with a life study of the insect itself. His complete biography must be written. His food preferences, natural habits, love life, and stage of development are all important. Somewhere in the existence of any insect there is a weak link and it is here that the entomologist must attack. So every detail of the beetle's existence was given microscopic scrutiny—from egg to grub to the pretty flying insect.

It is in his final stage of life—as a flying insect—that the beetle does his greatest damage to crops. In a few days now he will begin to emerge from the ground to start his depredations. While he is known to eat 260 varieties of vegetation, he does have his food preferences—apples, cherries, and peaches; linden and horse-chestnut trees; and dahlias, zinnias, and hollyhocks. He prefers the hot midday sun and may very likely remain in the ground if the weather is bad. By nature the Japanese beetle is gregarious. If one discovers that the fleshy part of the leaves of a certain tree are tasty, tens of thousands of beetles will swarm after him. When their feeding is over leaves will be lacy skeletons with only veins remaining. They will attack fruits en masse and as many as 365 beetles have been found swarming over a single apple.

The beetle remains in his adult stage 30 to 45 days. He ends his days on earth with one final gorge of vegetation. During this brief span of adult life the females dig their way in the ground to deposit 40 to 60 eggs. A single square yard of earth has been found to contain as many as 1,500 larvae.

These and scores of other beetle facts have been uncovered at the research center at Moorestown, N. J., which is maintained by the Agriculture Department's Bureau of Entomology. There are 10 laboratories scattered over the 20-acre tract of leased land. Forty-odd men work in them, under the direction of C. H. Hadley, paternal, white-haired veteran of the ceaseless war against insects. For sake of simplicity Hadley prefers to consider Popillia japonica as two insects—a root-eating grub and a leaf-eating winged beetle. The fight against this destructive pair falls into two major lines: Large-scale control and protection of individual farms, gardens, or lawns.

For large-scale control work it became evident almost at the start that natural enemies would have to be imported from Japan. The

possibility of finding bacteria and protozoa that would prey on the beetles has received a great deal of study, but as yet nothing too promising has turned up here. Better luck has been encountered with prey insects. Altogether 17 of these have been brought into the country. Conditions in the United States have been suitable for the survival of only five, and of this five only two have been particularly effective. These two are related wasps—one from Korea, the other from Japan. Both are small and black and look like flying ants.

These wasps are ground borers and prey directly on the grub. The female pushes her way through the earth until she finds an unsuspecting grub. She stings it and the poison causes temporary paralysis. She then lays an egg which she attaches to the under part of the worm. When this egg hatches the larva sucks fluid nourishment from the grub. As the larva grows stronger the grub grows weaker. Completely ungrateful for the hospitality afforded him, the larva finally consumes the depleted body of his host. In the course of a summer a wasp will lay about 40 eggs which under ideal circumstances will destroy an equal number of potential beetles.

At the laboratory these wasps are stored in individual glass tubes during their period of hibernation. Usually there are about 50,000 of these tubes on hand. When ready for release in the field entomologists seek out likely spots. One hundred wasps represent the nucleus of the new community. A little over half of these colonies survive. Over 1,700 of them have been established in Pennsylvania, New Jersey, Maryland, New York, and other infested States.

Researchers recently have been devoting study to another beetle killer, a parasitic roundworm. This minute worm, harmless to plants and man, lodges in the digestive track of the grubs and kills them. Experimental colonization already has begun.

Suppression of adult beetles is accomplished by means of sprays and traps. On the research farm work goes on constantly in an effort to find more effective sprays. Whole trees are enclosed in wire netting and then sprayed. Mortality among beetles left free inside this area is then checked. So far it appears that calcium arsenate is the most effective poison. If properly applied, it can protect all but 10 percent of any given orchard. Beetles if allowed to go unchecked, will destroy 70 percent of a fruit crop.

The effectiveness of traps depends on a discovery made early in the investigations. It was noted that the insects were attracted particularly by geraniums, sassafras, and smartweed—all of which give off pungent odors. Was there something in these odors that was responsible? This turned out to be the correct guess, the principal odor producer being the essential oil geraniol. Traps which diffuse this oil with a wet wick are highly effective in badly infested areas. With a 10-gallon capacity for insect storage they have been known to catch over 100,000 beetles in the space of a few days.

Ample protection for home gardens and lawns may be obtained by use of traps—which cost $1 each—and insecticides. Large trees and shrubs are sprayed with a mixture consisting of 6 pounds of calcium or lead arsenate, 4 pounds of wheat flour, one-half pint of fish oil, and 100 gallons of water. This should be applied when the beetles start feeding. The necessity for repeated treatments is determined by the severity of the invasion. Lead arsenate applied to lawns at the rate of 10 pounds per thousand square feet should destroy all grubs for a period of about 5 years. Applied before a hard rain, or washed into the ground with a hose, the poison is carried out of the reach of pets.

Toads are enemies of the insects. Twenty-two percent of the stomach content of toads examined at the New Jersey experiment station consisted of beetles. Birds too consume quantities of beetles. Over half of those examined at the laboratory had eaten the insects. Starlings, cardinals, catbirds, meadowlarks, purple grackles, and pheasants had particularly voracious appetites for the pests. Birds experimentally colonized in badly infested areas have thrived and materially aided in the campaign of control.

These are the measures taken once the beetles have stormed and taken any given area. It is the job of the quarantine man to see that they are as nearly confined to one district as possible. His work has not been too successful. The beetles, despite all efforts and precautions, will normally spread out from any focal point in ever-widening waves. Each year these waves carry about 10 miles. Most authorities now agree that no suppressive measures can check this normal expansion. But vigilance can keep the pests from being carried to various communities in vegetable and fruit cargoes to set up new focal spots.

Inspection at packing sheds and in nurseries to see that all shipments are fumigated helps. So do the quarantine stations along main highways. The United States Department of Agriculture, in cooperation with State departments in Delaware, New Jersey, Pennsylvania, and elsewhere, maintain quarantine stations on main highways to keep motorists from carrying sweet corn, fruits, flowers, and other contraband outside the area. Still these precautions are not always wholly effective.

Beetles have spread from their original focal point in New Jersey into all the New England States and all Southern States except Mississippi, Alabama, and Florida. Islands of infestation have appeared as far west as Iowa.

Eventually the insects will probably be found to some extent in all the region between western Kansas and the Atlantic. West of this section winter cold or summer drought should keep them from becoming a major problem. As the work now stands, the chief job of the quarantine service is to retard the march into new areas while the research men seek new methods of attack.

All these efforts should bring the beetles under control—control consisting of limiting their annual damage to 5 or 10 percent of a crop in an infested area. Even so, they will continue to destroy several million dollars' worth of property per year, or an amount at least equal to the interest on a hundred-million-dollar investment. The innocent-looking little worms that were imported on the roots of irises meant to beautify some home garden have become a $100,000,000 national headache.

## DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 6392, making appropriations for the Departments of State and Justice and for the judiciary, and for the Department of Commerce, for the fiscal year ending June 30, 1940, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. McKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none.

The clerk will proceed to state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of State, office of the Secretary of State", on page 2, line 8, before the word "*Provided*", to strike out "$2,183,500" and insert "$2,239,760", so as to read:

Salaries: For Secretary of State; Under Secretary of State, $10,000; counselor, $10,000; and other personal services in the District of Columbia, including temporary employees, and not to exceed $6,500 for employees engaged on piece work at rates to be fixed by the Secretary of State, $2,239,760.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses (departmental)", on page 4, line 22, after the word "foregoing", to strike out "$138,000" and insert "$143,430", so as to read:

Contingent expenses: For contingent and miscellaneous expenses, including stationery, furniture, fixtures; typewriters, adding machines, and other labor-saving devices, including rental, exchange and repair thereof (not to exceed $27,500); purchase and exchange of books, maps, and periodicals, domestic and foreign, and, when authorized by the Secretary of State, dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, newspapers, teletype rentals, and tolls (not to exceed $12,000); purchase, including exchange, of one passenger-carrying automobile and two automobile mail wagons; maintenance, repair, and storage of motor-propelled vehicles, to be used only for official purposes (including one passenger-carrying vehicle for the Secretary of State and one for the general use of the Department); streetcar fare; traveling expenses, including not to exceed $5,000 for expenses of attendance at meetings concerned with the work of the Department of State when authorized by the Secretary of State; refund of fees erroneously charged and paid for the issue of passports to persons who are exempted from the payment of such fee by section 1 of the act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1921, approved June 4, 1920 (22 U. S. C. 214, 214a); the examination of estimates of appropriations in the field; and other miscellaneous items not included in the foregoing, $143,430.

The amendment was agreed to.

The next amendment was, under the subhead "Foreign intercourse", on page 7, line 9, after the word "exceed", to strike out "$640,000" and insert "$650,000", so as to read:

In all, not to exceed $650,000.

The amendment was agreed to.

The next amendment was, under the subhead "Foreign Service building fund", on page 15, line 10, after the word "act", to strike out "$500,000" and insert "$1,000,000"; and in line 14, after the word "exceed", to strike out "$200,000" and insert "$300,000", so as to read:

Foreign Service Buildings Fund: For the purpose of carrying into effect the provisions of the act of May 25, 1938, entitled "An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States" (52 Stat. 441),

including the initial alterations, repair, and furnishing of buildings acquired under said act, $1,000,000, to remain available until expended, and in addition the Secretary of State is authorized to enter into contracts for the acquisition of sites and preparation of plans during the fiscal year 1940 in an amount of not to exceed $300,000.

The amendment was agreed to.

The next amendment was, under the heading "International Boundary Commission, United States and Mexico", on page 25, after line 13, to insert:

Fence construction on the boundary, Arizona: For construction of fence along the international boundary as authorized by the act of August 19, 1935 (49 Stat. 660), $25,000: *Provided*, That no part of this appropriation shall be expended for the acquisition of lands or easements for sites for boundary fences except for procurement of abstracts or certificates of title, payment of recording fees, and examination of titles.

The amendment was agreed to.

The next amendment was, under the subhead "International Fisheries Commission", on page 28, line 24, after the word "State", to strike out "$30,000" and insert "$25,000", so as to read:

Salaries and expenses: For the share of the United States of the expenses of the International Fisheries Commission, under the convention between the United States and Canada, concluded January 29, 1937, including salaries of two members and other employees of the Commission, traveling expenses, charter of vessels, purchase of books, periodicals, furniture, and scientific instruments, contingent expenses, rent in the District of Columbia, and such other expenses in the United States and elsewhere as the Secretary of State may deem proper, to be disbursed under the direction of the Secretary of State, $25,000.

The amendment was agreed to.

The next amendment was, under the subhead "International Pacific Salmon Fisheries Commission", on page 29, line 15, after the word "State", to strike out "$35,000" and insert "$40,000", so as to read:

Salaries and expenses: For the share of the United States of the expenses of the International Pacific Salmon Fisheries Commission, under the convention between the United States and Canada, concluded May 26, 1930, including personal services; traveling expenses; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; charter of vessels; purchase of books, periodicals, furniture, and scientific instruments; contingent expenses; rent in the District of Columbia and elsewhere; and such other expenses in the United States and elsewhere as the Secretary of State may deem proper, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, $40,000.

The amendment was agreed to.

The next amendment was, under the subhead "Payment to Government of Nicaragua", on page 30, line 24, after the word "rendered", to strike out the comma and "in foreign countries"; and on page 31, line 1, after the word "exceed", to strike out "$300" and insert "$100, or, with respect to articles, materials, or supplies for use outside the United States, $300", so as to read:

Section 3709 of the Revised Statutes (41 U. S. C. 5) shall not apply to any purchase by or service rendered for the Department of State when the aggregate amount involved does not exceed $100, or, with respect to articles, materials, or supplies for use outside the United States, $300; or when the purchase or service relates to the packing of personal and household effects of Diplomatic, Consular, and Foreign Service officers and clerks for foreign shipment.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Department of Justice, office of the Attorney General", on page 32, line 12, after the word "Division", to strike out "$190,000" and insert "$210,000, of which sum $50,000 shall be available for the investigation and prosecution of alleged violations of civil liberties", so as to read:

For the Criminal Division, $210,000, of which sum $50,000 shall be available for the investigation and prosecution of alleged violations of civil liberties.

The amendment was agreed to.

The next amendment was, on page 32, line 15, after the word "Division", to strike out "$285,000" and insert "$314,220", so as to read:

For the Claims Division, $314,220.

The amendment was agree to.

The next amendment was, on page 32, at the beginning of line 19, to strike out "$1,984,300" and insert "$2,033,520", so as to read:

Total, personal services, office of the Attorney General, $2,033,520. Not to exceed 5 percent of the foregoing amounts shall be available interchangeably for expenditures in the various offices and divisions named, but not more than 5 percent shall be added to the amount appropriated for any one of said officers or divisions and any interchange of appropriations hereunder shall be reported to Congress in the annual Budget.

The amendment was agreed to.

The next amendment was, on page 33, line 11, after the word "provided" and the parenthesis, to strike out "$925,000" and insert "$950,000", so as to read:

Traveling expenses: For all necessary traveling expenses under the Department of Justice and the judiciary, including traveling expenses of probation officers and their clerks but not including traveling expenses otherwise payable under any appropriations for "United States Supreme Court," "United States Court of Customs and Patent Appeals," "United States Customs Court," "Court of Claims," "United States Court for China," "Federal Bureau of Investigation," "Salaries and expenses of marshals," "Fees of jurors and witnesses," and "Penal and correctional institutions" (except as otherwise hereinbefore provided), $950,000.

Mr. KING. Mr. President, I know it is regarded as quite improper to question appropriation bills. The assumption is that whatever is asked for we grant, and sometimes regret is expressed that more was not asked for. I know that an objection to any item in an appropriation bill meets with opposition, and, of course, is futile.

I should like, however, to have the Senator in charge of the bill, or some other Senator, state how much more than the appropriation for last year is carried in this bill for the departments covered by it; and, if there is an increase—as there is—what is the necessity for such a large increase.

Mr. McKELLAR. Mr. President, there is an increase. However, the increase in the bill as reported by the Senate committee over the bill as it was passed by the House for all three departments is only $1,225,290. The principal items of which that increase is made up are increases in the expenses of our various agencies abroad.

I will say to the Senator that the State Department asked for very moderate amounts. The increases are comparatively small; and the committee, as I recall, reported the amendments unanimously. There has been no division about them. They are very proper items.

Mr. PITTMAN. Mr. President——

Mr. McKELLAR. I yield to the Senator from Nevada. I may state that under our rule the Senator from Nevada, the chairman of the Committee on Foreign Relations, occupied a place in the Committee on Appropriations when the State Department items were taken up; and he can give the Senate such views as he has regarding them.

Mr. PITTMAN. Mr. President, I simply wish to endorse what the Senator from Tennessee has said. For many years the State Department has made a practice of very carefully going over its estimates. I have never known the Department to attempt to exaggerate its requirements. All of these amendments were approved by the Budget Bureau in the first place, and were slightly cut down in the House. They have not been entirely restored by the Senate committee, but have in part been restored by the Senate committee.

The subcommittee had before it the Assistant Secretary of State, Mr. Messersmith, who carefully explained each item, and answered all questions touching the amendments. I think there is no doubt about the justice of the action of the whole committee.

Mr. McKELLAR. Mr. President, if I may continue along the line of the Senator's statement, the principal item of increase in the bill in the State Department is the foreign Service building fund, an item of $500,000.

As Senators know, several years ago we passed a bill providing for a building fund of a million dollars a year. The House cut the building fund of $1,000,000 a year to $500,000. The Senate committee restored the amount which the Congress had authorized, that being the amount of the Budget estimate. That constitutes the principal increase in the bill.

Mr. PITTMAN. Mr. President, may I add a word on that subject?

Mr. McKELLAR. Yes; I shall be glad to have my friend do so.

Mr. PITTMAN. As to the item of a million dollars a year, 2 years ago the Congress authorized an appropriation of $1,000,000 a year for 5 years for a foreign building program. The chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives are ex officio members of the Building Commission, which is otherwise departmental. I have been attending the meetings of the Commission since I became chairman of the Foreign Relations Committee, over a period of 6 years. The Commission has very carefully segregated the buildings which are absolutely essential at the present time, basing its judgment not so much upon the dignity of the Government as upon actual sanitary requirements. In certain places the sanitary conditions are extremely dangerous for anyone who has to live there. The appropriation of a million dollars for the ensuing year is absolutely necessary in order to take care of the buildings in those places and to safeguard the health of those whom we send to live there, and it would not be possible to get along with any less.

Mr. CONNALLY. Mr. President, I should like to ask the Senator from Tennessee, or the State Department, whether there has been any increase in the item on page 9, "Office and living quarters allowances," over previous years?

Mr. McKELLAR. I will let the Senator know in just a moment. I desire to state that the next large increase is the item of $79,360 for a central translating office. The Government does not have one at this time, and such an office should be established in the State Department. The committee allowed $79,360 for a central translating office, and the salaries which will be required. The committee was strongly of the opinion that this appropriation should be made.

There is another small item of $25,000 for continuing a fence between Mexico and the United States near one of the cities on the border. The committee approved that item.

Mr. President, I believe this is a very reasonable bill, and one which the Senate undoubtedly will approve.

Mr. VANDENBERG. Mr. President, has the Senator explained the increases in the Department of Commerce appropriations?

Mr. McKELLAR. No; we have not yet gotten to that Department.

Mr. VANDENBERG. Very well. I thought the Senator was making a general statement.

Mr. McKELLAR. The Senator from Texas [Mr. CONNALLY] was asking me about the living quarters appropriation, which he will find on page 9, and I will make an explanation.

Last year $1,962,000 was allowed. The estimate this year was for $2,030,000; the House appropriated $2,020,000, and the Senate committee endorsed the House provision.

Mr. VANDENBERG. I should like to ask the Senator a further question about the State Department budget.

Mr. McKELLAR. Certainly.

Mr. VANDENBERG. I understand that our foreign representation, which heretofore has been divided between the Departments of Commerce, State, and Agriculture, is now to be concentrated. Does the concentration reflect itself in any increased cost of operating the State Department, and will the Senator also tell me at the same time whether it is reflected in any reduction in the appropriation for the Commerce Department?

Mr. McKELLAR. It does not affect the State Department. It does not go into effect until the 1st of July, as the Senator knows.

Mr. VANDENBERG. That is when the pending bill will go into effect.

Mr. McKELLAR. That is correct, but we have no experience as to the cost. I imagine it will cost somewhat more. That is a mere guess, because it is difficult at this time, before we have had any experience, to tell definitely.

Mr. VANDENBERG. We were told that the use of the reorganization function and the concentration of the foreign services in one place represented an economy.

Mr. McKELLAR. I hope that will be the effect of it, but, so far as I can see now, I do not know where it will come about.

Mr. VANDENBERG. At any rate. it is not reflected in the pending bill?

Mr. McKELLAR. It is not reflected in the pending bill. It may be reflected, however, next year, and I hope it will be, and I hope the Senator will ask me about it at that time, if he shall still be on the floor.

Mr. PITTMAN. Mr. President, there will be a transfer of commercial attachés from the Department of Commerce to the State Department. Whether or not there will be a reduction in the number of commercial attachés has not been stated. I think the consolidation will result in a reduction in the number of commercial attachés, who now report to the Department of Commerce, and who will subsequently report to the State Department, because the intention is not to have a commercial attaché at the same place where there is a consul, since the consuls and the commercial attachés have been performing practically the same work, one reporting to the Department of Commerce and the other to the Department of State.

Mr. VANDENBERG. Where are the commercial attachés provided for in the pending bill? Are they under the Department of Commerce or under the Department of State?

Mr. PITTMAN. They will be under the Department of State.

Mr. VANDENBERG. Is the appropriation for them under the Department of State?

Mr. McKELLAR. It is under the Department of Commerce in the bill, but they will be transferred to the State Department. The Senator asked me whether there was any economy reflected in the bill, and I told him that there was not. I think it is fair that I explain that for the present year, largely because of the changes themselves, there is an increased cost of about $20,000 in all reflected in the bill. I think next year there ought to be a substantial decrease, and I hope there will be, but we cannot say now, because we all understand how difficult it is to foresee what may happen.

Mr. KING. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. KING. I am not quite satisfied with the explanation which has been made by the distinguished Senator from Tennessee with respect to the effect of the transfer of the activities of the agency dealing with foreign commerce to the Department of State. When it was suggested a number of years ago that we should create this agency in the Department of Commerce for the investigation of foreign trade and allied matters I was very much opposed to it. I believed that all the activities in connection with foreign nations should be conducted through the State Department. But after we held the bill up for perhaps one or two sessions the pressure became so great that it was passed.

If I may be pardoned a personal reference, I recall that while in London a few years ago I found that we had representatives there of the Department of Agriculture; we had five or six agencies of the Department of the Treasury, some of the Department of Commerce, as well as representatives of the Department of State. I recall that a telegram came from Sicily to a representative of the State Department in the Embassy to the effect that a blight of some kind was affecting the potatoes in Sicily which might affect the potato crop in the United States. He immediately sent a cablegram to the Department of State. Within a short time a cablegram was sent to the United States from representatives of the Department of Agriculture who had received the information from the Department of State; then another

cablegram was sent by a representative of the Department of Commerce making the same statement. A cablegram also came from a representative of our Treasury Department in Berlin making the same statement. There were six or seven or eight cablegrams from six or seven or eight representatives of the departments of our Government with respect to one small item having to do with the suspicion that there was some blight in the potato crop in Sicily.

Mr. President, that illustrates that we have had abroad, more so in the past, perhaps, than now, too many employees of too many departments. I know that when I was in Germany there were six or seven representatives of the Treasury Department there, as well as representatives of the State Department, the Department of Labor, and the Department of Agriculture. Wherever one went he would find not one but scores of representatives of our Government's agencies, and the work was done by the State Department.

If we can concentrate our foreign activities in the State Department, it will make for economy. But examining the bill, I do not see that anything has been subtracted from the Department of Commerce by reason of uniting the foreign services in the Department of State.

I think we are increasing the appropriations instead of reducing them. There is no semblance of economy in the bill, according to my view, or in any of the appropriation bills which have been brought to our attention at the present session of the Congress.

Mr. McKELLAR. Mr. President, I agree with the Senator about the lack of good, sound, governmental judgment in having so many departments represented abroad. I think the pending proposal is a step in the right direction. I agree with the Senator that these matters have to be conducted in the end by State Department officials, and therefore we might better have them attend to them in the first instance, and have all the employees and officials abroad under the State Department. I think that would be very wise.

It is true that by reason of the transfer and the change from one department to the other the cost for the next fiscal year will be $30,000 greater.

I stated a while ago to the Senator from Michigan that the increase would be about $20,000. The House increase amounted to $19,300, and $11,000 was added by the Senate committee, making $30,300 in the way of increases brought about by the change in the departments. I think the appropriation can be reduced somewhat next year, but that is a problem which will have to be dealt with next year, and it is a mere surmise now as to whether it can be done.

Mr. VANDENBERG. Do I understand the Senator from Tennesseee to say that the consolidation, therefore, so far as the pending bill is concerned, has resulted in an increase in the appropriation for the State Department, and no decrease in the appropriation for the Commerce Department?

Mr. McKELLAR. Of course there will be a decrease in the appropriation for the Commerce Department when the consolidation takes place. But I am talking about the actual cost of the service in question as affected in this bill. That was the Senator's question. The actual cost will be $30,300 more in the two Departments.

Mr. VANDENBERG. So the reorganization on that point represents a $30,000 increase of cost in the next fiscal year?

Mr. McKELLAR. Thirty thousand dollars, which, legislatively speaking, is very small, and I think next year it will be reduced very considerably. I hope it will, and I certainly will do everything I can to have it reduced.

Mr. BARKLEY. I understand that this increase of $30,000 is not due to the reorganization. It probably might have been increased to a larger sum except for the reorganization; is that not true?

Mr. McKELLAR. A considerable portion of it grows out of the reorganization. Certain allowances are given the State Department which have never been given the Commerce Department. That is the immediate cause of a large part of the increase of $30,000. If we had increased the salaries of the employees in the Commerce Department it would have brought about the same result. Instead of that, their allowances were increased.

Mr. VANDENBERG. Mr. President, the statement of the able Senator from Kentucky that he had the consolation that we might have had a still greater increase except for the reorganization reminds me of the note that James Madison sent to his neighbor who had thoughtfully sent over a cure for his cold. He wrote back and said:

> While I cannot say that your cure has done me any good, neither can I say that my cold would not have been worse if I had not taken it.

Mr. McKELLAR. Mr. President, the Senator is mistaken. There is no doubt in the world about it being manifestly to the advantage of the Government that these commercial offices be under the State Department rather than under the Department of Commerce.

Mr. VANDENBERG. I agree completely.

Mr. McKELLAR. I am glad the Senator does.

Mr. VANDENBERG. I am simply discussing whether or not we saved any money by it.

Mr. McKELLAR. With the increase in business which we have, if we can get along by never increasing the appropriation for this Department more than $30,000 in any one year, we will be doing wonderfully well, I will say to the Senator.

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

Mr. McKELLAR. I yield.

Mr. PITTMAN. The position of commercial attaché was created when Mr. Hoover, who subsequently became President, was Secretary of Commerce. I had the opportunity to visit a great many foreign cities shortly after the commercial attachés were appointed, and I found out at that time that there was a duplication of service by the consular officers and the commercial attachés wherever both offices existed.

The purpose of this provision is to reduce the number of commercial attachés wherever we have consulates. It may be necessary or advisable, of course, to keep commercial attachés at certain places where we have no consulates, so that they can attend to commercial business. But it is evident that as soon as the situation with respect to commercial attachés and consuls can be adjusted, a saving must necessarily result.

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

Mr. McKELLAR. I yield.

Mr. KING. As a supplemental statement, I may say that in my travels through Europe I have discovered that the representatives of the Department of Commerce were not received with any great favor by the business agencies, but a representative of the Department of State had no difficulty in obtaining the information desired from the various business agencies.

I further discovered that because it was not available to them, many representatives of the Department of Commerce obtained their information from the consular representatives and the State Department. So the Bureau of Foreign and Domestic Commerce, in my opinion, served no useful purpose, and the officials of that Bureau had to resort to the State Department representatives and to the consular agents in order to obtain the information which they transmitted to the United States and claimed the credit for, but the credit was due to representatives of the State Department in the Consular and Diplomatic Service.

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

Mr. McKELLAR. I yield.

Mr. DAVIS. The Senator has not yet come to the particular part of the bill to which I wish to refer; but if the Senator would be good enough to answer, I should like to ask a question now, because I am obliged to leave the Chamber. On page 20, line 10, an appropriation of $168,528.28 is provided for the International Labor Organization. Will the Senator give an explanation of that particular item and why that appropriation is made?

Mr. McKELLAR. That is a House provision which the Senate committee did not change. I will have to look at the

House hearings and I will give the Senator the explanation. The provision reads:

International Labor Organization, $168,528.28, including not to exceed $25,867 for the expenses of participation by the United States in the meetings of the general conference and of the governing body of the International Labor Office and in such regional, industrial, or other special meetings—

And so forth. Is that the item to which the Senator refers?

Mr. DAVIS. Yes.

Mr. McKELLAR. I read from the House hearing on that subject. I quote from Mr. Messersmith, who, as the Senator knows, is Assistant Secretary of State:

Mr. MESSERSMITH. I think with respect to the increases in the individual contributions to the various commissions and international organizations to which we belong, they have been small. The considerable increase to which you refer I think has been caused by our participation in the International Labor Office, and that, of course, is the largest individual contribution that our Government makes.

Mr. CARTER. Do you know approximately what that is?

Mr. MESSERSMITH. The contribution for the International Labor Office as submitted in this budget is $168,661.28.

Mr. CARTER. I was wondering if you thought if any of these became obsolete and useless they might be dispensed with.

Mr. MESSERSMITH. We go from year to year into an examination of these international bodies to which we belong in order to determine whether the Department should take any initiative in recommending to the Congress that it is no longer desirable for us to participate in any of these organizations. I am sure that, so far as the organizations are concerned which appear in these estimates, the Department would have no such recommendation to make.

That seems to have satisfied the House, and it put the item in the bill.

These appropriations, as the Senator knows, are made yearly. As I remember the International Labor Organizations' meetings are held under treaties and conventions between our country and foreign countries, and having entered into those obligations, it is absolutely necessary to appropriate the money. The meetings are not held as the result of action on the part of the Appropriations Committee. These appropriations are necessary because of laws or treaties which the Congress and the President have entered into, and that is why the appropriation is made in the present instance.

Mr. DAVIS. There is no detailed statement in the hearings as to what the appropriation is to be expended for; it is simply a general statement, is it not?

Mr. McKELLAR. I will get the information and insert it in the RECORD.

Mr. DAVIS. Will the Senator insert it in the RECORD at this point?

Mr. McKELLAR. I will put it in the RECORD at this point, yes.

The information presented by Mr. McKELLAR for the RECORD, is as follows:

*International Labor Organization (Geneva, Switzerland)—Basic appropriation*

| | |
|---|---|
| Appropriation for 1939: | |
| Quota | $132,741.39 |
| Expenses of attending meetings | 25,000.00 |
| Total | 157,741.39 |
| Increases requested for 1940: | |
| Quota | 9,919.89 |
| Expenses of attending meetings | 1,000.00 |
| Total | 10,919.89 |
| Estimate for 1940: | |
| Quota | 142,661.28 |
| Expenses of attending meetings | 26,000.00 |
| Total | 168,661.28 |

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

Mr. McKELLAR. I yield.

Mr. KING. I recur to the item to which the Senator from Michigan [Mr. VANDENBERG] referred, and to which I have called attention. Notwithstanding the consolidation of the Bureau of Foreign and Domestic Commerce with the Department of State, I find that there is an appropriation for the Bureau of Foreign and Domestic Commerce for the next year of $3,122,000—$83,000 more than during the past year. So, instead of there being some reduction in the expenses as a result of the consolidation, we have increased the appropriations for that particular agency by $83,000.

Mr. McKELLAR. No, Mr. President; the Senator from Utah is mistaken about it. The increase of which I spoke awhile ago is $30,300. The amount which the Senator has just mentioned, the record of which I do not seem to have, is for all the activities, including the particular activities under consideration, but the appropriations for the officials who are transferred to the State Department will be deducted from the Commerce Department appropriations.

Mr. KING. Let me call the attention of the Senator to the report which was submitted, under the head of "Department of Commerce."

Mr. McKELLAR. The Senator is referring to the House report?

Mr. KING. The House report. Under the head of "Foreign and Domestic Commerce, Bureau of," I find the item "Washington Commerce Service, salaries and expenses." The appropriation for 1939 was $543,800. The amount recommended in the bill is $555,000, or an increase of $11,200.

That is not all. When we come to the item of "Domestic commerce and raw materials investigations——"

Mr. McKELLAR. That item is exactly the same as it was last year. That item is not affected by the transfer.

Mr. KING. There is no increase in that item, but with the consolidation it seems to me there ought to be a reduction.

Under the item "District and cooperative offices, maintenance," the appropriation for 1939 was $233,000. The amount recommended in the bill is $350,000, or an increase of $27,000.

Mr. McKELLAR. No; the Senator is mistaken. The increase is $10,000.

Mr. KING. I beg the Senator's pardon. I am reading from the figures in the House report.

Mr. McKELLAR. Under the item "District and cooperative offices, maintenance"——

Mr. KING. The increase is $27,000, as I stated; so the Senator ought to confess that he was in error, and not I.

Mr. McKELLAR. That is true. The Senate committee increased the item. The Senator is correct. I thought the Senator was reading from different figures.

Mr. KING. I know what I am reading.

Under the heading "Export industries," the appropriation for 1939 was $530,000. The amount recommended in the bill for 1940 is $540,000, or an increase of $10,000. In view of the consolidation, there ought to be a reduction; but, instead of that, there is an increase.

Mr. McKELLAR. If the Senator will refer to the item "District and cooperative offices, maintenance," he will find that the House recommended $350,000. The Budget estimate for 1940 was $313,000; and the appropriation for 1939 is $323,000.

Mr. KING. I am interested only in showing that instead of a reduction, we have an increase of $27,000 in that particular item.

Mr. McKELLAR. I assume the Senator is talking about the foreign offices which have been transferred to the State Department. So far as they are concerned, there has been an increase of $30,300, and that is all.

Mr. KING. Mr. President, I am calling attention to the report, which shows that in the items to which I have referred there has been a consistent increase. In the particular item to which I referred there is an increase of $27,000 over last year, notwithstanding the consolidation.

The item of "Export industries" is increased from $530,000 to $540,000, an increase of $10,000.

The item of "Foreign Commerce Service, salaries and expenses" carried an appropriation for 1939 of $764,500. The amount recommended in the bill is $791,000, or an increase of $26,500, notwithstanding the consolidation. Even assuming that there is to be or has been a transfer of these agencies to the Department of State under the consolidation, we find an increase in the appropriation.

Mr. McKELLAR. If the Senator will look on page 62 of the bill, he will find the item "District and Cooperative Office Service," about which he is talking. Last year $323,000 was appropriated, and the Budget Bureau estimate for 1940 was $313,000. The House fixed the amount at $350,000, and the Senate committee reduced it from $350,000 to $313,000; so there is a small saving made in that item.

Mr. KING. I am calling attention to the House report, which shows an increase of $27,000.

Mr. McKELLAR. Here is the bill. We are not legislating on the House report. We are legislating on the bill as reported by the Senate committee.

Mr. KING. Will the Senator advise the Senate what the reduction is in that particular item?

Mr. McKELLAR. The item shows on its face a reduction of $37,000.

Mr. KING. And yet under the consolidation, which was assumed to effectuate reforms, we find that the appropriation for 1940 is proposed to be $313,000.

Mr. McKELLAR. As against $323,000 for the previous year.

Mr. KING. At any rate, the appropriation is more than $300,000, so there is no material reduction.

Mr. McKELLAR. I know the Senator wishes to be fair to the committee.

Mr. KING. I am merely quoting from the House report.

Mr. McKELLAR. But the Senator wishes to be fair to the committee. How can we tell what will be the effect of consolidation prior to its going into effect? It will not go into effect until July 1.

Mr. KING. I assume, Mr. President, that we are passing appropriation bills to meet the requirements of the Government for the next year.

Mr. McKELLAR. We are.

Mr. KING. I assume that the various committees make inquiry as to what will be required in every agency of the Government, and then recommend appropriations accordingly.

Mr. McKELLAR. We have done so.

Mr. KING. With respect to the Bureau of Foreign and Domestic Commerce, in all the items to which I have called attention, I ask the Senator whether or not the committee report, by and large, calls for a larger appropriation than was made before the consolidation? I should like to ask the Senator whether his committee or the House committee took into account the fact that there was to be a consolidation; and whether or not anything in the testimony, in the hearings, or in the report indicates that there has been a reduction in the number of employees, or a reduction in the cost of the various agencies. I think the Senator will be compelled to answer in the negative.

I am merely calling attention to the fact that thus far the consolidation has not effected any reform. When the consolidation bills were before us for discussion, some of us predicted that there would be no reduction in expenses; and we now have a verification of the position which we took on the floor of the Senate when the consolidation bills were under consideration.

Mr. McKELLAR. That may be entirely true in the estimate of the Senator; but the Senator is merely making an estimate of his own. We have not had any experience with what the increases or the reductions may be. The Senator knows that the estimates were submitted last December or January. They were made prior to last December. They were made for the departments as they then were. Transfers have been made from the Commerce Department to the State Department. Because of the transfers an additional sum of $30,300 has been provided. That is the entire question. Whether there will be a reduction or an increase, or whether the amounts will remain the same cannot be determined until after we have had some experience with the matter.

Mr. KING. The Senator stated that the Budget estimate——

Mr. McKELLAR. The Budget estimate was made prior to the new year; but the hearings, of course, were subsequent.

Mr. KING. The Budget estimate was based upon a continuation of the status quo. Suppose the Bureau of the Budget had assumed that a certain agency would be continued, and had recommended an appropriation of $1,000,000, and Congress had abolished that agency. Certainly the Senator would not contend that we ought to continue the $1,000,000 appropriation.

Mr. McKELLAR. Indeed not; but that is not the question before us. We may suppose anything; but that is not the question before us. The question before us is, Has there been an increase or a decrease as a result of the transfer from the Department of Commerce to the Department of State?

I have told the Senator that there has been an increase of $30,300. That is true. It had to be made, because the cost was that much greater. The amount is not very large; but we cannot tell whether there will be an increase or a decrease until we have had experience.

Mr. KING. Mr. President, let me say in conclusion that we can tell. Whenever we set up an agency, even if we later abolish it or transfer it, the costs increase as the years go by. The consolidation has not effected any reform. It has not reduced expenses. On the contrary, as the Senator himself confesses, it has increased the appropriations over those of last year.

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

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I notice that we are still appropriating $10,000 apiece for ministers to Albania and Czechoslovakia. What is the explanation of that?

Mr. McKELLAR. The explanation is that the offices in Panama, Colombia, and one other South or Central American country have been raised from the status of ministerial offices to ambassadorial offices, which necessitates an increase of $22,500. The $10,000 for Czechoslovakia is to be used to aid in the payment of the increased salaries brought about by the change from ministerial offices to ambassadorial offices.

Mr. VANDENBERG. The trouble with that explanation is that on page 6 full salaries of $17,500 each are provided for the Ambassadors to Colombia, Panama, and the other countries about which the Senator is talking.

Mr. McKELLAR. To what page is the Senator referring?

Mr. VANDENBERG. Page 6.

Mr. McKELLAR. The reason why that is done is that I do not think our Government has ever formally admitted that Czechoslovakia has been taken over by the German Government. It has been so taken over, but that action has not been recognized by our Government.

Mr. VANDENBERG. That is the Senator's answer as to the additional $10,000?

Mr. McKELLAR. That is the answer. A lump sum is appropriated, but there is taken into consideration the matter of lapses. For instance, if an Ambassador or Minister dies, and it is 3 months before another is appointed, there is a small sum which is saved. The Department, with the greatest accuracy, keeps an account of the money thus saved. They figure on so many lapses each year. The amounts involved usually are very small, and especially in the third year of an administration they are always small. I am so informed, and so the witnesses say. For that reason the appropriation could not be reduced any more than the committee has provided in this bill. I assure the Senator that there is no lagniappe or anything similar in this appropriation. Every cent of the money is accounted for; every cent of it is paid to the Ambassadors or to the Ministers, as the case may be.

Mr. VANDENBERG. I have no doubt of that, and neither have I any doubt that the State Department is one of the most economically operated departments of the Government.

Mr. McKELLAR. I assure the Senator that is true. I think the State Department is one of the most economically conducted departments of our Government. I do not mean to reflect on other departments, but certainly the officers of the State Department are exceedingly careful with the Government's money at all times.

Mr. VANDENBERG. I agree to all that. I am simply complaining about what seems to me to be the historical stultification of Congress in appropriating specifically for Ministers to Albania and Czechoslovakia, both of which nations have expired, unless the Senator from Tennessee expects them to regain their sovereignty within the next 12 months.

Mr. McKELLAR. The Senator from Tennessee does not expect any such thing; but if the Senator from Michigan will look on page 7 he will find the lump-sum appropriation.

Mr. VANDENBERG. And I notice it has been increased, too.

Mr. McKELLAR. It has been increased by $10,000. The departments say they are obliged to have $10,000 over the amount provided by the House. If the appropriation were made in the full amount called for by all the salaries, it would be considerably greater; it would probably run it up to approximately $690,000,000; but there will be lapses, for instance, in the amount that would be paid to a minister to Czechoslovakia, which are taken into consideration; but, as an offset, we expect to increase the rank of our representatives in two South American countries and one Central American country from ministerial officers to ambassadorial officers, which will mean an increase in their salaries of $7,500 a year.

Mr. VANDENBERG. I call the Senator's attention again to the fact that that is not an explanation, inasmuch as those salaries are specifically increased on page 6.

Mr. McKELLAR. Let me call the Senator's attention to a few lines of the testimony taken by the House committee:

Mr. DAVIS. * * * The easiest way to handle this is to add $12,500, which would be the equivalent of taking out $10,000 for the minister at Czechoslovakia.

Mr. MCMILLAN. Why not take out $10,000 for Albania?

Mr. DAVIS. The minister is still there.

Mr. MCMILLAN. Well, he might as well move.

If the Senator will look on page 123 of the House hearings, he will find the full explanation as to the exact amount that is absolutely necessary in this bill. The House in its figures did not provide sufficient by $10,000. The Senate committee has appropriated the additional $10,000, and we are going to take it to conference if the Senate agrees to it.

Mr. VANDENBERG. What the Senator now says has no bearing upon his previous explanation.

Mr. McKELLAR. I do not see how the explanation could be misunderstood. Whatever the Senator might say about particular countries, if he will add up the various amounts he will find that it would be about $690,000,000, all told, if the full appropriation were made, but because of lapses, because of reductions by reason of lapses and changes, the Department figures they can get on with $650,000, which is less than the salaries amount to if they were appropriated for in full. The Senator would realize that if he would add up all the figures.

Mr. VANDENBERG. All I am trying to say is that the Senator told me the Department had to have an extra $20,000 in order to pay ambassadorial salaries in Colombia and Panama.

Mr. McKELLAR. I could not have said that to the Senator, for the reason that we have appropriated only $10,000 more than the House allowed. The House allowed $640,000, and the Senate committee has increased it by $10,000. I explained to the Senator, or undertook to explain to him, that there would be lapses. I presume the Department is figuring on lapses in Albania; they are certainly figuring on one in Czechoslovakia; but there have got to be taken into consideration the three increases, two in South American countries and one in a Central American country, where the salaries of our representatives will be increased by $7,500.

Mr. VANDENBERG. What I am trying to say to the Senator is that that $7,500 increase is specifically appropriated for in line 19 on page 6.

Mr. McKELLAR. It is a part of the aggregate sum of $650,000. If the Senator will add the figures, he will find that the "specific" sums appropriated are not specific at all, but all the salaries in question must come out of the total aggregate of $650,000.

Mr. VANDENBERG. I do not find any appropriation for our Ambassador at Large, Mr. Norman Davis. Does that indicate that we are to do without the pleasure of an Ambassador at Large for the next 12 months.

Mr. McKELLAR. He is not appropriated for in this bill. I do not know whether or not his services can be dispensed with. I imagine if the administration feels it cannot dispense with his services, his salary will be paid out of the lapses to which I have already called the attention of the Senator. I think that our Ambassador at Large has done a good work. He happens to come from my State; I know him intimately; he is a fine man; and I think he has done excellent work. If the Senator thinks otherwise, he and I differ.

Mr. VANDENBERG. If he comes from the Senator's State, that explains his long tenure.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 33, line 11, to strike out $925,000 and insert $950,000.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the Committee on Appropriations.

The next amendment was, under the subhead "Miscellaneous objects, Department of Justice", on page 37, line 21, after the figures "$1,300,000", to insert a colon and the following proviso: *"Provided,* That none of this appropriation shall be expended for the establishment and maintenance of regional offices of the Antitrust Division: *Provided further,* That in the expenditure of the funds herein appropriated for the presentation or prosecution of cases under the antitrust laws such presentation or prosecution shall be in cooperation with the respective Federal district attorneys of the districts in which such cases are presented or prosecuted: *Provided further,* That any person paid from this appropriation an annual salary of $5,000 or more shall be appointed by the President, by and with the advice and consent of the Senate," so as to read:

Enforcement of antitrust and kindred laws: For the enforcement of antitrust and kindred laws, including experts at such rates of compensation as may be authorized or approved by the Attorney General except that the compensation paid to any person employed hereunder shall not exceed the rate of $10,000 per annum, including personal services in the District of Columbia, $1,300,000: *Provided,* That none of this appropriation shall be expended for the establishment and maintenance of regional offices of the Antitrust Division: *Provided further,* That in the expenditure of the funds herein appropriated for the presentation or prosecution of cases under the antitrust laws such presentation or prosecution shall be in cooperation with the respective Federal district attorneys of the districts in which such cases are presented or prosecuted: *Provided further,* That any person paid from this appropriation an annual salary of $5,000 or more shall be appointed by the President, by and with the advice and consent of the Senate.

Mr. McKELLAR. I desire to offer an amendment to the amendment on pages 37 and 38. The second proviso now reads:

*Provided further,* That any person paid from this appropriation an annual salary of $5,000 or more shall be appointed by the President, by and with the advice and consent of the Senate.

I move to strike that out, and to insert:

*Provided further,* That any person appointed at an annual salary of $5,000 or more shall be appointed by the President, by and with the advice and consent of the Senate.

It is proposed to modify the amendment in that way so as to make it apply to this appropriation only.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee to the amendment of the committee. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 38 it is proposed to strike out the proviso beginning after the word "prosecuted", in line 3, and in lieu thereof to insert:

That any person appointed at an annual salary of $5,000 or more shall be appointed by the President, by and with the advice and consent of the Senate.

Mr. McKELLAR. I think that is the logical interpretation of the amendment as reported by the committee; but, in order to make it absolutely certain, I offer the amendment to the amendment.

Mr. JOHNSON of California. Mr. President, I enquire what is done with the amendment on page 38? The Senator read the proviso on page 38. Does he now propose to alter it?

Mr. McKELLAR. The second proviso as printed in lines 3 to 6, inclusive, on page 38 is changed so as to make it apply only to officers paid out of this appropriation.

Mr. JOHNSON of California. That would be so under the provision as it now stands, would it not?

Mr. McKELLAR. I think so, but, in order to make it absolutely sure, the language is proposed to be changed somewhat.

Mr. JOHNSON of California. It seems to me the language now in the bill says just that.

Mr. McKELLAR. Yes.

Mr. JOHNSON of California. I do not understand why the amendment to the amendment should be offered.

Mr. McKELLAR. In the opinion of the Department the provision as now worded might apply to officers whose salaries are provided for under other appropriations in this bill. It was the intention to make it apply only to those provided for by the particular appropriation. The provision relates to new officers, and under it those who are paid more than $5,000 salary must be nominated by the President and confirmed by the Senate.

Mr. JOHNSON of California. Exactly.

Mr. McKELLAR. That is what the Senator wishes, and I am sure that is what the Senate wishes.

Mr. JOHNSON of California. That is exactly what it says.

Mr. McKELLAR. I think so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 40, line 19, after the word "attorney", to strike out "$3,160,000" and insert "$3,200,000", so as to read:

Salaries and expenses of district attorneys, etc.: For salaries and expenses of United States district attorneys and their regular assistants, clerks, and other employees, including the office expenses of United States district attorneys in Alaska, and for salaries of regularly appointed clerks to United States district attorneys for services rendered during vacancy in the office of the United States district attorney, $3,200,000.

The amendment was agreed to.

The next amendment was, under the subhead "Marshals and other expenses of United States courts", on page 41, line 24, after the word "marshals", to strike out "$3,875,000" and insert "$3,900,000", so as to read:

Salaries and expenses of marshals, etc.: For salaries, fees, and expenses of United States marshals and their deputies, including services rendered in behalf of the United States or otherwise; services in Alaska in collecting evidence for the United States when so specifically directed by the Attorney General; traveling expenses; purchase, when authorized by the Attorney General, of 10 motor-propelled passenger-carrying vans at not to exceed $2,000 each; and maintenance, alteration, repair, and operation of motor-propelled passenger-carrying vehicles used in connection with the transaction of the official business of the United States marshals; $3,900,000.

The amendment was agreed to.

The next amendment was, under the subhead "Penal and correctional institutions", on page 46, line 9, after the word "equipment", to insert a comma and "National Training School for Boys, Washington, D. C.", so as to read:

Buildings and equipment, National Training School for Boys, Washington, D. C.: For alterations of and repairs to buildings, including not to exceed $150,000 for construction of a building to provide dining rooms, kitchens, and other domestic facilities, and including the purchase and installation of machinery and equipment, and all expenses incident thereto, to be expended so as to give the maximum amount of employment to inmates of the institution, $208,700.

The amendment was agreed to.

The next amendment was, on page 46, line 22, after the word *"Provided"*, to strike out "That no part of this sum shall be used to defray the salary or expenses of any probation officer whose work fails to comply with the standards promulgated by the Attorney General, and no part may be used for the payment of compensation of new probation officers who, in the judgment of the Attorney General, do not have proper qualifications as prescribed by him: *Provided further,"* so as to read:

Probation system, United States courts: For salaries and expenses of probation officers, as authorized by the act entitled "An act to amend the act of March 4, 1925, chapter 521, and for other purposes," approved June 6, 1930 (18 U. S. C. 726), $776,000: *Provided,* That United States probation officers may be allowed, in lieu of actual expenses of transportation, not to exceed 3 cents per mile for the use of their own automobiles for transportation when traveling on official business within the city limits of their official station.

Mr. ASHURST. Mr. President, I ask the attention of the able Senator from Tennessee [Mr. McKELLAR]. It has been my habit to follow, in matters such as those involved in this item, the leadership of the Senator from Tennessee. I have reluctance in attempting to overthrow, even if I could, action taken by the Committee on Appropriations after they have given careful consideration to a matter, but I do not perceive the wisdom of this amendment.

Mr. McKELLAR. Mr. President, may I interrupt the Senator long enough to explain just why the change was made?

Mr. ASHURST. Certainly.

Mr. McKELLAR. The law now provides that the probation officers shall be appointed by the district judges. This provision would virtually repeal that law. I call the Senator's attention to the language:

*Provided,* That no part of this sum shall be used to defray the salary or expenses of any probation officer whose work—

Listen to this:

fails to comply with the standards promulgated by the Attorney General, and no part may be used for the payment of compensation of new probation officers who, in the judgment of the Attorney General, do not have proper qualifications as prescribed by him.

That provision, in effect, would turn over to the Attorney General, the appointment of all probation officers, and take it out of the hands of the various district judges of the country, without expressly repealing the law, because without the money to pay the probation officers, of course, there would not be any probation officers. My opinion is that the judges, who now under the law have the right to appoint probation officers, ought either to be permitted to exercise that right, or the law ought to be repealed and the power put in the hands of the Attorney General.

Mr. ASHURST. Mr. President, I ask that the clerk read the following letter which I have received from Mr. James V. Bennett, Director of the Bureau of Prisons, as the letter contains the only argument I could make.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

DEPARTMENT OF JUSTICE,
BUREAU OF PRISONS,
*Washington, June 12, 1939.*

Hon. HENRY F. ASHURST,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR ASHURST: Knowing of your great interest in the work of this Department, I am taking the liberty of calling your attention to a change which has been made in our appropriations act affecting the probation system and which will, I think, seriously handicap our efforts to improve the probation system. The Committee on Appropriations of the Senate has deleted the language contained on page 46, line 22 ff., of H. R. 6392, which gives the Department of Justice authority to set the standards for selection of probation officers as well as authority to require that their work be performed according to prescribed standards.

There are now approximately 28,000 men and women on probation to the 193 Federal probation officers distributed throughout the country. There are also about 5,000 ex-prisoners who have been released on parole and who are likewise under their supervision.

To promote the orderly integration of the probation system with the other work of the Prison Bureau and the several Federal courts, the language referred to was included some years ago in our

appropriation bill. It permits us to decline to allocate funds to those officers who do not comply with the very reasonable standards promulgated by the Department. We have, as a matter of fact, found it necessary to suspend payments in only five or six instances, but the fact that we have this authority has been most salutary and helpful in raising standards. The passage of the bill without this language would severely handicap our efforts to develop the probation service throughout the United States in a uniform manner and maintain the high standards already established. Furthermore, since the probation officers also supervise those released from Federal penal and correctional institutions on parole, the elimination of statutory authority to control the type of supervision which should be accorded a parolee would greatly handicap the work of our Federal parole system. You will recall that the recent National Parole Conference found that the lack of uniform standards for parole supervision in various jurisdictions was one of the gravest defects in parole administration.

The probation officers also are required by law to perform a considerable amount of work directly for the Department of Justice, and it would impede the effectiveness of our work if we had no voice in prescribing the methods to be followed in the performance of these duties.

Also it seems clear that there should be definite standards established to guide the courts in the selection of their probation personnel. We have never sought to impose our views as to the individuals whom the judges may select for their probation staff, but we have suggested in general language the qualifications which incumbents of these positions should have. Almost all of the judges have found it helpful to have these suggestions and have made their selections accordingly. In those few instances where candidates have been proposed who did not meet these standards the Department has granted an exception wherever possible. If, for any reason, the Congress should feel that this authority to promulgate standards for selection of personnel should not be delegated to this Department, I would see no objection to granting it to the Supreme Court or to the Conference of Senior Circuit Judges. It is important only that there be suitable standards, uniform in nature, and carefully drafted, which may be used by this Department and by the courts in making their personnel selections.

There is enclosed a suggestion for substitute language granting the authority to promulgate personnel standards to the Conference of Senior Circuit Judges in case you feel that this would be more acceptable.

I believe that an important aspect of the Government's law-enforcement activities will be seriously handicapped if the appropriation bill is passed without providing authority to impose uniform standards for the probation service. I hope, therefore, that you will find it possible to bring this matter to the attention of the Senate for their consideration.

With renewed appreciation for your interest,

Sincerely yours,

JAMES V. BENNETT, *Director.*

Mr. McKELLAR. Mr. President——

Mr. ASHURST. I yield to the Senator from Tennessee.

Mr. McKELLAR. Let me ask the Senator if he happens to have the rules and regulations now in force in the matter of these appointments?

Mr. ASHURST. I have not.

Mr. McKELLAR. I call the Senator's attention to the fact that one of the regulations is that a man either shall have a college degree or shall have had so many years in college. I have no objection at all to persons who have college degrees, or who have the good fortune to be college men. I happen to be one myself, and I am not going to criticize them; but I know a great many men who would make first-class probation officers who have never had a college degree, and I do not think they ought to be excluded.

We have a law giving to district judges the power and the right and imposing upon them the duty of selecting their probation officers. The judges are on the ground. They know what kind of a man will make a good officer. The idea of holding an examination, and having an officer here in Washington pass upon a man's qualifications or lack of qualifications; the idea of having an officer here, for instance, say, "Your man may be all right, but he has not the college training that we think he ought to have, and therefore we are going to disapprove the judge's selection," is something that I do not think ought to be allowed.

In the debate in the House of Representatives, a distinguished Member of that body whom the Senator knows very well, Mr. HOBBS—who, by the way, is a Representative from my old State and my old county in Alabama—said that the provision in question should be stricken out of the bill for the following reasons:

First, it is legislation on an appropriation bill.

It is a clear case of legislation. At present the law is that the district judges shall appoint these officials. If this provision is adopted by the Senate, the Attorney General or the parole officer under the Attorney General will appoint them.

Second—

I am still quoting from Representative HOBBS—

the district judges are up in arms over it because, due to the four-page set of regulations which govern the selection of probation officers, in effect, it takes the appointment power away from the judges and gives it to the Attorney General. The regulations call for certain qualifications, as work in the social sciences—

I digress long enough to say that in the case of a man convicted of a crime it is required that a probation officer must be qualified in the social sciences before he can tell whether or not that man ought to be placed on probation. I think—and I am sure my learned and distinguished friend from Arizona, for whom I have the greatest respect and esteem, will agree with me—that that sort of thing is poppycock.

Representative HOBBS further said:

The regulations call for certain qualifications, as work in the social sciences, college degrees, or other prerequisites which they feel are unnecessary.

Mr. President, the Senator from Arizona has the floor, and he has very kindly yielded to me, and I thank him.

Mr. ASHURST. I was glad to yield. I have been instructed, as I usually am, when the Senator speaks.

First, as to the college degree. A college degree is for those who need it.

I have presented a letter of the Department of Justice, as I believe that Department's views should be known. I shall be so bold as to suggest that this amendment be at least sent to conference:

*Provided,* That no part of this sum shall be used to defray the salary or expenses of any probation officer whose work fails to comply with the standards promulgated by the Attorney General, and no part may be used for the payment of compensation of new probation officers who do not have proper qualifications as prescribed by the conference of senior circuit judges.

The able Senator from Tennessee will be on the conference committee. I am willing, and I think the Department of Justice is willing, that the matter may be considered by the conference. I am quite prepared to trust to the sagacity and judgment and fairness of the Senator from Tennessee and the other conferees. If they are willing to adopt the amendment, very good.

Mr. McKELLAR. Let me call the Senator's attention to the language stricken out on pages 46 and 47, the language the House adopted, which is even stronger than the amendment which has been suggested by the Senator.

Mr. ASHURST. Very true.

Mr. McKELLAR. So it will all go to conference anyway, and I shall certainly give close attention to what has been said.

Mr. ASHURST. Mr. President, the Department of Justice could ask no more than to have their suggested amendment go to conference.

Mr. McKELLAR. Very well.

Mr. CONNALLY. Mr. President——

Mr. ASHURST. I yield to the Senator.

Mr. McKELLAR. Just a moment. As I understand, the Senator does not offer the amendment, but is willing that the matter go to conference on the House provision and the Senate committee amendment?

Mr. ASHURST. I would have to have the amendment adopted before it could go to conference.

Mr. McKELLAR. The provision is already included in the House text.

Mr. ASHURST. I beg the Senator's pardon.

Mr. McKELLAR. All of it is included except as to the circuit judges. If the Senator wants to add that provision, I shall be very glad to accept it.

Mr. ASHURST. In order to be on the safe side, and to be certain that the conference will have jurisdiction, I should like to have the whole matter go to conference.

Mr. CONNALLY. Mr. President——

Mr. ASHURST. I yield to the Senator from Texas.

Mr. CONNALLY. I wish to say in connection with this matter that as a member of the Committee on the Judiciary I served on a subcommittee which considered legislation proposing to do the very thing the Senator proposes in his amendment, and the subcommittee, after considerable discussion and study, rejected the measure then before it. I shall not oppose the wish of the chairman of the Committee on the Judiciary that this matter go to conference, but the major considerations which influenced the subcommittee to which I have referred were that a probation officer is supposed to be an officer to advise the district judge as to whether he, the district judge, shall put someone on probation, and, after a person is on probation, whether or not he is behaving himself, and complying with the rules and requirements. But, like most departments here in Washington, the Bureau of Prisons—and I say this with respect—wants to say who shall be probation officers; it really wants to appoint probation officers, and the bill which the subcommittee considered was much more comprehensive than the proposed amendment. It proposed that the probation officers should all be appointed by the Attorney General; that he should appoint the probation officers to advise the district judges, regardless of whether or not the judges wanted them. Of course, this is just an approach. If they get this much, at the next session their demands will grow a little stronger. The subcommittee to which I have referred rejected the whole theory.

I suggest to the Senator from Tennessee that if this question does go to conference, if anyone is to be consulted, it ought not to be the senior circuit judges. What does a senior circuit judge off in a room somewhere, who never sees a jury and never sees a man charged with crime, sitting off in a room with his nose in an old abstract of record, know about the kind of man who should be appointed probation officer? This merely means that the Department of Justice will tell the senior circuit judges what they want. Let me show how foolish the proposal contained in the House text is. This is a limitation, which is the method frequently used to legislate if otherwise the provision cannot be adopted.

Mr. McKELLAR. This in effect repeals the law now in force.

Mr. CONNALLY. Yes; but under the guise of a limitation, which, parliamentarily speaking, is in order.

Mr. McKELLAR. That is correct.

Mr. CONNALLY. It provides:

*Provided,* That no part of this sum shall be used to defray the salary or expenses of any probation officer whose work fails to comply—

Not of a probation officer who fails to comply but whose work fails to comply—

fails to comply with the standards promulgated by the Attorney General.

In other words, if he recommends that someone be put on probation and it does not suit the Attorney General, then his work does not meet the standard set by the Attorney General.

Mr. BARKLEY. Mr. President, will the Senator yield a moment there?

Mr. CONNALLY. Yes.

Mr. BARKLEY. That applies to all existing probation officers. If it turns out in the future that the work of one, although he may have been acceptable for 10 years, does not comply with the standard, he is out.

Mr. CONNALLY. Of course, when it says "Attorney General," it does not mean the Attorney General; it means someone under the Attorney General who is going to run this bureau. It is necessary to use the Attorney General as a front show window, but that does not mean the Attorney General; it means that some little functionary here in Washington is going to tell the district judge what kind of a man shall serve as probation officer. It will also permit some "two bit" functionary to say what shall be the grounds for placing one on probation, and what sort of conduct shall mean a forfeiture of probation. That is what it means.

I shall not oppose the amendment, because the chairman of my committee urges that the language go in the bill, but I hope the Senator from Tennessee will use some judgment when he gets into conference and see that the House does not impose this provision on him.

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

Mr. ASHURST. Certainly.

Mr. KING. We have in my State a judge on the Federal bench, the ablest one the State has ever had. He came from Tennessee.

Mr. McKELLAR. Then I know he is all right.

Mr. KING. They have attempted for years to force upon him a probation officer. He says, "I will do the probation work myself," and he follows every person convicted and sentenced. He knows where those people are. They confer with him and he confers with them, and he has refused to permit these "two bit" officials, who have been referred to, to be appointed probation officers, because, he says, "I am responsible for these men, and I am looking after the work." If this amendment should be enacted, I think he would resign.

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

Mr. ASHURST. I yield.

Mr. CONNALLY. I wish to ask the Senator from Utah a question. Let me suggest to him that trial judges now have authority to appoint clerks of courts, they have authority to appoint marshals if there are vacancies, and to appoint other officers of the courts. The Department will next want to say who shall be the clerks of the courts, and probably who shall be the marshals.

Mr. McKELLAR. Mr. President, will the Senator from Arizona yield?

Mr. ASHURST. I yield.

Mr. McKELLAR. I call the Senator's attention to a practical phase of the matter. We have stricken out the language of the House. If we were to adopt an amendment in lieu of the committee amendment, we would be confined to a choice between the Senator's amendment and the language of the House, and, if that were the case, either one would take the matter out of the hands of the district judge. So I feel that I will have to oppose the Senator's amendment, on that account.

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

Mr. ASHURST. I yield.

Mr. BARKLEY. If the Senate adopted the substitute, the only difference between the two would be that the regulation would be prescribed, under the House language, by the Attorney General, and under the Senator's amendment by the circuit judges.

Mr. McKELLAR. That is all.

Mr. BARKLEY. So that in conference it would be necessary to take either regulation by the circuit judges or by the Attorney General. If the matter goes to conference with the House language stricken out, the whole field will be open, and it can be arranged in a satisfactory way.

Mr. McKELLAR. I hope the Senator from Arizona will permit that to be done.

Mr. ASHURST. Very well.

Mr. McKELLAR. Let all the language be stricken out, and let us take it to conference.

Mr. ASHURST. Very well. I yield to the suggestion of the Senator in charge of the bill.

Mr. McKELLAR. I thank the Senator very much.

Mr. ASHURST. I wish that nothing be done indirectly. What I seek—and I am really a conduit in the matter, conveying the view of the Department of Justice to the Senate—is that whatever may be done shall be done in the full light of day. I wish to have every Senator understand it. I desire particularly that the whole subject go to conference so that the conferees will not be limited in their jurisdiction.

Mr. McKELLAR. If the Senate committee amendment shall be adopted, that will put the whole matter in conference.

Mr. ASHURST. If the Senate committee amendment shall be adopted, the provision that no part may be used for the payment of compensation of new probation officers who do not have proper qualifications as prescribed by the

Conference of Senior Circuit Judges would not be in conference.

Mr. McKELLAR. Oh, yes; if the provision is stricken out entirely the whole subject matter will be in conference.

Mr. ASHURST. Mr. President, I am content.

I will say one other word. It is quite interesting to note that among all Senators, the two Senators who are noted for the amplitude and grandeur of their speech are the two Senators who have referred to these officials as "two-bit" officials. They do not do that out of any poverty of language, because they are noted for their facility of language. I scarcely know what they mean when they say "two-bit" officials.

Mr. CONNALLY. Mr. President, in deference to the Senator from Arizona, who scorns such plain, harsh terms, I withdraw the "two bits."

Mr. ASHURST. No; not that I scorn the term "two bit," Mr. President. It is interesting, however, to note that the Senator from Texas [Mr. CONNALLY] and the Senator from Utah [Mr. KING], whose speeches are read in some of our public schools as models of excellence in the use of language, should have used such an epithet. That is what intrigues me.

Mr. President, I resume my seat on the assurance that the matter will go to conference.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 322) making an additional appropriation for the control of outbreaks of insect pests, in which it requested the concurrence of the Senate.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 322) making an additional appropriation for the control of outbreaks of insect pests was read twice by its title and referred to the Committee on Appropriations.

## COTTON EXPORT SUBSIDY

Mr. GEORGE. Mr. President, I desire to bring before the Senate a matter extraneous to the particular amendment now before the Senate or the appropriation bill.

First, I desire to have inserted in the RECORD a letter from a county agent in the State of Alabama, the photostatic copy of which I hold in my hand, and from which I wish to read. This letter is headed:

Cooperative Extension Work in Agriculture and Home Economics, State of Alabama. Marion, Ala., March 15, 1939.

It is addressed to—

DEAR FARMERS OF PERRY COUNTY: We will begin delivering 1938 agricultural conservation checks Friday of this week. Since 1933 farmers in Perry County have received $1,532,780 in A. A. A. benefit payments. You will receive $254,000 this year as cotton-reduction and soil-building payment and approximately $200,000 as a parity payment. The total amount of money received from the Federal Government in benefit payments during the 6 years of A. A. A. amounts to the gross return for the total cotton production in Perry County for the last 3 years. There is only one way to continue to receive these payments; it is through the membership in an organization which is strong enough to tell Congress what you want. The American Farm Bureau Federation is the largest farm organiaztion in the world, and only through this organization have you been able to receive these payments.

The letter then proceeds, Mr. President, with a detail of organization, and the farmer is advised that when a sufficient membership has been secured in the county, or in the beat or community, as it is called, that then a county- and State-wide organization will be perfected.

I now read further, Mr. President:

The annual dues in the Farm Bureau are $2 per year; 75 cents is kept in the community and county treasury, 75 cents to the State organization, and 50 cents to the national organization. When you join this organization you receive a lapel emblem with the name of the American Farm Bureau on it, a State Alabama Farm Bureau News, which is a monthly newspaper giving you agricultural news of the State, and Nation's Agriculture, which is a magazine published by the American Farm Bureau Federation.

Complimentary reference is made specifically to Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, and the farmer is reminded that through this organization he has received the benefit payments recited in this letter.

I offer the full letter and wish it to appear as a part of my remarks. It is signed by R. L. Griffin, county agent.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, it is so ordered.

The letter is as follows:

COOPERATIVE EXTENSION WORK IN
AGRICULTURE AND HOME ECONOMICS, STATE OF ALABAMA,
*Marion, Ala., March 15, 1939.*

DEAR FARMERS OF PERRY COUNTY: We will begin delivering 1938 agricultural conservation checks Friday of this week. Since 1933 farmers in Perry County have received $1,532,780 in A. A. A. benefit payments. You will receive $254,000 this year as cotton-reduction and soil-building payment and approximately $200,000 as a parity payment. The total amount of money received from the Federal Government in benefit payments during the 6 years of A. A. A. amounts to the gross return for the total cotton production in Perry County for the last 3 years. There is only one way to continue to receive these payments—it is through the membership in an organization which is strong enough to tell Congress what you want. The American Farm Bureau Federation is the largest farm organization in the world, and only through this organization have you been able to receive these payments.

The old suit against the farm bureau organization in Perry County has been thrown out of equity court and the county is being organized in beat or community farm bureaus. When sufficient membership has been obtained in each beat or community the beat membership chairman will call a meeting to organize and elect officers for his beat or community. The presidents of these beat or community organizations will make up the county council or board of directors of the county organization. This plan has been outlined by Mr. Edward A. O'Neil, president of American Farm Bureau Federation, and Mr. Howard Gray, president of the Alabama Farm Bureau Federation. These community or beat organizations not only are a definite part of a State and National organization, but have a definite service to render to each individual in the community. The strength and success of these organizations depend on what you do as an individual in an organized way for your community organization.

The annual dues in the Farm Bureau are $2 per year. Seventy-five cents is kept in the community and county treasury, 75 cents to the State organization, and 50 cents to the national organization. When you join this organization you receive a lapel emblem with the name of the American Farm Bureau on it, a State Alabama Farm Bureau News, which is a monthly newspaper giving you agricultural news of the State, and Nation's Agriculture, which is a magazine published by the American Farm Bureau Federation. Should you subscribe to a paper or magazine of this type, the annual subscription would exceed $2.

On delivering 1938 A. A. A. checks your beat membership committeeman will be on hand to give you an opportunity to join your community farm bureau. For each dollar you invest in farm-bureau dues you have received $125 of this in Government benefit payments. I know of no better investment of insurance that you can make on your farm or in business today.

Let me urge you to willingly join this organization. Your $2 Farm Bureau dues will earn you more than any investment you have ever made or probably ever will make in your lifetime.

Sincerely,

R. L. GRIFFIN, *County Agent.*

Mr. GEORGE. I call attention, Mr. President, to another letter. The caption of the other letter, which I also ask to have inserted in full in the RECORD, is as follows:

United States Department of Agriculture. Agricultural Adjustment Administration. Agricultural conservation program. Greenville, Miss.

Mr. President, this letter reads as follows:

Farm Bureau—

In big capitals at the head of the letter.

The Farm Bureau has helped the farmer to get benefit payments for reducing his cotton crop, soil-building payments for improving his land, and parity payments such as you are receiving.

The membership fee is $2—

In big capitals.

This $2 gives to you the National Farm Bureau paper and the State Farm Bureau paper.

It helps to support the National Farm Bureau.

It helps to support the State and county Farm Bureau.

All are working together for better legislation for farmers.

Don't you think you ought to be a member of this organization and help pay for some of the benefits you secure? How to join the Farm Bureau.

And at the bottom of this letter, Mr. President, is a blank in which the farmer is to insert merely the name, the amount of

money, and is told where to mail it. This letter is likewise signed by a county agent, Mr. J. W. Whitaker.

I ask to have that letter printed in full in the RECORD at this point.

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

The letter is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
AGRICULTURAL CONSERVATION PROGRAM,
*Greenville, Miss., November 15, 1938.*

FARM BUREAU

The Farm Bureau has helped the farmer to get benefit payments for reducing his cotton crop, soil-building payments for improving his land, and parity payments such as you are receiving.

The membership fee is $2.

This $2 gives to you the National Farm Bureau paper and the State farm bureau paper.

It helps to support the National Farm Bureau.

It helps to support the State and county farm bureau.

All are working together for better legislation for farmers.

Don't you think you should be a member of this organization and help pay for some of the benefits you secure?

HOW TO JOIN THE FARM BUREAU

Either pay $2 in cash at the county agent's office or send us a check for this amount.

Don't forget to do this. I am sure that you want to do your part.

Yours very truly,

J. W. WHITAKER, *County Agent.*

IMPORTANT

Fill out the following and return with your letter so we can send you a receipt for the $2:

----------, MISS, ----------, *1938.*

---------- ----------
(Name) (Address)

Community in which you live ----------

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

Mr. GEORGE. I yield.

Mr. LEE. Does the Senator know whether or not these letters were mailed out at Government expense?

Mr. GEORGE. My information is that they were.

Mr. LEE. The letter from which the Senator last read as well as the one from which he first read?

Mr. GEORGE. Yes; as well as the one I first read.

Mr. President, the farm agent, of course, is under the Extension Service, but he is likewise the official secretary of the Department of Agriculture, to wit, the Triple A and the Soil Conservation Service in each county where a farm agent is maintained. His salary is, of course, paid jointly by the Federal Government and by the several counties in which he renders his service.

Mr. President, it will be recalled that quite recently in this body we had up for discussion the export subsidy on cotton. The discussion arose over an amendment offered by the distinguished Senator from Alabama [Mr. BANKHEAD]. Since that discussion the Secretary of Agriculture has made a speech at Little Rock, Ark., and Mr. Edward O'Neal, the president of the Farm Bureau, has made speeches within my State, the sole purpose of which was to perfect an organization of the Farm Bureau and to secure an endorsement of the export subsidy on unmanufactured cotton. The Secretary of Agriculture was delighted in going on record with the statement that he proposed, notwithstanding the action taken in the Senate, to exercise his authority under existing law, and to put in effect a subsidy. That, Mr. President, notwithstanding the fact that it is earnestly and sincerely combatted by most respectable men in the cotton industry from top to bottom.

Mr. Wallace imagines that he and his organization in the Department have more judgment and are better able to handle a world product like cotton than the entire cotton trade in the United States, from the farmer who produces cotton up to the last man who handles it.

So far as I am concerned, I have no objection to farmers jcining the Farm Bureau. I certainly have no objection to a farmer joining any organization which he may wish to join. However, I take the position that the Department of Agriculture or the administration has no justification whatsoever for sending out letters of this character through county agents, who are the official representatives of the Secretary of Agriculture himself in his capacity as administrator of the Soil Conservation Act and in his capacity as Administartor of the A. A. A. In fact, the county agent is the head and front of the whole Agricultural Department in every county in which his services are utilized.

Mr. President, think for a moment what these letters mean. The first letter begins by a recitation of the benefit payments which had been received by the farmers in the county of Perry, in the good State of Alabama. It recites that during the 6 years of the A. A. A. the farmers in that county had received total benefits equal to the combined value of the last three crops of cotton grown in that county. The letter reminds the farmer that—

We will begin delivering 1938 agricultural conservation checks Friday of this week—

That is, the week of March 15, 1939. Then it proceeds:

There is only one way to continue to receive these payments. It is through membership in an organization which is strong enough to tell Congress what you want. The American Farm Bureau Federation is the largest farm organization in the world, and only through this organization have you been able to receive these payments.

It must indeed be news to Senators that they have been driven only through the American Farm Bureau Federation by Edward O'Neal, who is merely a "shirt front" for Mr. Earl Smith, of Chicago, the head of the organization and a very able man.

Mr. President, I have received other information that throughout the South letters of this kind are being mailed out by county agents under frank. I know that since the Secretary delivered his speech at Little Rock, and since the fight in the Senate over the question of the subsidy on cotton exports, Edward O'Neal has been within my State appealing for the support of a subsidy.

I do not fear the Secretary of Agriculture, and I do not cringe or bend the knee to any man in official position in this administration. For that reason I do not hesitate to say that the campaign now being carried on in my State is being carried on only because some of us here have an independent judgment and are willing to undertake to represent all the people of our States. I know very well that it is quite easy to mislead the farmers for a while, even in my State, but I have no doubt that their good judgment will repudiate tactics of this kind when they understand what it all means. If the Department of Agriculture is organizing farmers for political reasons, why single out the American Farm Bureau Federation? Why single out the organization whose leaders have stood against a fair break to southern farmers when they desired to grow upon the lands taken out of cotton production food and feed crops for the production of livestock, dairy products, and poultry and poultry products?

Why discriminate against the National Grange? I hold no brief for the National Grange, but it is certainly an honorable farm organization. I believe it is the oldest farm organization in the country. Certainly it is one of the soundest. Why discriminate against the Farmers' Union? The Farmers' Union had 10 members to 1 of the American Farm Bureau Federation, and it will retain a record of more than 10 members to every 1 of the American Farm Bureau Federation so far as Georgia is concerned. Mr. President, some good farmers in Georgia are members of the American Farm Bureau Federation. However, they are not entitled to have a department of this Government, a department dealing intimately with the farmers of America, undertake to build up a particular farm organization and to use it when any Member of Congress has the courage to have an independent judgment and to express it.

Not so long ago, Mr. President, a distinguished lawyer from my own State, on the eve of the retirement of another attorney in one of the Federal agencies, namely, the Home Owners' Loan Corporation, wrote a letter commending the retiring attorney, highly recommending his legal ability, and giving the office number of his future office in the city of Washington. The writer of that letter was driven out of the Home Owners' Loan Corporation. Yet there is a county agent who boasts that the total benefits paid for 6 years to the

farmers of one good county in one good State had exceeded the combined market value of all the cotton grown by those farmers for the past 3 years, making an appeal to them to become members of the American Farm Bureau Federation, and telling them what it costs. There is not a line of official business in the first letter which I read, save the first line:

We will begin delivering 1938 agricultural conservation checks Friday of this week.

That was only preliminary to the appeal for membership in the American Farm Bureau Federation.

In the second letter which I put into the RECORD there is not a single line of official business.

What is the Post Office Department doing? Why drive out the attorney of the Home Owners' Loan Corporation because he commended a retiring attorney, and then allow letters of this kind to be broadcast over the South and over the country?

I do not make any attack on the American Farm Bureau Federation; but I say here and now—and I will say it on every stump in Georgia—that the head of the American Farm Bureau Federation is not Edward O'Neal, of Alabama, who is merely a stuffed front for that organization. The head of the organization is Earl Smith, of Chicago; and Earl Smith's interest is the protection of farmers who do not grow cotton.

The American Farm Bureau Federation is a good farm organization. I have no fight to make on it; but I have a fight to make on any man who will lend himself to a Federal agency in an effort to suppress free thought and free speech, or an effort to intimidate Members of Congress, either in the Senate or the House, when they feel it necessary to speak plainly upon any policy or program of the Secretary of Agriculture.

I have no concern about what organization the farmers unite themselves with, whether it be the Grange or the Farmers' Union or the United Farmers of Georgia or the Farm Bureau Federation itself; but I do think that the farmers of the State ought to know, and, insofar as I am able to make it known to them they will know, the real purpose of Mr. O'Neal in going into the State within the last few days.

Mr. SMITH. Mr. President, may I ask the Senator from Georgia a question in reference to the first letter he read?

Mr. GEORGE. Certainly.

Mr. SMITH. Am I correct in understanding that letter to say that the federation was the real cause of them getting these benefits?

Mr. GEORGE. I will read it to the Senator. After enumerating the benefits the letter says:

There is only one way to continue to receive these payments; it is through the membership in an organization which is strong enough to tell Congress what you want. The American Farm Bureau Federation is the largest farm organization in the world and only through this organization have you been able to receive those payments.

Mr. SMITH. I thought I so understood the letter. I am a little surprised at that statement for it has been my impression that we in Congress had a little something to do with it. I may have been mistaken. I am not a member of that Federation, and have no desire to be. Knowing the reputation of its officers, I prefer not to be. The letter, however, confirms my judgment on that matter. I think it was a pretty bold statement to be franked to thousands of farmers under the auspices of our Department of Agriculture.

Mr. GEORGE. And, I may add, or to be written over the signature of an official of the United States Government.

Mr. President, with reference to the subsidy, I do not today propose to discuss it, but I do propose to discuss it hereafter. I ask permission to have inserted in the body of my remarks, and as a part thereof, an editorial from the Atlanta Constitution of May 11, 1939, on The Cotton Export Subsidy.

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



The editorial referred to is as follows:

[From the Atlanta (Ga.) Constitution of May 11, 1939]

COTTON EXPORT SUBSIDY

The problems of cotton are so varied and complicated that it is to be doubted if there lives the man who comprehensively understands them all. Add to this the fact that it is a matter of practical impossibility to find any so-called expert whose views are not open to bias, suspicion, and it is little wonder that Congress flounders around in a succession of futile attempts to find a panacea.

The latest proposal, to grant an export subsidy of 2 cents per pound, with the announced purpose of revitalizing exports and thus relieving the burden of carry-over on the domestic market, seems to be, however, among the more unwise remedial endeavors.

For it should be plain that payment of a 2-cents-a-pound subsidy to cotton exporters can result only in providing the foreign textile manufacturer with cheaper cotton than his American competitor can buy. The 2-cents-a-pound payments will not go to the cotton farmer, but by the simple process of market balancings will inevitably make American cotton sold abroad just that much cheaper. Already, in anticipation of possible enactment of this scheme by the United States Congress, Liverpool cotton quotations are dropping further than normal below those of the United States cotton exchanges.

The foreign manufacturer already enjoys the advantage of lower-cost labor, and if he gets this added advantage in the price of his raw material it can easily be imagined what will happen to the American textile markets, where foreign-made goods must compete with the products of our own mills.

Then, probably, there will be demands for an increased tariff against foreign textiles, once again building up that complication of charges and subsidies and offsets which is actually responsible for much of cotton's woes today.

It all goes back to the basic injustice—that the cotton farmer must sell on an unprotected world market and buy on a tariff-protected market at home.

The keenest minds in the country have attempted in vain to adequately improve the situation of the cotton farmer. There can be, therefore, no proper attempt to point such a way here.

But from any angle it seems self-evident that the American cotton interests, from producers to consumers, can expect no benefit out of a scheme to use American money to bribe foreign purchasers to buy more of our products. It just doesn't make sound logic.

Mr. GEORGE. I also ask to have inserted in the body of my remarks an editorial from the Baltimore Sun of May 28, 1939, entitled "Cotton Quotas." I read but the first sentence:

Having worked itself into a dangerous position on cotton, the administration is now hoping to get foreign nations to help it pull its chestnuts out of the fire.

The PRESIDING OFFICER. Without objection, the editorial may be printed in the RECORD.

The editorial referred to is as follows:

[From Baltimore Sun of May 28, 1939]

COTTON QUOTAS

Having worked itself into a dangerous position on cotton, the administration is now hoping to get foreign nations to help it pull its chestnuts out of the fire. This country has been steadily and rapidly losing its export markets as a result of crop control and price jugglery. Things have got so bad that the President and the Secretary of Agriculture are trying to put over a cotton export subsidy to enable us to work off some of the surplus accumulations now held under Government loan. But the subsidy scheme looks so bad and runs so directly counter to the reciprocal-trade program to which the administration has committed itself through Secretary Hull that it is regarded as a mere makeshift.

As a permanent solution for the problem created by dwindling export markets, the administration now wishes to hold an international cotton conference. The idea is that the producing nations represented at the conference would agree upon a division of the world markets and set up a quota system which would terminate the present competition among sellers and assure every nation, including our own, a fixed share of the world cotton trade. This is not the first time such an idea has been put forward. The Agricultural Adjustment Administration sent Oscar Johnston abroad to sound out other nations on this same subject in 1935, but he met with such an unfavorable response that the scheme for international cotton quotas was abandoned.

The trouble then was that other nations were unwilling to give up the advantages they had already reaped and the advantages which were in prospect as a result of our restrictive program. They saw quite clearly that the production-control and price-rigging features of the A. A. A. were making it easy for growers in India, Uganda, Brazil, and all points east to undersell us in the world markets, and they decided to sit back and let the American cotton industry go on committing economic suicide. Whether the present conference project will get any further than the enterprise upon which Mr. Johnston was sent abroad remains to be seen. But if it does it will probably be because we are

more willing than we were in 1935 to offer political and other concessions in return for help in getting out of the cotton mess.

As to the merits of the international-quota scheme, it may at least be said that it recognizes the international character of the cotton problem. That is more than can be said for the short-sighted and costly policy we have been following to our disadvantage for the past 6 years. But international quotas, like domestic quotas, represent an arbitrary interference with the free movement of prices and commodities upon which a sound and prosperous cotton market must in the last analysis depend. It is a strange and contradictory situation in which an administration which is seeking by means of reciprocal treaties to unshackle trade should be seriously proposing on another front to shackle it again.

Mr. GEORGE. And, Mr. President, in order to bring the matter down to date—and I am not undertaking to offer all the editorials that I have of like import—I desire to have inserted in the RECORD an editorial appearing in this morning's Washington Post, June 12, 1939, entitled "A Clash of Policies," in which the subsidy is likewise under attack.

The PRESIDING OFFICER. Without objection, the editorial may be printed in the RECORD.

The editorial referred to is as follows:

[From the Washington Post of June 12, 1939]

A CLASH OF POLICIES

During the first 10 months of the current fiscal year the Department of Agriculture reports a drop of 21 percent in the value of our agricultural exports. This decline is largely attributable to a shrinkage of cotton exports which are expected to be smaller this season than at any time during the past half century.

Since 1933, when the administration embarked upon its price-raising campaign, American cotton has been rapidly losing ground abroad. When efforts to raise prices by means of acreage control failed, Government loans were resorted to as a means of keeping domestic cotton prices above world market levels. As a result, cheaper cotton of foreign growths has been steadily pushing the American product out of its former export markets.

The curtailment of our export trade in cotton is patently due to a price-control policy that has aggravated the existing disproportion between demand and supply. The only feasible method of recapturing a substantial part of this trade is to abandon the practices that are responsible for our difficulties. Unfortunately, neither Congress nor the administration is prepared to withdraw the props that prevent shippers of cotton and other products from meeting the prices charged for competing foreign products.

Instead of removing the artificial hindrances to correction of existing economic maladjustments, new forms of interference with prices and normal marketing processes are being considered. The President and Secretary Wallace, for instance, recommend payment of export bounties as a means of pushing a portion of our abnormally large cotton surplus into export channels. Export subsidies have already been applied to wheat. If we should extend the system to cotton, the pressure to obtain subsidies for still other agricultural commodities would steadily increase.

From the national viewpoint the subsidization of exports is most uneconomic and, from the taxpayers' viewpoint, very costly. Moreover, even if we were disposed to disregard the purely economic arguments against subsidized exporting, we could not close our eyes to certain practical objections to this system. The United States takes prompt steps to protect domestic producers from the competition of dumped imports. Why, then, should we expect foreigners to submit passively to the dumping of our agricultural products into their markets?

Export subsidies are not only economically indefensible; they are also in conflict with the policies being followed by the Department of State in negotiating reciprocal-trade pacts. There is an irreconcilable inconsistency between the Hull efforts to lower trade barriers and the A. A. A.'s price-raising program, which inevitably leads to the erection of new barriers to international trade. We are simply deceiving ourselves by pretending that we can expand our foreign trade by mutual agreement and simultaneously pursue price-raising policies that seriously impair or actually destroy the demand for our exports.

Mr. GEORGE. Now, Mr. President, I wish to put into the RECORD as a part of my remarks a letter from a gentleman who lives in Georgia who calls attention to what the Secretary of Agriculture did not say in his address at Little Rock.

The PRESIDING OFFICER. Without objection, the letter may be printed in the RECORD.

The letter referred to is as follows:

ATLANTA, GA., *May 27, 1939.*

Senator WALTER F. GEORGE,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR: Referring to United States Secretary of Agriculture Wallace's speech at Little Rock on May 26.

I would like to make the following observations for your consideration which I do not think have been brought out in connection with Secretary Wallace's speech:

1. Why did not Secretary Wallace tell the farmers, in his speech referred to above, that under section 32 of the Agricultural Adjustment Act, which is quoted below, he has the authority, without further legislation, to pay, assuming the agricultural appropriations bill is passed as now written, $50,000,000, or approximately $8.30 per bale on a 6,000,000-bale domestic consumption, to the cotton producers direct, supplementing other payments, but prefers to pay this $50,000,000 as an export subsidy, thereby giving cheaper cotton to the foreign cotton manufacturer to manufacture into cotton goods from American cotton for sale to foreign consumers?

Section 32 of Agricultural Adjustment Act: "Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce; and (3) finance adjustments in the quantity planted or produced for market of agricultural commodities. The amount appropriated under this section shall be expended for such of the above-specified purposes, and at such times, and in such manner, and in such amounts as the Secretary of Agriculture finds will tend to increase the exportation of agricultural commodities and products thereof, and increase the domestic consumption of agricultural commodities and products thereof: *Provided,* That no part of the funds appropriated by this section shall be expended pursuant to clause (3) hereof unless the Secretary of Agriculture determines that the expenditure of such part pursuant to clauses (1) and (2) is not necessary to effectuate the purposes of this section."

2. Why did not Secretary Wallace, in referring to how much cotton would be exported under the export subsidy plan, tell them that the price of foreign cotton would decline 2 cents per pound under the domestic prices in the United States as evidenced by the following quotation from the Cotton Situation, published by the Bureau of Agricultural Economics, United States Department of Agriculture, under date of April 29, 1939:

"Since the middle of March, the Liverpool price of American Middling ⅞ has declined materially in relation to the prices of this cotton in domestic markets. On March 17 the spread between the Liverpool prices and the 10-market average price was 1.62 cents per pound, but by April 24 this spread had narrowed to 0.71 cents. This was apparently due to the increased possibility of an export subsidy on American cotton, which would be expected eventually to reduce the foreign price in relation to the domestic price by about the full amount of the subsidy, such change taking the form of a reduction in the foreign price and an increase in the domestic price, compared with what they otherwise would be. On April 27 the spread was back to 0.95 cents."

3. Why did not Secretary Wallace tell the American consumers of cotton goods that his export subsidy plan would mean furnishing American cotton to foreign manufacturers to manufacture into cotton goods for the foreign consumer at 2 cents per pound or $10 per bale under the price paid by the American cotton manufacturer to manufacture into cotton goods to be consumed by the American public? This being a hidden sales tax on the American consumer.

4. Why did not Secretary Wallace tell the American consumers of cotton goods of his advocacy of a processing tax on raw cotton, assuming he had in mind 4.2 cents per pound tax as previously, that he was furnishing American cotton to foreign cotton manufacturers for manufacture into cotton goods for the foreign consumers at 4.2 cents per pound, or $21 per bale, further under the same prices of cotton to American manufacturers for manufacture into cotton goods for the American consumer? This also being a hidden sales tax.

5. Why did not Secretary Wallace tell the American consumers of cotton goods that this would mean the foreign manufacturer would be obtaining American cotton to manufacture into cotton goods for the foreign consumers at a total of $31 per bale under the price which would be paid by the American manufacturer to manufacture into cotton goods for sale to the American consumer? This being a total of 6.2 cents per pound sales tax on the American consumer.

6. Why did he not tell his audience, when he referred to further reduction in acreage increasing unemployed farm labor, that this has been brought to his attention time and again by the cotton merchants and is not his original thought?

I believe the above points should be brought out by someone like you to whom the press would give Nation-wide comment.

Respectfully yours,

J. M. GLOER, Jr., *Secretary.*

Mr. GEORGE. Mr. President, with this one final observation, I will take my seat, but I promise to resume this discussion, and to continue it until something is done to prevent the continuance of this kind of thing under this administration. The audience that listened to the distinguished Secretary of Agriculture at Little Rock, estimated at some 3,000 people, was largely made up of employees of the Agricultural Department, county agents, county committees, and various other officials, including all those who, under the Farm Security Administration, are occupying farms provided in whole

or in part by the Government. I shall have some information to give with reference to that meeting; I shall have some information to give to the Senate and to the country with reference to how this audience of 3,000 was gotten together; and I think, Mr. President, I will also have some verification of the statement that Mr. Edward O'Neal, the president of the Farm Bureau Federation, in behalf of which these appointed agents in more than one State are now busily propagandizing, was in the midst of the audience at Little Rock to hear the Secretary.

I have no quarrel with the Secretary because he believes in a subsidy; it is a matter on which men may differ. I repeat, however, that the cotton trade and very nearly everyone connected with it who stands in a disinterested position is against it. Nevertheless, I have no quarrel to make because the Secretary of Agriculture advocates such a policy or because he may ultimately put it into effect. I know that when he puts it into effect he will have taken the final step looking to the destruction of the foreign market and the partial impairment even of the domestic market, for reasons which I tried to point out in this body some days ago.

Mr. President, the Secretary of Agriculture and the Department of Agriculture cannot justify the action of an official whose salary is paid always to the extent of one-half, and in many instances to the extent of more than one-half, by the Federal Government, and who represents not merely the Extension Service—a vital service to agriculture—but who is likewise the official representative of the Soil Conservation Administration and the Agricultural Adjustment Administration in the several counties in which his services are utilized.

Mr. MINTON. Mr. President, may I ask the Senator a question before he takes his seat? I am sorry I did not hear the entire statement of the able Senator from Georgia.

As I came into the Chamber, during the latter part of his address, I understood him to say that the Department was engaged in this activity of furthering the cause of the Farm Bureau Federation. Is that correct?

Mr. GEORGE. I read, if the Senator will permit me, from two letters signed by farm agents—county agents. I stated that these county agents represent not merely the Extension Service, which is a vital service to agriculture, but they likewise are the official representatives of the Soil Conservation Administration and the Agricultural Adjustment Administration.

Mr. MINTON. What the Senator put in the RECORD, then, were communications from two different agents. Is that correct?

Mr. GEORGE. From two different agents.

Mr. MINTON. Were they in two different States or both in the Senator's State?

Mr. GEORGE. They were in two different States.

Mr. MINTON. Is it the Senator's position that this is a program that is being carried out by the Department itself?

Mr. GEORGE. Mr. President, I think I have made myself abundantly clear on the question involved.

Mr. MINTON. I am sorry I did not hear the Senator.

Mr. GEORGE. I stated just exactly what has been done and what is being done, and I have stated that the president of the Farm Bureau Federation, who in both letters is referred to, in one by name and the other by his organization, has been in my State in the last week holding meetings of farmers and importuning those farmers to petition Senators and Members of the House of Representatives to support the subsidy program of the Secretary of Agriculture.

Mr. MINTON. Of course, I think we will all agree with the Senator that if the Department or any substantial group in the Department is engaged in any activity of the kind indicated by the Senator they are subject to the condemnation which the Senator brings upon them for it. But what I am trying to get at is whether or not this was the program of the Department; whether the Department was countenancing it, or whether a couple of overzealous agents in the Senator's State or some other State were acting upon their own initiative to do that of which the Senator complains.

Mr. GEORGE. I cannot speak of the county agents disparagingly. My observation has been that they are very good men and that they do not indulge in this kind of thing ordinarily. I do not know what is moving some of them at this time, but I merely recited the facts and put them in the RECORD. The Senator can, by looking at my remarks, see exactly what I have said.

Mr. MINTON. The Senator has not any evidence that the Department moved them to take this action, has he?

Mr. GEORGE. Mr. President, I would rather the Senator would read my remarks. Perhaps he will be able to understand from my remarks what I have said.

ADDITIONAL APPROPRIATION FOR CONTROL OF INSECT PESTS

Mr. RUSSELL. From the Committee on Appropriations I report back favorably without amendment House Joint Resolution 322, making an additional appropriation for the control of outbreaks of insect pests. I ask that the joint resolution be read.

The PRESIDING OFFICER. The clerk will read the joint resolution.

The joint resolution (H. J. Res. 322) making an additional appropriation for the control of outbreaks of insect pests was read, as follows:

*Resolved, etc.*, That for an additional amount, fiscal year 1939, for carrying out the purposes of and for expenditures authorized under, Public Resolution No. 91, Seventy-fifth Congress, entitled "Joint resolution to amend the joint resolution entitled 'Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs,' approved April 6, 1937," approved May 9, 1938 (52 Stat. 344), there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,750,000, to be immediately available and to remain available until December 31, 1939.

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

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

Mr. RUSSELL. Mr. President, in the current agricultural appropriation bill there is a provision making an appropriation of this amount for the same purpose. The provision in the House joint resolution makes the amount immediately available. Due to the fact that it doubtless will be some time before the agricultural appropriation bill has completed the steps necessary to enact it into law, it is important that this joint resolution be passed today. I understand that the grasshopper situation is more critical than it has been in recent years, and all funds for dealing with that situation will be exhausted today.

The joint resolution does not involve any increased appropriation, because the same amount was appropriated by the Senate in the agricultural appropriation bill; and, of course, that amendment will be left out of the bill when the conference report is submitted. The joint resolution merely makes the funds immediately available.

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

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

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6392) making appropriations for the Departments of State and Justice and for the judiciary, and for the Department of Commerce, for the fiscal year ending June 30, 1940, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 46, beginning in line 22.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, under the heading "Judicial—Court of Customs and Patent Appeals", on page 50, line 9, after the word "court", to strike out "$104,300" and insert "$105,780", so as to read:

Salaries: Presiding judge and four associate judges and all other officers and employees of the court, $105,780.

The amendment was agreed to.

The next amendment was, under the subhead "Court of Claims", on page 51, line 11, before the word "regular", to strike out "six" and insert "seven", and in line 21, after the numerals "270" and the parenthesis, to strike out "$65,000" and insert "$75,500", so as to read:

Salaries and expenses of commissioners: For salaries of seven regular commissioners, and for traveling expenses, compensation of stenographers authorized by the court, and for stenographic and other fees and charges necessary in the taking of testimony and in the performance of the duties as authorized by the act entitled "An act amending section 2 and repealing section 3 of the act approved February 24, 1925 (28 U. S. C. 269, 270), entitled 'An act to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation', and for other purposes", approved June 23, 1930 (28 U. S. C. 270), $75,500.

The amendment was agreed to.

The next amendment was, under the subhead "Salaries of judges", on page 54, line 2, after the word "offices", to strike out "$2,308,000" and insert "$2,338,000", so as to read:

Salaries and expenses, clerks of courts: For salaries of clerks of United States circuit courts of appeals and United States district courts, their deputies, and other assistants, and expenses of conducting their respective offices, $2,338,000.

The amendment was agreed to.

The next amendment was, on page 55, line 23, after the word "for", to strike out "$856,000" and insert "$940,000"; and on page 56, line 2, after the word "employed", to strike out the colon and the following provisos: "*Provided further,* That the foregoing proviso shall not be held to apply to the employment of a person possessing the dual qualifications of a stenographer and a licensed attorney who acts as a stenographer-law clerk, but the maximum salary of any such person so employed shall not exceed $3,600 per annum: *Provided further,* That the salary of not more than one employee for any one district judge shall be paid from this appropriation", so as to read:

Miscellaneous salaries: For salaries of all officials and employees of the Federal judiciary, not otherwise specifically provided for, $940,000: *Provided,* That the maximum salary paid to any stenographer or law clerk to any circuit or district judge shall not exceed $2,500 per annum, but this limitation shall not operate to reduce the compensation of any stenographer now employed.

The amendment was agreed to.

The next amendment was, under the heading "Title III—Department of Commerce, office of the Secretary", on page 58, line 9, after the name "Secretary of Commerce", to insert a comma and "Under Secretary of Commerce, $10,000."

The amendment was agreed to.

The next amendment was, on page 58, line 17, after the word "Department", to strike out "$381,500" and insert "$606,500: *Provided,* That not to exceed $133,500 of this appropriation shall be available for expenditure by the Secretary of Commerce for personal services of experts and specialists at rates of compensation not in excess of $9,000 per annum without regard to the civil-service laws and regulations or the Classification Act of 1923, as amended: *Provided further,* That any person paid from the said $133,500 an annual salary of $5,000 or more shall be appointed by the President by and with the advice and consent of the Senate."

Mr. VANDENBERG. Mr. President, I should like to have an explanation made by the Senator from Tennessee [Mr. McKELLAR] regarding this enormous increase in personnel for the office of Secretary Hopkins. The Senate seems to think about twice as much of Mr. Hopkins as the House does, according to the figures.

Mr. McKELLAR. Mr. President, without dealing in personalities, I will tell the Senator what this increase is for.

The Secretary of Commerce appeared before the committee, and asked for an appropriation of $225,000 in addition to the amount already appropriated for the purpose of employing expert businessmen.

Mr. VANDENBERG. Had he asked for this appropriation in the House, and had it been denied, or was this a new request?

Mr. McKELLAR. This request came in after the bill had passed the House. There was a Budget estimate for it. The Secretary proposed, out of this appropriation, to appoint and utilize the services of a number of expert businessmen in order to bring about better business conditions in the country. His testimony on that subject is very elaborate. It is found in the hearings. The personnel he desired was five at $9,000, five at $7,500, five at $5,600, five at $4,600, and others at smaller compensations, amounting in all to $225,000.

Mr. VANDENBERG. How many new employees, all told, would there be?

Mr. McKELLAR. About 59.

Mr. VANDENBERG. I notice that all of them are to be chosen without regard to civil-service laws and regulations, or anything of the kind.

Mr. McKELLAR. That is correct; but all the higher-paid ones, all those except the detail men and clerks, are to be appointed by and with the advice and consent of the Senate.

Mr. VANDENBERG. What is it that they are going to do?

Mr. McKELLAR. I will explain the matter by reading part of the statement of the Secretary:

At present there is no provision for an executive staff to participate with the Secretary in an appraisal of larger problems that affect the commerce and industry of the country, or in maintaining contact with various agencies of the Government that deal with particular phases of the national problem, or for developing and carrying through any new constructive work. New work, new activities, and new problems are constantly being pressed upon the Department. Proposals flood in from all over the country. Some have merit, others do not, but all must be analyzed and weighed by someone of experience and ability. If we are to develop new constructive functions in the Department that will really aid and promote industrial activity and private employment, we require funds to provide a staff to do that work.

That, in a nutshell, is the reason for this proposal, the amount being $225,000; and all of us want to make business conditions better in the country.

Mr. VANDENBERG. Did not the Department have an advisory council of big, able businessmen upon whom it relied for this sort of work, and did it not obtain their services for nothing?

Mr. McKELLAR. No; I do not think the Department got anything for nothing. It so happens that I have been connected with the Government now for, I think, 29 years. In all that time I do not know any employee of the Government, big or little, who has ever done any work for nothing. Some of them may have claimed to do something for nothing at some time, but before the work was over the Government had to pay, and, in my judgment, the Government ought to pay for services that are rendered.

Mr. VANDENBERG. Is the Senator condemning all the dollar-a-year men who have served the Government in past years?

Mr. McKELLAR. I am not condemning anybody.

Mr. VANDENBERG. I thought the Senator was doing so.

Mr. McKELLAR. But I want to say that I do not think any very great good was ever done by any dollar-a-year men. I make that statement very generally. I will say to the Senator that I was here when we had a very great many dollar-a-year men, and I never saw any good that any of them did.

Mr. VANDENBERG. Mr. President, these are very laudable objectives.

Mr. McKELLAR. I think so. The committee thought so. If there was any objection to this amendment, I do not recall it. It has been several days since we took this testimony, and there may have been some objection; but my recollection is that the proposal was very highly thought of by the members of the committee.

Mr. VANDENBERG. In fact, this is $225,000 worth of about as optimistic language as I have seen in some time.

Mr. McKELLAR. The Senator has read the statement of Mr. Hopkins about the matter, has he?

Mr. VANDENBERG. No; I am trying to find out from the Senator from Tennessee what he proposes to do. This is purely a statement of generalities.

Mr. McKELLAR. Yes; and I imagine that this work can be done only in that way. I do not know how else it can be done. The Secretary expects to appoint men who are in

business. The example given was that of Mr. Noble, who is now with the Department. It is desired to appoint men of that character and standing who would aid in reviving business along general lines; and necessarily the provision has to be general. We may either go into it or we need not go into it. In my own judgment, I think we ought to go into it. The Senator from Michigan may differ with me. If he does, I have no quarrel with him.

Mr. VANDENBERG. Mr. Noble is the Under Secretary of Commerce, and he is specifically provided for——

Mr. McKELLAR. Oh, yes; his salary does not come out of this appropriation at all.

Mr. VANDENBERG. He is provided for on this anonymous staff.

Mr. McKELLAR. I would not call it an anonymous staff. It is provided in the bill that this staff is to be appointed by the President, by and with the advice and consent of the Senate, and I do not believe it could be called an anonymous staff. That is merely my judgment about it; the Senator may differ with me.

Mr. VANDENBERG. Let us see how specific it is. The first thing we buy with this $225,000 is "a highly qualified executive staff." Does that mean that we have not one now?

Mr. McKELLAR. It means we have not one now. It is specifically so stated. We have not in the Department of Commerce at this time such a staff as is proposed, and this provision is inserted so that one may be set up.

Mr. VANDENBERG. The first thing we are to get is an appraisal "of the larger problems that affect the commerce and industry of the country." We are going to get a larger appraisal. That is worth something.

Mr. McKELLAR. I imagine that before any work is done it would be better to have some appraisal of conditions and some planning. My idea is that a man gets further in this world and I imagine a government gets further by first making plans and then working out the plans and living up to them.

Mr. VANDENBERG. I think that is true. I notice they are going to assist the Congress in drafting legislation. Is that one of the functions?

Mr. McKELLAR. Nothing was said about that, so far as I recall. It might have been suggested, but I do not see how that could be done, except by giving Congress advice.

Mr. VANDENBERG. I am merely reading the Senator's report.

Mr. McKELLAR. I overstepped myself if I put that in the report.

Mr. VANDENBERG. Could we take a couple of thousand dollars off this appropriation to compensate for that overstepping?

Mr. McKELLAR. No; but the Senator can strike the statement out of the report.

Mr. VANDENBERG. Let us see what else we are going to do. We are going to maintain "contact with various agencies of the Government dealing with particular phases of the national problem having a bearing on affairs of industry." Then we are going to develop and carry through "new constructive work, that will be welcomed by businessmen, directed toward improvement of business conditions at the earliest possible moment." I agree with the Senator that that is a laudable objective, but I submit to the Senator that that is the most nebulous basis for the justification of a new expenditure of a quarter of a million dollars that he has confronted in all the long years he was telling about that he has been in the Senate.

Mr. McKELLAR. No; we have had several more nebulous than that. I could recall dozens of them to the Senator's mind.

Mr. VANDENBERG. If they were any more nebulous, the Senator from Tennessee was opposing them, I am sure.

Mr. McKELLAR. I am not so sure about that. I voted for some that I was very sorry afterward I voted for.

Mr. VANDENBERG. I am trying to save the Senator from that calamity now.

Mr. McKELLAR. The Senator from Tennessee does not need saving; he will look after that himself.

Mr. President, I wish now to read what Mr. Hopkins says about the matter:

> The provision that has heretofore been made for the Office of the Secretary seems to furnish adequate facilities for dealing with the administrative problems of the bureaus and to make effective the Secretary's policies with respect to their action and expenditure. The continuance of the routine work and normal operation of the Department is assured. The various bureaus are doing a splendid job, each in its respective field. One has only to look into the work that is done in charting the country's waterways, in lighting the channels of commerce, in the testing of materials and establishing standards for industry—

By the way, that sounds like nebulous language, but, quite the contrary, we know that those statements are absolutely correct—

> in fact finding on business and commerce, to realize what an important contribution the work of the Department is making to our national economy.
>
> However, even my short experience in the Department has convinced me that the activities of these bureaus can touch only a fraction of the problems of industry. Their work needs to be sparked by a driving force of policy. It is the lack of any organization for forming and carrying through broad vital policies that now most concerns me. I recognize in this my responsibility as Secretary and I willingly assume it. I want to do something more than administer a group of bureaus, important as they may be. I hope to be able to convert the results of the operations of these bureaus into aggressive affirmative policies that will promote and develop the whole body of our industry and commerce.
>
> No one will question that it is in the national interest for the Department of Commerce to become a living and active force in building up industry and trade. Facts and figures are gathered at great expense and it is time for more extensive use to be made of them. They should be analyzed in the light of a full knowledge of the activities and experiences of various other agencies of the Government which deal with particular phases of the industrial problem. Information, analysis, experience should now all unite to develop an affirmative program of action toward national well-being.
>
> At present there is no provision for an executive staff to participate with the Secretary in an appraisal of larger problems that affect the commerce and industry of the country, or in maintaining contact with various agencies of the Government that deal with particular phases of the national problem, or for developing and carrying through any new constructive work. New work, new activities, and new problems are constantly being pressed upon the Department. Proposals flood in from all over the country. Some have merit, others do not, but all must be analyzed and weighed by someone of experience and ability. If we are to develop new constructive functions in the Department that will really aid and promote industrial activity and private employment, we require funds to provide a staff to do that work.
>
> As a matter of organization these additions could properly be made in the Bureau of Foreign and Domestic Commerce, whose functions are related to all of these problems. I am sure, however, it would be much better to have this staff working directly with the office of the Secretary.
>
> I have no precedents to guide me in this matter of organization. It would clearly be unwise to attempt to set up at the present time a definite plan of men and methods for policy-marking and accomplishment. I am, therefore, asking for a lump-sum appropriation of $225,000, to create a staff to do this work in the office of the Secretary. Later, as experience accumulates, it should be possible to define particular positions and duties with some degree of certainty. On the other hand, it may always be desirable to allow the Secretary substantial opportunity for the exercise of initiative and discretion in the selection of associates required to help formulate and execute major questions of policy.

Mr. President, we all realize that the Department of Commerce should be utilized for the purpose of restoring better business conditions in the country. This is not a large appropriation as governmental appropriations go; but it is a very necessary one, made necessary by conditions which have confronted us for some time and which still confront us. It has been thought out by the Director of the Budget, and he has sent in an estimate for the appropriation. As I recall—and if there are any members of the committee who are opposed to this item I should like to have them say so—all the members of the committee who were present and who acted upon the proposal agreed to it. I hope very much the Senate will agree to it, because I believe it will be very helpful to business in our country.

Mr. VANDENBERG. Can the Senator explain to me why the Secretary did not appear before the House committee in this connection.

Mr. McKELLAR. Yes. It was because he had been ill for quite a while, and when he appeared before our committee he was evidently still suffering from the illness.

Mr. VANDENBERG. I have the greatest respect for the attitude of the able Senator from Tennessee, but I must confess that I still find myself completely baffled in consulting a paragraph of general language presumed to be relied upon as the sole reason for giving a new Secretary of Commerce 50 or 60 new administrative heads, the salaries running as high as $9,000 a year, to be chosen without respect to the merit system or any of the restrictions which ordinarily surround appointments. I do not think it can be justified on the basis of this rather optimistic apostrophe in the Senator's report. I think when we are asked to increase to this enormous extent per capita the number of employees, when we are asked to expand a department in this fashion, we ought to be told precisely what is to be done, precisely why it is necessary and precisely why we have never heard about it heretofore.

Mr. McKELLAR. I do not think we could be as precise as the Senator from Michigan asks, but so far as the employees are concerned the first 20 are to be appointed by and with the advice and consent of the Senate, and all the others are to be civil-service employees.

Mr. VANDENBERG. When the 20 are appointed, are they to be appointed to specific assignments or is this a basket clause?

Mr. McKELLAR. They are to be appointed as expert business representatives in the Department of Commerce on the staff of the Secretary.

Mr. VANDENBERG. Is that the designation?

Mr. McKELLAR. I do not know the exact wording of the designation.

Mr. VANDENBERG. "John Doe, expert business representative, $9,000."

Mr. McKELLAR. That would be substantially what would be done.

Mr. VANDENBERG. Mr. President, I maintain my attitude.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 58, line 9.

Mr. KING. Mr. President, I associate myself with the Senator from Michigan [Mr. VANDENBERG] in his opposition to the provisions of the bill under consideration. In my opinion, the facts do not justify favorable action upon the item now under consideration. In my opinion, the appropriations which have been made for the Department of Commerce, extending over a number of years, have been more than generous; indeed, in some particulars they have been excessive. A few moments ago I called attention to the large appropriations which had been made in behalf of the Bureau of Foreign and Domestic Commerce. As I indicated in my remarks, I was opposed to the creation of this Bureau, believing that the Department of State was better equipped to promote foreign trade and commerce than the Department of Commerce or any bureau that it might establish. It is unnecessary to state that our Government in its foreign relations operates through and by means of the Department of State. That Department and its officials have a prestige denied to other departments of the Government. The Department of State has its diplomatic representatives and consular agents in substantially all countries, and these representatives of the Department of State for many years have been active and effective agents in advancing our commerce in all foreign countries.

The Department of Commerce was developed from a small organization into one of very large proportions. Whether its achievements have been commensurate with its growth and its expenditures I hesitate to state, although it will be conceded by all that its activities by and large have been of benefit to our country. I do know, however, that our industrial and economic development has been greatly influenced by our foreign trade. A few years ago our total foreign trade amounted to between twelve and thirteen billions of dollars, and I might add in passing that while the Department of Commerce made some contribution to this great tide of trade and commerce, its activities were not of paramount consideration. A considerable portion of our exports consisted of agricultural products. Unfortunately tariff restrictions and, in my opinion, unsound legislation, have materially injured both our export and import trade and, of course, a reduction in the volume of foreign trade and commerce resulted in serious repercussions upon our domestic economy; indeed our internal trade and commerce bear a very close relationship to our foreign trade. The prosperity of our country has a close relationship to foreign trade and it is therefore important that every legitimate and proper means should be employed to find foreign markets for the products of our country. Other nations need many of our products and their material advancement would be enhanced if more of our domestic products reached their shores.

It is unnecessary to emphasize the importance of trade and commerce. It is obvious to all that a renaissance in business depends upon increased production and consumption and in finding markets for our surplus commodities in various parts of the world. We do not want barriers to prevent foreign trade and commerce or to interfere with domestic trade and commerce. We need bridges rather than barriers to carry the products of field, farm, factory, and mines to the people of the United States as well as to the people beyond the seas. An active and efficient Department of Commerce will be an important aid in stimulating trade and commerce.

I have been somewhat familiar with the work of the Department of Commerce during the past 25 years. I believe that it has been a factor in our industrial and economic development and I shall be glad to support any reasonable measure that will make it more efficient and more helpful in stimulating trade and commerce.

The appropriations which have been made heretofore, as I have indicated, have been very generous. The building containing the Department of Commerce is a most impressive one and houses thousands of employees.

I do not have before me the appropriations for this Department prior to 1922, but for that year they were $17,000,000. In 1923 they were more than $18,000,000. In 1924 they exceeded $19,000,000, and in 1925 they were nearly $24,000,000. In 1926 they were $28,500,000; 1927, twenty-nine and three-quarter million; 1928, over $36,000,000; and in 1929, $38,000,000. Since then the appropriations have varied from year to year and in 1933 they were nearly thirty-three and one-half million dollars.

The bill under consideration carries over $52,000,000.

In my opinion, the House committee was exceedingly generous in supporting a bill carrying so large a sum; and the Senate committee has kept pace with it.

The item under consideration is not very impressive, measured by the total amount of the bill, carrying, as stated, over $52,000,000. However, as I have indicated, no sufficient reasons have been assigned to warrant the approval of the item under consideration. The hearings do not, in my opinion, justify the amendment now under consideration.

The Senator from Tennessee [Mr. McKELLAR] has read into the record what he claims to be a statement by Secretary Hopkins, appearing on pages 72 and 75. This statement proceeds:

> I have prepared a statement which gives rather briefly the salient facts as to this item, which I would like to file and will then discuss the project in more detail, and will be glad to answer any questions you may wish to ask. * * *
>
> The purpose of the Department of Commerce is to promote trade and industry.

The committee, as well as the Senate, knows that that was the purpose for which the Department of Commerce was organized. Unfortunately, it has at times failed to measure up to that standard and, I fear, upon some occasions has placed impediments in the stream of trade and commerce.

The Secretary stated that there are eight bureaus in the Department. That was not news, as these bureaus had existed for some time, nor is the additional appropriation which is sought directly related to the bureaus referred to. The Secretary states that all of the bureaus are well run and well managed, with competent technical people doing what I consider to be a good job. I assume that the Secre-

tary claims that all of the bureaus are well managed and have competent and technical personnel. I might add that they cover substantially the entire field in which the fifty-odd individuals who are to be appointed if this item of the appropriation is approved, will operate.

Mr. McKELLAR. Will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. I want to say to the Senator that the testimony itself specifically states that the various specific organizations referred to do not perform the work he wants to do with these additional employees.

Mr. KING. Mr. President, you have heard read the statement of the Secretary and I do not think that it furnishes any reasons specific or otherwise which call for the creation of fifty-odd jobs in the Department. The Secretary refers to a number of bureaus, but I do not think it is intended that their activities are to be increased or their fields of jurisdiction enlarged. The various bureaus and agencies of the Department of Commerce have a common end in view, and they are so integrated and their activities so synchronized as to be promotive of the primary purpose for which the Department of Commerce was organized. I should add that the Secretary in his statement stated, "I did not find when I assumed the office any effective machinery to assist in what seems to me to be the most important purpose of the whole Department."

I am somewhat surprised at the statement but do not intend to be critical of this view expressed by the Secretary. I can only say that with the agencies and bureaus which have been operating for years—agencies and bureaus which are, as the Secretary states "well-run, well-managed, with competent technical people, doing a good job"—I am somewhat at a loss to understand what the Secretary has in mind. Certainly the Department, under the direction of Secretary Hopkins' predecessors, has had in view the development of our foreign and domestic commerce. Its field of operations have been marked out years ago and its plans have, in the main, been carried into effect. It is true that we are suffering from a rather serious depression but I do not interpret the testimony of the Secretary as offering any remedies not now available and which must be available under the present set-up of the Department. The testimony of the Secretary does not, as I interpret it, submit a broader or wider field of activity or a more satisfactory foundation upon which to base our economic and industrial system.

Mr. VANDENBERG. Mr. President——

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

Mr. KING. I yield.

Mr. VANDENBERG. I submit there might be one point with respect to which the Secretary intends to do something that was not done before, because under the statement of the Senator from Tennessee he proposes to do something that will be welcomed by businessmen.

Mr. KING. Well, I am a little in doubt as to the implication. I do not know what he has stated that would aid business. The Secretary states:

> In going over the organic act as passed by Congress covering the fundamental purpose of the Department, I found that it was to promote trade and commerce * * *.
>
> These important questions—

Apparently there have been no important questions dealt with by the Department until Mr. Hopkins came into the Department—

> These important questions are, namely, how should a big industry be related to our economic system in a way to make it the most effective and to employ more labor; what is the proper relationship of government to these great industries?

Mr. President, are we to suppose that the activities of the President of the United States and the various departments of the Government now and in the past have not been concerned with these important matters and have not made any contribution to the proper integration of business in the Government and the proper synchronization of the various activities in our economic and industrial life?

Are we now to have something new; are we to have a definite solution of the relation between big industry, as Mr. Hopkins denominated, and the Government itself? What is there in the testimony that indicates that the Department of Commerce has been reorganized or is about to be revitalized or its policies to be changed? What new course is to be charted by the Department of Commerce under the new Secretary?

The record, as I read it, is silent upon these questions. Reference is made in a sort of casual way as to the question of utilities. This is not a new matter. It has been before the Congress for years, and the T. V. A. and other utilities have received the scrutiny of Congress and have been subjected more or less to the control and surveillance of executive agencies.

The Senator from Tennessee [Mr. McKELLAR] asked the Secretary:

> Can you give us a break-down, Mr. Secretary, as to what you want.
>
> Senator TAFT. What the $255,000 is for.
>
> Secretary HOPKINS. I have a break-down which I will file later, Senator. (See p. 82.)

And the break-down, turning to page 82, is as follows:

> Additional personnel to be provided for office of the Secretary, Department of Commerce.

Increase in personnel with $9,000 salary per annum, five. Increase of personnel in the $7,500 category, each receiving $7,500, five; five having $5,000, five having $4,000, five having $3,800, five having $3,200, and five having $2,000 each. That comprises the increase in the personnel and the salaries which will be paid to each group, so that the two-hundred-and-some-odd-thousand dollars is to be paid to these individuals in the groups to which I have referred.

That is all the information we have received. The Department of Commerce—whether under Republican or Democratic administrations—has, generally speaking, rendered valuable services to our country. It may be that important changes will be made in its administration—new rules adopted; new plans formulated. The record, however, furnishes no information that justifies the prophecy that important reforms will be made and greater efficiency realized, or that the results of its activities will be more satisfactory or beneficial to the country. Be that as it may, all Senators will receive with satisfaction evidence of a more dynamic, effective, and useful agency. Our foreign trade has been increased and our domestic situation materially improved. If the Department of Commerce can point the way to improved conditions, it will receive the commendation of the American people.

The PRESIDING OFFICER. Without objection, the amendment on page 58, beginning in line 17——

Mr. VANDENBERG. I am sorry, Mr. President. There are several objections. Let us have a vote on this item.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 58, beginning in line 17. [Putting the question.] The Chair is in doubt.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Adams | Davis | Lee | Schwartz |
| Bailey | Ellender | Lodge | Schwellenbach |
| Bankhead | Frazier | Logan | Sheppard |
| Barbour | Gerry | Lucas | Smith |
| Barkley | Gibson | McCarran | Stewart |
| Bone | Gillette | McKellar | Thomas, Okla. |
| Borah | Green | McNary | Thomas, Utah |
| Brown | Guffey | Maloney | Truman |
| Bulow | Gurney | Mead | Vandenberg |
| Byrnes | Hale | Minton | Van Nuys |
| Capper | Hatch | Neely | Walsh |
| Caraway | Hayden | Norris | Wheeler |
| Chavez | Hill | Nye | White |
| Clark, Idaho | Hughes | Pepper | Wiley |
| Clark, Mo. | Johnson, Calif. | Pittman | |
| Connally | King | Reed | |
| Danaher | La Follette | Russell | |

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

The question is on the committee amendment on page 58, commencing in line 17.

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

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

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 senior Senator from Vermont [Mr. AUSTIN], and will vote. I vote "nay."

Mr. LUCAS (when Mr. SLATTERY's name was called). My colleague [Mr. SLATTERY] is unavoidably detained from the Senate Chamber. If he were present, he would vote "yea."

Mr. STEWART (when his name was called). I have a pair with the junior Senator from Oregon [Mr. HOLMAN] who, I understand, if present, would vote "nay." I transfer that pair to the Senator from Illinois [Mr. SLATTERY], and will vote. I vote "yea."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the senior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the senior Senator from New Jersey [Mr. SMATHERS] and allow my vote to stand.

Mr. MINTON. I announce that the Senator from Louisiana [Mr. OVERTON] and the Senator from North Carolina [Mr. REYNOLDS] are detained from the Senate because of illness.

The Senator from Montana [Mr. MURRAY], the Senator from New Jersey [Mr. SMATHERS], and the Senator from New York [Mr. WAGNER] are absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is unavoidably detained.

I am advised that, if present and voting, those Senators would vote "yea."

The Senator from Arkansas [Mr. MILLER] is absent because of illness in his family.

The Senator from Mississippi [Mr. BILBO] is attending a committee meeting and is unable to be present.

The Senator from Florida [Mr. ANDREWS], the Senator from Arizona [Mr. ASHURST], the Senator from Colorado [Mr. JOHNSON], the Senator from Mississippi [Mr. HARRISON], the Senator from Minnesota [Mr. LUNDEEN], and the Senator from Iowa [Mr. HERRING] have been called to government departments on matters pertaining to their respective States.

The Senator from Nebraska [Mr. BURKE], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], the Senator from West Virginia [Mr. HOLT], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. McNARY. I am advised that the Senator from Vermont [Mr. AUSTIN] would vote "nay" if present.

I also announce that my colleague the Senator from Oregon [Mr. HOLMAN] would vote "nay" if present.

The Senator from New Hampshire [Mr. BRIDGES] has a pair on this question with the Senator from Montana [Mr. MURRAY]. If present, the Senator from New Hampshire would vote "nay," and the Senator from Montana would vote "yea."

The Senator from Ohio [Mr. TAFT] has a pair with the Senator from New York [Mr. WAGNER]. The Senator from Ohio would vote "nay" and the Senator from New York would vote "yea," if present.

The Senator from New Hampshire [Mr. TOBEY] has a pair with the Senator from Louisiana [Mr. OVERTON]. If present, the Senator from New Hampshire would vote "nay," and the Senator from Louisiana would vote "yea."

The Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 41, nays 23, as follows:

YEAS—41

| | | | |
|---|---|---|---|
| Bankhead | Byrnes | Clark, Mo. | Guffey |
| Barkley | Caraway | Connally | Hatch |
| Bone | Chavez | Ellender | Hayden |
| Brown | Clark, Idaho | Green | Hill |
| Hughes | Maloney | Pittman | Thomas, Utah |
| La Follette | Mead | Russell | Truman |
| Lee | Minton | Schwartz | Walsh |
| Logan | Neely | Schwellenbach | Wheeler |
| Lucas | Norris | Sheppard | |
| McCarran | Nye | Stewart | |
| McKellar | Pepper | Thomas, Okla. | |

NAYS—23

| | | | |
|---|---|---|---|
| Adams | Danaher | Gurney | Reed |
| Bailey | Davis | Hale | Vandenberg |
| Barbour | Frazier | Johnson, Calif. | Van Nuys |
| Borah | Gerry | King | White |
| Bulow | Gibson | Lodge | Wiley |
| Capper | Gillette | McNary | |

NOT VOTING—32

| | | | |
|---|---|---|---|
| Andrews | Downey | Lundeen | Slattery |
| Ashurst | George | Miller | Smathers |
| Austin | Glass | Murray | Smith |
| Bilbo | Harrison | O'Mahoney | Taft |
| Bridges | Herring | Overton | Tobey |
| Burke | Holman | Radcliffe | Townsend |
| Byrd | Holt | Reynolds | Tydings |
| Donahey | Johnson, Colo. | Shipstead | Wagner |

So the amendment of the committee on page 58, line 17, was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, under the subhead "Contingent expenses, Department of Commerce", on page 59, line 25, before the word "which", to strike out "$80,500" and insert "$100,500", so as to read:

Contingent expenses: For contingent and miscellaneous expenses of the offices and bureaus of the Department, except the Patent Office and the Bureau of the Census, including those for which appropriations for contingent and miscellaneous expenses are specifically made, including professional and scientific books, lawbooks, books of reference, periodicals, blank books, pamphlets, maps, newspapers (not exceeding $1,500); purchase of atlases or maps; stationery; furniture and repairs to same; carpets, matting, oilcloth, file cases, towels, ice, brooms, soap, sponges; fuel, lighting, and heating; purchase and exchange of motortrucks and bicycles; maintenance, repair, and operation of three motor-propelled passenger-carrying vehicles (one for the Secretary of Commerce and two for the general use of the Department), and motortrucks and bicycles, to be used only for official purposes; freight and express charges; postage to foreign countries; telegraph and telephone service; teletype service and tolls (not to exceed $1,000); typewriters, adding machines, and other labor-saving devices, including their repair and exchange; first-aid outfits for use in the buildings occupied by employees of this Department; and all other necessary miscellaneous items including examination of estimates of appropriation in the field not included in the foregoing, $100,500, which sum shall constitute the appropriation for contingent expenses of the Department, except the Patent Office and the Bureau of the Census, and shall also be available for the purchase of necessary supplies and equipment for field services of bureaus and offices of the Department for which contingent and miscellaneous appropriations are specifically made in order to facilitate the purchase through the central purchasing office (Division of Purchases and Sales) as provided by law.

The amendment was agreed to.

The next amendment was, on page 60, line 22, after "(38 Stat. 508)", to strike out "$455,900" and insert "$468,400", so as to read:

Traveling expenses: For all necessary traveling expenses under the Department of Commerce, including all bureaus and divisions thereunder except the Bureau of the Census, and traveling expenses for the examinations authorized by the act entitled "An act to provide for retirement for disability in the Lighthouse Service", approved March 4, 1925 (33 U. S. C. 765), but not including travel properly chargeable to the appropriation herein for "Transportation of families and effects of officers and employees and allowances for living quarters", Bureau of Foreign and Domestic Commerce: *Provided*, That not exceeding $3,000 of this appropriation shall be available for the hire of automobiles for travel on official business, without regard to the provisions of the act of July 16, 1914 (38 Stat. 503), $468,400.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Foreign and Domestic Commerce", on page 62, line 25, after the word "foregoing", to strike out "$350,000" and insert "$313,000", so as to read:

District and cooperative office service: For all expenses necessary to operate and maintain district and cooperative offices, including personal services, rent outside of the District of Columbia, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories, and repairs, purchase of maps, books of reference, and periodicals, reports, documents, plans, specifications, manuscripts, newspapers, both

foreign and domestic (not exceeding $300), and all other publications necessary for the promotion of the commercial interests of the United States, and all other necessary incidental expenses not included in the foregoing, $313,000.

The amendment was agreed to.

The next amendment was, on page 66, line 12, after "(5 U. S. C. 70)", to strike out "$153,000" and insert "$164,000", so as to read:

Transportation of families and effects of officers and employees and allowances for living quarters: To pay the traveling expenses and expenses of transportation, under such regulations as the Secretary of Commerce may prescribe, of families and effects of officers and employees of the Bureau of Foreign and Domestic Commerce in going to and returning from their posts, or when traveling under the order of the Secretary of Commerce, and also for defraying the expenses of preparing and transporting the remains of officers and employees of the Bureau of Foreign and Domestic Commerce who may die abroad or in transit, while in the discharge of their official duties, to their former homes in this country, or to a place not more distant, for interment, and for the ordinary expenses of such interment; to enable the Secretary of Commerce, under such regulations as he may prescribe, in accordance with the provisions of the act of June 26, 1930 (5 U. S. C. 118a), to furnish the officers and employees in the Foreign Commerce Service of the Bureau of Foreign and Domestic Commerce stationed in a foreign country, without cost to them and within the limits of this appropriation, allowances for living quarters, heat, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (5 U. S. C. 70), $164,000: *Provided*, That the maximum allowance to any officer or employee shall not exceed $1,700.

The amendment was agreed to.

The next amendment was, under the subhead "National Bureau of Standards", on page 71, line 6, before the word "equipment", to strike out "plan" and insert "plant", so as to read:

Operation and administration: For the general operation and administration of the Bureau; improvement and care of the grounds; plant equipment; necessary repairs and alterations to buildings, $275,000.

The amendment was agreed to.

The next amendment was, on page 72, line 8, after the figures "$715,000", to insert a comma and "of which $75,000 shall be available for the development of pH standards", so as to read:

Research and development: For the maintenance and development of national standards of measurement; the development of improved methods of measurement; the determination of physical constants and the properties of materials; the investigation of mechanisms and structures, including their economy, efficiency, and safety; the study of fluid resistance and the flow of fluids and heat; the investigation of radiation, radioactive substances, and X-rays; the study of conditions affecting radio transmission; the development of methods of chemical analysis and synthesis, and the investigation of the properties of rare substances; investigations relating to the utilization of materials, including lubricants and liquid fuels; the study of new processes and methods of fabrication; and the solutions of problems arising in connection with standards, $715,000, of which $75,000 shall be available for the development of pH standards.

The amendment was agreed to.

The next amendment was, on page 73 after line 3, to insert:

Additional land: For enlarging the site of the National Bureau of Standards by the purchase of 12.5 acres of land, more or less, including improvements thereon, being parcels Ncs. 44/4, 44/5, 44/34, 44/44, and 44/45 in the District of Columbia, adjacent to the present site of the National Bureau of Standards, $100,000, to be available immediately.

The amendment was agreed to.

The next amendment was, on page 74, line 10, after the words "Standards", to strike out "$2,166,000" and insert "$2,266,000", so as to read:

Total, National Bureau of Standards, $2,266,000, of which amount not to exceed $1,914,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Coast and Geodetic Survey", on page 81, line 12, after the word "chandlery", to strike out "$65,000" and insert "$70,000", so as to read:

Vessels: For repair of vessels, and replacement of equipment thereon, exclusive of engineers' supplies and other ship chandlery, $70,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Fisheries", on page 84, line 22, before the word "including", to strike out "$930,000" and insert "$949,400"; and on page 85, line 3, after the word "expenses", to insert a comma and "and including not to exceed $20,000 for the completion of fish cultural station at Arcadia, R. I., including construction of buildings and ponds, water supply, improvements to grounds, purchase of equipment, and all other necessary expenses", so as to read:

Propagation of food fishes: For maintenance, repair, alteration, improvement, equipment, acquisition, and operation of fish-cultural stations, general propagation of food fishes and their distribution, including movement, maintenance, and repairs of cars and not to exceed $15,000 for purchase of trucks for fish distribution; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in the field; purchase of equipment (including rubber boots, oilskins, and first-aid outfits), and apparatus; contingent expenses; pay of permanent employees not to exceed $454,250; temporary labor; not to exceed $10,000 for propagation and distribution of fresh-water mussels and the necessary expenses connected therewith; purchase, collection, and transportation of specimens and other expenses incidental to the maintenance and operation of aquarium, $949,400, including not to exceed $155,000 to establish or commence the establishment of stations authorized by the act approved May 21, 1930 (46 Stat. 371), including the acquisition of necessary land, construction of buildings and ponds, water supply, improvements to grounds, purchase of equipment, and all other necessary expenses, and including not to exceed $20,000 for the completion of fish cultural station at Arcadia, R. I., including construction of buildings and ponds, water supply, improvements to grounds, purchase of equipment, and all other necessary expenses.

The amendment was agreed to.

The next amendment was, on page 87, line 22, after the word "exceed", to strike out "$56,760" and insert "$61,960"; and on page 88, line 3, after the word "field", to strike out "$72,500" and insert "$80,000", so as to read:

Fishery industries: For collection and compilation of statistics of the fisheries and the study of their methods and relations, and the methods of preservation and utilization of fishery products, and to enable the Secretary of Commerce to execute the functions imposed upon him by the act entitled "An act authorizing associations of producers of aquatic products", approved June 25, 1934 (48 Stat. 1213), including pay of permanent employees not to exceed $61,960, compensation of temporary employees, preparation of reports, contract stenographic reporting services, and all other necessary expenses in connection therewith, including the purchase (not to exceed $1,100), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in the field, $80,000.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

Mr. BARBOUR. Mr. President, I send to the desk an amendment which has been heretofore printed. I offer the amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The CHIEF CLERK. On page 36, line 16, it is proposed to strike out "$300,000" and insert "$750,000."

Mr. BARBOUR. Mr. President, I realize how easy it is to talk economy in the abstract, and in the specific to suggest, as I have done in this instance, an increase in an appropriation.

This is an appropriation, however, in which I have been greatly interested for a number of years; and I should like to make a brief statement in support of the increase which is suggested in the amendment I have offered.

The $300,000 item enables the Federal Bureau of Investigation to meet special demands made of it in connection with kidnaping, extortion, bank robbing, espionage cases, and so forth, and was inserted in the bill in the House after Director J. Edgar Hoover told the House Appropriations Committee that the F. B. I. field force, as well as the departmental organization in Washington, were far behind in their work.

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

Mr. BARBOUR. I yield to the Senator from Tennessee.

Mr. McKELLAR. As I recall, I instructed the clerk of the committee to invite the Department to make any suggestions

they desired as to amendments in the Senate; and no suggestions of amendments in the Senate were made by the Department or by the F. B. I.

Mr. BARBOUR. Mr. President, of course, I realize that that must be so if the able Senator from Tennessee says it is so. But——

Mr. McKELLAR. Let me ask the Senator a question. My recollection is that it was said that the crime of kidnaping has decreased and is decreasing very rapidly.

Mr. BARBOUR. That is true, Mr. President, thanks to the F. B. I.

Mr. McKELLAR. Under those circumstances, why should we increase the appropriation? The House appropriated the amount of the Budget estimate. No Budget estimate for any greater sum has been made. The Senate approved the Budget estimate.

Mr. BARBOUR. Mr. President, the duties and responsibilities of the Federal Bureau of Investigation, of course, are not confined to kidnaping alone. For instance, with 10,300,000 sets of fingerprints on file, an increase of 1,400,000 in the last year, and more than 10,000 law-enforcement agencies contributing to these files, this work alone has reached a point never contemplated a few years ago, and will enable the Government to identify many thousands of gangsters, criminals, and men with criminal records who never could have been apprehended except for the effectiveness of this field phase of the F. B. I.'s activities. That is an activity which the Senator from Tennessee does not mention. There are many others.

Mr. McKELLAR. Mr. President, if the Senator will yield, in line 4, on page 36, $7,000,000 is appropriated for this Bureau. That was the Budget estimate. The House allowed it, and the Senate committee allowed it. My recollection is that the additional sum of $300,000 appropriated this year for salaries and expenses for certain emergencies was $150,000 last year.

The appropriation is doubled in this year's bill, and there has been no request from the Department or from the F. B. I. to increase the appropriation over $300,000. There is no Budget estimate, and the amendment is not in order. I hope the Senator will not insist on the amendment. I am so very devoted to the Senator personally that I do not like to object to anything he asks.

Mr. BARBOUR. I am very grateful for that sentiment; but I have considerable data here which, frankly, I want to present as briefly as I can, because even with the opposition of the able Senator from Tennessee to my amendment, I feel the facts are worthy of being recited at this time.

To begin with, I wish to say that I know, as the Senator knows, and I am sure a great many other Senators know, that the Director of this startlingly successful and dramatic Bureau of the Government did ask for the appropriation of $750,000, and that was cut down to the amount which appears in the pending bill; namely, $300,000. I know of no activity of the Government which is more meritorious or more entitled to financial support than this one.

Let me point out further, if I may, that this is the one activity of the Government which brings in a great deal more money than is expended upon it, in the way of recovery of huge sums which have been stolen and embezzled, and money restored from kidnaping ransoms recovered by the Bureau.

As a matter of fact, since the activities of the F. B. I. under Director Hoover result each year in fines, savings, or recoveries equal to nearly eight times the amounts appropriated by Congress for its work, it is obvious that any reasonable increase in its appropriation will return substantial dividends not alone in better law enforcement but actually in dollars and cents—in dollars and cents many times more than the amount authorized by this amendment.

With 10,300,000 sets of fingerprints on file, an increase of 1,400,000 in the last year, and more than 10,000 law-enforcement agencies contributing to these files, this work alone has reached a point never dreamed of a few years ago, and enabled the Government to identify many thousands of fugitives, criminals, and men with police records, who could never have been apprehended except for the effectiveness of this one phase of the F. B. I.'s activity. Seven thousand fugitives from justice were apprehended last year, and the work of the F. B. I. has been invaluable in weeding out police characters from the public service and other public rolls.

In Richmond, Va., it was discovered that out of 2,587 transients whose fingerprints were taken when they applied for relief 1,651 had police records and half of this number were guilty of serious crimes, including murder and rape. The ten-millionth fingerprint record, received in February, was that of a man charged with forgery by the police in Sacramento, Calif. They knew nothing of his previous record. The F. B. I. fingerprint file showed he was wanted under another name for criminal assault and murder in 1936, and there had been other convictions before that.

In the Federal civil service 1 out of 13 appointees was found to have police records. Through the work of the F. B. I., this ratio has been reduced to 1 to 41.

Mr. Hoover tells us there are 14,067 criminals in the United States who can be classified as public enemies. Of this number, only 2,000 are in penal institutions now. These are men with long criminal records, from whom fresh crimes may be expected. We even find men trying to become police officers or obtain other positions of trust who at the time of application are fugitives from justice or men who have been convicted of crimes involving moral turpitude.

Up to last year the Government was called on to deal with an average of 35 espionage cases a year. Last year, 634 such cases were reported. So effectively has the F. B. I. handled this type of cases for the Army and Navy that it has been asked to establish offices in Puerto Rico, Hawaii, and Alaska, in addition to the Panama Canal Zone and the Philippines. It has been impossible to do so because of inadequate appropriations.

As everyone knows, kidnaping cases reach into some of the most remote parts of the country. The trail in the Ross case extended from Chicago into the north woods of Minnesota and Wisconsin, into Michigan, New York, south to Florida and Louisiana, then west to California and back to Minnesota, Wisconsin, and Illinois. In the Levine kidnaping case, F. B. I. agents interviewed 8,500 persons, in the Fried case 12,450 persons, and in the Mattson case more than 12,000 persons. Since enactment of the so-called Lindbergh law, the F. B. I. has solved 152 out of 154 kidnaping cases investigated, and brought the criminals to justice.

Bank robberies have dropped from 419 in 1934 to 116 in 1938, notwithstanding an increase in the meantime in the number of banks in which the F. B. I. has jurisdiction, largely as a result of its good work in catching bank robbers.

The record is conclusive. The effectiveness of the F. B. I. has made this agency incomparable in an era when there is too often more interest in spending than in getting results—results which in this instance actually pay dividends in not only curbing crime, but in bringing in actual dollars and cents to the heavily burdened taxpayers. Mr. Hoover has built up the best investigating force in the world, not excepting Scotland Yard, and we must not deny it the relatively small fund needed to enable it to meet the responsibilities thrust on it by Congress, or assumed voluntarily in response to public opinion.

I repeat, for some reason or other, perhaps because politics is so completely eliminated in this particular bureau, there does not seem to be the enthusiasm for it as is the case with many other departments of the Government these days.

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

Mr. BARBOUR. I am glad to yield.

Mr. KING. I think there has been a great deal of enthusiasm for the Bureau to which the Senator refers, because it was but a few years ago when the appropriation was one or two million dollars, then we raised it to five million, and now it is up to seven million. I think we have been very generous not only with respect to this Bureau, but with the entire Department of Justice, because in the pending bill we are appropriating $50,000,000 for this Department.

Mr. BARBOUR. Of course, those sums are all large, but everything is by comparison. As I stated before, there is no more dramatic story in the whole Federal Establishment than in the work being done under administrative handicaps and against great odds by the Federal Bureau of Investigation. The increase I am proposing in the emergency fund already approved by the House would simply enable the F. B. I. to dispose of some of the more than 6,000 accumulated cases now awaiting investigation, and meet a part of the additional load being thrown on it all the time as a consequence of new laws and the concentration of all fingerprint files in the bureau, including those of the Army.

Anyway, no matter what may be the result of my efforts on this occasion, I shall fight for this particular activity every time I have the opportunity.

I have sufficient confidence in Director Hoover to know that when he comes before the Congress asking for a sum of money he can justify his request, and that the money, every penny of it, will be well spent.

Mr. President, I hope most earnestly that the amendment I have proposed will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Jersey.

The amendment was rejected.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6392) was read the third time, and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. RUSSELL, Mr. McCARRAN, Mr. BANKHEAD, Mr. PITTMAN, Mr. LODGE, and Mr. BRIDGES conferees on the part of the Senate.

### INTERNATIONAL BROADCASTING—RULES OF FEDERAL COMMUNICATIONS COMMISSION

Mr. WHEELER. Mr. President, I desire to call attention to and to have inserted in the RECORD a letter from the National Association of Broadcasters, together with several editorials from various newspapers throughout the country. I wish in particular to call attention to the fact that the Federal Communications Commission on May 23 adopted some new rules and regulations respecting international broadcasting. Among the rules which they adopted was the following:

> A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation.

I call the attention of the Senate to the fact that if that rule should stand, it would give the Commission the right to censor the broadcasting of speeches by Members of the United States Senate. In other words, if I or some other Senator desired to make a speech on international questions over an international radio, the rule would give the Commission the right to say that the speech which was about to be made did not reflect the culture of the country, and might possibly stir up bad feelings in some other country. It is a form of censorship which the Congress of the United States never contemplated when it passed the law. On the contrary, Congress specifically provided that there should be no censorship.

I think everybody who is interested in the subject agrees that the radio must be free from censorship. I am told that the broadcasting companies and the National Association of Broadcasters are asking for a hearing upon this particular matter. The rule was adopted without any hearing. I sincerely hope the Commission will grant a hearing to the broadcasting companies, and I sincerely hope they will modify a rule which would tend to bring about censorship in the United States over national and international broadcasting.

I have here a number of clippings from various newspapers throughout the country. They are from Ohio, Indiana, Boston, Omaha, and various other States and cities throughout the United States. I ask unanimous consent that both the letter and the clippings be included in the body of the RECORD as part of my remarks.

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

The letter and newspaper clippings are as follows:

NATIONAL ASSOCIATION OF BROADCASTERS,
*Washington, D. C., June 3, 1939.*

The Honorable FRANK R. McNINCH,
*Chairman, Federal Communications Commission,*
*Washington, D. C.*

DEAR MR. McNINCH: On May 23, 1939, the Commission promulgated new rules and regulations for the operation of international broadcast stations. These rules included new and unprecedented restrictions and requirements as to program content and were issued without prior public hearing. Of the nine licensees operating 14 international broadcast stations, the majority are members of the National Association of Broadcasters. This organization has a committee for the study and coordination of international broadcasting and is now accumulating more comprehensive information in this field than has been available. Meanwhile, however, these new rules and regulations precipitate certain fundamental questions which are a matter of vital concern to broadcasting generally and to the entire American public. It is to these more fundamental matters that we address ourselves.

Paragraph (a) of section 42.03 of the new regulations provides that "A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." It is submitted that the question as to whether a specific program reflects the culture of this country or promotes, at any given moment, international good will, understanding, and cooperation, is a matter upon which there may be sharp differences of opinion. A literal interpretation of this regulation would, for example, require a licensee to suppress spokesmen for minority groups if either the licensee or the Commission thought their views would not promote "international good will, understanding, and cooperation." Freedom of speech as an integral part of the culture of this country not only is a cherished tradition but a living reality. Any requirement that international broadcast stations suppress a speaker because his remarks might not promote "international good will, understanding, and cooperation" would, therefore, seem to be in conflict with the requirement that the service rendered by an international broadcast station "reflect the culture of this country."

We are advised by several licensees of international broadcast stations that foreign listeners rely upon stations in the United States as a source for unbiased and uncensored news of the world. This reliance is based upon the fact that these listeners know that in the United States there is no governmental supervision or control over the matter to be broadcast. In many other countries broadcasting is an instrument of the government and listeners to their stations are aware of the fact that their programs, including news reports and information on current events, are colored to fit the philosophy and views of the government. The consequent distortion of news into self-serving propaganda has evoked a growing resentment toward the countries from which it emanates, and such resentment has reacted to enhance foreign respect for the present impartial dissemination of programs from the United States. We, therefore, feel that the confidence that has been developed in the independent operations of American short-wave stations will be destroyed when it becomes known that an agency of the Government of the United States has laid down requirements to control the program content of these stations.

Moreover, it is respectfully submitted that the existence of this regulation (42.03 (a)) needlessly places this Government in a position which we believe to be contrary to our traditional policy in the field of foreign relations. There are abundant examples of instances in which some citizen of the United States has made certain utterances by radio or through the press which have aroused the antagonism of the representatives of foreign powers. It has been the customary reply of our State Department to the protests by offended powers that this country is one in which freedom of speech is an actuality and the Government has no power to abridge this fundamental right. The regulation which we are discussing definitely implies official responsibility for all matter broadcast over international stations. This we believe is unsound policy and incompatible with the operation of broadcast stations by private enterprise in a democracy. It would seem equally appropriate to require Government supervision and censorship of all matter contained in American newspapers circulated abroad which use the facilities of the American merchant marine or the second-class mail for delivery. This analogy, we believe, clearly demonstrates the errors and the immediate dangers of the policy which this new regulation embodies.

We likewise desire to invite your attention to paragraph (b) of section 42.03, which places further restrictions upon program content to the extent that it limits and prescribes the type of commercial advertisement which can be made, the type of commodity which can be advertised, and then excludes all commercial or sponsored

programs that "are not consistent with the purpose or intent of this section." Such regulations are neither desirable nor necessary nor susceptible to sufficient clarity of interpretation or agreement as to meaning to permit them to be practically applied. If international broadcasting is to be continued as an instrument of private enterprise, we feel that the regulatory authority should confine its functions to questions of technical efficiency, allocation, and general performance in the public interest.

It seems appropriate to emphasize that the record of licensees in the international broadcast field has been one of greatly increasing service to foreign listeners. During the past 2 years there has been a marked development of facilities and personnel by the various private licensees. Their programs are being exclusively designed for international audiences. The responses that have been received indicate that foreign listeners appreciate the fact that these programs, reflecting as they do a living pattern of our democracy, have not undertaken to propagandize any political ideology. This should be continued, because the most effective way to develop and foster international good will by the United States is to avoid copying the tactics of totalitarian governments who supervise and direct all broadcasting.

Finally, we have been unable to find a legal basis for the regulations which we have discussed. It need only be pointed out that the authority for all powers exercised by the Commission must be found in the act itself, and that such authority must be expressly conferred or follow by necessary implication from powers expressly conferred. In this case we can find neither. While the Communications Act of 1934 clothes the Commission with extremely broad powers on matters of allocation and the technical and physical operations of broadcast stations, we can find nothing in the act or in the several decisions of the court which have been based upon this act to support this character of regulation. We have been unable to find any provision of the act or decision of the court which would authorize the Commission to pass upon the content of programs broadcast either directly by prior examination of the program material or indirectly by imposing requirements which will have the same effect.

The Federal Communications Act of 1934 is silent on the subject of program content. Not only does this absence of language support our conclusions that the Commission is without authority to regulate program content as such, whether in the international or domestic broadcasting field, but it should be particularly noted that the statutes expressly prohibit censorship in any form. We desire to emphasize the language in section 326, which states:

"Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

If the Commission has the authority to promulgate this character of regulation in the international field, it must have equal authority with respect to domestic broadcasting, as the same provisions of the law govern both classifications. If licensees of international broadcast stations can be required to restrict their programs to any regulatory authority's concept of American culture, it would seem clear that the licensees of domestic broadcasting stations could be required to limit their programs to some "official" definition of culture, education, and entertainment. That this would constitute a violent transgression of the basic principles of American democracy is self-evident. We further submit that the proposed regulations would establish the precedent for such transgression, and surely no such dangerous prerogative is contemplated by the Communications Act of 1934 and is in direct conflict with section 326 of the act, which expressly prohibits any type or character of censorship or any condition or regulation "which shall interfere with the right of free speech by means of radio communication."

In view of the importance of the subject itself, and in further view of the necessary implications to which the adoption of such regulations give rise, we request that the Commission follow the same course selected by it in the adoption and promulgation of rules and regulations governing the domestic operation of broadcast stations, and that it conduct hearings on these regulations. We further request that the Commission reconsider its action of May 23, 1939, and postpone final action until such time as an opportunity may be given for the conduct of a hearing upon the questions above referred to and others which are necessarily involved in the consideration of this subject.

Very respectfully yours,

NEVILLE MILLER.

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[From the Bucyrus (Ohio) Telegraph Forum of May 31, 1939]

KEEP RADIO INDEPENDENCE

Refusal by the British Broadcasting Co., which dictatorially controls all radiocasts on the islands, to permit the world broadcast of the Duke of Windsor, formerly King Edward, to be heard by Britishers should have been a warning to the United States to fight any move that is made to seize similar control here. It is recalled that a few days after the famous Wells broadcast, which stirred the country into thinking that an army from Mars was coming down to earth to wipe out civilization, a Pennsylvania editor wrote an editorial, a copy of which was received by the Telegraph Forum, in which he advocated Federal control of all radio programs. The editor apparently overlooked one vital point in his great rush to get his opinion of a more or less laughable situation before the people of his community.

He overlooked that once the Government is given control of one branch of any kind of industry it would not be long before it would have another hunk and so on until it would have it all. Apparently having noted this particular editorial comment, Frank R. McNinch, Chairman of the Federal Communications Commission, ruled aloud that the Government must stay out of the radio censoring field. The gentleman is right.

It is not argued here that radio has not made some mistakes. The Wells broadcast was a mistake, but where is there an industry which has not made mistakes? Because a child makes a mistake is no reason to put that child under a dictatorship which would not permit it to have any future self-control. Because an industry makes a mistake is no reason for the Government to take it over. The Government, too, makes mistakes, in fact, many more than are made by industry. No industry would double its indebtedness in 5 years and then announce that it intends to keep on running into debt. Bankruptcy courts have records of all those which have tried to operate under such a system.

The Wells broadcast will, it is safe to say, not happen again. The Mae West radio fuss of a year or so ago was corrected at once. Radio has shown a desire to correct its ills as they appear. No industry and no person can make such corrections before they appear. To impose a Federal censorship merely because one program happened to stir up an hour's fuss would be to announce to the world that the newest American industry is without sufficient common sense to run its own affairs.

Even censors, almighty as some of them think they are, make mistakes. Who corrects them? Under the Pennsylvania editor's suggestion these censors would be the final word. If they made a mistake the public would have to take it and like it, or else. The system as it operates today provides a double check by both the industry and the Government when checking is necessary. It should not be changed.

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[From the Muncie (Ind.) Press of May 29, 1939]

CENSORSHIP OVER THE RADIO?

Only "international programs of good will" are to be broadcast from the United States if an order of the Federal Communications Commission is to be obeyed. That such an order should go forth from the Commission would be unbelievable if it were not true. Nothing could more clearly demonstrate the way some agencies of the administration are trekking down the road toward suppression of free speech and a free press except an order from somebody in Federal authority demanding that newspapers not print anything about a certain subject, or to print only what the Government said on such a subject. There is the wide difference, of course, that no newspaper worthy of the name would pay attention to such an order, whereas the broadcasting companies apparently are compelled to do so. They are licensed only for 6 months at a time, and the Communications Commission can take away these licenses almost whenever it pleases.

It is to be hoped that some broadcasting concern with plenty of money to back it up accepts this challenge to freedom of the air and sends out a program objectionable to the Commission in order that a test case of it may be made in the courts. Somewhere it should be able to obtain redress.

If the Federal Government or any of its agencies assumes the right to dictate what kind of programs may and may not be served over the air—barring, of course, those that are objectionable for moral reasons—then it might consistently deny to citizens the right to assemble peaceably to protest against the acts of the Government or for any other purpose. The next step might be an attempt to censor the press, thus throwing aside the Constitution as an instrument no longer having supreme authority.

The Communications Commission may back up its stand by saying that the Constitution says nothing about radio broadcasting, since there was no such thing as radio when the Constitution became the primal law of the Nation. But the same principle is involved as is concerned with freedom of speech and press; and, indeed, freedom of speech, even if over the ether, is thus directly affected.

It has only been a few days ago that the President said that the authority of the Government over radio was limited to "such controls of operation as are necessary to prevent complete confusion on the air," and that "in all other respects the radio is as free as the press."

This statement is completely in accord with the popular conception of the position that radio holds. Mr. Roosevelt now should see to it that his Commission rescinds its order. If he does not, then it is up to the broadcasting companies themselves to take action. In the meantime, the President would meet general approval if he were to change the personnel of the Commission. It evidently does not know that its authority is limited, or does not care.

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[From the Boston (Mass.) Transcript of May 25, 1939]

INTERNATIONAL BROADCASTS

The Federal Communications Commission has raised a nice problem in its most recent ruling. Henceforth the Commission will require that licensees of international broadcasting stations in the United States "shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." Is this a deprivation of free speech, unwarrantable censorship of

the air waves? Or is it a necessary protection against abuse of the broadcasting privilege for propagandistic purposes?

Those questions are not easily answered. The ruling was made as the result of complaints that a New Jersey station was broadcasting anti-Semitic programs for the benefit of foreign listeners. Americans certainly do not want the rest of the world to get the idea that we sympathize with that sort of doctrine. Such programs, we feel, have no place on either the domestic or the international air waves. But does that mean that no minority in America shall be allowed to broadcast its message to foreign lands? Does it mean that Earl Browder, for example, running for President in 1940, will be allowed to address American audiences, but not foreign ones? Do civil liberties, like party politics, stop at the water's edge?

The Commission has used its broad powers over domestic broadcasting with laudable discretion. There is no cause for immediate concern lest the ruling on international broadcasts be abused. In fact, the license of the New Jersey station whose misconduct apparently prompted the ruling has just been renewed after a 6 month's suspension. The action of the Commission appears to be a compromise between the majority members who still favor free speech on the air and the minority members who advocate some sort of censorship. But it makes us uneasy to have the power of the Commission clamp down, when and if it pleases, reaffirmed.

Radio has vastly increased the influence of the spoken word. It calls, perhaps, for a greater degree of public regulation than any other means of communication. International broadcasters have a greater responsibility than domestic ones. Still, the test of civil liberties is always in their most difficult application. It is reasonable to ask if the ruling of the F. C. C. really promotes the "public interest," which is its excuse. Is American culture reflected at its best in the fact or threat of censorship? If no real censorship is intended, will good will be promoted by creating the impression abroad that all our international broadcasts have the approval of the Federal Government through the F. C. C.? By assuming the responsibility for our foreign broadcasts in word the F. C. C. may be forced to accept it in fact.

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[From the Omaha (Nebr.) Evening World-Herald of June 2, 1939]

CENSORSHIPS

A recent order of the Federal Communications Commission is regarded by David Lawrence as "one of the most important things that has happened since radio began to be regulated."

The order was to radio stations that they broadcast only international programs of good will.

If uncorrected, this careful student of government asserts, it "means the beginning of a Fascist censorship of the press as well as the radio in America."

For by this rule the Government asserts a right to dictate what shall and shall not be said over the radio—to control the content of radio programs.

There are honest differences of opinion as to what constitutes good will. Also, it may be contended that an American citizen, speaking over the radio so that Germans may hear him, is entitled to express even a definite ill-will toward the Nazi regime if his convictions so impel him. Mr. Roosevelt has exercised that right; so has Secretary Ickes; so have many newspapers and periodicals that penetrate beyond the German borders.

If government may deny to citizens using the radio a right exercised by itself, then, says Lawrence, it may next assert a like power over the press.

For it is "a short step" to hold that since newspapers are transmitted through the mails "they can be regulated as to their content." Meanwhile "speakers can be kept from public appearances in any form of radio facilities if their ideas of 'good will' do not correspond with those of the Government censors in Washington."

The encroachment of bureaucracy upon civil liberties, upon the personal and property rights of citizens, are sometimes insidious, almost imperceptible. At other times they are bold and challenging. But it is in the very nature of things that they are persistent. Power grows by what it feeds upon. It is tormented by a chronic itch to extend and exercise itself.

And that is why the old fogies of the "horse and buggy" days who organized our Federal Government stood in dread of its power. For that reason they limited and defined it as strictly as they knew how. They sought to weaken power by dividing the rights and responsibilities of its exercise—Federal and State; executive, legislative, and judicial; a Congress composed of two Houses rather than one, so that each might impose a check upon the other. And with each of the three branches of the Federal Government exercising a sort of veto right against the other two.

Extraordinary were the precautions taken by the Founding Fathers. The rights of the citizens to free speech, a free press, freedom of religion; their property rights; their sovereignty over their own government, these must be protected against the vaunting ambition of all Government, which is inherent.

Eternal vigilance is the price of the liberty the fathers of the Republic tried so hard to guarantee to all who were to come after them. That vigilance can be inspired and sustained only according to the degree in which the people value their liberty.

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[From the New York Herald Tribune of May 25, 1939]

A STEP TOWARD CENSORSHIP?

Presumably the Federal Communications Commission is thinking only of programs specifically destined for foreign nations when it directs that the licensee of an international broadcast station "shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." But if this order be taken literally, it can be construed as authorizing strict Government supervision—which means censorship—over any local station whose programs may be heard outside of the United States. This in itself is reason enough to question the soundness of the ruling. When, in addition, the very broad terms of the ruling are considered, it is quite obvious that it could be so used as to enable direct Government interference in program making and broadcasting anywhere within the country.

When does a radio program fail to "reflect the culture of this country"? In Germany, when Herr Hitler came into power, a chamber of culture was formed, which undertook to climinate everything that might be incompatible with German culture. Among other things which the Nazi government did was to prescribe rules for the conduct of newspaper editors, one of the chief provisions of which was that editors should withhold from publication anything which might "weaken German culture," or weaken the standing of the German people nationally or internationally. At a later date the Nazi government provided for what Dr. Goebbels called the polyform expression of a monoform national will. Is this what is in the back of the minds of the members of the F. C. C.? Or is it simply that, having failed in other ways to do more than to frighten the broadcasting stations into compliance lest by offending the F. C. C. they might have their broadcasting licenses withdrawn, the F. C. C. now hopes to exercise direct control of the air in the good name of "the culture of this country"?

In time of war some sort of close regulation of what goes out over the air—especially to foreign nations—would probably be unavoidable. But, despite all the President's fears, we are not yet at war, and there is no need for supervision of programs by Government agents so that they will surely reflect the "culture of the country." German broadcasts for foreign consumption are closely directed by the Government—for Government ends. This is probably efficient. But however desirable it may be to have an efficient American propaganda abroad to counteract German and other foreign propaganda, this is not—and should not be—a Government function, either through the creation of an official Government broadcasting station or through Government control of broadcasting programs which may be overheard abroad, in the name of "the culture of the country." Such control is the entering wedge of the sort of regulation which spells censorship, and descent to totalitarianism has begun.

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[From the Bristol (Conn.) Press of May 26, 1939]

THE IMPLICATIONS OF RADIO CENSORSHIP

We are a bit puzzled by the ruling of the Federal Communications Commission that international broadcast stations must "render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." How strict is the censorship under this rule to be? Is it the first step toward a controlled radio domestically? Are we being placed in a position where the totalitarian states may point their finger at us and jeer at the censorship over a free people?

But there is a possibility that has deeper significance. If it is understood that all programs in the international field are endorsed or approved by a Government censor, then do not the programs reflect the official view of the administration in power? A speaker attacking, for instance, the philosophy of Germany, may cause the German Government to protest that international good will is not being promoted by the remarks. The speaker can take refuge in the statement that his remarks were approved by the censor. The Government takes the responsibility. It is a dangerous policy upon which the Federal Communications Commission has embarked—dangerous to American liberties and America's place in the family of nations.

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[From the Youngstown (Ohio) Vindicator of June 2, 1939]

THE RADIO CONTROL ORDER

The Federal Communication Commission's new order governing broadcasts to foreign countries hardly seems to justify David Lawrence's fear that it "can mean the beginning of a Fascist censorship of the press as well as the radio in America." Nothing of that sort is in prospect. Even so it would have been wiser for the F. C. C. to attain the desired object by some other method.

It is an unwarranted assumption that if a regulation is applied to broadcasting it can by the same token be applied to newspapers. The physical limits of wave lengths, which require control of radio to prevent confusion on the air lanes, obviously give the Government a greater responsibility for that medium of communication than for the press.

Yet radio control should be handled with caution. The F. C. C.'s order requires stations to "render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation."

Obviously there are differences of opinion as to what will promote good will and what will work against it. There may even be irreconcilable conflicts in subject matter which would aid good will in one foreign country but forfeit it in another. The order invites controversy, and it is not desirable that a Government agency should decide the motives and effects of a citizen's communication.

A more serious aspect of the order is that it tends to make the Government responsible for what the stations send out. When the Nazi regime protested press attacks in this country, Washington was able to reply that this was a free Nation, that the Government had no control over newspapers' opinion, and wanted none.

If the American Government now undertakes to see that broadcasts contain only sweetness and light, a foreign government which is offended by a radio speech may properly inquire whether it was in accord with this Government's idea of fostering good will.

In short, the F. C. C. is courting unnecessary controversy and responsibility; it might have accomplished its object indirectly without taking these risks. But its action need not make the American people fearful that freedom of the press is imperiled.

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[From the Danville (Va.) Bee of May 31, 1939]

CULTURE OR CENSORSHIP

The Federal Communications Commission has joined the world-wide movement which proposes to ban from the world ether waves all bitterness and all propaganda which would seek to divide and to turn one group of people against another. Stations qualifying for international licenses from now on will have to agree to render "an international broadcast service which will reflect the culture of the Nation and promote international good will, understanding, and cooperation."

This, of course, is the virtual recognition of a world-wide censorship of the ether waves which will rule out very probably important minority views. It will be easy to interpret as something not promoting international good will an entirely sound argument if it happens to be in opposition to the principles of the administration or the government in power.

What the world interests of radio have seemingly entirely overlooked is the adroitly engineered "jamming" of stations of hostile countries by those of another country and a failure to comply rigidly with the allotted wavelengths assigned under the international scheme of things.

It is no mere quirk of the atmosphere and no singular performance of the Heavyside Layer which occasions heavy interference by a German station whenever a British broadcasting station undertakes to communicate important world happenings. Nor is it accident which makes the station at Rome assume the overlapping characteristic which performs the same service—that of blanketing another wavelength.

However, much the foreign powers may be willing to subscribe to a new academic policy of "charity toward all"—thereby destroying much of the meat of radio communication they need more than anything to be prevented from deliberate physical interferences and pirating which have considerable significance in a day when certain governments deliberately set out to prevent large masses of people from learning what actually is going on in world affairs.

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TODAY IN WASHINGTON—RADIO ORDER SHOWS TREND TOWARD PRESS CENSORSHIP

(By David Lawrence)

WASHINGTON, May 25.—The Federal Communications Commission has just made a blunder which, if uncorrected, can mean the beginning of a Fascist censorship of the press as well as the radio in America. The ordering of radio stations to broadcast only international programs of good will is a form of regulation by the Government of what shall or shall not be said over the radio.

This restriction is contrary to what President Roosevelt himself promised on May 9 in a public statement in which he limited the function of Government as to radio merely "to such controls of operation as are necessary to prevent complete confusion on the air." He then added:

"In all other respects the radio is as free as the press."

Mr. Roosevelt, in his brief comment, repeated what the Supreme Court of the United States has said. When the scope of Federal regulation of radio came before it, Chief Justice Hughes made it clear in reporting a unanimous decision that the Government's power over radio related to the allocation of facilities. Congress, moreover, does not recognize the right of the Federal Communications Commission to deal with the content of radio programs unless, of course, they run counter to the customary laws of libel or the dissemination of obscene or fraudulent matter.

ALWAYS DIFFERENCES OF OPINION

If now, however, a governmental commission may say what is or is not international good will, censorship in fact exists. For there are differences of opinion as to what constitutes good will. During the recent civil war in Spain, had the same rule been operative, one faction in America might have insisted that radio broadcasts from New York designed to reach the Spanish people were not good will, and another might have insisted that the broadcasts were a splendid moral support.

The power of the Federal Government to limit the freedom of speech or of the press has a background of established precedents, but it is quite possible that, if radio opens up now a new avenue of governmental regulation, the President's public comment of May 9 may come to mean that in all respects the press is just as free as radio.

For it is a short step for the Federal Government to contend that, because newspapers enjoy second-class mail rates, they can be regulated as to their content. The Supreme Court has always rejected such an interpretation, but suppose the Post Office Department, acting on a request from some other Government department, should say that all editorials or printed articles which do not tend to promote good will should be prohibited from publication in newspapers or magazines exported to foreign countries. Would that not be on all fours, so far as governmental power is concerned, with the latest action of the Federal Communications Commission?

The Commission has made it clear in its public announcement that radio stations which do not obey the order will possibly lose their licenses. So also an arbitrary government could say that all newspapers which do not conform to the Government's ideas of what constitutes good will in published articles shall lose second-class mail privileges.

NEWSPAPERS COULD BE CONTROLLED SIMILARLY

Whatever concerns the regulation of the contents of radio programs concerns equally the contents of newspapers. It can hardly be said that radio is a different art. For today broadcasting stations are used to transmit by radio the copies of what are known as facsimile newspapers. Likewise, television comes through radio broadcasting stations, and, if the Federal Communications Commission obtains the right to censor what is said in international programs by threatening to discontinue a license, it can do so with respect to television, too. This means that speakers can be kept from public appearances in any form of radio facilities if their ideas of good will do not correspond to those of the Government censors in Washington.

It would have been a simple matter for the Communications Commission to have transmitted as a matter of patriotism any request from the Department of State to radio stations broadcasting international programs. In the period of the World War the entire American press operated on that very kind of informal voluntary basis. The same end would have been obtained by asking and not ordering radio stations or threatening them with loss of licenses.

As it is, the case is one which doubtless will attract the attention of the American Civil Liberties Committee, which has done yeoman work in preventing reactionary influences from cutting down the opportunities of liberal expression identified with freedom of speech in America. An injunction suit against the Commission, asking the courts to restrain the Commission from applying any such order to a radio station, might be one way of getting the issue decided, for it is one of the most important things that have happened since radio began to be regulated. It is hardly an accidental move, because for the last 3 years various members of the Commission here have in public speeches indicated their belief that the Commission has a legal right to censor programs, or that Congress can order censorship just because wave lengths are licensed by the Federal Government. So also are second-class mail facilities a Government privilege, but it has never been abused with the consent of the courts.

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[From the Nashville (Tenn.) Banner of May 26, 1939]

RADIO CENSORSHIP

What broadcasters regard as a definite step toward radio censorship, the longest yet taken in that direction, was announced by the Federal Communications Commission in outlining a new ruling to govern international broadcasts from this country, restricting them to programs "which shall reflect the culture of this country and which will promote international good will, understanding, and cooperation."

The inference of that specification is that the broadcasters, in the opinion of the F. C. C., require a strict discipline and the threat of canceled licenses to keep them from engaging in ulterior activities; that only by strict control exercised by the authorities will international good will be preserved.

Heretofore the only restrictions formally bordering on censorship (also enforceable by cancelation of licenses) were those involving violation of laws against "public morals, obscenity, etc."

Yet it has been generally recognized, and for a long time, that radio censorship was a weapon vested in the licensing power exercised by the Federal Communications Commission. And short-wave broadcasts thus ostensibly commercialized for the first time will be exposed to the strongest censorship of all; except, of course—presumably, when government itself, or any of its agents, make a speech for foreign "cultural", or political, enlightenment.

The part that government has played in developing this situation and moving toward this censorship finds its most telling expression in the Chavez bill which would provide a $3,000,000 Federal broadcasting station owned and operated by the Government to conduct its own international broadcasts.

The fallacy of that bill's contention that it would be primarily for such international listeners is obvious, considering that those same broadcasts would be heard by United States citizens as well.

It is recalled in this connection that earlier advocates of this same idea emphasized the project's value for its "national" benefits as well as international, and one witness before a House committee went so far as to stress the desirability of such a step "as a means of providing more adequate educational service to the people of this country through programs dealing especially with Government interests."

Feature the potentialities—political and otherwise—of such an arrangement, should governmental underlings have access to it as they would; should the "educational" program contemplated partake of the W. P. A. arts, theatrical, writers, and speech-making products; or should it run 24 hours or so per day to disseminate propaganda created in the various bureaus of government, whose activities are under such heavy fire.

Those who advocate such as that on the premise that South American listeners cannot today tune in on American programs, but are dependent exclusively on broadcasters from the Fascist lands, ignore positive proof that American broadcasting to them far exceeds already that from the other countries in question, and this without any subsidized broadcasting service here.

Well may America eye with suspicion and fear any such plan as this. Well may it eye with suspicion and fear, as well, every movement subjecting radio or the dissemination of news and information to censorship by government beyond such as is necessary to prevent salacious programs, the censorship, in other words, which already exists and certainly requires no elaboration.

If America would guard its treasured institutions—among them freedom—it must resist such encroachments as now threaten in the form of rigid censorship, with the same regard for freedom of broadcasting as has been successfully defended by the press with respect to its own freedom.

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[From the New York Times of May 25, 1939]

RADIO CONTROL

More light needs to be thrown on the ruling of the Federal Communications Commission directing that international broadcast stations must "render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." Such a ruling could doubtless be interpreted so broadly as to mean little more than the general test, already applied to domestic stations, of whether their service is "in the public interest." But it could easily lend itself, also, to an interpretation that might bring about a real censorship.

This would involve definite dangers. If our international broadcast programs are to be censored so that they shall not offend this or that foreign government, it is only a step to the argument that it is at least as desirable to censor our domestic programs so that they shall not offend our own Government. It is not practical to consider the feelings of foreign rulers more tenderly than the feelings of our own. Censorship of all kinds has an inevitable tendency to spread.

A ruling such as the Federal Communications Commission has just announced, moreover, must tend to give our Government a responsibility for private utterances that it would not otherwise have. To announce that only those programs will be authorized which promote international good will, to imply that no program will be permitted that has the Government's disapproval, will be certain to give the impression abroad that any program which it does permit will have the Government's positive approval. If a speaker on such a broadcast, for example, though he has no official standing, attacks the policies of Japan in the Orient, the Japanese Government may want to learn from ours whether it considers this attack likely to "promote international good will." If it were the announced policy of our Government to allow the utmost practicable freedom of speech in international broadcasts, it would not assume responsibility for what was said. Nothing whatever should be done to encourage the impression that our private international broadcasting stations will be used as an instrument to reflect our Government's foreign policy.

This is not to deny that the question of the control of international as of domestic broadcasting involves some delicate problems. The Government does have a responsibility in relation to radio broadcasting that it does not have toward the older forms of publication. But the responsibilities it assumes should never be greater than the necessities of the case require. Certainly, those responsibilities should be general, not specific.

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[From the Wilmington (Del.) Evening Journal of May 26, 1939]

FREEDOM OF THE AIR

In the light of the Federal Communications Commission's new order concerning international broadcasts, issued this week, the news that the National Council of Broadcasters is well along toward a voluntary code covering domestic programs is decidedly welcome. In this self-imposed code there is hope that any governmental attempt to limit freedom of the air will be successfully resisted.

The F. C. C.'s ruling certainly opens the door to such an attempt. If the Commission has the power to require that international broadcasts must "render an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation," then it can go further in imposing restrictions on radio than it has yet gone. In that case the barriers against complete control may prove ineffective.

It is true that the F. C. C. has been inclined to interpret very broadly its right to insist that radio programs be "in the public interest." If the new ruling is similarly interpreted, there is nothing to worry about. But the urge to censor is always so strong that the situation will have to be watched lest it lead to attempts to gag the radio or limit unduly the freedom of the air.

There is a special reason for vigilance in this instance, because the Commission's order puts it in the position of exercising control over international broadcasts. To assume this power is to surrender the argument we usually make when foreign governments protest against utterances made here.

So far, however, the threat to programs meant for this country is small. It is that much less because the National Council of Broadcasters means to put radio's house in order on its own initiative and responsibility. The code now in the process of construction will not be perfect, and can be perfected only through experience, but it has the merit of starting a job that the Federal Government can undertake only at grave risk to a means of expression that, along with the press, must be kept free if democracy is to be preserved.

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[From the Buffalo (N. Y.) News of May 26, 1939]

A CENSORSHIP FEAR

The licensees of international broadcasting stations in the United States are put under orders by the Federal Communications Commission to "render only a broadcast which will reflect the culture of this country and which will promote international good will, understanding and cooperation." The spirit of this order is commendable, but in some quarters it is held to carry disturbing implications.

"If this order is taken literally," says the New York Herald Tribune, "it can be construed as authorizing strict government supervision—which means censorship—over any local station whose programs may be heard outside the United States. This in itself is reason enough to question the soundness of the ruling."

The commission probably was taking into account the pernicious uses to which the radio is put in certain foreign countries. The German Government, for instance, uses it as an instrument of propaganda and attack. Regularly the German Government in broadcasts to the Far East and the Pacific, to Africa and the Middle East, to the United States and South America fulminates against the democracies.

One may believe, therefore, that the Communications Commission issued the order governing international broadcasting in all good faith. But the record in relation to the service of American stations does not suggest that it was necessary. In the circumstances, the Commission might do itself more justice by such an interpretative enlargement of the order as will dispel any fears of censorship.

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[From the La Fayette (Ind.) Journal-Courier of May 26, 1939]

CENSORING RADIO

It is vitally important to free America that the blundering Federal Communications Commission shall act immediately to revoke its foolish and fascistic order regulating radio programs. Some time ago a foolish American Ambassador acted for another government in a silly attempt to censor a news reel in this country. In that case another government attempted to extend its own censorship methods to uncensored America. This move was deeply resented by all Americans who understand the tricks and subterfuges of fascistic rulers.

Now the asinine Federal Communications Commission, which once before invaded the constitutional privacy of telegraphic messages to help a congressional committee out on a fishing expedition, has actually given out the dictum that radio stations broadcast only international programs of good will. The point is not good will but the right and power of any Government commission to issue orders as to the programs put on the air by radio stations.

Everybody knows that such an order from a New Deal bureau merely leads on to similar orders to other free agencies of communication. The bureaucracy which orders what shall be said and what shall not be said over the air is sure to continue overreaching itself and seeking control of the screen, the stage, and the press.

On May 9 the President stated the relation of government to radio. He limited the functions of government in radio to "such controls of operation as are necessary to prevent complete confusion on the air." He added, "In all other respects the radio is as free as the press." Of course, the attempted restriction and the order trying to tell radio stations what to say and what not to say, is directly in conflict with the President's declaration.

An executive who recognizes the vital importance of preventing fascistic attempts at censorship in America, ought to get busy immediately to see that the blundering Federal Communications Commission gets down off its high horse and withdraws its un-American order. He should see to it that the bureaucrats let the radio station up, and that the Commission ceases to bully radio.

Mr. JOHNSON of California. Mr. President——

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

Mr. JOHNSON of California. Have any steps been taken to secure a hearing upon this matter?

Mr. WHEELER. There was no hearing at the time the rule was promulgated. I understand that it was adopted without the matter really being given very serious consideration by the Commission.

In fairness to the Commission, I think it should be said that they inadvertently adopted the rule without appreciating what they were doing. The Chairman of the Commission, Mr. McNinch, was not present. He was away, ill; but the rule was taken up and adopted. I understand that some

of the broadcasting companies, and perhaps the National Association of Broadcasters, have asked for a hearing. Certainly they should be given a hearing, and the matter should be thrashed out.

If the Commission has sought to impose censorship by radio, whether international radio or national radio, I think the Congress of the United States ought to pass a more stringent law against censorship of any kind or character in radio.

Mr. JOHNSON of California. Mr. President, I rose simply to say that I am in hearty accord with the remarks of the Senator from Montana. I hope the hearing will be accorded the companies that may wish it; or, if they do not ask for a hearing, I hope the committee itself will take the matter in hand and determine just what should be done. We want no censorship of any sort in this country. If it is begun in one particular, it is only a step to another particular. So, as the subject is first broached, let us take care of it, and take care of it as it ought to be taken care of.

Mr. WHEELER. I thank the Senator.

I may say, for instance, that we have the question of neutrality before the Senate. Senators take different views with reference to neutrality. If the Senator from California and the Senator from Nevada [Mr. PITTMAN] should take different views with reference to neutrality, as they probably would, it might be said that the Senator from Nevada would be permitted to make a speech over the radio, because there would be in it nothing which would be detrimental to any foreign country; and, on the other hand, the Commission might very easily say that what the Senator from California was going to say should not be sent out over the international radio.

Mr. JOHNSON of California. Quite so; and the word "cultural" has a peculiar meaning according to the State Department. We might say something that was not in accord with the cultural views of somebody in the State Department, and then we would either be required to retract it or we would not be permitted to say it at all. So the subject is of sufficient importance that I am very, very glad the Senator from Montana has raised the question today. Let us continue our consideration of it until we find just what the situation is; and, if it be such as we suspect, let us remedy it.

Mr. WHEELER. I thank the Senator.

### EXECUTIVE SESSSION

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 MESSAGE REFERRED

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations of postmasters (and withdrawing the nomination of a postmaster), which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Herbert E. Gaston, of New York, to be Assistant Secretary of the Treasury, to fill an existing vacancy;

John L. Sullivan, of Manchester, N. H., to be assistant to the Commissioner of Internal Revenue in place of Milton E. Carter, resigned;

Bernice Pyke, of Cleveland, Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio (reappointment); and

William P. Bowers, of Columbia, S. C., to be collector of internal revenue for the district of South Carolina, to fill an existing vacancy.

He also, from the Committee on Finance, reported favorably the nominations of several passed assistant surgeons to be surgeons in the Public Health Service.

He also, from the same committee, reported favorably the nominations of sundry doctors to be assistant surgeons in the Public Health Service.

Mr. BROWN, from the Committee on Finance, reported favorably the nomination of Martin R. Bradley, of Hermansville, Mich., to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich. (reappointment).

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for appointment and promotion in the Navy.

He also, from the same committee, reported favorably the nominations of sundry officers for promotion in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. KING, from the Committee on Territories and Insular Affairs, reported favorably the nomination of Admiral William D. Leahy, of the District of Columbia, to be Governor of Puerto Rico, vice Hon. Blanton Winship, resigned.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

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

### FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

The legislative clerk read the nomination of Harry A. Wortham, of Kentucky, to be regional director of region No. 3.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

### THE JUDICIARY

The legislative clerk read the nomination of Francis H. Inge to be United States attorney for the southern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph Henry Goguen to be United States marshal for the district of Massachusetts.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

### DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Rear Admiral Chester W. Nimitz to be Chief of the Bureau of Navigation with the rank of rear admiral.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WALSH. Mr. President, the term of office of Rear Admiral Nimitz as Chief of the Bureau of Navigation will begin on the 15th day of June this year. In order that he may take office at that time I ask that the President be notified at once of the action of the Senate in confirming the appointment.

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

### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

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

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

### IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

### ADJOURNMENT

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 30 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, June 13, 1939, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate June 12, 1939*

### POSTMASTERS

#### ALABAMA

James D. McEachern to be postmaster at Brundidge, Ala., in place of J. D. McEachern. Incumbent's commission expired February 19, 1939.

Charles E. Niven to be postmaster at Columbiana, Ala., in place of C. E. Niven. Incumbent's commission expired January 22, 1939.

Bessie L. Butler to be postmaster at Double Springs, Ala., in place of B. L. Butler. Incumbent's commission expired January 22, 1939.

Willie W. Whittaker to be postmaster at Flomaton, Ala., in place of W. W. Whittaker. Incumbent's commission expired February 19, 1939.

Clarence C. Calhoun to be postmaster at Jackson, Ala., in place of C. C. Calhoun. Incumbent's commission expired March 8, 1939.

Nathaniel J. Davis to be postmaster at Marion, Ala., in place of N. J. Davis. Incumbent's commission expired January 22, 1939.

Charles R. Cain to be postmaster at Oakman, Ala., in place of C. R. Cain. Incumbent's commission expired January 22, 1939.

William W. Wilson to be postmaster at Oneonta, Ala., in place of W. W. Wilson. Incumbent's commission expired January 22, 1939.

#### ARIZONA

Jessie I. Cooper to be postmaster at Chandler, Ariz., in place of J. I. Cooper. Incumbent's commission expired January 16, 1939.

J. Albert Brown to be postmaster at St. Jons, Ariz., in place of J. A. Brown. Incumbent's commission expired January 16, 1939.

Neal H. Phelps to be postmaster at Springerville, Ariz., in place of N. H. Phelps. Incumbent's commission expired January 16, 1939.

#### ARKANSAS

Horace L. Lay to be postmaster at Amity, Ark., in place of H. L. Lay. Incumbent's commission expired March 15, 1939.

Robert W. Moore to be postmaster at Black Rock, Ark., in place of R. W. Moore. Incumbent's commission expired May 10, 1939.

Thomas S. Reynolds to be postmaster at Bradley, Ark., in place of T. S. Reynolds. Incumbent's commission expired March 15, 1939.

Dewey Carter to be postmaster at Elkins, Ark. Office became Presidential July 1, 1938.

Olice F. Huson to be postmaster at Heber Springs, Ark., in place of O. F. Huson. Incumbent's commission expired March 7, 1939.

Frances E. Crouch to be postmaster at Lexa, Ark. Office became Presidential July 1, 1938.

Leo D. Perdue to be postmaster at Louann, Ark., in place of L. D. Perdue. Incumbent's commission expired March 15, 1939.

Eva C. Teague to be postmaster at Manila, Ark., in place of E. C. Teague. Incumbent's commission expired May 10, 1939.

Rupert W. Barger to be postmaster at Mansfield, Ark., in place of R. W. Barger. Incumbent's commission expired February 15, 1939.

Romulus Owen Tomlinson to be postmaster at Melbourne, Ark., in place of R. O. Tomlinson. Incumbent's commission expired May 10, 1939.

Mark B. Craig to be postmaster at Russellville, Ark., in place of M. B. Craig. Incumbent's commission expired January 15, 1939.

Horatio J. Humphries to be postmaster at Salem, Ark., in place of H. J. Humphries. Incumbent's commission expired January 15, 1939.



Mildred B. Cooper to be postmaster at West Memphis, Ark., in place of M. B. Cooper. Incumbent's commission expired February 28, 1938.

#### CALIFORNIA

Mary Evalyn Rider to be postmaster at Balboa Island, Calif., in place of M. E. Rider. Incumbent's commission expired February 9, 1939.

Clayborne L. Boren to be postmaster at Bell, Calif., in place of C. L. Boren. Incumbent's commission expired March 8, 1939.

Helen S. Osborne to be postmaster at Earlimart, Calif., in place of H. S. Osborne. Incumbent's commission expired February 9, 1939.

Joel K. L. Schwartz to be postmaster at Fillmore, Calif., in place of J. K. L. Schwartz. Incumbent's commission expired February 9, 1939.

Solomon H. W. C. Geer to be postmaster at Live Oak, Calif., in place of S. H. W. C. Geer. Incumbent's commission expired February 20, 1939.

Hazel B. Stites to be postmaster at Maxwell, Calif., in place of H. B. Stites. Incumbent's commission expired February 18, 1939.

George H. Kindred to be postmaster at Oxnard, Calif., in place of J. H. Canning, deceased.

Frederick Martin to be postmaster at Petaluma, Calif., in place of Frederick Martin. Incumbent's commission expired February 18, 1939.

William H. McCloskey to be postmaster at Terra Bella, Calif., in place of M. O. Drake, resigned.

Harry D. Beck to be postmaster at Tipton, Calif., in place of H. D. Beck. Incumbent's commission expired February 9, 1939.

#### COLORADO

Earl E. Graham to be postmaster at Canon City, Colo., in place of E. E. Graham. Incumbent's commission expired January 21, 1939.

Elmer B. McCrone to be postmaster at Creede, Colo., in place of E. B. McCrone. Incumbent's commission expired January 30, 1939.

Arthur D. Robb to be postmaster at Flagler, Colo., in place of A. D. Robb. Incumbent's commission expired April 2, 1939.

Mollie E. Arbuckle to be postmaster at Fruita, Colo., in place of J. B. Perkins, deceased.

Harold G. Hawkins to be postmaster at Grand Lake, Colo., in place of H. G. Hawkins. Incumbent's commission expired June 7, 1939.

Lucia A. Wheatley to be postmaster at Grand Valley, Colo., in place of L. A. Wheatley. Incumbent's commission expired January 21, 1939.

Charles L. Dunn to be postmaster at Johnstown, Colo., in place of C. L. Dunn. Incumbent's commission expired April 2, 1939.

Wilton T. Hutt to be postmaster at Norwood, Colo., in place of W. T. Hutt. Incumbent's commission expired January 21, 1939.

#### CONNECTICUT

John F. Connerty to be postmaster at Washington Depot, Conn., in place of J. F. Connerty. Incumbent's commission expired January 25, 1939.

#### FLORIDA

Elizabeth A. Cantrell to be postmaster at Kissimmee, Fla., in place of E. A. Cantrell. Incumbent's commission expired May 21, 1939.

William C. White to be postmaster at Live Oak, Fla., in place of W. C. White. Incumbent's commission expired February 20, 1939.

Robert E. Sweat to be postmaster at Mulberry, Fla., in place of R. E. Sweat. Incumbent's commission expired January 17, 1939.

Robert H. Roesch, Jr., to be postmaster at Oneco, Fla., in place of R. H. Roesch, Jr. Incumbent's commission expired January 17, 1939.

Elsie A. Harrison to be postmaster at Waverly, Fla. Office became Presidential July 1, 1938.

GEORGIA

James Rufus Youmans to be postmaster at Adrian, Ga., in place of G. E. Youmans, deceased.

Thornwell Jacobs to be postmaster at Oglethorpe University, Ga., in place of Thornwell Jacobs. Incumbent's commission expired January 22, 1939.

Duncan E. Flanders to be postmaster at Swainsboro, Ga., in place of D. E. Flanders. Incumbent's commission expired June 14, 1938.

Maynard Mashburn to be postmaster at Tate, Ga., in place of Sam Tate. Incumbent's commission expired March 19, 1939.

William O. Wolfe to be postmaster at Uvalda, Ga., in place of W. O. Wolfe. Incumbent's commission expired May 7, 1938.

Willie B. Persons to be postmaster at Warm Springs, Ga., in place of W. B. Persons. Incumbent's commission expired March 19, 1939.

IDAHO

William Schlick to be postmaster at Burley, Idaho, in place of William Schlick. Incumbent's commission expired May 31, 1938.

Jessie L. Kelly to be postmaster at Winchester, Idaho, in place of J. L. Kelly. Incumbent's commission expired January 16, 1939.

ILLINOIS

Ralph McLaughlin to be postmaster at Baylis, Ill., in place of Ralph McLaughlin. Incumbent's commission expired May 31, 1938.

George A. Wall to be postmaster at Elizabethtown, Ill., in place of G. A. Wall. Incumbent's commission expired January 16, 1939.

Charles H. Greenwood to be postmaster at Flora, Ill., in place of C. H. Greenwood. Incumbent's commission expired February 15, 1939.

George H. Henken to be postmaster at Germantown, Ill., in place of F. J. Bohnenkemper, resigned.

Fred C. Hall to be postmaster at Griggsville, Ill., in place of F. C. Hall. Incumbent's commission expired May 3, 1938.

George G. Vaughan to be postmaster at Hurst, Ill., in place of G. G. Vaughan. Incumbent's commission expired March 18, 1939.

Frank J. Zipprich to be postmaster at Kampsville, Ill., in place of F. J. Zipprich. Incumbent's commission expired January 22, 1939.

Amiel J. Toelle to be postmaster at Orland Park, Ill., in place of A. J. Toelle. Incumbent's commission expired January 16, 1939.

Margaret Bradbury to be postmaster at Perry, Ill., in place of Margaret Bradbury. Incumbent's commission expired February 7, 1939.

Hallie Weir to be postmaster at Pleasant Hill, Ill., in place of Hallie Weir. Incumbent's commission expired January 16, 1939.

John S. Browning to be postmaster at Royalton, Ill., in place of J. S. Browning. Incumbent's commission expired March 18, 1939.

Burleigh A. Murray to be postmaster at Sesser, Ill., in place of B. A. Murray. Incumbent's commission expired January 16, 1939.

INDIANA

James R. McDonald to be postmaster at Brookville, Ind., in place of J. R. McDonald. Incumbent's commission expired January 18, 1939.

Helen B. Fultz to be postmaster at Crothersville, Ind., in place of H. B. Fultz. Incumbent's commission expired March 25, 1939.

Clyde F. Dreisbach to be postmaster at Fort Wayne, Ind., in place of E. J. Gallmeyer, resigned.

Charles D. Manaugh to be postmaster at Hanover, Ind., in place of C. D. Manaugh. Incumbent's commission expired March 15, 1939.

Edward L. Sacksteder to be postmaster at Leavenworth, Ind., in place of T. S. Stephenson, removed.

Orville R. Wells to be postmaster at Morgantown, Ind., in place of O. R. Wells. Incumbent's commission expired January 18, 1939.

Henry H. Powell to be postmaster at Newburgh, Ind., in place of H. H. Powell. Incumbent's commission expired January 18, 1939.

Benjamin F. Phipps to be postmaster at Pendleton, Ind., in place of B. F. Phipps. Incumbent's commission expired January 18, 1939.

Charles A. Boggs to be postmaster at Veedersburg, Ind., in place of I. C. Hardesty, resigned.

IOWA

Joseph W. Weber to be postmaster at Alta Vista, Iowa, in place of J. W. Weber. Incumbent's commission expired January 18, 1939.

Mary Doris Carroll to be postmaster at Clear Lake, Iowa, in place of M. D. Carroll. Incumbent's commission expired May 17, 1938.

Earl P. Patten to be postmaster at Danbury, Iowa, in place of E. P. Patten. Incumbent's commission expired January 18, 1939.

Edward H. Schnebel to be postmaster at Farnhamville, Iowa, in place of E. H. Schnebel. Incumbent's commission expired January 18, 1939.

Gertrude Posten to be postmaster at Gravity, Iowa, in place of Gertrude Posten. Incumbent's commission expired January 18, 1939.

Frank J. A. Huber to be postmaster at Hawkeye, Iowa, in place of F. J. A. Huber. Incumbent's commission expired February 15, 1938.

James Lowell Carr to be postmaster at Lamont, Iowa, in place of J. L. Carr. Incumbent's commission expired June 18, 1938.

Richard A. Dunlevy to be postmaster at Lansing, Iowa, in place of R. A. Dunlevy. Incumbent's commission expired January 18, 1939.

KANSAS

Laurence A. Daniels to be postmaster at Ellsworth, Kans., in place of L. A. Daniels. Incumbent's commission expired May 1, 1938.

Rachel E. Pierson to be postmaster at Isabel, Kans. Office became Presidential July 1, 1938.

Joseph B. Riddle to be postmaster at Wichita, Kans., in place of J. B. Riddle. Incumbent's commission expired March 23, 1939.

KENTUCKY

Joe R. Richardson to be postmaster at Glasgow, Ky., in place of J. R. Richardson. Incumbent's commission expired March 21, 1939.

Clarence L. Sharp to be postmaster at Liberty, Ky., in place of C. L. Sharp. Incumbent's commission expired February 18, 1939.

William E. Crutcher to be postmaster at Morehead, Ky., in place of M. M. Burns. Incumbent's commission expired January 30, 1938.

Jones Ashby to be postmaster at Slaughters, Ky., in place of A. K. Slaton, removed.

LOUISIANA

Sidney L. Voorhies to be postmaster at Lafayette, La., in place of E. A. O'Brien. Incumbent's commission expired March 10, 1936.

Annie F. Gambrell to be postmaster at Minden, La., in place of E. G. Webb. Incumbent's commission expired March 8, 1934.

MARYLAND

Guy K. Motter to be postmaster at Frederick, Md., in place of G. K. Motter. Incumbent's commission expired April 2, 1939.

William H. Condiff to be postmaster at Solomons, Md., in place of W. H. Condiff. Incumbent's commission expired February 18, 1939.

MASSACHUSETTS

Celia R. St. John to be postmaster at Cohasset, Mass., in place of C. R. St. John. Incumbent's commission expired February 8, 1939.

John D. Comins to be postmaster at Deerfield, Mass., in place of L. M. Allen. Incumbent's commission expired March 20, 1938.

Donald J. Newton to be postmaster at Montague, Mass., in place of S. L. Wildes, deceased.

MICHIGAN

Lea M. Griffith to be postmaster at Flat Rock, Mich., in place of L. M. Griffith. Incumbent's commission expired May 15, 1938.

Jennie O. Way to be postmaster at Rapid City, Mich. Office became Presidential July 1, 1937.

Donald E. Howell to be postmaster at Wayne, Mich., in place of D. E. Howell. Incumbent's commission expired March 28, 1939.

MINNESOTA

Virgia Poole to be postmaster at Effie, Minn. Office became Presidential July 1, 1938.

Elmer L. Berg to be postmaster at Kennedy, Minn., in place of E. L. Berg. Incumbent's commission expired June 13, 1938.

MISSISSIPPI

Mary A. Morris to be postmaster at Coahoma, Miss. Office became Presidential July 1, 1938.

Jefferson D. Fogg to be postmaster at Hernando, Miss., in place of J. D. Fogg. Incumbent's commission expired January 18, 1939.

Charles P. Mallett to be postmaster at Laurel, Miss., in place of W. F. Skaggs, deceased.

William P. Young to be postmaster at Liberty, Miss., in place of A. T. Parker. Incumbent's commission expired February 15, 1938.

Lee D. Fulmer to be postmaster at Lumberton, Miss., in place of L. D. Fulmer. Incumbent's commission expired May 17, 1939.

MISSOURI

Charles M. Murray to be postmaster at Cameron, Mo., in place of C. M. Murray. Incumbent's commission expired June 13, 1938.

Earl A. Seay to be postmaster at Salem, Mo., in place of E. A. Seay. Incumbent's commission expired March 19, 1939.

John F. Vermillion to be postmaster at Salisbury, Mo., in place of J. F. Vermillion. Incumbent's commission expired March 18, 1939.

Edward J. Dempsey to be postmaster at Shelbina, Mo., in place of E. J. Dempsey. Incumbent's commission expired March 19, 1939.

Brook Miller to be postmaster at Weston, Mo., in place of Brook Miller. Incumbent's commission expired February 20, 1939.

MONTANA

Martin P. Browne to be postmaster at Lambert, Mont., in place of M. P. Browne. Incumbent's commission expired January 17, 1939.

NEBRASKA

Alfred O. Sick to be postmaster at Blair, Nebr., in place of J. P. Jensen, deceased.

John A. Gibson to be postmaster at Mullen, Nebr., in place of J. A. Gibson. Incumbent's commission expired January 31, 1938.

NEW HAMPSHIRE

Ray A. Hicks to be postmaster at Colebrook, N. H., in place of R. A. Hicks. Incumbent's commission expired February 19, 1939.

Edwin L. Batchelder to be postmaster at Hampton, N. H., in place of E. L. Batchelder. Incumbent's commission expired January 16, 1939.

Edna C. Mason to be postmaster at Tamworth, N. H., in place of E. C. Mason. Incumbent's commission expired June 6, 1938.

James R. Kill Kelley to be postmaster at Wilton, N. H., in place of J. R. Kill Kelley. Incumbent's commission expired February 19, 1939.

NEW JERSEY

Edwin Case to be postmaster at Flemington, N. J., in place of Edwin Case. Incumbent's commission expired June 7, 1938.

Joseph Corse to be postmaster at Jamesburg, N. J., in place of Joseph Corse. Incumbent's commission expired June 18, 1938.

Joseph A. Boyle, Jr., to be postmaster at Longport, N. J., in place of Louis Quinby, resigned.

Luella Brown to be postmaster at Old Bridge, N. J., in place of Luella Brown. Incumbent's commission expired January 28, 1939.

NEW MEXICO

Lena B. Sexton to be postmaster at Las Cruces, N. Mex., in place of A. M. O'Hara, removed.

Lillian E. Howard to be postmaster at Portales, N. Mex., in place of L. E. Howard. Incumbent's commission expired April 17, 1939.

NEW YORK

Fuller F. Cornwall to be postmaster at Alexandria Bay, N. Y., in place of F. F. Cornwall. Incumbent's commission expired March 18, 1939.

Harry A. Stolz to be postmaster at Bethpage, N. Y., in place of H. A. Stolz. Incumbent's commission expired January 22, 1939.

Margaret L. Lauchert to be postmaster at Blasdell, N. Y., in place of M. L. Lauchert. Incumbent's commission expired January 24, 1939.

Alphonzo E. Fitch to be postmaster at Cazenovia, N. Y., in place of A. E. Fitch. Incumbent's commission expired January 22, 1939.

Harry M. Fisher, Jr., to be postmaster at Nanuet, N. Y., in place of F. W. Colligan, deceased.

Alvah P. Saulpaugh to be postmaster at Red Hook, N. Y., in place of A. P. Saulpaugh. Incumbent's commission expired January 10, 1939.

Rose H. Breen to be postmaster at Roslyn, N. Y., in place of R. H. Breen. Incumbent's commission expired January 21, 1939.

Howard W. Smith to be postmaster at Unadilla, N. Y., in place of H. W. Smith. Incumbent's commission expired January 29, 1939.

NORTH CAROLINA

James W. Ogburn to be postmaster at Rural Hall, N. C. Office became Presidential July 1, 1938.

OHIO

Floyd L. Carr to be postmaster at Bedford, Ohio, in place of F. L. Carr. Incumbent's commission expired February 21, 1939.

Paul Schmidt to be postmaster at East Palestine, Ohio, in place of P. C. Schmidt. Incumbent's commission expired January 17, 1939.

Walter P. Guenther to be postmaster at Glenmont, Ohio. Office became Presidential July 1, 1938.

Lillian C. Goodell to be postmaster at Mantua, Ohio, in place of L. C. Goodell. Incumbent's commission expired May 2, 1938.

Albert J. Beckman to be postmaster at St. Henry, Ohio, in place of A. J. Beckman. Incumbent's commission expired January 17, 1939.

William E. Alexander to be postmaster at Spring Valley, Ohio, in place of W. E. Alexander. Incumbent's commission expired February 21, 1939.

William A. Barnhart to be postmaster at Sterling, Ohio, in place of W. A. Barnhart. Incumbent's commission expired January 17, 1939.

OKLAHOMA

Rosa B. Britton to be postmaster at Cyril, Okla., in place of R. B. Britton. Incumbent's commission expired February 19, 1939.

OREGON

Frank DeSouza to be postmaster at Medford, Oreg., in place of Frank DeSouza. Incumbent's commission expired February 9, 1939.

Alonzo I. Hodges to be postmaster at Merrill, Oreg., in place of I. C. Griffin, removed.

Frederick B. Hollister to be postmaster at North Bend, Oreg., in place of M. A. Hollister, deceased.

Ralph B. Bennett to be postmaster at The Dalles, Oreg., in place of H. E. Barr, deceased.

PENNSYLVANIA

Rebecca A. Murphy to be postmaster at Cherry Tree, Pa., in place of R. A. Murphy. Incumbent's commission expired June 18, 1938.

Marguerite E. Tryon to be postmaster at Croydon, Pa., in place of J. L. Hewitt. Incumbent's commission expired September 30, 1933.

Joseph Polacky to be postmaster at Dallas, Pa., in place of G. T. Kirkendall, resigned.

Mary Liberatore to be postmaster at Denbo, Pa. Office became Presidential July 1, 1938.

Allan Rye to be postmaster at Edinboro, Pa., in place of Allan Rye. Incumbent's commission expired January 29, 1939.

William Galicic to be postmaster at Export, Pa., in place of J. F. Lauffer, removed.

Tony T. Turk to be postmaster at Falls Creek, Pa., in place of T. J. McCausland, deceased.

Ross F. Rick to be postmaster at Girard, Pa., in place of R. F. Rick. Incumbent's commission expired January 29, 1939.

Robert J. Courtney to be postmaster at Gouldsboro, Pa. Office became Presidential July 1, 1938.

Kathryne A. Bird to be postmaster at Guys Mills, Pa. Office became Presidential July 1, 1938.

Albert C. Beard to be postmaster at High Spire, Pa., in place of A. C. Beard. Incumbent's commission expired March 18, 1939.

Charles E. Puskar to be postmaster at Imperial, Pa., in place of C. E. Puskar. Incumbent's commission expired January 29, 1939.

James A. Sproull to be postmaster at Leechburg, Pa., in place of J. A. Sproull. Incumbent's commission expired June 6, 1938.

Charles Furner Cairns to be postmaster at Ligonier, Pa., in place of C. M. Shoup, removed.

Joseph Harper Galbraith to be postmaster at McDonald, Pa., in place of J. H. Galbraith. Incumbent's commission expired January 29, 1939.

George W. Burgner to be postmaster at Morrisville, Pa., in place of G. W. Burgner. Incumbent's commission expired June 18, 1938.

Mary M. Davis to be postmaster at Mount Morris, Pa. Office became Presidential July 1, 1938.

Walter S. Mervine to be postmaster at Mount Pocono, Pa., in place of W. S. Mervine. Incumbent's commission expired February 21, 1939.

Chester A. Bower to be postmaster at New Oxford, Pa., in place of C. A. Bower. Incumbent's commission expired February 21, 1939.

Andrew S. Knepp to be postmaster at North East, Pa., in place of A. S. Knepp. Incumbent's commission expired January 29, 1939.

Robert C. Moore to be postmaster at Oxford, Pa., in place of R. C. Moore. Incumbent's commission expired January 29, 1939.

George A. Lehman to be postmaster at Patton, Pa., in place of G. A. Lehman. Incumbent's commission expired February 9, 1939.

Harold L. Heimbach to be postmaster at Quakertown, Pa., in place of H. L. Heimbach. Incumbent's commission expired June 18, 1938.

Jesse S. Stambaugh to be postmaster at Spring Grove, Pa., in place of J. S. Stambaugh. Incumbent's commission expired January 29, 1939.

Ronald S. Kayzer to be postmaster at Tioga, Pa., in place of R. S. Kayzer. Incumbent's commission expired June 18, 1938.

Nicholas A. Staub to be postmaster at Trucksville, Pa., in place of W. C. Luksic, removed.

Charles V. Johnston to be postmaster at Woolrich, Pa., in place of C. V. Johnston. Incumbent's commission expired January 29, 1939.

Minnie E. M. Busser to be postmaster at York Haven, Pa., in place of M. E. M. Busser. Incumbent's commission expired January 29, 1939.

RHODE ISLAND

James V. O'Connell to be postmaster at Washington, R. I., in place of J. V. O'Connell. Incumbent's commission expired January 22, 1939.

Thomas J. Durand to be postmaster at West Warwick, R. I., in place of T. J. Durand. Incumbent's commission expired March 18, 1939.

SOUTH CAROLINA

Ralph G. Kennedy to be postmaster at Batesburg, S. C., in place of R. G. Kennedy. Incumbent's commission expired January 21, 1939.

Charles P. DuBose to be postmaster at Camden, S. C., in place of C. P. DuBose. Incumbent's commission expired January 21, 1939.

William H. P. Faddis to be postmaster at Clearwater, S. C., in place of W. H. P. Faddis. Incumbent's commission expired January 21, 1939.

Harris P. DuBose to be postmaster at Jefferson, S. C., in place of H. P. DuBose. Incumbent's commission expired January 21, 1939.

Junius Scott Bagnal to be postmaster at Manning, S. C., in place of J. S. Bagnal. Incumbent's commission expired January 21, 1939.

J. Sidney McNeill to be postmaster at Ninety Six, S. C., in place of J. S. McNeill. Incumbent's commission expired February 9, 1939.

Jesse B. Taylor to be postmaster at St. Matthews, S. C., in place of J. B. Taylor. Incumbent's commission expired January 21, 1939.

Maebelle B. Orvin to be postmaster at St. Stephen, S. C., in place of Maebelle Orvin. Incumbent's commission expired January 21, 1939.

James M. Nelson to be postmaster at Summerton, S. C., in place of J. M. Nelson. Incumbent's commission expired January 21, 1939.

Stacy Kearse to be postmaster at Walterboro, S. C., in place of Stacy Kearse. Incumbent's commission expired January 21, 1939.

Nellie B. Birt to be postmaster at Williston, S. C., in place of N. B. Birt. Incumbent's commission expired January 21, 1939.

SOUTH DAKOTA

Lewis E. Smith to be postmaster at Alpena, S. Dak., in place of L. E. Smith. Incumbent's commission expired March 12, 1939.

Fred C. Wetterberg to be postmaster at Arlington, S. Dak., in place of F. C. Wetterberg. Incumbent's commission expired February 8, 1939.

John D. Cannon to be postmaster at Fort Pierre, S. Dak., in place of J. D. Cannon. Incumbent's commission expired May 22, 1938.

Michael J. Matthews to be postmaster at Isabel, S. Dak., in place of M. J. Matthews. Incumbent's commission expired May 22, 1938.

Mabel M. Fitzgerald to be postmaster at Plankinton, S. Dak., in place of M. M. Fitzgerald. Incumbent's commission expired February 12, 1939.

TENNESSEE

LaVerne Gearhiser to be postmaster at Big Sandy, Tenn., in place of LaVerne Gearhiser. Incumbent's commission expired February 9, 1939.

Henry S. Dupree to be postmaster at Brownsville, Tenn., in place of H. S. Dupree. Incumbent's commission expired January 16, 1939.

Timmie M. Bryant to be postmaster at Charleston, Tenn., in place of T. M. Bryant. Incumbent's commission expired January 16, 1939.

James W. Stout to be postmaster at Decaturville, Tenn., in place of J. W. Stout. Incumbent's commission expired June 8, 1938.

Walter W. Ryburn to be postmaster at Erwin, Tenn., in place of W. W. Ryburn. Incumbent's commission expired May 29, 1939.

Fred C. Lindsay to be postmaster at Greeneville, Tenn., in place of F. C. Lindsay. Incumbent's commission expired March 15, 1939.

Ethelbert J. Shannon to be postmaster at Halls, Tenn., in place of E. J. Shannon. Incumbent's commission expired January 16, 1939.

William R. Massey to be postmaster at Harriman, Tenn., in place of W. R. Massey. Incumbent's commission expired March 15, 1939.

Shelbin C. Malone to be postmaster at Henderson, Tenn., in place of S. C. Malone. Incumbent's commission expired February 19, 1939.

James H. Smith to be postmaster at Martin, Tenn., in place of J. H. Smith. Incumbent's commission expired January 16, 1939.

Bedford T. Transou to be postmaster at Mason, Tenn., in place of B. T. Transou. Incumbent's commission expired February 9, 1939.

Charles P. Fults to be postmaster at Monteagle, Tenn., in place of C. P. Fults. Incumbent's commission expired February 9, 1939.

Wilia J. McCrary to be postmaster at Philadelphia, Tenn., in place of W. J. McCrary. Incumbent's commission expired January 24, 1939.

Carey E. Reed to be postmaster at Prospect Station, Tenn., in place of C. E. Reed. Incumbent's commission expired February 15, 1939.

William A. Rhea to be postmaster at Somerville, Tenn., in place of W. A. Rhea. Incumbent's commission expired June 18, 1938.

Jean N. McGuire to be postmaster at Sweetwater, Tenn., in place of J. N. McGuire. Incumbent's commission expired March 15, 1939.

TEXAS

Benjamin A. Borskey to be postmaster at Alvin, Tex., in place of B. A. Borskey. Incumbent's commission expired January 25, 1939.

Sam Hagin to be postmaster at Anna, Tex., in place of Sam Hagin. Incumbent's commission expired January 25, 1939.

Alfred H. Clark to be postmaster at Bremond, Tex., in place of A. H. Clark. Incumbent's commission expired February 12, 1939.

Sarah E. Burns to be postmaster at Center, Tex., in place of S. E. Burns. Incumbent's commission expired January 25, 1939.

Ambrose J. Denman to be postmaster at Channing, Tex., in place of A. J. Denman. Incumbent's commission expired January 25, 1939.

James A. Hilburn to be postmaster at Childress, Tex., in place of J. A. Hilburn. Incumbent's commission expired February 12, 1939.

Bertram D. Wren to be postmaster at Clarksville, Tex., in place of B. D. Wren. Incumbent's commission expired January 25, 1939.

Carl W. Appling to be postmaster at Claude, Tex., in place of C. W. Appling. Incumbent's commission expired January 25, 1939.

Fillmore R. Anderson to be postmaster at Cross Plains, Tex., in place of I. H. Kendrick. Incumbent's commission expired May 23, 1936.

Mary Y. Guyler to be postmaster at Crystal City, Tex., in place of S. S. Pegues, resigned.

Zettie Kelley to be postmaster at Diboll, Tex., in place of Zettie Kelley. Incumbent's commission expired January 25, 1939.

Mary B. Harper to be postmaster at Eagle Pass, Tex., in place of M. B. Harper. Incumbent's commission expired January 25, 1939.

Marshal E. Kelley to be postmaster at Earth, Tex. Office became Presidential July 1, 1938.

Fronie R. Allen to be postmaster at Emory, Tex., in place of F. R. Allen. Incumbent's commission expired January 25, 1939.

Noel J. Reynolds to be postmaster at Ennis, Tex., in place of N. J. Reynolds. Incumbent's commission expired January 25, 1939.

Noma N. Lokey to be postmaster at Farwell, Tex., in place of N. N. Lokey. Incumbent's commission expired January 25, 1939.

Marcellus P. Adams to be postmaster at Lampasas, Tex., in place of M. P. Adams. Incumbent's commission expired January 25, 1939.

Helen L. Hall to be postmaster at League City, Tex., in place of H. L. Hall. Incumbent's commission expired April 6, 1939.

Johnnie R. Back to be postmaster at McLean, Tex., in place of L. A. Wilson, removed.

Alexander M. Bowie to be postmaster at San Benito, Tex., in place of A. M. Bowie. Incumbent's commission expired January 25, 1939.

Lily A. C. Tyree to be postmaster at Shafter, Tex. Office became Presidential July 1, 1938.

Flake George to be postmaster at Shamrock, Tex., in place of Flake George. Incumbent's commission expired January 25, 1939.

Nena M. Iiams to be postmaster at Sugar Land, Tex., in place of N. M. Iiams. Incumbent's commission expired March 15, 1939.

Edgar H. McElroy to be postmaster at Waxahachie, Tex., in place of E. H. McElroy. Incumbent's commission expired March 15, 1939.

Balser B. Hefner to be postmaster at Weimar, Tex., in place of B. B. Hefner. Incumbent's commission expired January 25, 1939.

Faye Jessmyr Hood to be postmaster at Wortham, Tex., in place of T. H. Hood, deceased.

UTAH

Wayne K. Sheffield to be postmaster at Kaysville, Utah, in place of K. H. Sheffield, resigned.

G. Leonard Larson to be postmaster at Sandy, Utah, in place of G. L. Larson. Incumbent's commission expired February 18, 1939.

VIRGINIA

Rosa L. Williams to be postmaster at Bassetts, Va., in place of R. L. Williams. Incumbent's commission expired February 18, 1939.

Edgar E. Shannon to be postmaster at Bland, Va., in place of E. E. Shannon. Incumbent's commission expired January 18, 1939.

William T. Paxton to be postmaster at Buena Vista, Va., in place of W. T. Paxton. Incumbent's commission expired January 18, 1939.

John D. Webb to be postmaster at Disputanta, Va., in place of J. D. Webb. Incumbent's commission expired January 18, 1939.

Robert A. Smith to be postmaster at Gordonsville, Va., in place of R. A. Smith. Incumbent's commission expired January 18, 1939.

Mary Ann Nichols to be postmaster at Hamilton, Va., in place of M. A. Nichols. Incumbent's commission expired February 9, 1939.

Annie R. Walker to be postmaster at Herndon, Va., in place of A. R. Walker. Incumbent's commission expired January 18, 1939.

Alvin D. Davis to be postmaster at Lorton, Va. Office became Presidential July 1, 1938.

Bourbon N. Kibler to be postmaster at Luray, Va., in place of B. N. Kibler. Incumbent's commission expired February 18, 1939.

Milton E. Gee to be postmaster at Meherrin, Va., in place of M. E. Gee. Incumbent's commission expired January 18, 1939.

Thomas M. Hesson to be postmaster at Monroe, Va., in place of T. M. Hesson. Incumbent's commission expired January 18, 1939.

Hollis H. Howard to be postmaster at Radford, Va., in place of H. H. Howard. Incumbent's commission expired January 18, 1939.

Samuel B. Harper to be postmaster at Stuarts Draft, Va., in place of S. B. Harper. Incumbent's commission expired January 18, 1939.

Thomas E. Frank to be postmaster at Warrenton, Va., in place of T. E. Frank. Incumbent's commission expired February 18, 1939.

Gipsie B. Cassell to be postmaster at Wytheville, Va., in place of G. B. Cassell. Incumbent's commission expired February 18, 1939.

WASHINGTON

Andrew F. Farris to be postmaster at Cashmere, Wash., in place of A. F. Farris. Incumbent's commission expired January 16, 1939.

Alfred K. Filson to be postmaster at Centralia, Wash., in place of A. K. Filson. Incumbent's commission expired January 16, 1939.

Hubert S. Storms to be postmaster at Chewelah, Wash., in place of H. S. Storms. Incumbent's commission expired January 16, 1939.

Harold W. Kreidel to be postmaster at Cle Elum, Wash., in place of H. W. Kreidel. Incumbent's commission expired January 16, 1939.

Fred E. Olmstead to be postmaster at Grandview, Wash., in place of F. E. Olmstead. Incumbent's commission expired January 16, 1939.

Frank H. Lincoln to be postmaster at Kennewick, Wash., in place of F. H. Lincoln. Incumbent's commission expired January 16, 1939.

Moses S. Brinkerhoff to be postmaster at Okanogan, Wash., in place of M. S. Brinkerhoff. Incumbent's commission expired January 16, 1939.

Edwin Morris Starrett to be postmaster at Port Townsend, Wash., in place of E. M. Starrett. Incumbent's commission expired June 18, 1938.

WEST VIRGINIA

Thomas W. Zink, Jr., to be postmaster at Keystone, W. Va., in place of T. W. Zink, Jr. Incumbent's commission expired January 29, 1939.

William S. Wray to be postmaster at Northfork, W. Va., in place of W. S. Wray. Incumbent's commission expired January 29, 1939.

Ursula A. Dougherty to be postmaster at Ridgeley, W. Va., in place of U. A. Dougherty. Incumbent's commission expired January 29, 1939.

WISCONSIN

Bert J. Walker to be postmaster at Almond, Wis., in place of B. J. Walker. Incumbent's commission expired April 13, 1938.

Andrew J. Osborne to be postmaster at Barron, Wis., in place of A. J. Osborne. Incumbent's commission expired May 28, 1938.

Marguerite Irene Knapmiller to be postmaster at Birchwood, Wis., in place of Irene Knapmiller. Incumbent's commission expired February 10, 1938.

Fred Martin to be postmaster at Brantwood, Wis., in place of Berthea Overgard, resigned.

Willis Engebretsen to be postmaster at Eagle, Wis., in place of Willis Engebretsen. Incumbent's commission expired January 18, 1939.

Laurence L. Shove to be postmaster at Onalaska, Wis., in place of L. L. Shove. Incumbent's commission expired June 12, 1938.

Edmund O. Johnson to be postmaster at Warrens, Wis., in place of E. O. Johnson. Incumbent's commission expired January 18, 1939.

Marnell E. McCloskey to be postmaster at Wauseka, Wis., in place of R. W. Lathrop. Incumbent's commission expired January 18, 1938.

WYOMING

Albert H. Linford to be postmaster at Afton, Wyo., in place of A. H. Linford. Incumbent's commission expired January 23, 1939.

Thomas P. Hill, Jr., to be postmaster at Buffalo, Wyo., in place of T. P. Hill, Jr. Incumbent's commission expired January 23, 1939.

John G. Kelly to be postmaster at Hanna, Wyo., in place of J. G. Kelly. Incumbent's commission expired January 23, 1939.

Robert B. Landfair to be postmaster at Jackson, Wyo., in place of R. B. Landfair. Incumbent's commission expired January 23, 1939.

Percy D. Sims to be postmaster at Lovell, Wyo., in place of P. D. Sims. Incumbent's commission expired January 23, 1939.

James E. Smith to be postmaster at Riverton, Wyo., in place of J. E. Smith. Incumbent's commission expired January 30, 1939.

James C. Jackson to be postmaster at Sheridan, Wyo., in place of J. C. Jackson. Incumbent's commission expired April 2, 1938.

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## CONFIRMATIONS

*Executive nominations confirmed by the Senate June 12, 1939*

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

Harry A. Wortham to be regional director, region 3, Federal Emergency Administration of Public Works.

UNITED STATES ATTORNEY

Francis H. Inge to be United States attorney for the southern district of Alabama.

UNITED STATES MARSHAL

Joseph Henry Goguen to be United States marshal for the district of Massachusetts.

APPOINTMENT IN THE NAVY

Rear Admiral Chester W. Nimitz to be Chief of the Bureau of Navigation with the rank of rear admiral.

APPOINTMENT IN THE ARMY

Col. Thomas Matthews Robins to be Assistant to the Chief of Engineers with the rank of brigadier general.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Wilbur Kincaid Noel.

TO CHEMICAL WARFARE SERVICE

Capt. Louis Edward Roemer.
Capt. Edgar Daniel Stark.
First Lt. Robert Walter Breaks.
First Lt. Bruce von Gerichten Scott.
Second Lt. Laverne Arthur Parks.

POSTMASTERS

ARKANSAS

Ruel L. Sain, Holly Grove.
Alonzo E. Nelson, Judsonia.
Richard S. Remy, Mulberry.
Lillian V. Spikes, Rogers.
Lewis B. Mason, Swifton.
Albert Judson Pryor, Texarkana.

COLORADO

Darius Allen, Colorado Springs.
Olive R. Ross, Deertrail.
Louise H. Lawson, Grover.
Floyd F. Hensler, Ordway.
Carl E. Raney, Walsh.
Carl H. Davis, Wiley.

CONNECTICUT

George T. Manion, Avon.
Harry L. Lyman, New Preston.
William M. Logan, West Cheshire.

IDAHO

William O. Putnam, Jr., Arco.
Charles E. Bales, Caldwell.
Louella R. Hollenbeck, Fruitland.
Horten H. Tate, Glenns Ferry.
Arthur T. Combs, Kellogg.
Joseph D. Sullivan, Mountain Home.
Charles O. McKay, Richfield.
Thomas R. Miller, Ririe.
George P. Smith, Wendell.

INDIANA

Ralph D. Barry, Grandall.
John A. Donohue, Elwood.
Curtis Bennett, English.
Dorothy V. Prall, Henryville.
Adolph Seidensticker, Indianapolis.
Thomas W. Hall, Medora.
Joseph E. Herbst, Milan.

MARYLAND

James J. Ohler, Glenarm.
A. Emmons Warnick, Grantsville.
Sarah Ann G. Phillips, Randallstown.

NEBRASKA

Herman G. Mattson, Kearney.

NEW MEXICO

Herman E. Kelt, Carrizozo.
Thomas M. Rivera, Hanover.
Theodore Raff, Los Lunas.

OKLAHOMA

Wade H. LaBoon, Chickasha.
Bruce G. Carter, Wewoka.

OREGON

Victor Eckley, La Grande.
Anna G. Wolford, Sprague River.

RHODE ISLAND

Frank L. Giard, Pawtucket.

SOUTH CAROLINA

Ralph E. McCaskill, Bethune.
John H. Crawford, Chester.
Eric C. Goza, Columbia.
Delle J. Laffitte, Cope.
Thurman W. Boyd, Loris.
Sue Scott, Pelzer.
Jack D. Boyd, Ridgeway.
Helen DuPre Moseley, Spartanburg.

TEXAS

Ogden Johnson, Beaumont.
Philip P. Wise, Bonham.
Anna V. Smith, College Station.
Raymond Ross, Del Rio.
Sue B. Mullins, Grapevine.
James G. Ponder, Happy.
Burris C. Jackson, Hillsboro.
Carl E. Range, Irving.
George F. Sheppard, Italy.
Alice W. Dotson, Jewett.
John T. Holmes, Joaquin.
William P. Dowling, Kirbyville.
Charlotte M. Boyle, La Porte.
Carl A. Shipp, Liberty Hill.
William H. Bruns, Louise.
Amos H. Howard, Lubbock.
Ben C. McElroy, Marshall.
Fay F. Spragins, Martindale.
Lou A. Wright, Milford.
Louis O. Muenzler, New Ulm.
Mardie J. Bennett, Normangee.
William T. Henderson, Odessa.
Lloyd O. Waldron, Panhandle.
Thomas W. Russell, Paris.
Rufus L. Hybarger, Pineland.
William G. Carlisle, Plano.
Ray S. Wait, Port Isabel.
Lino Perez, Rio Grande City.
Grady Norris, Roscoe.
Ida Bowers, Tenaha.
Samuel M. Gupton, West Columbia.
Della Duncan, Wylie.

VERMONT

Mary E. Malone, Manchester.

VIRGINIA

Bessie M. Guy, Catlett.
D. Irvine Persinger, Eagle Rock.
Edgar McCarty Wiley, Fairfax.
Edward M. Blake, Kilmarnock.
John H. Cave, Lynchburg.
Robert W. Shultice, Norfolk.
George Leonard Elmore, Petersburg.

WASHINGTON

Walter V. Cowderoy, Blaine.
Harry E. Robbins, Coulee Dam.
Morgan J. McNair, Farmington.
John Lotto, Renton.
Elizabeth DeLong, Silverdale.
Fanny I. Jennings, Spangle.
Rufus B. Kager, Sultan.
Cecilia Allen, Zillah.

WEST VIRGINIA

Arthur G. Martin, Fairmont.

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## WITHDRAWAL

*Executive nomination withdrawn from the Senate June 12, 1939*

POSTMASTER

WEST VIRGINIA

Anna M. Stephenson to be postmaster at Parkersburg, in the State of West Virginia.

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# HOUSE OF REPRESENTATIVES

## MONDAY, JUNE 12, 1939

The House met at 12 o'clock noon.

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

O Thou who art the great Shepherd of the fold, who hast called across the centuries to worn-footed humanity, hear our prayer; feed us with the fruit of the tree of life that blooms in the garden of God. We pray Thee to make us useful that we may bring to Thee some token of work and service. We beseech Thee to spare and keep us from all harm and danger. Oh, touch our unanswered prayers and our unrealized dreams that we may feel the burden of a great purpose. As there are no faithful failures, may our souls breathe the spirit of helpfulness. Do Thou, blessed Lord, inspire us to be strong, upright men, rich in heart, sweet in the graces, and ever eager to seize the opportunity to serve the country which we love to call our home. In the Redeemer's name. Amen.

The Journal of the proceedings of Saturday, June 10, 1939, was read and approved.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday this week may be dispensed with.

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

There was no objection.

WORK RELIEF AND RELIEF

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that on Wednesday next it may be in order to take up for consideration the relief bill, and that general debate continue throughout Wednesday and Thursday, the time to be equally divided between myself and the gentleman from New York [Mr. TABER]; that before the House adjourns on Thursday the first section of the bill shall be read.

Mr. TABER. Mr. Speaker, reserving the right to object, I want to have the understanding that we run as long as the demand seems to last on Wednesday and Thursday up to, say, half past 5 or so, anyway, each day, so that we shall have plenty of time to take care of those who want to speak. Will that be satisfactory?

Mr. WOODRUM of Virginia. Yes; that will be satisfactory.

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, does the gentleman expect to take up the bill under the 5-minute rule?

Mr. WOODRUM of Virginia. Yes; it is a wide-open request.

Mr. CANNON of Missouri. I hope the gentleman from Virginia will yield some of his time to those on this side who may be opposed to the committee recommendations.

Mr. SABATH. Mr. Speaker, reserving the right to object, may I ask why the bill is taken up for consideration under such circumstances that in all probability the vote on the bill will come on Saturday? A great many Members of the House find it necessary to be absent Saturdays.

Mr. RAYBURN. Mr. Speaker, will the gentleman from Virginia yield?

Mr. WOODRUM of Virginia. I yield.

Mr. RAYBURN. I can tell the gentleman from Illinois a very complete answer to his question. This bill must go to the Senate and must be law by 12 o'clock midnight on June 30; that is the reason for the hurry. Next week we hope to have the tax bill up for consideration, and this bill also must become law by 12 o'clock midnight on June 30, or else the Government will begin to lose by each day's delay after June 30 just that proportion of the $1,000,000,000 a year it collects from the so-called nuisance taxes.

Mr. SABATH. Then why not confine general debate on the relief bill to 1 day? We know that most of the time but few Members are present. It seems to me 1 day would be sufficient for general debate.

Mr. RAYBURN. There is a very sufficient answer to that question also: We simply cannot get consent for an arrangement like that. We think that 2 days' general debate and 2 days under the 5-minute rule will be ample for every Member to express himself, so that is the arrangement that has been agreed upon by the majority and by the minority on the Appropriations Committee as the best that could be done.

Mr. SABATH. If an agreement has been made, then I withdraw my objection.

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

There was no objection.

GRASSHOPPER CONTROL

Mr. TAYLOR of Colorado. Mr. Speaker, by unanimous vote of the Committee on Appropriations, I am authorized and directed to ask unanimous consent for the immediate consideration of House Joint Resolution 322, making an additional appropriation for the control of outbreaks of insect pests, and I submit such request.

The Clerk read the title of the joint resolution.

Mr. TABER. Mr. Speaker, reserving the right to object, I understand that the people in the Northwestern States feel they are facing a very serious emergency, that the grasshopper pest has gone out of control and they believe the expenditure of these funds will very largely save upward of $100,000,000 of crops.

Mr. TAYLOR of Colorado. That is the situation.

Mr. TABER. I understand also—and I would like to have the gentleman from Missouri [Mr. CANNON], chairman of the House conferees on the agricultural bill, correct me if my understanding is in error—that the conferees on the agricultural appropriation bill have agreed that if this resolution becomes law they will eliminate from the bill which is now pending in conference between the two Houses the item of approximately $2,500,000 relating to grasshoppers.

Mr. CANNON of Missouri. That has been agreed to by the House and Senate conferees.

Mr. TABER. That has been agreed to by the House and Senate conferees.

Mr. DOWELL. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. DOWELL. Is that the amount provided for in this resolution?

Mr. TABER. The amount provided in this resolution is $1,750,000, which is the amount of the Budget estimate that I understand has just been received at the Speaker's desk. Am I correct?

Mr. TAYLOR of Colorado. Yes.

Mr. TABER. That is what the Appropriations Committee authorized the chairman to bring before the House this morning?

Mr. TAYLOR of Colorado. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. TAYLOR]?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved, etc.*, That for an additional amount, fiscal year 1939, for carrying out the purposes of and for expenditures authorized under Public Resolution No. 91, Seventy-fifth Congress, entitled "Joint resolution to amend the joint resolution entitled 'Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs,' approved April 6, 1937", approved May 9, 1938 (52 Stat. 344), there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,750,000, to be immediately available and to remain available until December 31, 1939.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert questions and answers prepared by Mr. Harrington, of the W. P. A., notwithstanding the fact that it exceeds the space allotted a Member in the RECORD for extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a statement I made before one of the House committees.

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

There was no objection.

Mr. MURDOCK of Utah. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter received by me from the Honorable Darrell J. Greenwell, State director of W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from Utah [Mr. MURDOCK]?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I presume these gentlemen are asking to extend their remarks in the Appendix of the RECORD?

The SPEAKER. The Chair so understands the request. Is there objection to the request of the gentleman from Utah [Mr. MURDOCK]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the pending relief bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

ANNOUNCEMENT OF VOTE

Mr. McDOWELL. Mr. Speaker, because of illness on Saturday I was unable to be present to vote on the social-security bill. Had I been present I would have voted "yea."

EXTENSION OF REMARKS

Mr. CORBETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Pittsburgh Press commending the Mead bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. CORBETT]?

There was no objection.

ANNOUNCEMENT OF VOTE

Mr. SECCOMBE. Mr. Speaker, I was unavoidably absent on Saturday. Had I been present I would have voted "yea" on the Social Security Act.

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial appearing in the Chicago Tribune on Thursday, June 8, 1939.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that permission may be granted the Judiciary Committee of the House to sit this afternoon during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on tomorrow at the conclusion of the legislative business in order for the day and any other special orders heretofore entered, I may be permitted to address the House for 15 minutes on the filibuster being conducted by the Labor Board before the congressional committees which are holding hearings on amendments to the Labor Act.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in the Wheeling Intelligencer.

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

There was no objection.

DISTRICT OF COLUMBIA

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

COLUMBIA INSTITUTION FOR THE DEAF

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 5144) authorizing the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE., and to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in order to provide a suitable approach to the Ninth Street NE., overpass across the tracks of the Baltimore & Ohio and Pennsylvania Railroads and furnish better access to a part of the property of the Columbia Institution for the Deaf, described in the records of the office of the assessor for the District of Columbia as parcel 141/4, the board of directors of the Columbia Institution for the Deaf are hereby authorized to dedicate to the District of Columbia a strip of land 90 feet wide traversing the north part of said property approximately as shown and designated on the revised highway plan of the District of Columbia as Mount Olivet Road NE.

SEC. 2. That in order to readust the boundaries and properties of the Columbia Institution for the Deaf, parcel 141/4, and Brentwood Park, United States Reservation No. 495, the board of directors of the Columbia Institution for the Deaf and the Secretary of the Interior are hereby authorized to convey fee simple title by deeds, each to the other, to such parts of the property of the Columbia Institution for the Deaf and Brentwood Park (United States Reservation No. 495) as in their judgment is to the mutual advantage of both the institution and the park system of the District of Columbia, provided such exchange of properties shall be approved by the National Capital Park and Planning Commission.

SEC. 3. The board of directors of the Columbia Institution for the Deaf are further authorized to sell and to convey fee-simple title by deed that portion of its real estate which will lie north of the proposed location of Mount Olivet Road extended after a definite survey of such road is established, such sale to be subect to the approval of the Secretary of the Interior. Funds received by the sale of this portion of real property of the institution shall be considered a part of the capital structure of the corporation, which may be invested in securities, buildings, or other real property by the board of directors. If invested in securities, only the income from such investment shall be used for current expenses of the institution.

Mr. RANDOLPH. Mr. Speaker, this bill authorizes the board of directors of the Columbia Institution for the Deaf to dedicate a strip of land designated as Mount Olivet Road NE., and authorizes the sale of such parts of the institution's property as lie north of Mount Olivet Road, subject, of course, to the approval of the Secretary of the Interior.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FISH asked and was given permission to extend his own remarks in the RECORD.

DISTRICT OF COLUMBIA

LAFAYETTE PARK

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 5660) to include Lafayette Park within the provisions of the act entitled "An act to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital," approved May 16, 1930, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second sentence of section 1 of the act entitled "An act to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital," approved May 16, 1930 (U. S. C., 1934 edition, title 40, sec. 121), is amended to read as follows: "To this end, hereafter when application is made for permit for the erection or alteration of any building, any portion of which is to front or abut upon the grounds of the Capitol, the grounds of the White House, the portion of Pennsylvania Avenue extending from the Capitol to the White House, Lafayette Park, Rock Creek Park, the Zoological Park, the Rock Creek and Potomac Parkway, Potomac Park, The Mall Park System and public buildings adjacent thereto, or abutting upon any street bordering any of said grounds or parks, the plans therefor, so far as they relate to height and appearance, color, and texture of the materials of exterior construction, shall be submitted by the Commissioners of the District of Columbia to the Commission of Fine Arts; and the said Commission shall report promptly to said Commissioners its recommendations, including such changes, if any, as in its judgment are necessary to prevent reasonably avoidable impairment of the public values

belonging to such public building or park; and said Commissioners shall take such action as shall, in their judgment, effect reasonable compliance with such recommendation: *Provided*, That if the said Commission of Fine Arts fails to report its approval or disapproval of such plans within 30 days, its approval thereof shall be assumed and a permit may be issued."

Mr. RANDOLPH. Mr. Speaker, this measure subjects the property surrounding Lafayette Park to the restrictions as to height, design, and so forth, imposed by an act of Congress approved May 16, 1930, known as the Shipstead Act. It further necessitates the approval of the Commissioners and the Fine Arts Commission with respect to design, height, and so forth, of such buildings.

Mr. Speaker, I move the previous question.

The previous question was ordered.

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.

SALE OF CERTAIN REAL ESTATE IN THE DISTRICT OF COLUMBIA NO LONGER REQUIRED FOR PUBLIC PURPOSES

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 6405) authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Commissioners of the District of Columbia, with the approval of the National Capital Park and Planning Commission, be, and they are hereby, authorized and empowered in their discretion, for the best interests of the District of Columbia, to sell and convey, in whole or in part, to the highest bidder at public or private sale, real estate now owned in fee simple by the District of Columbia for municipal use, in the District of Columbia, which the Commissioners and the National Capital Park and Planning Commission find to be no longer required for public purposes.

SEC. 2. That the said Commissioners are further authorized to pay the reasonable and necessary expenses of sale of each parcel of land sold, and shall deposit the net proceeds thereof in the Treasury of the United States to the credit of the District of Columbia.

SEC. 3. That the said Commissioners are hereby authorized to execute proper deeds of conveyance for real estate sold under the provisions of this act, which shall contain a full description of the land sold, either by metes and bounds, or otherwise, according to law.

SEC. 4. That the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission, is hereby authorized, in his discretion, for the best interests of the United States, to sell and convey, in whole or in part, by proper deed or instrument, any real estate held by the United States in the District of Columbia and under the jurisdiction of the National Park Service, which may be no longer needed for public purposes, for cash, or on such deferred-payment plan as the Secretary of the Interior may approve, at a price not less than that paid for it by the Government and not less than its present appraised value as determined by him.

SEC. 5. That in selling any parcel of land hereunder, said Secretary shall cause such public or private solicitation for bids or offers to be made as he may deem appropriate, and shall sell the parcel to the party agreeing to pay the highest price therefor if such price is otherwise satisfactory: *Provided*, That in the event the price offered or bid by the owner of any lands abutting the lands to be sold equals the highest price offered or bid by any other party, the parcel may be sold to such abutting owner.

SEC. 6. That said Secretary is further authorized to pay the reasonable and necessary expenses of sale of each parcel of land sold, and shall deposit the net proceeds thereof in the Treasury to the credit of the United States and the District of Columbia in the proportion that each paid the appropriations from which the parcels of land were acquired or were obligated to pay the same, at the time of acquisition, by reimbursement.

SEC. 7. That all acts and parts of acts which may be inconsistent or in conflict with this act are hereby repealed to the extent of the inconsistency or conflict.

With the following committee amendment:

Page 1, line 9, after the word "now", insert "or hereafter."

Mr. RANDOLPH. Mr. Speaker, this measure merely authorizes the Commissioners of the District of Columbia to sell, with the approval of the National Capital Park and Planning Commission, such real estate as is no longer required for public purposes. At the present time there are a number of such pieces of property in the District, and the disposal of such properties is desired.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. LANHAM. Does the Procurement Division under existing law have any control whatever of surplus property in the District? I know it has control of surplus property outside of the District of Columbia.

Mr. RANDOLPH. I may say in answer to the inquiry of the gentleman from Texas that no such control is vested in the authority the gentleman has mentioned.

Mr. LANHAM. This in no way modifies the law with reference to the authority of the Procurement Division?

Mr. RANDOLPH. In nowise does it change the present statute.

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.

DISTRICT OF COLUMBIA REVENUE ACT OF 1939

Mr. RANDOLPH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the immediate consideration of the bill (H. R. 6577) to provide revenue for the District of Columbia, and for other purposes; and pending that motion I ask unanimous consent that general debate be limited to an hour, one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half by myself.

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

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6577, with Mr. COLE of Maryland in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RANDOLPH. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I wish to say at the outset of the consideration of this bill to provide revenue for the District of Columbia that the subcommittee of the House District Committee in charge of fiscal affairs is headed by the gentleman from Oklahoma [Mr. NICHOLS]. I am certain the gentleman from Oklahoma and the gentleman from Illinois [Mr. DIRKSEN], the ranking member on the minority side of the aisle, together with the other members of the committee, have labored diligently to bring to this House a tax measure for the District of Columbia which is fair and equitable. I believe they have conscientiously tried to bring before this group a bill which will commend itself to the careful consideration of the Members of the House. I have full confidence in the committee membership, although I am not in agreement with them on every detail of the measure they bring before us. Personally, I have been opposed to the business-privilege tax in the District of Columbia. I believe this form of taxation is not good, and eventually, I believe, it will be stricken from the District of Columbia revenue-raising measures. I personally would like to see it eliminated from this bill; and if such an amendment is offered and a roll call held, I shall feel it my duty to vote for it. But by and large the members of this subcommittee have brought to the full Committee on the District of Columbia and the full committee has brought to this floor a revenue bill worthy of careful consideration.

Mr. Chairman, at this time I yield 10 minutes to the gentleman from Oklahoma, the chairman of the subcommittee in charge of this measure.

Mr. NICHOLS. Mr. Chairman, the Members will no doubt recall that last year, after consideration of a tax bill for the District of Columbia, it was thought there probably should be a study made of the tax structure of the District of Columbia by a corps of experts, who would report back to the House of Representatives their recommendation of a

permanent tax structure for the District. The reason such a study has never been adopted, in my judgment, before this time is because in years past the Federal contribution paid by the Federal Government to the District government to help defray the cost or the expense of running the District government has been large enough, up until the last 3 or 4 years, so that it was necessary only to apply taxes to the citizens of the District in a very narrow groove. In the last few years, and, as you will recall, up until last year, there was a provision in the law that the Federal Government should pay 60 percent of the cost of government of the District of Columbia and that the District of Columbia should pay 40 percent of the cost of government. For a number of years the Congress, in appropriating funds to contribute to the cost of government of the District of Columbia, had disregarded the 60-40 statute, so last year we repealed the 60-40 statute.

For a number of years the Federal Government has been contributing a lump sum of $5,000,000 to the District of Columbia to help defray the cost of government of the District because of the tremendous amount of federally owned property in the District of Columbia, which is tax exempt, and to compensate the District of Columbia for many services rendered to the Federal Government—services for which they were not able to collect directly from the Federal Government. I speak largely of police and fire protection to Federal buildings and other things of that kind. So in this year's appropriation bill our House Appropriations Committee appropriated $5,000,000 as the Federal contribution to the cost of government of the District of Columbia. The rest of the forty-some million dollars that it takes to run the District government is to be raised from taxes imposed upon and collected from the citizenship of the District of Columbia.

Following the direction of the House of Representatives last year—I do not know what you call him, but the tax expert that works with the Joint Committee on Taxation for the House and Senate, and Dr. Pond, who is an economist and tax expert from the State of New Jersey, and a large citizens' committee, were composed into a group that made a long study of the tax structure of the District of Columbia and in a rather lengthy and intelligent report made the recommendation that the taxes imposed in the District of Columbia, briefly, should be these: That there should be a real-estate tax of $1.50 per hundred dollars, a personal-property tax of $1.50 per hundred dollars, and up until this time there has been in the District of Columbia an intangible personal-property tax. It was the recommendation of the Pond committee that that intangible personal-property tax be repealed, and I am in thorough agreement with that. I think the intangible tax is a very vicious tax. So the Pond report recommended personal and real-estate taxes at $1.50. Then they recommended the imposition of an individual income tax for the District of Columbia with a $10,000 exemption on earned income and a $500 exemption on unearned income, the percentages on the tax to run from 2 percent to 7 percent. They recommended further the passage of a 5-percent corporate income tax. They also recommended a revision of taxes paid by public utilities in the District of Columbia. In every instance the rate was raised until they got to the traction company, and in the case of the traction company for the District of Columbia, which our committee is advised is having a rather hard time struggling along, the tax was reduced to 1 percent.

The Pond committee then recommended the adoption of a 1-percent sales tax in the District of Columbia, exempting from the tax food and medicines.

They also recommended the imposition of a 2-percent gross tax on parking lots in the District of Columbia.

We already had incorporated in the law an inheritance, estate, and gift tax, and many other special taxes, such as gasoline and other excise taxes.

When the bill was before the committee for consideration the whole committee deleted from the recommendations of the Pond committee the provision for the imposition of a sales tax.

Three years ago the Congress passed an act which provided for the levy and collection of a business-privilege tax, which is a tax upon the businesses of the District of Columbia. This tax has yielded about $2,000,000 annually. With the sales tax taken out of the bill, as recommended by the Pond committee, the bill now comes to this body for consideration, but with the business-privilege tax, which has been on the books and has been operating in the District of Columbia now for years, back in the same fix, but with very few revisions, refinements that in the light of experience the administrative officers of the District of Columbia have deemed would make it a more equitable and just tax.

So the bill that is before you today has every recommendation in it that was made by the Pond Committee on Taxation, with the exception of the sales tax, and in its stead in this bill is the business-privilege tax.

It is difficult to give exact figures as to what this tax will yield, because, for example, in the case of the income tax there is no experience behind it for the collection of an income tax in the District of Columbia. The people here have never paid such a thing. They have, of course, paid their Federal income tax, but the exemptions are so wide apart—that is, the exemptions allowed by the Federal Government under the Federal income-tax law and the exemptions allowed under the instant bill—that it is difficult to arrive at the exact amount of money it will yield.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. DOWELL. As I understand the gentleman, the exemption under the income tax in this bill is $10,000.

Mr. NICHOLS. On earned income; yes.

Mr. DOWELL. Is not that higher than the exemptions the States have?

Mr. NICHOLS. Oh, very much higher.

Mr. DOWELL. How much does that take off the District fund, compared with what it would take off under the approximate amount the States allow?

Mr. NICHOLS. How much it loses to the District, as I was just starting to point out, is almost impossible of estimate, because, as the gentleman well knows, a great portion of the earned income in the District of Columbia, is earned by Federal employees, Government employees, who are domiciled here, but who have their place of residence some place else. If we were to pass a law with, say, an exemption of $2,500, unless you allowed the Government employees domiciled in the District to credit on the income tax the amount that he pays back in his State, you would be imposing double taxation on the Government employees. If you did allow him a credit for the tax that he pays in his home State, as against the tax he would have to pay in the District of Columbia, since there is absolutely no experience behind income-tax legislation here in the District of Columbia, it would be impossible to arrive at a figure.

Mr. DOWELL. In other words, the committee is exempting up to the point of the pay of the Government employee?

Mr. NICHOLS. Largely so; yes.

Mr. DOWELL. How much is the gentleman estimating will be turned over by the Government to the District?

Mr. NICHOLS. Five million dollars. When the appropriation bill for the District of Columbia left the House the other day it provided that $5,000,000 should be paid as the Federal contribution to the District of Columbia. When that bill reached another body at the other end of the Capitol, that body, in their wisdom, increased the appropriation for Federal contributions to the District of Columbia from $5,000,000 to $7,750,000. Our committee thought we should be guided by the action of the House of Representatives, and, believing that $5,000,000 was probably an equitable contribution anyway, provide in this bill that for the fiscal year ending June 30, 1940, and for each subsequent year thereafter, the Federal contribution shall be a sum not to

exceed $5,000,000. I might also add that when the $5,000,000 appropriation passed the House of Representatives it was subject to a point of order. There was no authorization for the appropriation of any sum of money after the 60-40 statute was repealed last year, but, of course, we let the $5,000,000 go through because we deemed it to be an equitable amount of money. I am in hopes, and I am advised by the chairman of the committee, that our Committee on Appropriations will demand of the Senate that the $7,750,000 be reduced back to the House figure of $5,000,000. Of course, if we do that, we are all right. If we do not, then in this bill, which is the authorization bill, we have created a situation which provides that it cannot be more than $5,000,000.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. COCHRAN. The gentleman spoke a moment ago of double taxation. Of course, he is opposed to that. If so, how about the business-privilege tax; what is that?

Mr. NICHOLS. Of course, we do not think the business-privilege tax is double taxation, because in the case of the corporate income tax of 5 percent, we allow in this bill a credit for the business-privilege tax as against the 5-percent corporate income tax.

Mr. COCHRAN. Washington is not a manufacturing city. Practically everything sold here comes from other parts of the country. You are proposing to tax the people of my State and the people of your State to do business in the city of Washington. Is not that correct?

Mr. NICHOLS. I will say to the gentleman that there is no use to get concerned about that.

Mr. COCHRAN. Oh, yes; there is.

Mr. NICHOLS. Now, I will answer the gentleman. Of course, we can all get worked up over taxes. It is a perfectly simple matter. Everyone does. We all want the other fellow to pay the taxes, but it is mighty difficult to get us to agree to pay ourselves. Your businessman in St. Louis and my poor little-business man in Oklahoma, who so expands his business that he does business in the District of Columbia, under the business-privilege tax will be compelled to pay a tax on that portion of his business done within the District of Columbia.

Mr. COCHRAN. Let me ask if this policy is to be copied all over the United States by cities and States, where is a man going to be who engages in interstate commerce? Every place he sends his goods he will be subject to a business-privilege tax if the same principle is followed.

Mr. NICHOLS. I have sat with this tax bill for the District of Columbia since the first of the year, and there is not a provision in this bill for the imposition of a tax that meets anything like universal approval of everyone who will have to pay the tax. I do not think this works any hardship on nonresident businessmen other than all taxes work an imposition on everyone who has to pay the tax.

We have worked hard and long with this thing and we think we have brought for the consideration of this House the most equitable tax bill that can be written.

We are sure of this, that under this tax bill the citizens of the District of Columbia will pay for the cost of their own government.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself 10 minutes.

Now, ladies and gentleman of the Committee, I know that your interest is manifestly somewhat remote in the affairs of the District of Columbia, but Congress discharges a constitutional responsibility to look after the affairs of the seat of government, so that the duty devolves upon the District Committee of the Senate and the District Committee of the House. One of the things we must do every year is to go through that very painful ordeal of bringing in a new tax bill, because we have not yet established a pattern or design of permanent taxation.

I have served with my able and conscientious friend, Mr. NICHOLS of Oklahoma, who has given a great deal of time to this matter. We have served together on the Committee on Taxation for a number of years. Year after year we find it necessary to come here with a new tax bill. The one we are presenting today has a number of titles, and in order that you may be advised in a general way what this bill contains, let me say that title I contains an income tax both on individuals and corporations.

Title II provides for the advancement of money by the Federal Government to the District government in case of emergency, which money must be returned to the Treasury. That authority to advance extends for only 1 year.

Title III is the parking-lot tax. Fees for parking cars here seem to be rather high, and we hit upon the idea of taxing those lots, in order to get a little of the increment, because the parking lots are certainly money-making devices. But we are not so stupid as to believe we are going to accomplish very much, for the reason that if they charge you 50 cents to park your car on an unoccupied lot and this tax goes on, with an estimated return of $25,000, they can jack up the parking cost a nickel and they have their taxes back.

My notion is that this is just a temporary provision in this bill, and I am not disposed to contest it. But I am of the opinion that in view of the congestion here, sooner or later parking must be made a public utility. There is no other answer for it here.

Title IV of the bill provides for amendments to repeal all prior acts, and that includes, of course, repeal of the law imposing taxes on intangible personal property. This is a very unsatisfactory tax. You find lots of people who may have maybe $10,000 or $20,000 of intangibles and they expect to carry on with it the balance of their lives—elderly people. In many instances the rate of tax upon intangibles amounts to two or three times the actual income. It is entirely unfair. It is an unsatisfactory tax, it is difficult of enforcement; and, if we can, we should repeal it. So we are carrying a repealer in this bill.

Another item in the bill, of course, fixes the tax on real estate at not to exceed $1.75. I have heard this Chamber resound for the last 7 years with arguments as to whether the people in the District of Columbia pay a rate upon real estate that is comparable with rates in the other 48 States of the Union. The answer to that is that the devil can cite Scripture to his purpose.

We can argue with equal facility on both sides; but inasmuch as real estate is assessed at face value and bears a rate of $1.75, it comes pretty near, I would say, to the amount that is returned on property in other jurisdictions.

Then there is a title dealing with the Board of Tax Appeals. We have here the most unusual Board of Tax Appeals in the United States. It consists of one man, but I must say for him that he is a diligent, energetic, and capable attorney; he is an expert on tax legislation; he is an indefatigable worker; and he is in the office from early in the morning until late at night. I would feel rather derelict in my duty if I did not express my appreciation of the work that has been done by Joe Morgan, the one-man tax board of the District of Columbia. He has advised the committee frequently, he has given freely of his time to sit with us in the hope that we might be able to develop a permanent tax structure.

Title V of the bill deals with inheritance, estate, and gift taxes. Until a few years ago the District of Columbia never had legislation comparable to other States whereby the District jurisdiction could get the same credits that other States get. That has been remedied. We have tightened up the inheritance, estate, and gift taxes in this bill.

Finally, title VI is a tax on the privilege of doing business, and it is one of the most amazing things I ever saw. It has been on the books for a number of years. We found all sorts of difficulties, but because we make a mistake one time

is no reason why we should rush into it again; and when the time comes, without much argument I shall offer an amendment to strike this whole title from the bill and to alter the income tax so as to make it more palatable. Now, let us look at the income tax for just a minute.

There is a provision in the District of Columbia income-tax feature in this bill which excludes from taxation income, either earned or unearned, to the extent of the first $10,000. Gentlemen, I say to you frankly I am not going home to Illinois and say to my people that I stood for a provision to permit $10,000 of earned income to be excluded before the tax is levied. Why, the people who come from any one of the 32 States of the Union where there is an income tax would not stand for it. The customary exemptions in many jurisdictions and in the Federal law is $2,500 for a married couple and $400 for each child, and $1,000 for a single person, but the bill that is before you today excludes the first $10,000.

It may be said that this excludes Congressmen. Well, maybe so, but I will say to you that this is not going to appeal to the voters in any one of 38 States where they have no such exemption in their own law, and I would not care to try to reconcile that with my conscience, because I do not believe I could do so. What are you going to say to your own people if you vote to exclude $10,000 from taxation in the income of the residents of the District of Columbia? It may be very persuasively argued that if you exclude the first $10,000 an enterprising person can put that into business and develop more taxable resources. This is all right, but I still believe it is not an answer to the problem. So, at the proper time, when this bill is read for amendment and this title is reached I shall offer an amendment to reduce the $10,000 exemption to $2,500. If I had my own individual way about it, there would not be any such exclusion of income, either earned or unearned. We are going to put the people of the District on a parity with the people of the other States of the Union. At the proper time that amendment will be offered.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MASON. Can the gentleman tell us why this exemption of $10,000 was placed in the bill anyway?

Mr. DIRKSEN. There are a variety of reasons. It has been considered from the standpoint of whether Members of Congress and Senators would be taxed, whether Cabinet officers would be taxed, but when we come actually to considering the bill a different face is put upon it.

I remember that when I came here on an occasion and insisted that we ought to adopt an income tax the House did not accept my suggestion; but since that time there has been an opinion rendered by the Supreme Court of the United States and directly and by implication we can see that the States may tax Federal salaries and the Federal Government may tax State salaries. So there is going to be no escape for a Member of Congress. If he does not pay a portion of it here he will have a portion of it to pay out there.

If our friend the gentleman from Colorado, JOHN MARTIN, pays an income tax out in Colorado, why he can get a credit here. So he would pay virtually nothing. The result is you are not going to pay to the District of Columbia and that argument is pretty well vitiated.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, it seems to me the crux of this bill is the exclusion from earned income. I have been wanting to see an income tax adopted as a part of the tax structure, one which is predicated upon ability to pay, one which is sound in principle and fundamental in purpose. It is not regressive. So I for one am going to stand by the income tax, but I want to make it feasible.

May I say to the gentleman from Missouri, that the other point of contention in this bill is the business-privilege tax and when we get down to that title I am going to offer an amendments to strike it out. That is an abomination. It was put in as a stopgap. We came here at the last minute with a revenue measure a year or two ago, but there was not time to properly prepare the legislation before adjournment, so we followed the line of least resistance and took that step. But that is not an argument that there is anything sound to it or that it should be continued.

Let me tell you for instance about the peculiar formula that was written into that first bill in order to make the thing workable in any degree whatsoever and in order to cover divergent situations. Here is the language used:

> The proper apportionment and allocation of gross receipts with respect to sources within and without the District may be determined by processes or formulas of general apportionment under rules and regulations prescribed by the Commission.

There is a fine gem of the English language. There is a scintillating bit of wisdom and diction. That was one of the things we put in there because we knew of all the disparities and all of the abominations that were going to take place. The fact of the matter is our Board of Appeals is congested all the time with appeals.

In order to make it feasible at all we had to set business where capital is a primary element in one group; then business where service was a primary element into another group. So we had to separate doctors and lawyers from dealers in goods, wares, and merchandise. That not being enough, we had to figure out a very fine spread. If the spread between the cost of merchandise and sale price was 3 percent, the tax would be one-tenth of 1 percent. If the spread was 3 to 6 percent, the tax would be two-tenths. If the spread was 6 to 9 the tax would be three-tenths. If the spread was over 9 percent, the tax would be four-tenths of 1 percent.

Fancy that peculiar kind of a tax structure. Then we found out that did not work so very well. We had barrels of complaints. So we had to come along and change that set-up somewhat. Now we provide where the spread is 4 percent or under the tax shall be one-tenth of 1 percent. If it is from 4 to 8 percent, between cost of merchandise and sale price of the merchandise, the tax would be two-tenths of 1 percent.

When you talk about a business privilege tax, what a frightful headache there is in it. As I recall the figures, there are something like 47,000 licenses issued under the business privilege tax, and we charge them $10 for the license. Just think of it, 47,000 in a city of 687,000 people.

There is an exemption of $2,000 in the old act. We put an exemption of $3,000 in the present act. But think of 47,000 people going down here to find out whether or not they have to have a license or whether they are amenable to the act or not. When we started out we found that newsboys would be taxed. So we had to write in an exemption that anybody who did not have a fixed place of business and their gross income was not over $2,000 did not have to pay a tax. We are adding patches, patches, and still more patches to this structure all the time. It is a headache, and that is one of the reasons why I am going to try to revise the income tax carried in the bill and strike out the business-privilege tax entirely.

Mr. COCHRAN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. COCHRAN. I am going to help the gentleman get rid of that headache without taking any medicine by supporting his amendment, and I hope it will be adopted.

Mr. DIRKSEN. There will be delinquencies, and that is why our Appeals Board is constantly congested. There have been lots of complaints.

We have the difficulty of outsiders who come in. Just what is the understanding of the tax? Suppose a salesman comes in from St. Louis, takes a room at the Ambassador Hotel and calls on the trade, sells goods, and the merchandise comes in. It is not settled yet, as a matter of fact, what the authority is under this law. We are proceeding cautiously, but every time we find a new approach or new angle we get a new headache.

Mr. COCHRAN. How much has this tax yielded?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, this was to have yielded $1,800,000, but with the deductions it was cut down to $1,200,000. There you are with 47,000 people having licenses under a business-privilege tax, which is applicable only to an area that is 7 miles square, known as the District of Columbia.

Mr. COCHRAN. What is the cost of administration?

Mr. DIRKSEN. I cannot tell the gentleman just offhand what the administrative cost is. There is considerable administrative cost and there will have to be more if we expect rigid enforcement. The Joint Committee in evaluating this business-privilege tax said as much. But do you not see that we have refined, we have processed, we have changed, we have altered, we have modified, and we have added a little here and taken away a little there, but you just cannot make it work with any degree of equity.

Mr. COCHRAN. It is a clever way to make someone who does not live in the District of Columbia pay the taxes for the people who do live in the District of Columbia who should assume the burden themselves.

Mr. DIRKSEN. I have had some complaint on this.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Is not the gentleman from Illinois in error when he says the business-privilege tax yields only a million dollars?

Mr. DIRKSEN. I said $1,800,000.

Mr. NICHOLS. It is in excess of $2,000,000 for 1939.

Mr. DIRKSEN. I believe $1,800,000 is the figure we can be sure about, because we have not completed the survey as yet for the current fiscal year.

Mr. NICHOLS. It is $2,050,000.

Mr. DIRKSEN. So I think for an ascertained figure it is a correct figure.

I shall not take any more time. I have no opposition to most of the items in this bill. It represents a long drawn out labor. I believe this House ought to take off its hat to JACK NICHOLS, of Oklahoma, for the way he has labored on this thing in the hope we could bring out a decent bill. I express my regret that I cannot see eye to eye with him on some of these items. I say with some degree of regret I hate to do the things I sometimes feel called upon to do; but I do feel it necessary to make this income tax palatable, consequently I shall offer those amendments. I cannot find any sympathy with the business-privilege tax. I know it cannot work. It will never work equitably, no matter how we revise it, and it cannot be permanent, so I want to get down to permanency, where the basis shall be ability and capacity to pay. Sooner or later we must get back to the income tax. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, together with my colleague from Oklahoma and also my colleague from Illinois, I have served on this subcommittee of the District of Columbia Committee in order to study the report of the Joint Committee on Taxation that was appointed as a result of legislation approved on May 16, 1938, looking toward a survey of the entire tax structure of the District of Columbia. The Congress appropriated $10,000 for that purpose, and, pursuant to the authority granted to the Joint Committee on Taxation, there were employed a number of experts, particularly Dr. Chester B. Pond, who is assistant director of the bureau of research and statistics of the Department of Taxation and Finance of the State of New York. This work also was carried on under the direction and supervision of Colin F. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, and with the collaboration of an advisory committee appointed by the District Commissioners to work in conjunction with these experts, in order to determine what a proper tax structure should be for the District of Columbia.

I know this Committee can well appreciate that great difference of opinion will arise when an attempt is made to revise a tax structure of a city or the District of Columbia. In my own State, as an illustration, at the present time, under the direction of the Governor—and the same is true of all the States—an effort is being made to revise the tax structure to develop additional sources of revenue with which to meet the constantly increasing obligations of government. So it is in the District of Columbia. The Congress appropriated $10,000 for the purpose of making this survey, and the joint committee reported back to the Congress on January 1 of this year a report, which is in printed form, being the result of the study that was made of the present tax structure, together with certain recommendations for changes.

I agree with my colleague from Illinois that the gentleman from Oklahoma has given greatly of his time, not only this year but in previous years, in order to determine what ought to be done with respect to increasing the revenues of the District for the purpose of meeting the constantly increasing expenses of government. I join with my colleague from Illinois in complimenting him on the time and effort and conscientious consideration he has given to this matter.

We all know there will be a difference of opinion among members of the committee as to what ought to be reported and what in their opinion should be considered proper. In this report I have disagreed only in part with some of the recommendations. It must be kept in mind that in this report we are wiping out the intangible personal-property tax, which is an irritant tax, an unfair tax, a tax that ought to be eradicated from any consideration from the standpoint of raising revenue in this or any other tax jurisdiction. However, the wiping out of this intangible personal-property tax wipes out over $3,000,000 that was received in the tax year 1939. The bill also includes other sources of revenue to which the Joint Committee on Taxation has given a great deal of consideration and which are recommended by the advisory committee that worked with the joint committee. There is a new tax—a personal income tax—with exemptions up to $10,000, the estimated yield of which is about $1,500,000 only half the amount we are wiping out by the repeal of the intangible personal property tax.

There is also a new tax on corporate net income to the amount of 5 percent, changes in the utility-tax law, the motor-vehicle income, and also a parking-lot tax. It is interesting to note that along with the recommendation of the advisory committee that in eliminating the intangible personal property tax and the business-privilege tax we are wiping out a source of revenue which in 1938 equaled $5,259,975, and which this District depends on to carry on the work of its government. In its place we have substituted new taxes that will yield $4,665,000. So we find that we have a deficiency in revenue between the taxes we wipe out and the new taxes which we develop in the neighborhood of one-half million dollars.

It is quite imperative, of course, that we should raise sufficient sums to carry on the work of the District. There is a good deal of fault being found with a continuation of the business-privilege tax which is recommended in this report and which, I wish to call your attention to, is not a temporary tax, but by the very nature of this bill is made a permanent addition to the tax structure of the District of Columbia.

In 1937 the business-privilege tax was instituted as a temporary or stopgap measure, introduced to meet a demand for increased revenue pending a more satisfactory settlement of the whole tax question in the District. Keep that in mind. The business-privilege tax was instituted in 1937 as an emergency and stopgap measure to meet conditions then existing and which we did not have a chance to cope with in the closing days of the session. It is now, the report states, in its second year of operation, but expires by law June 30, 1939, or at the end of this month.

This is what the advisory committee had to say about this tax:

> Almost the entire time of the Board of Tax Appeals for the District of Columbia is spent in adjudication of issues arising under this tax. Popular condemnation of the tax is widespread, and it is safe to say that public sentiment is overwhelmingly opposed to this tax.

Now, it seems to me, Mr. Chairman, that in the determination of a permanent tax structure, such as this bill contemplates, we ought to be very cautious about including within the scope of the bill the tax which the advisory committee states is meeting with universal widspread opposition and is taking so much of the time of the Board of Tax Assessors to adjudicate the various claims that are being made under the provisions of the law.

It seems to me also that in the consideration of a tax structure we ought to follow the advice of the tax experts of the Nation, and I know of none of them who recommends that a tax structure should be predicated and based on any other theory of government than the theory of the ability on the part of the taxpayers to pay the bill.

The business-privilege tax is nothing more or less than a sales tax, which is passed on ultimately to the consumer in the District of Columbia.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BATES of Massachusetts. Mr. Chairman, I join with my colleague from Illinois in recommending that the income tax be lowered from the $10,000 exemption and also the elimination of the business-privilege tax, and by so doing sufficient money will be raised from the various sources of revenue to meet the cost of government in the District not only for the next fiscal year but for at least 4 or 5 years to come. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. HAWKS].

Mr. HAWKS. Mr. Chairman, I simply want to take the floor at this time to indicate my support of the amendment that the gentleman from Illinois, who has so kindly given me this time, will offer eliminating the business-privilege tax.

It has been shown during the debate that there are about 47,000 concerns in this country paying $10 a year on this account, and from the 47,000 I have received a great many letters from small concerns in my State objecting strenuously to this form of taxation.

I would like to go on record as opposed to that tax. I believe the proposal of the gentleman from Illinois [Mr. DIRKSEN] to increase the income-tax base is a good one. In Wisconsin we have had a very logical and sensible success in income-tax collections under our income-tax law. I believe that should be applied to the District of Columbia in the same manner; and if you will reduce the exemptions under your income-tax provision in this bill, I am sure you will more than make up for the loss of income occasioned by doing away with the business-privilege tax. [Applause.]

Mr. RANDOLPH. Mr. Chairman, I yield such time as the gentleman requires to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I presume there is nothing new in chairmen of subcommittee or full committees finding members of their own committee in opposition to the bill which has been reported by the committee to the floor of the House for consideration. In the brief time I have at my command, I shall talk to you just for a few minutes about these two propositions of my distinguished colleague from Illinois [Mr. DIRKSEN]. In the first place, up until 3 years ago the District of Columbia was the tax haven of the entire world. I venture the assertion that up until 3 years ago there was no jurisdiction in the United States, the citizens of which so completely avoided the payment of taxes to support their local government, as did the citizenship of the District of Columbia. The purpose of this bill and the purpose of the long labor that I have devoted to it is to fix it so that those people who live in the District of Columbia will pay their proportionate share of the cost of the government of the District of Columbia, and relieve the burden from the Federal Government.

Let us talk for a moment about the $10,000 exemption of the income-tax law. In the first place the Pond committee of tax experts, one of the leading lights on that committee being your tax expert, Mr. Stam, who works every day with the great Ways and Means Committee of this House in recommending tax legislation, recommended that $14,000 be allowed for exemption in earned income in the District of Columbia. Our committee reduced it to $10,000, over the recommendation of the experts who are presumed to guide us in writing this legislation.

What is wrong with the $10,000 exemption? Does it exempt Members of Congress? Certainly it does. Should it? Certainly it should. I, for one, am not afraid to go back to my constituency and say that I do not think that I as a Member of Congress should pay an income tax to the District of Columbia. Let the man argue with me why I should. I am here representing a constituency from a great State. I am not here of my own volition. I come here by reason of the fact that I am a servant of the constituency of approximately 300,000 people, the same as all of you men. I would have to be here if this were the seat of government, whether there was any local government here or not. I would have to be here whether there was any police protection here or not, whether there was any fire protection. I would have to be here if we were living in tents. I have no choice in the matter. I am here doing a job for my constituency; and in order that the District of Columbia will not suffer by reason of my being domiciled here, while I carry on my duties to my constituency, the Federal Government appropriates annually a sum of money and gives it by way of contribution to the government of the District of Columbia to help defray the costs of that government. So I make no apology, and no one of you need make any apology that Members of Congress should not pay an income tax to the District of Columbia.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. ROBSION of Kentucky. In my own State we have an income tax, and most of the States do, and each Member of the House and Senate pays an income tax to his own State. That is correct?

Mr. NICHOLS. Yes; and to the Federal Government.

Mr. ROBSION of Kentucky. And there is no reason why we should pay a third income tax here in the District of Columbia where we are all attending to Federal public business.

Mr. NICHOLS. I agree with the gentleman from Kentucky.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. RAYBURN. My State does not have an income tax, and I am not a citizen of the District of Columbia, and as far as I am concerned I am not going to vote for any bill that taxes me on my income in the District of Columbia.

Mr. NICHOLS. I thank the gentleman for that contribution. The purpose of this bill is to raise revenue and run the government of the District of Columbia. This is the most peculiar taxing jurisdiction in the United States. There should be here the cheapest tax rates in the United States. It takes less money to run the government of the District of Columbia than it would to run the government of a city of like size in any other State in the Union, not because the government is more efficient, not because the system is better, but because in any city in the United States with 700,000 population, when you pay your local tax bill, you pay a tax for the cost of the government of the municipality and then by contribution you pay a tax to the support of the independent school districts within the municipality. Then you pay a contribution in the way of tax for the support of county government, and in many States in the United States, township government, and in addition to that you pay a tax by contribution to the support of the State government, and then an independent county school system on top of that, which means six taxes, all of which by contribution you pay in any other city in the United States.

In the District of Columbia you pay but two. You pay one to the cost of the local government and pay a contribution to the cost of the Federal Government, and you dodge the payment of four contributions. It just does not take as much money.

The gentleman from Illinois [Mr. DIRKSEN] says we have to get the District of Columbia on a parity with other States in income-tax matters. Mr. Chairman, you never in the world will get the District of Columbia as a taxing jurisdiction on a parity with any State in the Union. It cannot be done. This is the most peculiar tax jurisdiction in the world. The tax experts—and I am willing to be bound by them—say that this bill as written today, with $10,000 exemption on earned individual income, added to the other revenues raised by this measure, will provide sufficient funds to run the District of Columbia. Now, you vote to reduce the exemption to $2,500 and increase the amount of revenue that will come from it by $3,000,000, and you will have a surplus of some amount of money that is not needed to defray the cost of government.

One word as to the business-privilege tax. The statement of my friends on my left, to the contrary notwithstanding, I say to you, as chairman of this subcommittee, that this year I have not received a single kick from the Board of Trade of the District of Columbia, from any citizens' association of the District of Columbia; I have not been requested to give a hearing to any person, individual, firm, or corporation in the District of Columbia after it was announced that we were going to write back into the bill the business-privilege tax.

Although the business-privilege tax is unique, still if it were a vicious tax, as you would be led to believe it is, then I say to you the businessmen of the District of Columbia, who are just now becoming accustomed to paying taxes, incidentally—if it was too tough on them, they would be up here before the District Committee, and they well know I am chairman of the subcommittee and have been for 3 years, and I would be hearing objections from them. I am frank to admit to you that there might be other forms of taxation better than the business-privilege tax, but it is absolutely improper that all taxes to defray the cost of the government of the District of Columbia should come from but one taxpaying class. The finest tax system that can be written, whether it is a local tax system or a Federal tax system, is a system with a broad base, which touches every taxpaying class, and thereby works no burden or hardship upon any particular taxpaying class.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. All time has expired. The Clerk will read the bill.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that the bill may be read by title instead of by paragraph. Amendments will be in order to any section of the title, of course.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. SMITH of Virginia. Reserving the right to object, Mr. Chairman, I have an amendment which I want to offer on page 5. Do I understand that the entire title will be read and then I will have the privilege of offering my amendment, after the completion of the reading of the title?

Mr. RANDOLPH. That is correct; yes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That this act divided into titles and sections may be cited as the "District of Columbia Revenue Act of 1939."

TITLE I—INCOME TAX

This title divided into sections and paragraphs according to the following table of contents, may be cited as the "District of Columbia Income Tax Act":

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APPLICATION OF TITLE

SECTION 1. The provisions of this title shall apply to the taxable year 1938 and succeeding taxable years, except that in the case of a taxable year beginning in 1937 and ending in 1938 the income taxable under this title shall be that fraction of the income for the entire fiscal year equal to the number of days remaining in the fiscal year after January 1, 1938, divided by 365: *Provided, however,* That if the taxpayer's records properly reflect the income for that part of the fiscal year falling in the calendar year 1938, then the portion of the fiscal year's income taxable hereunder shall be the portion received or accrued during the calendar year 1938.

IMPOSITION OF TAX

SEC. 2. (a) Tax on individuals: There is hereby levied for each taxable year upon the taxable income of every individual a tax at the following rates:

Two percent on the first $1,000 of taxable income.
Three percent on the next $2,000 of taxable income.
Four percent on the next $2,000 of taxable income.
Five precent on the next $2,000 of taxable income.
Six percent on the next $2,000 of taxable income.
Seven percent on the taxable income in excess of $9,000.

(b) Tax on corporations: There is hereby levied for each taxable year upon the taxable income from District of Columbia sources of every corporation, whether domestic or foreign (except those organizations expressly exempt under paragraph (d) of this section), a tax at the rate of 5 percent thereof.

(c) Definition of "taxable income": As used in this section, the term "taxable income" means the amount of the net income.

(d) Exemptions from tax: There shall be exempt from taxation under this title the following organizations: Corporations, including any community chest, fund, foundation, cemetery association, teachers' retirement fund association, church, or club, organized and operated exclusively for religious, charitable, scientific, literary, educational, or social purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; and labor organizations, trade associations, boards of trade, chambers of commerce, citizens' associations or organizations, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual; banks, insurance companies, building and loan associations, and companies, incorporated or otherwise, which guarantee the fidelity of any individual or individuals, such as bonding companies, all of which pay taxes upon gross premiums or earnings under existing laws of the District of Columbia.

NET INCOME

SEC. 3. Definition: The term "net income" means the gross income of a taxpayer less the deductions allowed by this title.

GROSS INCOME AND EXCLUSIONS THEREFROM

SEC. 4. (a) Of resident individuals: The words "gross income," as used in this title, include gains, profits, and income derived from salaries, wages, or compensation for personal services of whatever kind and in whatever form paid, including salaries, wages, and compensation paid by the United States to its officers and employees to the extent the same is not immune from taxation under the Constitution, or income derived from professions, vocations, trades, businesses, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership, or use of, or interest in, such property; also from rent, royalties, interest, dividends, securities, or transactions of any business carried on for gain or profit, or gains or profits, and income derived from any source whatever.

(b) Of corporations and nonresident individuals: In the case of any corporation or a nonresident individual, gross income includes only the gross income from sources within the District of Columbia.

(c) Exclusions from gross income: The following items shall not be included in gross income and shall be exempt from taxation under this title:

(1) In the case of individuals, earned income not in excess of $10,000: *Provided, however,* That if a return is made for a fractional part of a year the amount excluded in this subparagraph shall be reduced to an amount which bears the same ratio to the full exclusion as the number of months in the period for which the return is made bears to 12 months.

(2) In the case of individuals, income other than earned income not in excess of $500: *Provided, however,* That if a return is made for a fractional part of a year the amount excluded in this subparagraph shall be reduced to an amount which bears the same ratio to the full exclusion as the number of months in the period for which the return is made bears to 12 months.

(3) Life insurance: Amounts received under a life-insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income).

(4) Annuities, etc.: Amounts received (other than amounts paid by reason of the death of the insured and interest payments on such amounts and other than amounts received as annuities) under a life-insurance or endowment contract, but if such amounts (when added to amounts received before the taxable year under such contract) exceed the aggregate premiums or consideration paid (whether or not paid during the taxable year) then the excess shall be included in gross income. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income; except that there shall be excluded from gross income the excess of the amount received in the taxable year over an amount equal to 3 percent of the aggregate premiums or consideration paid for such annuity (whether or not paid during such year), until the aggregate amount excluded from gross income under this title in respect to such annuity equals the aggregate premiums or consideration paid for such annuity. In the case of a transfer for a valuable consideration, by assignment or otherwise, of a life-insurance, endowment, or annuity contract, or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be exempt from taxation under paragraph (1) or this paragraph.

(5) Gifts, bequests, and devises: The value of property acquired by gift, bequest, devise, or inheritance (but the income from such property shall be included in gross income).

(6) Tax-free interest: Interest upon (A) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; or (B) obligations of a corporation organized under act of Congress, if such corporation is an instrumentality of the United States; or (C) the obligations of the United States or its possessions.

(7) Compensation for injuries or sickness: Amounts received, through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement on account of such injuries or sickness.

(8) Ministers: The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation.

(9) Income exempt under treaty: Income of any kind to the extent required by any treaty obligations of the United States.

(10) Dividends from China Trade Act Corporations: In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China Trade Act, 1922, if, at the time of such distribution, he is a resident of China, and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him.

(11) Income of foreign governments.

DEDUCTIONS FROM GROSS INCOME

SEC. 5. (a) Items of deduction: In computing net income there shall be allowed as deductions:

(1) Expenses: All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.

(2) Interest: All interest paid or accrued within the taxable year on indebtedness.

(3) Taxes: Taxes paid or accrued within the taxable year, except—

(A) Income taxes;
(B) Estate, inheritance, legacy, succession, and gift taxes;
(C) Business-privilege tax accruing after June 30, 1939;
(D) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed; but this paragraph shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges; and
(E) Taxes paid to any State or Territory on property, business, or occupation the income from which is not taxable under this title.

(4) Losses in trade or business: Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business, the income from which is subject to taxation under this title.

(5) Losses in transactions for profit: Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in any transaction entered into for profit, would be subject to taxation under this title, though not connected with the trade or business.

(6) Intercompany dividends: In the case of a corporation, the amount received as dividends from a domestic corporation which is subject to taxation under this title.

(7) Bad debts: Debts ascertained to be worthless and charged off within the taxable year or, in the discretion of the assessor, a reasonable addition to a reserve for bad debts; and when satisfied that a debt is recoverable only in part, the assessor may allow such debt, in an amount not in excess of the part charged off within the taxable year, as a deduction.

(8) Insurance premiums: All fire-, tornado-, and casualty-insurance premiums paid during the taxable year in connection with property held for investment or business.

(9) Depreciation: A reasonable allowance for exhaustion, wear, and tear of property used in the trade or business, including a reasonable allowance for obsolescence; and including in the case of natural resources allowances for depletion as permitted by reasonable rules and regulations which the Commissioners are hereby authorized to promulgate.

(10) Charitable contributions: Contributions or gifts actually paid within the taxable year to or for the use of any corporation, or trust, or community fund, or foundation, maintaining activities in the District of Columbia and organized and operated exclusively for religious, charitable, scientific, literary, military, or educational purposes, no part of the net income of which inures to the benefit of any private shareholder or individual: *Provided*, That such deductions shall be allowed only in an amount which in all of the above cases combined does not exceed 15 percent of the taxpayer's net income as computed without the benefit of this subparagraph.

(11) Wagering losses: Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

(b) Allocation of deductions: In the case of a taxpayer, other than a resident individual, the deductions allowed in this section shall be allowed only for and to the extent that they are connected with income arising from sources within the District and taxable under this title to a nonresident taxpayer; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the District shall be determined by processes or formulas of general apportionment under rules and regulations to be prescribed by the Commissioners. The so-called charitable contribution deduction allowed by subparagraph 10 of paragraph (a) of this section shall be allowed whether or not connected with income from sources within the District.

(c) Corporations and nonresident individuals to file return of total income: A corporation or a nonresident individual shall receive the benefits of the deductions allowed to it under this title only by filing or causing to be filed with the assessor a true and accurate return of its total income received from all sources, whether within or without the District.

GAINS OR LOSSES FROM SALE OF ASSETS

SEC. 6. (a) Gain or loss in capital assets not recognized: No gain or loss from the sale or exchange of a capital asset shall be recognized in the computation of net income under this title. For the purposes of this title, "capital assets" means property held by the taxpayer for more than 2 years (whether or not connected with his trade or business) but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of a taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(b) Gain or loss in assets other than capital: Gains or losses from the sale or exchange of property other than a capital asset shall be treated in the same manner as other income or deductible losses, and the basis for computing such gain or loss shall be the cost of such property or, if acquired by some means other than purchase, the fair market value thereof at the date of acquisition.

EXCHANGES

SEC. 7. Where property is exchanged for other property, the property received in exchange for the purpose of determining the gain or loss shall be treated as the equivalent of cash to the amount of its fair market value; but when in connection with the reorganization, merger, or consolidation of a corporation a taxpayer receives, in place of stock or securities owned by him, new stock or securities of the reorganized, merged, or consolidated corporation, no gain or loss shall be deemed to occur from the exchange until the new stock or securities are sold or realized upon and the gain or loss is definitely ascertained, until which time the new stock or securities received shall be treated as taking the place of the stock and securities exchanged; provided such reorganization, merger, or consolidation is a "reorganization" within the meaning of the term "reorganization" as defined in section 112 (g) of the Federal Revenue Act of 1936.

DEDUCTIONS NOT ALLOWED

SEC. 8. (a) General rule: In computing net income no deductions shall be allowed in any case in respect to—

(1) personal, living, or family expenses;

(2) any amount paid out for new buildings or for permanent improvements or betterments, made to increase the value of any property or estate;

(3) any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; and

(4) premiums paid on any life-insurance policy covering the life of any officer or employee or of any person financially interested in any trade or business carried on by the taxpayer when the taxpayer is directly or indirectly a beneficiary under such policy.

(b) Holders of life or terminable interest: Amounts paid under the laws of any State, Territory, District of Columbia, possession of the United States, or foreign country as income to the holder of a life or terminable interest acquired by gift, bequest, or inheritance shall not be reduced or diminished by any deduction for shrinkage (by whatever name called) in the value of such interest due to the lapse of time, nor by any deduction allowed by this act (except the deductions provided for in subsections (l) and (m) of section 23 of the Federal Revenue Act of 1926 as amended) for the purpose of computing the net income of an estate or trust but not allowed under the laws of such State, Territory, District of Columbia, possession of the United States, or foreign country for the purpose of computing the income to which such holder is entitled.

CREDITS AGAINST TAX

SEC. 9. (a) Allowed residents for income tax paid State or Territory: Whenever a resident individual of the District has become liable for income tax to any State or Territory upon his net income, or any part thereof for the taxable year, derived from sources without the District and subject to taxation under this title, the amount of income tax payable by him under this title shall be credited on his return with the income tax so paid by him to any State or Territory upon his producing to the assessor satisfactory evidence of the fact of such payment: *Provided, however*, That such credit shall not exceed that proportion of the tax payable under section 2 of this title that the portion of taxable income taxed by such State or Territory bears to the total net income of such resident subject to tax under this title. The credit provided for by this section shall not be granted to the taxpayer when the laws of the State or Territory under which the income in question is subject to tax assessment provide for credit to such taxpayer substantially similar to that granted by paragraph (b) of this section.

(b) Allowed nonresidents for income tax paid State or Territory: Whenever a nonresident individual of the District has become liable for income tax, to the State or Territory where he resides, upon his net income for the taxable year, derived from sources within the District and subject to taxation under this title, the amount of income tax payable by him under this title shall be credited with such proportion of the tax so payable by him to the State or Territory where he resides as his income subject to taxation under this title bears to his entire income upon which the tax so payable to such other State or Territory was imposed: *Provided*, That such credit shall be allowed only if the laws of said State or Territory (1) grant a substantially similar credit to residents of the District subject to income tax under such laws, or (2) impose a tax upon the personal income of its residents derived from sources in the District and exempt from taxation the personal income of residents of the District. No credit shall be allowed against the amount of the tax on any income taxable under this title which is exempt from taxation under the laws of such other State or Territory.

(c) Credit for business-privilege tax: Any business-privilege tax assessed against and paid by the taxpayer to the District for any fiscal year beginning after June 30, 1939, shall be allowed as a credit against the tax imposed by this title and assessed during the same fiscal year.

ACCOUNTING PERIODS

SEC. 10. The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made in accordance with such method as in the opinion of the assessor does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 44 or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year. If the taxpayer makes a Federal income-tax return, his income shall be computed, for the purposes of this title, on the basis of the same calendar or fiscal year as in such Federal income-tax return.

PERIOD IN WHICH ITEMS OF GROSS INCOME INCLUDED

SEC. 11. The amount of all items of gross income shall be included in the gross income for the taxable year in which received by the taxpayer unless, under methods of accounting permitted under section 10, any such amounts are to be properly accounted for as of a different period. In the case of the death of a taxpayer there shall be included, in computing net income for the taxable period in which falls the date of his death, amounts accrued up to the date of his death if not otherwise properly includible in respect to such period or a prior period.

PERIOD FOR WHICH DEDUCTIONS AND CREDITS TAKEN

SEC. 12. The deductions and credits provided for in this title shall be taken for the taxable year in which "paid or accrued" or "paid or incurred," dependent upon the method of accounting upon the basis of which the net income is computed unless, in order to clearly reflect the income, the deductions or credits should be taken as of a different period. In the case of the death of a taxpayer there shall be allowed as deductions and credits for the taxable period in which falls the date of his death, amounts accrued up to the date of his death if not otherwise properly allowable in respect to such period or a prior period.

INSTALLMENT BASIS

SEC. 13. (a) Dealers in personal property: Under regulations prescribed by the Commissioners, a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any taxable year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when payment is completed bears to the total contract price.

(b) Sales of realty and casual sales of personalty: In the case of (1) a casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year) for a price exceeding $1,000, or (2) of a sale or other disposition of real property, if in either case the initial payments do not exceed 30 percent of the selling price, the income may, under regulations prescribed by the Commissioners, be returned on the basis and in the manner above prescribed in this section. As used in this section, the term "initial payments" means the payments received in cash or property other than evidences of indebtedness of the purchaser during the taxable period in which the sale or other disposition is made.

(c) Change from accrual to installment basis: If a taxpayer entitled to the benefits of subsection (a) elects for any taxable year to report his net income on the installment basis, then in computing his income for the year of change or any subsequent year, amounts actually received during any such year on account of sales or other disposition of property made in any prior year shall not be excluded.

(d) Gain or loss upon disposition of installment obligations: If an installment obligation is satisfied at other than its face value or distributed, transmitted, sold, or otherwise disposed of, gain or loss shall result to the extent of the difference between the basis of the obligation and (1) in the case of satisfaction at other than face value or a sale or exchange—the amount realized, or (2) in case of a distribution, transmission, or disposition otherwise than by sale or exchange—the fair market value of the obligation at the time of such distribution, transmission, or disposition. Any gain or loss so resulting shall be considered as resulting from the sale or exchange of the property in respect to which the installment obligation was received. The basis of the obligation shall be the excess of the face value of the obligation over an amount equal to the income which would be returnable were the obligation satisfied in full. This paragraph shall not apply to the transmission at death of installment obligations if there is filed with the assessor, at such time as he may by regulation prescribe, a bond in such amount and with such sureties as he may deem necessary, conditioned upon the return as income, by the person receiving any payment in such obligations, of the same proportion of such payment as would be returnable as income by the decedent if he had lived and had received such payment.

*Inventories*

SEC. 14. Whenever in the opinion of the assessor the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the assessor may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income.

INDIVIDUAL RETURNS

SEC. 15. (a) Requirement: The following individuals shall each make under oath a return stating specifically the items of his gross income and the deductions and credits allowed under this title and such other information for the purpose of carrying out the provisions of this title as the Commissioners may by regulations prescribe:

(1) Every individual having a net income for the taxable year.

(2) Every individual having earned income in excess of $10,000 for the taxable year.

(3) Every individual having income other than earned income in excess of $500 for the taxable year.

(b) Persons under disability: If the taxpayer is unable to make his own return, the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

(c) Fiduciaries: For returns to be made by fiduciaries, see section 24.

CORPORATION RETURNS

SEC. 16. Every corporation not expressly exempt from the tax imposed by this title shall make a return and pay a filing fee of $25 which shall be credited against the tax. Such return shall state specifically the items of its gross income and the deductions and credits allowed by this title, and such other information for the purpose of carrying out the provisions of this title as the Commissioners may by regulations prescribe. The return shall be sworn to by the president, vice president, or other principal officer, and by the treasurer, assistant treasurer, or chief accounting officer. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

TAXPAYER TO MAKE RETURN WHETHER RETURN FORM IS SENT OR NOT

SEC. 17. Blank forms of returns for income shall be supplied by the assessor. It shall be the duty of the assessor to obtain an income-tax return from every taxpayer who is liable under the law to file such return; but this duty shall in no manner diminish the obligation of the taxpayer to file a return without being called upon to do so.

TIME AND PLACE FOR FILING RETURNS

SEC. 18. All returns of income for the preceding taxable year shall be made to the assessor on or before the 15th day of October in each year, except that such returns, if made on the basis of a fiscal year ending after June 30 in any year, shall be made on or before the 15th day of the third month following the close of such fiscal year.

EXTENSION OF TIME FOR FILING RETURNS

SEC. 19. The assessor may grant a reasonable extension of time for filing income returns whenever in his judgment good cause exists and shall keep a record of every such extension. Except in case of a taxpayer who is abroad, no such extension shall be granted for more than 6 months, and in no case for more than 1 year. In the event time for filing a return is deferred, the taxpayer is hereby required to pay, as a part of the tax, an amount equal to 6 percent per annum on the tax ultimately assessed from the time the return was due until it is actually filed in the office of the assessor.

ALLOCATION OF INCOME AND DEDUCTIONS

SEC. 20. In any of two or more organizations, trades, or businesses (whether or not incorporated, whether or not organized in the District of Columbia, and whether or not affiliated) owned or controlled directly or indirectly by the same interests, the assessor is authorized to distribute, apportion, or allocate gross income or deductions between or among such organizations, trades, or businesses, if he determines that such distribution, apportionment, or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any of such organizations, trades, or businesses. The provisions of this section shall apply, but shall not be limited in application to any case of a common carrier by railroad subject to the Interstate Commerce Act and jointly owned or controlled directly or indirectly by two or more common carriers by railroad subject to said act.

PUBLICITY OF RETURNS

SEC. 21. (a) Secrecy of returns: Except to any official of the District, having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return under this title.

(b) When copies may be furnished: Neither the original nor a copy of the return desired for use in litigations in court shall be furnished where the District of Columbia is not interested in the result whether or not the request is contained in an order of the court: *Provided*, That nothing herein shall be construed to prevent the furnishing to a taxpayer of a copy of his return upon the payment of a fee of $1.

(c) Reciprocal exchange of information with States: Notwithstanding the provisions of this section, the assessor may permit the proper officer of any State imposing an income tax or his authorized representative to inspect income-tax returns, filed with the assessor or many furnish to such officer or representative a copy of any income-tax return provided such State grants substantially similar privileges to the assessor or his representative or to the proper officer of the District charged with the administration of this title.

(d) Publication of statistics: Nothing herein shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports and the items thereof, or of the publication of delinquent lists showing the names of taxpayers who have failed to pay their taxes at the time and in the manner provided by law, together with any relevant information which in the opinion of the assessor may assist in the collection of such delinquent taxes.

(e) Penalties for violation of this section: Any offense against the provisions of this section shall be a misdemeanor and shall be punishable by a fine not exceeding $1,000 or imprisonment for 6 months, or both, in the discretion of the court.

RETURNS TO BE PRESERVED

SEC. 22. Reports and returns received by the assessor under the provisions of this title shall be preserved for 6 years and thereafter until the assessor orders them to be destroyed.

FIDUCIARY RETURNS

SEC. 23. (a) Requirement of return: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for any of the following individuals, estates, or trusts for which he acts, stating specifically the items of gross income thereof and the deductions and credits allowed under this title and such other information for the purpose of carrying out the provisions of this title as the Commissioners may by regulations prescribe:

(1) Every individual estate or trust having a net income for the taxable year.

(2) Every individual having earned income in excess of $10,000 for the taxable year.

(3) Every individual having income other than earned income in excess of $500 for the taxable year.

(b) Joint fiduciaries: Under such regulations as the Commissioners may prescribe, a return by one of two or more joint fiduciaries and filed in the office of the assessor shall be sufficient compliance with the above requirement. Such fiduciary shall make oath (1) that he has sufficient knowledge of the affairs of the individual, estate, or trust for which the return is made to enable him to make the return, and (2) that the return is, to the best of his knowledge and belief, true and correct.

(c) Law applicable to fiduciaries: Any fiduciary required to make a return under this title shall be subject to all the provisions of law which apply to individuals.

ESTATES AND TRUSTS

SEC. 24. (a) Application of tax: The taxes imposed by this title upon individuals shall apply to the income of estates or of any kind of property held in trust, including—

(1) income accumulated in trust for the benefit of unborn or unascertained person or persons with contingent interests, and income accumulated or held for future distribution under the terms of the will or trust;

(2) income which is to be distributed currently by the fiduciary to the beneficiaries, and income collected by a guardian of an infant which is to be held or distributed as the court may direct;

(3) income received by estates of deceased persons during the period of administration or settlement of the estate; and

(4) income which, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated.

(b) Computation of tax: The tax shall be computed upon the net income of the estate or trust, and shall be paid by the fiduciary, except as provided in paragraph (e) of this section (relating to revocable trusts) and paragraph (f) of this section (relating to income for benefit of the grantor).

(c) Net income: The net income of the estate or trust shall be computed in the same manner and on the same basis as in the case of an individual, except that—

(1) there shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year which is to be distributed currently by the fiduciary to the beneficiaries, and the amount of the income collected by a guardian of an infant which is to be held or distributed as the court may direct, but the amount so allowed as a deduction shall be included in computing the net income of the beneficiaries whether distributed to them or not. Any amount allowed as a deduction under this paragraph shall not be allowed as a deduction under subsection (2) of this section in the same or any succeeding taxable year;

(2) In the case of income received by estates of deceased persons during the period of administration or settlement of the estate, and in the case of income which, in the discretion of the fiduciary, may be either distributed to the beneficary or accumulated, there shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year, which is properly paid or credited during such year to any legatee, heir, or beneficiary, but the amount so allowed as a deduction shall be included in computing the net income of the legatee, heir, or beneficiary;

(3) There shall be allowed as a deduction (in lieu of the deductions for charitable contributions authorized by section 5 (a) (10)) any part of the gross income, without limitation, which pursuant to the terms of the will or deed creating a trust, is during the taxable year paid or permanently set aside for the purposes and in the manner provided in section 5 (a) (10) or is to be used exclusively for the purposes enumerated in section 5 (a) (10).

(d) Different taxable year: If the taxable year of a beneficiary is different from that of the estate or trust, the amount which he is required, under subparagraph (1) of paragraph (c) of this section, to include in computing his net income, shall be based upon the income of the estate or trust for any taxable year of the estate or trust ending within or with his taxable year.

(e) Revocable trusts: Where at any time the power to revest in the grantor title to any part of the corpus of the trust is vested—

(1) In the grantor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such part of the corpus or the income therefrom; or

(2) In any person not having a substantial adverse interest in the dispostion of such part of the corpus or the income therefrom, then the income of such part of the trust shall be included in computing the net income of the grantor.

(f) Income for benefit of grantor: Where any part of the income of a trust—

(1) Is, or in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income may be, held or accumulated for future distribution to the grantor; or

(2) May, in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income, be distributed to the grantor; or

(3) Is, or in the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income may be applied to the payment of premiums upon policies of insurance on the life of the grantor (except policies of insurance irrevocably payable for the purposes and in the manner specified in section 5 (a) 10, relating to the so-called "charitable contribution" deduction);

then such part of the income of the trust shall be included in computing the net income of the grantor.

(g) Definition of "in discretion of grantor": As used in this section, the term "in the discretion of the grantor" means "in the discretion of the grantor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of the part of the income in question."

(h) Income from intangible personal property held by trust: Income from intangible personal property held by any trust company or by any national bank situated in the District (with or without an individual trustee, resident or nonresident) in trust to pay the income for the time being to, or to accumulate or apply such income for the benefit of any nonresident of the District, shall not be taxable hereunder if—

(1) such beneficial owner or cestui que trust was at the time of the creation of the trust a nonresident of the District; and

(2) the testator, settlor, or grantor was also at the time of the creation of the trust a nonresident of the District.

PARTNERSHIPS

SEC. 25. (a) Partners only taxable: Individuals carrying on business in partnership shall be liable for income tax only in their individual capacity, and no income tax shall be assessable hereunder upon the net income of any partnership. All such income shall be assessable to the individual partners; it shall be reported by such partners as individuals upon their respective individual income returns; and it shall be taxed to them as individuals along with their other income at the rate and in the manner herein provided for the taxation of income received by individuals. There shall be included in computing the net income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year; or if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the partnership is computed, then his distributive share of the net income of the partnership for any accounting period of the partnership ending within the taxable year upon the basis of which the partner's net income is computed.

(b) Partnership return: Every partnership shall make a return for each taxable year stating specifically the items of its gross income and the deductions allowed by this title, and shall include in the return the names and the addresses of the individuals who would be entitled to share in the net income if distributed, and the amount of the distributive share of each individual. The return shall be sworn to by any one of the partners.

PAYMENT OF TAX

SEC. 26. (a) Time of payment: The total amount of tax imposed by this title shall be paid on the 15th day of October following the close of the calendar year, or, if the return should be made on the basis of a fiscal year ending after June 30 in any year, then on the 15th day of the third month following the close of the fiscal year.

(b) Installment payments: The taxpayer may elect to pay the tax in two equal installments, in which case the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the 15th day of the sixth month after such date. If any installment is not paid on or before the date fixed for its payment the whole amount of the tax unpaid shall be paid upon notice and demand from the collector of taxes.

(c) Extension of time for payments: At the request of the taxpayer the assessor may extend the time for payment by the taxpayer of the amount determined as the tax, for a period not to exceed 6 months from the date prescribed for the payment of the tax or an installment thereof. In such case the amount in respect to which the extension is granted shall be paid on or before the date of the expiration of the period of the extension.

(d) Voluntary advance payment: A tax imposed by this title, or any installment thereof, may be paid, at the election of the taxpayer, prior to the date prescribed for its payment.

(e) Fractional part of cent: In the payment of any tax under this title a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

(f) Payment to collector and receipts: The tax provided under this title shall be collected by the collector and the revenues derived therefrom shall be turned over to the Treasury of the United States for the credit to the District in the same manner as other revenues are turned over to the United States Treasury for the credit to the District. The collector shall, upon written request, give to the person making payment of any income tax a full written or printed receipt therefor.

TAX A PERSONAL DEBT

SEC. 27. Every tax imposed by this title, and all increases, interest, and penalties thereof, shall become, from the time it is due and payable, a personal debt, from the person or persons liable to pay the same to the District, and shall be entitled to the same priority as other District taxes; and the taxes levied hereunder and the interest and penalties thereon shall be collected by the collector of taxes in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection.

INFORMATION FROM THE BUREAU OF INTERNAL REVENUE

SEC. 28. The Bureau of Internal Revenue of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Commissioners relative to any person subject to the taxes imposed by this title.

ASSESSOR TO ADMINISTER

SEC. 29. (a) Duties of assessor: The assessor is hereby required to administer the provisions of this title. The assessor shall pre-

scribe forms identical with those utilized by the Federal Government, except to the extent required by differences between this title and its application and the Federal act and its application. He shall apply as far as practicable the administrative and judicial interpretations of the Federal income-tax law so that computations of income for purposes of this title shall be, as nearly as practicable, identical with the calculations required for Federal income-tax purposes. As soon as practicable after the return is filed the assessor shall examine it and shall determine the correct amount of the tax.

(b) Statements and special returns: Every taxpayer liable to any tax imposed by this title shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations as the Commissioners from time to time may prescribe. Whenever the assessor judges it necessary he may require any taxpayer, by notice served upon him, to make a return, render under oath such statements, or keep such records as he deems sufficient to show whether or not such taxpayer is liable to tax under this title and the extent of such liability.

(c) Examination of books and witnesses: The assessor, for the purpose of ascertaining the correctness of any return filed hereunder, or for the purpose of making an estimate of the taxable income of any taxpayer, is authorized to examine any books, papers, records, or memoranda of any person bearing upon the matters required to be included in the return and may summon any person to appear and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return, and to give testimony or answer interrogatories under oath respecting the same, and the assessor shall have power to administer oaths to such person or persons. Such summons may be served by any members of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then, and in that event, the assessor may report that fact to the District Court of the United States for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to such summons to the same extent as witnesses may be compelled to obey the subpenas of that court.

(d) Return by assessor: If any person fails to make and file a return at the time prescribed by law or by regulations made under authority of law, or makes, willfully or otherwise, a false or fraudulent return, the assessor shall make the return from his own knowledge and from such information as he can obtain through testimony or otherwise. Any return so made and subscribed by the assessor shall be prima facie good and sufficient for all legal purposes.

ASSESSMENT AND COLLECTION OF DEFICIENCIES

SEC. 30. Definition of "deficiency:"As used in this title in respect of a tax imposed by this title "deficiency" means—

(1) the amount by which the tax imposed by this title exceeds the amount shown as the tax by the taxpayer upon his return; but the amount so shown on the return shall first be increased by the amounts previously assessed (or collected without assessment) as a deficiency, and decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax; or

(2) if no amount is shown as the tax by the taxpayer upon his return, or if no return is made by the taxpayer, then the amount by which the tax exceeds the amounts previously assessed (or collected without assessment) as a deficiency; but such amounts previously assessed, or collected without assessment, shall first be decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect to such tax.

DETERMINATION AND ASSESSMENT OF DEFICIENCY

SEC. 31. If a deficiency in tax is determined by the assessor, the taxpayer shall be notified thereof and given a period of not less than 30 days, after such notice is sent by registered mail, in which to file a protest and show cause or reason why the deficiency should not be paid. Opportunity for hearing shall be granted by the assessor, and a final decision thereon shall be made as quickly as practicable. Any deficiency in tax then determined to be due shall be assessed and paid, together with any addition to the tax applicable thereto, within 10 days after notice and demand by the collector.

JEOPARDY ASSESSMENT

SEC. 32. (a) Authority for making: If the assessor believes that the collection of any tax imposed by this title will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

(b) Bond to stay collection: The collection of the whole or any part of the amount of such assessment may be stayed by filing with the collector a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such sureties as the collector deems necessary, conditioned upon the payment of the amount, the collection of which is stayed, at the time at which, but for this section, such amount would be due.

PERIOD OF LIMITATION UPON ASSESSMENT AND COLLECTION

SEC. 33. (a) General rule: Except as provided in paragraph (b) of this section—

(1) The amount of income taxes imposed by this title shall be assessed within 2 years after the return is filed, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period.

(2) In the case of income received during the lifetime of a decedent, or by his estate during the period of administration, or by a corporation, the tax shall be assessed, and any proceeding in court without assessment for the collection of such tax shall be begun, within 12 months after written request therefor (filed after the return is made) by the executor, administrator, or other fiduciary representing the estate of such decedent, or by the corporation, but not after the expiration of 2 years after the return is filed. This subparagraph shall not apply in the case of a corporation unless—

(A) such written request notifies the assessor that the corporation contemplates dissolution at or before the expiration of such 12-month period; and

(B) the dissolution is in good faith begun before the expiration of such 12-month period; and

(C) the dissolution is completed.

(3) If the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within 5 years after the return was filed.

(4) For the purposes of subparagraphs (1), (2), and (3), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

(b) False return: In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(c) Waiver: Where before the expiration of the time prescribed in paragraph (a) for the assessment of the tax, both the assessor and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(d) Collection after assessment: Where the assessment of any income tax imposed by this title has been made within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court, but only if begun (A), within 3 years after the assessment of the tax or (B) prior to the expiration of any period for collection agreed upon in writing by the assessor and the taxpayer before the expiration of such 3-year period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

REFUNDS

SEC. 34. Where there has been an overpayment of any tax imposed by this title, the amount of such overpayment shall be refunded to the taxpayer. No such refund shall be allowed after 2 years from the time the tax is paid unless before the expiration of such period a claim therefor is filed by the taxpayer. The amount of the refund shall not exceed the portion of the tax paid during the 2 years immediately preceding the filing of the claim, or, if no claim was filed, then during the 2 years immediately preceding the allowance of the refund. Every claim for refund must be in writing, under oath; must state the specific grounds upon which the claim is founded, and must be filed with the assessor. If the assessor disallows any part of a claim for refund, he shall send to the taxpayer by registered mail a notice of the part of the claim so disallowed. Within 90 days after the mailing of such notice, the taxpayer may file an appeal with the Board of Tax Appeals for the District of Columbia, in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, 11, and 12 of title IX of an act to amend the District of Columbia Revenue Act of 1937, and for other purposes, approved May 16, 1938. The remedy provided to the taxpayer under this section shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law; but no suit by the taxpayer for the recovery of any part of such tax shall be instituted in any court if the taxpayer has elected to file an appeal in accordance with this section.

CLOSING AGREEMENTS

SEC. 35. The assessor is authorized to enter into an agreement with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect of any income tax for any period ending prior to the date of the agreement. If such agreement is approved by the Commissioners within such time as may be stated in such agreement, or later agreed to, such agreement shall be final and conclusive and except upon a showing of fraud or malfeasance, or misrepresentation of a material fact—the case shall not be reopened as to the matters agreed upon or the agreement modified; and in any suit or proceeding relating to the tax liability of the taxpayer such agreement shall not be annulled, modified, set aside, or disregarded.

COMPROMISES

SEC. 36. (a) Authority to make: Whenever in the opinion of the Commissioners there shall arise with respect of any tax imposed under this title any doubt as to the liability of the taxpayer or the collectibility of the tax for any reason whatsoever the Commissioners may compromise such tax.

(b) Concealment of assets: Any person who, in connection with any compromise under this section or offer of such compromise or in connection with any closing agreement under this title or offer

to enter into any such agreement, willfully (1) conceals from any officer or employee of the District of Columbia any property belonging to the estate of the taxpayer or other person liable with respect of the tax, or (2) receives, destroys, mutilates, or falsifies any book, document, or record or makes under oath any false statement relating to the estate or the financial condition of the taxpayer or to the person liable in respect of the tax, shall, upon conviction thereof, be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

(c) Of penalties: The Commissioners shall have the power for cause shown to compromise any penalty arising under this title.

FAILURE TO FILE RETURN

SEC. 37. In case of any failure to make and file a return required by this title, within the time prescribed by law or prescribed by the Commissioners in pursuance of law, 25 percent of the tax shall be added to the tax, except that when a return is filed after such time and it is shown that the failure to file it was due to reasonable cause and not due to willful neglect, no such addition shall be made to the tax. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

INTEREST ON DEFICIENCIES

SEC. 38. Interest upon the amount determined as a deficiency shall be assessed at the same time as the deficiency, shall be paid upon notice and demand from the collector, and shall be collected as a part of the tax, at the rate of 1 percent per month from the date prescribed for the payment of the tax (or, if the tax is paid in installments, from the date prescribed for the payment of the first installment) to the date the deficiency is assessed.

ADDITIONS TO THE TAX IN CASE OF DEFICIENCY

SEC. 39. (a) Negligence: If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, 5 percent of the total amount of the deficiency (in addition to such deficiency) shall be assessed, collected, and paid in the same manner as if it were a deficiency.

(b) Fraud: If any part of any deficiency is due to fraud with intent to evade tax, then 50 percent of the total amount of the deficiency (in addition to such deficiency) shall be so assessed, collected, and paid.

ADDITIONS TO THE TAX IN CASE OF NONPAYMENT

SEC. 40. (a) Tax shown on return:

(1) General rule: Where the amount determined by the taxpayer as the tax imposed by this title, or any installment thereof, or any part of such amount or installment, is not paid on or before the date prescribed for its payment, there shall be collected as a part of the tax, interest upon such unpaid amount at the rate of 1 percent a month from the date prescribed for its payment until it is paid.

(2) If extension granted: Where an extension of time for payment of the amount so determined as the tax by the taxpayer, or any installment thereof, has been granted, and the amount the time for payment of which has been extended, and the interest thereon determined under section 41 is not paid in full prior to the expiration of the period of the extension, then, in lieu of the interest provided for in subparagraph (1) of this paragraph, interest at the rate of 1 percent a month shall be collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

(b) Deficiency: Where a deficiency, or any interest or additional amounts assessed in connection therewith under section 38, or under section 39, or any addition to the tax in case of delinquency provided for in section 37 is not paid in full within 10 days from the date of notice and demand from the collector, there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 percent a month from the date of such notice and demand until it is paid.

(c) Fiduciaries: For any period an estate is held by a fiduciary appointed by order of any court of competent jurisdiction or by will, there shall be collected interest at the rate of 1 percent per month in lieu of the interest provided in subparagraphs (a) and (b) of this section.

TIME EXTENDED FOR PAYMENT OF TAX SHOWN ON RETURN

SEC. 41. If the time for payment of the amount determined as the tax by the taxpayer, or any installment thereof, is extended under the authority of section 26 (c), there shall be collected, as a part of such amount, interest thereon at the rate of 1 percent per month from the date when such payment should have been made if no extension had been granted, until the expiration of the period of the extension.

PENALTIES

SEC. 42. (a) Negligence: Any person required under this title to pay or collect any tax, or required by law or regulations made under authority thereof to make a return, keep any records, or supply information, who fails to pay or collect such tax, to make such return, to keep such records, or supply such information, at the time or times required by law or regulations shall, upon conviction thereof (in addition to other penalties provided by law), be fined not more than $300 for each and every such failure, and each and every day that such failure continues shall constitute a separate and distinct offense. All prosecutions under this paragraph shall be brought in the police court of the District of Columbia on information by the corporation counsel or his assistants in the name of the District of Columbia.

(b) Willful violation: Any person required under this title to pay or collect any tax, or required by law or regulations made under authority thereof to make a return, keep any records, or supply any information, for the purposes of this title, who willfully refuses to pay or collect such tax, to make such returns, to keep such records, or to supply such information, or who willfully attempts in any manner to defeat or evade the tax imposed by this title, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both, together with costs of prosecution.

(c) Definition of "person": The term "person" as used in this section includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under duty to perform the act in respect to which the violation occurs.

DEFINITIONS

SEC. 43. For the purpose of this title and unless otherwise required by the context—

(1) The word "person" means an individual, a trust or estate, a partnership, or a corporation.

(2) The word "taxpayer" means any person subject to a tax imposed by this title.

(3) The word "partnership" includes a syndicate, group, pool, joint adventure, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a trust or estate or a corporation; and the word "partner" includes a member in such a syndicate, group, pool, joint adventure, or organization.

(4) The word "corporation" includes associations, joint-stock companies, and insurance companies.

(5) The word "domestic" when applied to a corporation other than an association, means created under the law of United States applicable to the District of Columbia; and when applied to an association or partnership means having the principal office or place of business within the District of Columbia.

(6) The word "foreign" when applied to a corporation or partnership means a corporation or partnership which is not domestic.

(7) The word "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

(8) The word "individual" means all natural persons, whether married or unmarried; and also all trusts, estates, and fiduciaries acting for other persons; it does not include corporations or partnerships acting for or in their own behalf.

(9) The words "taxable year" mean the calendar year or the fiscal year ending during such calendar year upon the basis of which the net income is computed under this title. The term "taxable year" includes, in the case of a return made for a fractional part of a year under the provisions of this title, the period for which such return is made.

(10) The words "fiscal year" mean an accounting period of 12 months and ending on the last day of any month other than December.

(11) The words "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed under this title.

(12) The words "trade or business" include the engaging in or carrying on of any trade, business, profession, vocation or calling, or commercial activity in the District of Columbia; and include the performance of the functions of a public office.

(13) "Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include any amount not included in gross income, nor that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered; and other compensation received from the active conduct of a trade or business; and shall include pensions.

(14) The word "resident" applies only to natural persons and includes, for the purpose of determining liability to the taxes imposed by this title upon the income of any taxable year, every person domiciled in the District on the last day of the taxable year, and every other person who, for more than 6 months of the taxable year, maintained his place of abode within the District, whether domiciled in the District or not, but any person who, on or before the last day of the taxable year, changes his place of abode to a place without the District, with the bona fide intention of continuing actually to abide permanently without the District, shall be taxable the same as a nonresident is taxable under this title. The fact that a person who has changed his place of abode, within 6 months from so doing, again resides within the District, shall be prima facie evidence that he did not intend permanently to have his place of abode without the District. Such person not having returned his income for taxation as a resident of the District shall be deemed to have resided on the day when such income should have been listed at his last place of abode within the District. The fact that a person whose place of abode during the greater portion of such 12 months has been within the District and claims or has exercised the right of vote at public elections in any State or Territory shall, of itself, constitute him a nonresident of the District within the meaning of this title.

(15) The word "stock" includes a share in an association, joint-stock company, or insurance company.

(16) The word "shareholder" includes a member in an association, joint-stock company, or insurance company.

(17) The words "United States" when used in a geographical sense include only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(18) The word "dividend" means any distribution made by a corporation out of its earnings or profits to its stockholders or members whether such distribution be made in cash, or any other property, other than stock of the same class in the corporation. It includes such portion of the assets of a corporation distributed at the time of dissolution as are in effect a distribution of earnings.

(19) The word "include", when used in a definition contained in this title, shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(20) The word "Commissioners" means the Commissioners of the District of Columbia or their duly authorized representative or representatives.

(21) The word "District" means the District of Columbia.

(22) The word "assessor" means the assessor of the District of Columbia.

(23) The word "collector" means the collector of taxes of the District of Columbia.

With the following committee amendment:

Page 18, beginning in line 20, after the word "year", insert the following:

In the event that the taxpayer hereunder shall be a member of a partnership and such partnership has been assessed and has paid such business-privilege tax, such taxpayer shall be entitled to credit against the tax imposed by this title such proportionate part of such business-privilege tax as his distributive share of the net income of the partnership bears to the entire net income of the partnership.

The committee amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 7, line 2, strike out "$10,000" and insert "$2,500."

Mr. DIRKSEN. Mr. Chairman, as I stated earlier in the afternoon, I cannot put myself in the position of seeking to defend the exclusion of $10,000 from income; so I am offering this amendment for exclusion of only $2,500. If I followed my own inclinations in the matter it would exclude all earned income and unearned income entirely, and make all of it taxable, with proper deductions for families and credits similar to the Federal statute.

I do want to say a word or two about the question raised by the majority leader as to whether Members of Congress would be taxed. On page 6, in line 20 of this bill, there is the following language:

In case of any corporation or a nonresident individual, gross income includes only the gross income from sources within the District of Columbia.

I think it is obvious that a Member of Congress is a nonresident individual in Washington.

I think it is the best tax opinion that the salaries of Members of Congress do not constitute gross income from sources within the District of Columbia, even though, geographically speaking, the Federal Treasury, where the checks may be drawn, is located in the District; but it has never appealed to me, and I do not believe it does to you, to tax people in that respect. To follow this a little further, under the recent ruling of the Supreme Court of the United States if you come from one of 32 States in the Union which have an income-tax law you are going to pay a tax back home on your salaries. You get credit for whatever you pay back home. Over on page 17 of the bill you find a section that provides credit for income tax paid by residents of other jurisdictions, and in subsection (b) you will find credit given to nonresidents who pay an income tax to a State or Territory.

So at least the Members from 32 States in the Union who pay an income tax back home would not have to pay one here and would be credited with the tax they pay back home, but it occurs to me also, from my study of the subject and from statements that have been made to me from time to time, that Congressmen would not be liable for any income tax. So far as I personally am concerned, I do not care anything about it, but I am only giving you the benefit of opinions that have come to me, and state my desire to so amend this bill as will provide a palatable and workable income tax in the District of Columbia.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. In my State we pay not only a State income tax but a Federal income tax. I think this legislation should expressly state that in such cases the person will not have to pay a third income tax in the District of Columbia.

Mr. DIRKSEN. It is made clear and is so expressly stated in the credit provisions of the bill on page 17. There can be no question about it—there is nothing equivocal about it.

I hope this amendment which seeks to reduce the $10,000 exemption of income to $2,500 will be adopted because, Mr. Chairman, you will be on a hot spot when you go back home and try to defend a provision of a tax bill so unpalatable as to exclude $10,000 of income. I am not going to put myself in that position.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RAYBURN. Does the gentleman believe the provisions of this bill as it stands would tax the salary of a citizen of Texas in the District of Columbia? It matters not whether the State has an income tax.

Mr. DIRKSEN. My opinion is based upon, for instance, information coming from men like the member of the Board of Tax Appeals, who has told me over and over again that he did not believe you can tax a Congressman's salary here, would answer the gentleman's question about the State of Texas.

Mr. RAYBURN. It is my belief also that you cannot tax a Congressman's salary in the District of Columbia.

Mr. DIRKSEN. That goes for the gentleman's State, and for my State, and for the 16 other States that do not have income taxes. In the case of an individual gross income includes only gross income from sources within the District of Columbia. The fact that the Federal Treasury is located here, and the fact that salary checks are disbursed from the Federal Treasury, does not mean that the income was earned from sources within the District of Columbia. That is consideration No. 1. In the case of 32 States, which does not include the gentleman's State or my State, a provision is written in this bill providing credit for the income tax paid in those States.

Mr. RAYBURN. Let me ask the gentleman a further question. If there is any ambiguity in the bill why not clear it up so there will not be any question about citizens of Illinois, Texas, or the other States?

Mr. DIRKSEN. If anyone desires to offer such an amendment there will be no objection so far as I am concerned.

Mr. RAYBURN. Another consideration that must be borne in mind is the fact that most Members of Congress have as secretaries citizens of their own States. These secretaries and assistant secretaries pay Federal income taxes on their salaries. Is there any provision in this bill to protect them against paying an additional income tax in the District of Columbia?

Mr. DIRKSEN. The bill contains a crediting device which applies in the case of residents of those States which do have income taxes, it runs to their benefit; and in those jurisdictions which do not have an income tax it is a question of residence and source of income. If they are not residents of the District of Columbia I have some doubt whether they would be included.

Mr. RAYBURN. Is not the question of citizenship one of intent anyhow?

Mr. DIRKSEN. We have discused that matter for 3 years. It seems to me we have come to no resolution of it whatsoever.

Mr. RAYBURN. Does the gentleman really think there should be any ambiguity left in the bill as to whether a secretary or assistant secretary who claims residence in the State from which he or she came, who pays an income tax in that jurisdiction should be considered a citizen of the District of Columbia for taxing purposes?

Mr. DIRKSEN. There is none in the bill now.

Mr. RAYBURN. I am not sure that I can agree with the gentleman on that.

Mr. DIRKSEN. There is none in the bill now because of the crediting device on page 17.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. NICHOLS. The bill provides a tax on that portion of their income which was earned within the District of Columbia, they being nonresidents.

Mr. DIRKSEN. Oh, yes; that is true. I was limiting that last observation to the 32 jurisdictions that would have the benefit of the crediting device. As to residents of the other 16 States there may be some question. It would all turn on the question of domicile and what portion of their income was earned in the District of Columbia.

Mr. RAYBURN. The question of citizenship certainly should not come up, but the question of whether their income will be interpreted as having been earned within the District of Columbia, they being paid from the Federal Treasury located in Washington, may come up.

Mr. DIRKSEN. I believe they would have the benefit of the same rule that would be made in the case of Congressmen, except, of course, they are appointees whereas we are elected officials, who come here under a mandate from our constituency.

Mr. RAYBURN. The gentleman says he does not think the Members' salary would be taxed, and he does not think that the salary of a Member's clerk, the citizen of a State, would be taxed. However, he says in 32 States there would be no question about that.

Mr. DIRKSEN. There would be no question about that.

Mr. RAYBURN. But in 16 States there might be.

Mr. DIRKSEN. In 16 States that do not have an income tax at the present time, that have no authority under their own law to assess a tax on Federal salaries since they have not captialized on the very recent ruling of the Supreme Court, there may be some question. I do not pose as a tax authority, but I can find precedents and good argument on both sides of the question.

Mr. RAYBURN. I do not think there ought to be any question about the matter.

Mr. DIRKSEN. If anyone thinks there is ambiguity there that ought to be ironed out, it would be quite all right to perfect the bill and insert such amendment.

Mr. RAYBURN. I may say to the gentleman that I am one Member of the House who will not vote for any tax bill for the District of Columbia that has any ambiguity in it with reference to the question whether or not I may have to pay an additional income tax in the District of Columbia or whether my clerks will have to pay an additional tax in the District of Columbia when they are citizens of the State of Texas. [Applause.]

Mr. DIRKSEN. I may ask the gentleman with respect to the $10,000 exclusion from earned income that has been put in the bill, what would he say about a Cabinet member, for instance, whose salary is $15,000, or what would he say about someone who holds office here where the salary is $8,000? Now, then, those are the provisions of the bill as it came from the subcommittee, irrespective of this provision, and I am going to offer an amendment to strike it out and reduce it to $2,500 in order to make it more palatable. You would still have to file a return if you were in the upper brackets if you went on the theory suggested by the majority leader.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. THOMAS F. FORD. What is the tax rate on real estate in the District of Columbia?

Mr. DIRKSEN. In this bill it is fixed at not to exceed $1.75. This real-estate question has been bouncing around here for 7 or 8 years. You must remember they are assessed on the basis of full current valuation and they have produced figures to show exactly how much a dwelling pays in the District of Columbia as compared with other States or cities. It is a case of values.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to be consistent today by voting for an income tax for the people of the District of Columbia. I feel that Members of Congress and the employees of Congress are not subject, and should not be subject, to an income tax, and if there is any doubt I will offer an amendment to exempt them.

It so happens I was the first Member of Congress who introduced a resolution providing that the State should have the power to tax Federal employees and that the Federal Government should have the right to tax the State employees. I maintained from the outset that we had the right to do just that under the sixteenth amendment, but your Judiciary Committee did not agree with me. Then the Supreme Court of the United States said we did have the right to assess these taxes, and the Congress responded with proper legislation. There is no reason in the world why an individual citizen of a State should be subject to a State and a Federal income tax and a Federal or State employee, whom those citizens support, not be subject to both a State and Federal tax. As I said, if there is any doubt whatsoever in reference to Members of Congress and the employees of Congress who pay an income tax back home being subject to this tax, I say it will be cleared up. I do believe, however, that the income tax is as fair a tax as can be assessed against the people of this country. It has proven to be so. It taxes the people best able to pay. I do not think the $10,000 exemption should be allowed to stand, and I shall support the amendment to be offered by the gentleman from Illinois. I hope the Committee will do likewise. I am not one who is going on record as saying that only those who have an income of $10,000 or more should be subject to this tax.

Why should a Member of Congress be exempt? I am subject to the Federal income-tax law. I am also subject to the income-tax law of the State of Missouri, and very properly so. Therefore, as I pay a tax to the Government and one to my own State, I should not be required to pay a tax in the District of Columbia. I am here because I am sent here by the people of my congressional district, not for the purpose of residing in the District of Columbia but to represent them in Congress, and when Congress is not in session I go home.

I leave plenty of money in the District of Columbia, and those who derive an income of what I spend, and what you and others spend, who come here to attend sessions of Congress, should be willing to pay their own expenses. While I have been here 27 years, I lived at one hotel over 8 years. I figured up last week that in that time I paid that hotel over $10,000 in rent alone. Every Member of Congress has the same experience. We should not be asked to support the government of the District of Columbia by paying income taxes.

The gentleman from Oklahoma spoke a minute ago of the real-estate tax and said it was $1.75. He stated further that the tax was based on full value. But look at the record. Go over where your New House Office Building stands and examine the assessed value of that property before the building was constructed and before the property was taken over by the Government. It is situated on the same property where the old Congress Hall Hotel and the Vendome Hotel used to stand. Just see how many hundred percent above the assessed value your Government was required to pay in order to take that property over.

There never was a condemnation suit in the city of Washington in the many years I have been here where the Government of the United States did not have to pay more than the assessed value of the property to get the property, if the question was left to a jury.

In my own city, St. Louis, we pay $2.76 a hundred on real estate and a tax of $2.76 on personal property. I pay about $22.50 for my automobile license, and I pay $2.76 a hundred on the value of my automobile; and they set the value. I am not allowed to set it. The assessor has a table that applies to all.

Mr. NICHOLS. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Will the gentleman tell us how much bonded indebtedness the city of St. Louis has and what portion of the $2.76 goes to retire such bonds?

Mr. COCHRAN. I do not know what the bonded indebtedness is. It has a bonded indebtedness of course, but I may say that the bonds of the city of St. Louis, despite what the gentleman from Kansas [Mr. LAMBERTSON] stated the other day, always sell for par or above par.

Mr. NICHOLS. I was making no reflection on the city of St. Louis.

Mr. COCHRAN. I know the gentleman would not do that. Yes, we have a bonded indebtedness, but I do not know the amount.

Mr. NICHOLS. I only wanted to point out to the gentleman that there is no bonded indebtedness on the part of the city of Washington because there is a statutory prohibition against it, and this would be some reason why the real-estate tax should be somewhat less in the District of Columbia than it would be in jurisdictions that have a bonded indebtedness.

Mr. COCHRAN. I suggest to the gentleman from Oklahoma that he examine the books of the assessor's office in a case where someone has bought a piece of property, a house, say, in the District of Columbia for $15,000, $20,000, or $25,000. Then go up next year and see what the assessed value is, and find whether the assessed value is anywhere near the price of the property which would be full value. That is your answer. Go look at the records.

You heard the gentleman from Texas, Mr. Blanton, many times make speeches here in regard to taxes in the District of Columbia. He did not take his own figures, he took them from the assessor's books. He showed you where men in the District of Columbia owned Packards and Lincolns and that the value of those Packards and Lincolns from the standpoint of their assessed value as personal property was $100, $200, or $300. That is the reason you have to raise taxes in the District of Columbia. If they raised the taxes in the District of Columbia to where they can under existing law, and by assessing the values as they should, you would not have to have a tax bill here today. [Applause.]

[Here the gavel fell.]

Mr. BATES of Massachusetts. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as a member of the subcommittee of the District of Columbia dealing with taxation, I wish to say a word in favor of lowering the exemptions on the income tax. I do not know of any city the size of Washington in the whole United States of America that has such a low rate of taxation on real estate and personal property. The gentleman from Missouri mentioned the fact that in his city the tax rate is $2.70 per $100, or $27 per $1,000. The average tax rate in the cities of my State of Massachusetts is over $3.30 per $100, or $33 per $1,000, and many of the cities have a tax rate of over $40 a thousand.

In the hearings before the Advisory Committee and the Joint Committee on Taxation, which was created by the Congress of the United States, to make a survey of the District tax structure, it was stated by those representing the real-estate organizations that the real-estate tax was not an unfair tax in the District of Columbia.

I wish to call to the attention of the members of the Advisory Committee, acting with experts on the tax study, for which $10,000 was appropriated by Congress, recommended the abolition of the intangible personal property tax and the business-privilege tax. When we reach the proper title, I intend to offer an amendment in connection with the business-privilege tax which will strike it out altogether.

With regard to lowering the income-tax exemptions, even Federal employees were present at the hearings and went on record in favor of lowering the exemptions. It seems to me that instead of reaching out into a business-privilege tax, which is nothing more than a sales tax, in another form, we should lower the exemptions on earned income. We are faced with the situation of either reducing below $10,000 the exemption on incomes or substituting a business-privilege tax, which the Advisory Committee recommends should not be continued.

It seems to me that the theory of ability to pay has been actually recognized by 35 of the 48 States in the Union, either by placing an income tax on persons or an income tax on business. If there is any question in the minds of the Members of the House that the Members of Congress will come within the scope of this $10,000 exemption—and I believe with other Members of the House that it ought to be eliminated—let me say that I personally feel that it will be only a short period of time, as a result of the recent Supreme Court ruling, that every Member of Congress and every Federal employee will be subject to the laws of their own States insofar as payment of a tax on incomes of less than $10,000 is concerned.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Would not the business-privilege tax and everything else be eliminated if a reasonable real-estate tax were assessed?

Mr. BATES of Massachusetts. It is very obvious from the report of the committee and those who are interested in taxes in the District of Columbia that they want to get out from under what I consider to be a fair tax on real estate. [Applause.]

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, you can vote on this amendment on another basis than whether or not it is going to tax the salaries of Members of Congress. Of course, if there is a $2,500 exemption and the present provisions of the bill remain as they are, unless I am not able to write the English language the bill will, of course, tax the salaries of Federal employees and Members of Congress.

I was very frank in stating to you that I can think of no reason why a Member of Congress should pay an income tax to the local government of the District of Columbia, but you can forget all that and vote on the proposition on another basis. This tax bill is brought here for the purpose of raising revenue to defray the cost of government in the District of Columbia. This bill is written to raise a sufficient amount of revenue. If you reduce the exemptions in connection with the income tax from $10,000 to $2,500 you increase the amount of money the bill will yield in revenue and will raise more revenue than it is necessary to raise from the taxpayers to defray the cost of running the government of the District of Columbia.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. REES of Kansas. Is it not a fact that the Congress appropriates at least $5,000,000 a year to help run the District of Columbia?

Mr. NICHOLS. Oh, yes.

Mr. REES of Kansas. And is it not also a fact that if we had a reasonable tax rate on real estate here and if we could lower the exemption it would not be necessary to ask the United States Government to help defray these expenses?

Mr. NICHOLS. I wish my friend were correct. I will explain to my friend. The only reason there is a contribution paid by the Federal Government to the District of Columbia is because of the Federal property in the District of Columbia that pays no taxes to the support of the local government, plus the fact that the local government furnishes police protection, fire protection, and many other services to the Federal Government which the Federal Government cannot reimburse them for, and the amount of income tax, the rates

of tax on real and personal property, whether or not there is a sales tax, the amount of gasoline tax—none of that has any bearing whatever on the amount of the Federal contribution to the District of Columbia.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. THOMAS F. FORD. Does the gentleman think the present rate of $1.75 is an adequate real-estate tax?

Mr. NICHOLS. I certainly do.

Mr. THOMAS F. FORD. Why?

Mr. NICHOLS. I will tell my friend. I said a minute ago that this would be the lowest tax-paying jurisdiction in the United States because there are fewer things that you spend tax money for in the District of Columbia. The District of Columbia should have the lowest real-estate tax, the lowest personal tax, it should have the lowest income tax, it should have the lowest gasoline tax, it should have the lowest excise taxes of any taxing jurisdiction in the United States, because of the reasons pointed out, and I shall now explain to my friend, if he were not here, that when you raise money to defray the cost of government of the District of Columbia, you are raising money for that purpose and only one other, and that is a contribution to the support of the Federal Government.

Now, take my friend's city of Los Angeles. In the city of Los Angeles when you pay taxes you pay taxes for the support of the metropolitan government of Los Angeles, which is No. 1. Then you pay another tax for the support of an independent school district within the city of Los Angeles, which is No. 2.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. First, there is your city tax; second, your contribution to the support of your independent school districts; third, contribution to the support of your county government, and I do not know whether in California this is true, but in Oklahoma we also are taxed for the support of township government, but at least there are three different taxes there. Then there is the support of an independent school system within the county which is fourth, and then, fifth, a contribution to the support of State government and then, sixth, a contribution to the support of Federal Government.

Contributions are direct taxes that my friend pays in Los Angeles, while in the District of Columbia you can have but two—one, support of municipal government, and, two, a contribution to the support of the Federal Government.

So, it is absolutely proper that the taxes should be less if you get as efficient government in the District of Columbia as you get in my friend's State, because there are not the things to spend the taxpayer's money for.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 43, noes 61.

So the amendment was rejected.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 5, line 5, after the word "following", insert "individuals and", and after the semicolon in line 5 insert "Senators, Representatives, Delegates, Resident Commissioners, officers and employees of the Senate and House of Representatives of the United States."

Mr. COCHRAN. Mr. Chairman, my amendment can be explained in a minute. It removes the objections of those who felt there might be something in this bill that would subject a Member of Congress or the employees of Congress to taxation in the District of Columbia under this income-tax provision. The amendment meets the objection of the majority leader and it meets the objection of anyone else who has any fear whatsoever that they are going to be subject to this income-tax law.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. PATMAN. Does the gentleman believe we should define as a resident the ones who should pay this tax even if the gentleman's amendment is adopted? What about the one who works for the Federal Government but lives in some State or has a home there?

Mr. COCHRAN. My amendment speaks for itself, and if the gentleman wants to offer an amendment to accomplish the purpose he has in mind, he, of course, can offer it.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. SCHAFER of Wisconsin. Will the gentleman's amendment apply to employees of the Federal Government in the District of Columbia who maintain their legal residence in their respective States and pay their State income taxes?

Mr. COCHRAN. It will not. If the gentleman wants to offer such an amendment, he can do it. My amendment is solely directed to taking care of Members of Congress and the employees of Congress.

Mr. HAWKS. Is the gentleman leaving the exemption at $10,000?

Mr. COCHRAN. This is placed in the proviso with respect to those that are exempted, and should be amended. I am reaching a different subject by my amendment. As I said a short time ago, we are subject to income taxes in our own States and should not be required to help the citizens of the District of Columbia pay for the upkeep of their city. If the people of the District would but take the time to look up the laws of the cities of equal size in the country they would then understand how fortunate they are when it comes to paying taxes. I pay city, State, and Federal taxes. The District of Columbia even with this bill will not be subject to three taxes but to two. My State has a sales tax. The District of Columbia has none. I am willing to pay any taxes that are assessed against others, but I am not willing to pay taxes to cities or States other than my own. I hope my amendment is agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Page 5, line 16, strike out the word "organizations" and insert the following: "farmers' cooperative associations organized and operated on a cooperative basis for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expense, on the basis of either the quantity or the value of the products furnished by them."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Chairman, I understand that this amendment is agreeable to the members of the committee.

Mr. RANDOLPH. Mr. Chairman, the committee is agreeable to have this amendment adopted.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: Page 7, line 2, strike out "$10,000" and insert "$2,000."

Mr. BATES of Massachusetts. Mr. Chairman, this amendment is offered for the reason that the House has now approved an amendment offered by the gentleman from Missouri [Mr. COCHRAN] which exempts all Members of Congress, Delegates, and Commissioners from the imposition of any tax under this tax bill. This amendment reduces the exemption

of income-tax payers from $10,000 to $2,000. I cannot help to reiterate that in 33 other States of the Union there are income taxes applicable to personal income-tax payments, and it seems to me that where the District is reaching out for additional revenue, and the theory of ability to pay is involved in this whole tax question, it is but a fair thing for the Members of the House to approve the lowering of the exemption, so that the Federal employees of the District who have already appeared before the committee and approved a reduction in the exemption from $10,000 down to a much lower level, will come within the provisions of the act, and I trust, in view of the fact that the committee but a moment ago approved the Cochran amendment eliminating Members of the House, Commissioners, and Delegates from any provision of this bill, that the committee will adopt the amendment that I have submitted.

Mr. NICHOLS. Mr. Chairman, there is something broader in this bill than whether or not Members of Congress will pay a tax on that part of their salaries earned within the District of Columbia. My notion of that is well known. I do not think they should. This amendment proposes to reduce exemptions of earned income down to $2,000. That affects every man, woman, and child who is earning an income within the District of Columbia. There is just not any sense or any reason in raising all of your taxes from the bottom of the list, when you can go to the top of the list and get it, and you do not need the additional taxes. If you support the $2,000 amendment offered by my distinguished friend from Massachusetts, then you are putting a tax on every man and woman who earns a salary within the District of Columbia on every cent that he or she earns over $2,000, and I say to you that the tax experts who studied this problem say that you do not need that money.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. BATES of Massachusetts. Is it not a fact that in the provisions of this bill, speaking about payment from the bottom of the list, that the bill contains a provision for a business privilege business tax, which is nothing more or less than a sales tax, which is being paid by all of the people of the District.

Mr. NICHOLS. Very well. That is probably true, but I am very sure my friend from Massachusetts, who is very fair, does not want them to make them pay all of the taxes of the District. What I mean is this. This is presumed to be a balanced tax program. It just so happens that under a sales tax if I can use that as an example—and it has no consideration here—that under a 2-percent sales tax, as you credit the thing up on income it stays rather constant on the ability to pay the tax clear up to $10,000 of income, but when you get beyond the $10,000, then it starts going down to the point where the man who earns over $10,000 pays less of the percentage of the money that he earns under the sales tax than the group of people who come up to the $10,000 income.

The business-privilege tax provided for in this bill, in some instances, will be passed on to the consumer. Personally, I think that is all right, but by reason of the fact that they are carrying their burden in the payment of whatever portion of the business-privilege tax is passed on, then why in the name of common sense, when you do not need an exemption of less than $10,000 to raise sufficient money, should you lower it to $2,000 and heap an additional burden on those people who pay the business-privilege tax?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. McCORMACK. Is this tax imposed in addition to the tax provided for in section 2? Section 2 provides for an individual tax of 2 percent on the first thousand, 3 percent on the next $2,000 of taxable income, and so forth?

Mr. NICHOLS. That is right, but I want to point this out, that there is an exemption of $10,000 for earned income, and $500 for nonearned income. This table, of course, would not operate under the individual tax until you got above $10,000 unless this amendment is adopted. Then, of course, there would only be a $2,000 exemption.

Mr. McCORMACK. In other words the tax relates to income above $10,000?

Mr. NICHOLS. Exactly.

Mr. McCORMACK. The theory of the gentleman's position is that there is no necessity for raising additional taxes to meet the fiscal obligations of the District of Columbia?

Mr. NICHOLS. Exactly. There is no demand for the revenue.

Mr. McCORMACK. Your position seems to me to be pretty sound.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in support of the amendment.

Now, Mr. Chairman, there is pending an amendment to reduce the amount of excluded earned income from $10,000 to $2,000. That amendment has been introduced by the gentleman from Massachusetts [Mr. BATES]. It should be adopted, in view of the fact that this Committee a moment ago adopted the amendment offered by the gentleman from Missouri [Mr. COCHRAN], which exempted Members of the Senate and House, Resident Commissioners, Delegates, and so forth, and their secretaries.

Let me say this: Here is the gentleman from Wisconsin [Mr. KEEFE] sitting in the front row. What would you say to the people of Wisconsin if out there they had to pay on the first thousand dollars of income, or $1,200, or whatever it is, and then you went back home and rendered an account of your stewardship and said, "Down in the District of Columbia we exempted or excluded $10,000 before the income tax became effective"?

What would the gentleman from New York [Mr. WADSWORTH] say when he went home and said, "We have a much smaller amount in New York where the income tax starts, but in the District of Columbia we allowed a $10,000 excluded income"?

What would the gentleman from Missouri say? What would the gentleman from Wisconsin [Mr. SCHAFER] say? How can you make that stand up and be compatible with what 32 jurisdictions in the country have done on income taxes? It is so unbalanced, so out of line.

A $2,000 income might be excluded, which can be refined in subsequent years, but how are you going to defend your position when you go home and say, "Down in the District of Columbia we made it possible to exclude the first $10,000 of income before the tax attaches."

Gentlemen, you are putting yourselves in a peculiar position.

Now, they say it will raise too much money. There has not been a single showing before the committee or the subcommittee that it will raise too much money. If it should raise a little more than is necessary the District of Columbia cannot spend it. The only money they can expend is what the Appropriations Committee of the House tells them they can spend, and for what purpose. You could have $50,000,000 in the Federal Treasury to the credit of the District of Columbia and they could not touch a dime of it to buy 100 feet of fire hose until the Congress first gave them the authority. In other words, we have had as much as $9,000,000 of excess money down there, but they could not spend a dime of it. If we were so fortunate as to raise a little more than the needs of the District of Columbia required under the appropriation bills it would be a most happy circumstance, I would say, but do not let that fool you as to the necessity of writing this amendment into the bill in order to make it feasible and workable and put it somewhere in line with the other States of the country.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SCHAFER of Wisconsin. If we raise too much money from the income tax we might be able to reduce the personal-property and real-estate taxes in the District of Columbia or reduce the gasoline tax and give some relief to the great masses of the common people who are least able to pay taxes.

Mr. DIRKSEN. Oh, when we have too much money they can find uses for it if Congress approves. The committee has held down on school buildings and other things in the District. But it cannot be used unless the Congress says they may use it. If you are going to follow out what you did a moment ago in adopting the Cochran amendment and exempt the elective officers and their secretaries and delegates, and so forth, then you ought to make this a workable bill and adopt the amendment that is on the desk at the present time, to the effect that not to exceed $2,000 of earned income shall be excluded before the tax attaches. It is necessary.

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the amendment that will reduce the exemption on earned income tax from $10,000 to $2,000. I have been in Congress only a few years but I have observed that during each session this Congress is required to appropriate funds for the support of the District of Columbia. I have no objection to this, so long as the property owners in the District and the folks who live here pay their fair share of the taxes to support the city of Washington.

The residents of the District of Columbia enjoy, as was stated a while ago, the lowest real-estate and personal tax of any city of like size in the United States. These taxes have been kept down. Those who own large properties in the District have continually seen to it that the taxes have been kept at a minimum.

As a matter of fact, the entire amount of taxes charged against real and personal property is $1.75 per hundred. This is approximately half the amount of taxes assessed against property in most of the cities in this country. A tax bill is now brought before us, providing for a tax on incomes. Up to this time, there has not been an income tax in the District, but somebody saw to it that the first exemption was $10,000. There is not a State in the Union that has an exemption of this kind. We say to those who live in the District of Columbia that they will not have to pay an income tax unless they earn at least $10,000 a year. The pending amendment provides for an exemption of $2,000, and also provides that the tax on the balance of the income rises by very slight graduations, so that a person who has an earned income of $5,000 will pay a tax of $80. Comparatively speaking, this is not burdensome at all. There is not a State, I venture to say, that has a fairer income tax than is provided by this amendment. During each and every year, Congress has been appropriating millions of dollars to support the District of Columbia. It seems to me that the Federal Government should not be asked to contribute to the support of this city until the people who live here have at least had a chance to pay a fair share in taxes for its support. At this time, in my judgment, they are not doing it. I believe by all means that this amendment should be adopted. [Applause.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 75, noes 27.

Mr. NICHOLS. Mr. Chairman, I demand tellers.

Tellers were ordered.

The Committee again divided; and the tellers reported that there were—ayes 88, noes 29.

So the amendment was agreed to.

The Clerk read as follows:

TITLE II—ADVANCEMENT OF MONEY BY TREASURY

Until and including June 30, 1940, the Secretary of the Treasury, notwithstanding the provisions of the District of Columbia Appropriation Act, approved June 29, 1922, is authorized and directed to advance, on the requisition of the Commissioners of the District of Columbia, made in the manner now prescribed by law, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary from time to time during said fiscal year to meet the general expenses of said District as authorized by Congress, and such amounts so advanced shall be reimbursed by the said Commissioners to the Treasury out of taxes and revenue collected for the support of the government of the said District of Columbia.

With the following committee amendments:

Page 56, line 18, after the word "Treasury", insert "and Federal contribution."

Page 56, line 19, insert "SEC. 1."

Page 57, line 6, after the word "Columbia", insert:

"SEC. 2. After June 30, 1939, the contribution by the United States toward the expenses of the government of the District of Columbia shall in no event be in excess of $5,000,000 for any one fiscal year."

The committee amendments were agreed to.

The Clerk read as follows:

TITLE III—PARKING LOT TAX

IMPOSITION OF THE TAX

SECTION 1. For each year ending June 30, beginning with the year ending June 30, 1940, there shall be imposed for the privilege of operating, conducting, and maintaining parking lots in the District on property privately owned or owned by the United States or by the District, a tax of 2 percent of the amount of the gross receipts derived from such business.

RETURNS AND PAYMENT OF TAX

SEC. 2. Every person liable to the tax under this title shall make a return, under oath, within 1 month after the close of the year with respect to which such tax is imposed, to the collector of taxes. Such returns shall contain such information and be made in such manner as the Commissioners may by regulation prescribe. The tax shall, without assessment or notice, be due and payable to the collector of taxes before the expiration of the period for filing the returns.

LICENSE REQUIREMENTS

SEC. 3. (a) No person shall engage in or carry on any business of conducting parking lots in the District of Columbia on any property, whether owned privately or by the United States or by the District, after 60 days from the approval of this act without first having obtained a license to do so from the Commissioners. All licenses issued under this title shall expire on June 30 of each year, and no license may be transferred to any other person,

(b) All licenses granted under this title must be conspicuously posted on the premises of the licensee and said license shall be accessible at all times for inspection by the police or other officers duly authorized to make such inspection.

(c) Licenses shall be good only for the location designated thereon, and no license shall be issued for more than one place of business without a payment of a separate fee for each.

(d) The Commissioners may, after hearing, revoke any license issued hereunder for failure of the licensee to file a return or corrected return within the time required by this title, or to pay any tax when due.

(e) Each application for license shall be accompanied by a filing fee of $5.

ADMINISTRATION OF TAX

SEC. 4. The Commissioners shall be charged with the administration and enforcement of this title.

EFFECT ON PRIOR LAWS

SEC. 5. This title shall not be deemed to repeal or in any way affect any existing act or regulation under which taxes are now levied.

OTHER LAWS APPLICABLE

SEC. 6. All provisions of law (including penalties) applicable in respect to the retail sales tax imposed by title II shall, insofar as applicable, and not inconsistent with this title, be applicable in respect to the tax imposed by this title.

DEFINITIONS

(a) The term "parking lot" as used in this act shall be taken to mean any lot or space upon which is conducted the business of parking cars for compensation furnished.

(b) The term "District" shall mean the District of Columbia.

(c) The term "assessor" shall mean the assessor of the District of Columbia.

(d) The term "gross receipts" shall mean the gross receipts received from the business of conducting, operating, and maintaining parking lots without any deduction therefrom on account of the cost of maintenance and operating expenses or any other expenses whatsoever.

(e) The term "fiscal year" means a year beginning on the 1st day of July and ending on the 30th day of June following.

With the following committee amendments:

Page 57, line 24, strike out "collector of taxes" and insert "assessor."

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order for 5 minutes on the subject of cotton.

Mr. RANDOLPH. Mr. Chairman, reserving the right to object, and I will not, because I do not want to stop my friend from speaking, but I shall be forced to object to further speeches that do not relate to the tax bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I want to talk on a very important matter. In order to present as many facts as I can in the brief time which I have, I shall use most of the 5 minutes to read a letter which I received under date of June 6, 1939, from Hon. J. E. McDonald, commissioner of agriculture for the State of Texas. I now read Mr. McDonald's letter:

DEPARTMENT OF AGRICULTURE,
*Austin, Tex., June 6, 1939.*

HON. JOHN C. SCHAFER,
*House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN: As elected representative of the cotton farmers of Texas who produce nearly one-third of the Nation's cotton, I earnestly and respectfully urge that you pronouncedly and actively oppose the proposal to use the taxpayers' money to subsidize cotton exports.

Using public funds as bonus to foreigners for buying our American cotton at the present ridiculously low price, which is under cost of production and far below parity, cannot be justified. If any subsidy or bonus is to be paid they should be paid to Americans and not foreigners.

During the past 6 years Congress has followed Secretary Wallace's cotton suggestions with the result that today the cotton industry of America is in a hell of a fix. Secretary Wallace may be ever so honest and sincere but he has thoroughly demonstrated his inability in solving the cotton problem, and the public should and will condemn any Congressman who will further follow an official whose ideas have proven so impractical and destructive to one of America's greatest agricultural industries.

With cotton exports the smallest since 1884 and with nearly 12,000,000 bales of cotton frozen under Government loans, it is time to stop dilly-dallying about and get busy on something constructive.

With the administration of the present A. A. A. program, which is unsound and impractical, cotton farmers are being forced to compete with farmers growing other crops which surely will bring on more confusion and demoralization in general agriculture.

Wallace's proposed export subsidy would antagonize foreign cotton producers and result in reprisals which would be disastrous for the American farmer.

I have written you plainly and rather crudely simply because I can clearly see the disastrous results which would follow the adoption and administration of Wallace's cotton export subsidy proposal.

I trust you will bitterly oppose using taxpayers' money in subsidizing other exports; such would be unsound and unjust.

With appreciation and kindest regards, I am,

Very sincerely yours,

J. E. MCDONALD,
*Commissioner of Agriculture.*

This letter is from a leading Democrat in the State of Texas, a State which produces almost one-third of all the cotton grown in America. With one part of his letter I disagree: This Democratic commissioner of agriculture for the State of Texas denounces the A. A. A. program as a Wallace program. It is not a Wallace program. George Peak, a New Deal leader, in his book said that the Triple A production-for-destruction program was the brainstorm child of Prof. Mordecai Ezekiel, Henry Morgenthau, and Jerome Frank [applause], who at the time of its birth was one of the partners of the Wall Street legal firm of Chadbourne, Stanchfield & Levy. As far as criticizing Mr. Wallace and accusing him of being the daddy of the Triple A monstrosity is concerned, it should not be done, because Mr. Wallace is only the Charlie McCarthy of the Agricultural Department. [Applause.] The real man behind the gun is Prof. Mordecai Ezekiel. Wallace is Mordecai's Charlie McCarthy. Wallace is the New Deal Secretary of Agriculture in name only. Mordecai makes the wheels of the Agricultural Department go round—round and round so fast that the American farmer gets dizzy. I was very glad to receive this letter from that great Jeffersonian Democrat who was elected agricultural commissioner for the State of Texas with an overwhelming majority. Texas is to be congratulated for electing a commissioner of agriculture who has the sincerity of purpose, courage, and interest in the welfare of the cotton producers of America to let Congress know that Mordecai Ezekiel has been giving the American cotton farmers quack political medicine imported direct from Moscow, which if taken much longer will give our American cotton industry the kiss of death.

Mr. Chairman, after receiving the commissioner's letter I am hopeful that we will receive in the near future assistance from many people who live in our southern Democratic States, who adhere to the fundamental principles of Thomas Jefferson and who are opposed to the New Deal Soviet principles of government which have been imported by the New Deal direct from Moscow. I ask them to join with our Republicans and help us get our Federal Government out of the Moscow hock shop.

Mr. Chairman, I sincerely hope that my Republican colleagues will follow our Jeffersonian Democratic Texas commissioner of agriculture and enact some legislation which will take care of the cotton producers of the South and not crucify them as they have been crucified, according to Mr. McDonald, under the cotton production-for-destruction, regimentation-and-restriction program, the brain child of Mordecai Ezekiel, conceived in iniquity and born in sin. [Applause.]

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have never taken this floor to talk on party issues. There is being considered here today a revenue bill for the District of Columbia.. A distinguished member of the minority has seen fit to interject into the discussion partisan politics. That suits me clear down to the ground. I think I can promise you gentlemen that from here on out I am going to do a little partisan talking.

A very interesting thing has just happened. A distinguished member of the minority, an able Member of Congress, who I presume expresses the sentiments of his party, has just introduced an amendment which has been agreed to by a vote of 88 to 29. I stood at the teller's post while those votes were being counted, and I venture the assertion—and I stand corrected if I am in error—that 86 of those votes were cast by Republicans.

Mr. MICHENER. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman stated that 86 of those votes were by Republican Members?

Mr. NICHOLS. Yes.

Mr. MICHENER. Where were the rest of the Democrats who should have been here voting?

Mr. NICHOLS. I am sorry to say to my friend that the Democratic Party is made up of individuals. We do not herd like cattle very well. We do not yield to the whip. [Laughter.] We are that party which assumes to be able to stand upon its own feet, and we cast our vote according to our own individual precepts. [Laughter and applause.]

Mr. Chairman, I did not start this argument; but let me point out that the amendment just agreed to has removed the burden of taxation from property and has placed it on the individual wage earner, if you please. Let us see if that is not so. An exemption of $10,000 was provided in the bill. The Bates amendment reduced that exemption to $2,000. No one will say that the District of Columbia needs additional money raised by this amendment to defray the cost of the government of the District of Columbia; but the answer by the gentleman from Illinois [Mr. DIRKSEN] is even if it does raise too much money it cannot be expended until appropriated. I may say to my Republican friends that it is not the spending of the money which hurts. It is the payment of the taxes. When we reduced this exemption to $2,000 the taxpayer will pay the money, whether it is ever spent or not. I hope that the great party who so generously and willingly criticizes every action and activity of this administration is willing on this local matter to assume the responsibility of having shifted the burden of the payment of taxes, as it was shifted by the adoption of the last amendment.

Mr. COLE of New York. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. COLE of New York. In connection with the question of partisanship which the gentleman has just discussed, is it not true that the gentleman's President, Mr. Roosevelt, advocated a straight income tax for the District of Columbia; so that we have a situation where the Republicans are standing by your President?

Mr. NICHOLS. No. I may say to the gentleman that in the Pond report, which formed the basis for the instant bill now under consideration—and that bill, by the way, included a 1-percent sales tax—the President approved the bill as written and as recommended by the tax experts for this local jurisdiction. Of course, the President has many, many times stated that he objected to the imposition of a sales tax for the Federal Government. This is a local matter, however.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I know that my friend from Oklahoma did not mean all he said, at least I hope he did not, because there has been a kind of happy fellowship in the District of Columbia Committee. There has been no partisanship. There has been at no time any provocation of partisan consideration as that committee considered legislation which was necessary and in the interest of the welfare of the District of Columbia. Let no one therefore take a cue from the statement made by our genial friend from Wisconsin [Mr. SCHAFER], when he stood up here and made a speech on cotton. I suppose it was tinged with some political and partisan consideration, but he spoke out of order and the chairman of the Committee on the District of Columbia registered no objection which it was his duty to do if he did not want the gentleman to speak out of order. Do not let this partisanship be carried over into any further consideration of this bill because it is not partisan. We must not make it partisan and we shall not do so. Our interest is in enacting and perfecting a tax bill of which we can have a sense of pride and which we can defend. It is a matter of principle with me, and no partisan consideration shall enter into it.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to my friend, the chairman of the committee.

Mr. RANDOLPH. I am sure the gentleman from Illinois, the ranking minority member on the District of Columbia Committee, would never accuse me of being partisan in any way.

Mr. DIRKSEN. Precisely; the gentleman has never permitted partisanship to enter into his deliberations.

Mr. RANDOLPH. It was only out of courtesy that I permitted the gentleman from Wisconsin to address the Committee for 5 minutes.

Mr. DIRKSEN. That is right.

Mr. RANDOLPH. I did that as I would do it for any Member. I stated that I would allow him that time, but would not wish other Members to take up time similarly because we wanted to expedite the consideration of this measure.

Mr. DIRKSEN. That is quite true. I hope that a matter that revolves around a letter that came from the commissioner of agriculture of Texas will not be injected into the consideration of this bill, because really, we are not considering cotton, we are considering a feasible and workable tax program for the District of Columbia.

The Clerk read as follows:

TITLE IV—AMENDMENTS TO AND REPEAL OF PRIOR ACTS

INTANGIBLE PERSONAL PROPERTY

SECTION 1. The tax on intangible personal property imposed by any law relating to the District shall not apply with respect to any year subsequent to the fiscal year ending June 30, 1939.

TAX ON CERTAIN UTILITIES

SEC. 2. (a) Section 6, paragraph 5, of the act of July 1, 1902, chapter 1352 (32 Stat. 619), is amended insofar as it relates to gas, electric lighting, and telephone companies by striking out "gross earnings" wherever appearing therein and substituting therefor "gross receipts from the sale of public utility commodities or services within the District of Columbia"; and in the case of gas companies by striking out the rate "5 percent" and substituting therefor the rate "4 percent"; and in the case of street railroad companies by striking out "4 percent" and substituting therefor "3 percent."

(b) Section 6 of the act of July 1, 1902 (ch. 1352, 32 Stat. 619), is amended by striking out paragraph 8 so that the corporate excess tax therein provided shall become inoperative.

TAX ON REAL PROPERTY

SEC. 3. Title VII of the District of Columbia Revenue Act of 1937, as amended, is amended to read as follows: "For the fiscal year ending June 30, 1940, and for each fiscal year thereafter, the rate of taxation imposed for the District on real and tangible personal property shall not exceed 1.75 percent of the assessed value of such property."

TAXABLE STATUS OF MOTOR VEHICLES AS TANGIBLE PERSONAL PROPERTY

SEC. 4. Notwithstanding any other provision of law, the tangible personal-property tax on motor vehicles, except when consisting of stock in trade of merchants, shall be prorated according to the number of months such property has a situs within the District; and all such motor vehicles shall be assessed at their value as of March 1 each year: *Provided, however,* That where a motor vehicle shall be registered in the District of Columbia for the first time on a date between March 1 of one year and March 1 of the succeeding year, such motor vehicle shall be assessed, for taxation for the period ending with the succeeding March 1, at its value as of date of application for such first registration.

TAX APPEALS

SEC. 5. (a) Section (3) of the title IX of the District of Columbia Revenue Act of 1937, as amended, is amended as follows:

"SEC. 3. Any person aggrieved by any assessment by the District against him of any personal-property, inheritance, estate, business-privilege, gross-receipts, gross-earnings, insurance-premiums, or motor-vehicle-fuel tax or taxes, or penalties thereon, may, within 90 days after notice of such assessment, appeal from such assessment to the Board, provided such person shall first pay such tax, together with penalties and interest due thereon, to the collector of taxes of the District of Columbia under protest in writing. The mailing to the taxpayer of a statement of taxes due shall be considered notice of assessment with respect of such taxes. The Board shall hear and determine all questions arising on said appeal and shall make separate findings of fact and conclusions of law, and shall render its decision thereon in writing. The Board may affirm, cancel, reduce, or increase such assessment."

(b) Subsections (a), (b), and (c) of section 5 of title IX of the District of Columbia Revenue Act of 1937, as amended, are amended to read as follows:

"(a) The assessor and deputy assessor of the District and the board of all of the assistant assessors, with the assessor as chairman, shall compose a Board of Equalization and Review, and as such Board of Equalization and Review they shall convene in a room to be provided for them by the Commissioners, on the first Monday of January of each year, and shall remain in session until the first Monday in April of each year, after which date no complaint as to valuation as herein provided shall be received or considered by such Board of Equalization and Review. Public notice of the time and place of such session shall be given by publication for 2 successive days in two daily newspapers in the District not more than 2 weeks or less than 10 days before the beginning of said session. It shall be the duty of said Board of Equalization and Review to fairly and impartially equalize the value of real property made by the board of assistant assessors as the basis for assessment. Any five of said Board of Equalization and Review shall constitute a quorum for business, and, in the absence of the assessor, a temporary chairman may be selected. They shall immediately proceed to equalize the valuations made by the board of assistant assessors so that each lot and tract and improvement thereon shall be entered upon the tax list at their value in money; and for this purpose they shall hear such complaints as may be made in respect of said assessments, and in determining them they may raise the valuation of such tracts or lots as in their opinion may have been returned below their value and reduce the valuation of such as they may believe to have been returned above their value to such sum as in their opinion may be the value thereof. The valuation of the real property made and equalized as aforesaid shall be completed not later than the first Monday of May annually. The valuation of said real property made and equalized as aforesaid shall be approved by the Commissioners not later than July 1 annually, and when approved by the Commissioners shall constitute the basis of taxation for the next succeeding year and until another valuation is made according to law, except as hereinafter provided. Any person aggrieved by any assessment, equalization, or valuation made, may within 90 days after October 1 of the year in which such assessment, equalization, or valuation is made, appeal from such assessment, equalization, or valuation in the same manner and to the same extent as provided in sections 3 and 4 of this title: *Provided, however,* That such person shall have first made his complaint to the Board of Equalization and Review respecting such assessment as herein provided.

"(b) Annually, on or prior to July 1 of each year, the board of assistant assessors shall make a list of all real estate which shall have become subject to taxation and which is not then on the tax list, and affix a value thereon, according to the rules prescribed by law for assessing real estate; shall make return of all new structures erected or roofed, and additions to or improvements of old

structures which shall not have been theretofore assessed, specifying the tract or lot of land on which each of such structures has been erected, and the value of such structure, and they shall add such valuation to the assessment made on such tract or lot. When the improvements on any lot or tract of land shall become damaged or be destroyed from any cause, the said board of assistant assessors shall reduce the assessment on said property to the extent of such damage: *Provided*, That the Board of Equalization and Review shall hear such complaints as may be made in respect of said assessments between September 1 and September 30 and determine the same not later than October 15 of the same year. Any person aggrieved by any assessment or valuation made in pursuance of this paragraph may, within 90 days after October 15 of the year in which said valuation or assessment is made, appeal from such assessment or valuation in the same manner and to the same extent as provided in sections 3 and 4 of this title: *Provided, however*, That such person shall have first made his complaint to the Board of Equalization and Review respecting such assessment as herein provided.

"(c) In addition to the annnal assessment of all real estate made on or prior to July 1 of each year there shall be added a list of all new buildings erected or under roof prior to January 1 of each year, in the same manner as provided by law for all annual additions; and the amounts thereof shall be added as assessment for the second half of the then current year payable in the month of March. When the improvements on any lot or tract of land shall become damaged or be destroyed from any cause prior to January 1 of each year the said board of assistant assessors shall reduce the assessment on said property to the extent of said damage for the second half of the then current year payable in the month of March. The Board of Equalization and Review shall hear such complaints as may be made in respect of said assessments for the second half of said year between March 1 and March 31 and determine said complaints not later than April 15 of the same year. Any person aggrieved by any assessment made in pursuance of this paragraph may, within 90 days after April 15 of the year in which such assessment is made, appeal from such assessment in the same manner and to the same extent as provided in sections 3 and 4 of this title: *Provided, however*, That such person shall have first made his complaint to the Board of Equalization and Review respecting such assessment as herein provided."

(c) Title IX of the District of Columbia Revenue Act of 1937, as amended, is amended by adding thereto a new section reading as follows:

"SEC. 13. In any matter affecting taxation, the determination of which is by law left to the discretion of the Commissioners, the Commissioners may, if they so elect, refer such matter to the Board to make findings of fact and submit recommendations, such findings of fact and recommendations, if any, to be advisory only and not binding on the Commissioners, and shall be without prejudice to the Commissioners to make such further and other inquiry and investigation concerning such matter as they in their discretion shall consider necessary or advisable."

COLLECTION OF PERSONAL PROPERTY TAXES

SEC. 6. (a) The second sentence of section 2 of title I of the District of Columbia Revenue Act of 1937 is amended to read as follows: "In case of such neglect or refusal of the person delinquent as aforesaid the collector, or the person designated by him, may levy upon all such property and rights to such property belonging to such person whether situated within the District or not, for the payment of the sum due with interest and penalties thereon and the costs that may accrue and the collector of taxes shall immediately proceed to advertise the same by public notice to be posted in the office of said collector and by advertisement three times in one week in one or more daily newspapers in said District, or in the county of the State in which the property is situated, stating the time when and the place where such property shall be sold, the last publication to be at least 6 days before the date of sale and if the said taxes, with interest and penalties thereon, and the costs and expenses which shall have accrued thereon, shall not be paid before the date fixed for such sale, which shall not be less than 10 days after said levy or taking of said property, the collector shall proceed to sell at public auction such property or interest therein, or so much thereof as may be needed to pay such taxes, interest, penalties, and accrued costs and expenses of such distraint and sale."

(b) Section 6 of title I of the District of Columbia Revenue Act of 1937 is amended to read as follows: "In the case of the neglect or refusal of any person to pay a personal-property tax within 10 days after notice and demand, the collector of taxes, or the person designated by him, may file a certificate of such delinquent personal tax with the clerk of the District Court of the United States for the District of Columbia or for the district in which the property is situated, which certificate from the date of its filing shall have the force and effect, as against the delinquent person named in such certificate, of the lien created by a judgment granted by said court, which lien shall remain in force and effect until the taxes set forth in said certificate, with interest and penalties thereon, shall be paid and said lien may be enforced by a bill in equity filed in said court."

With the following committee amendments:

Page 62, after line 4, insert the following:

"SEC. 5. (a) The first sentence of the second paragraph of section 2 of title IX of the District of Columbia Revenue Act of 1937, as amended by the act approved May 16, 1938, is amended to read as follows: 'The salary of such person so appointed shall be $8,000 per annum.'"

Page 62, line 10, strike out "SEC. 5 (a)" and insert "(b)."

The committee amendments were agreed to.

The Clerk read as follows:

TITLE V—INHERITANCE, ESTATE, AND GIFT TAXES

Title V of the District of Columbia Revenue Act of 1937, as amended by an act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved May 16, 1938, is amended to read as follows:

"Taxes shall be imposed in relation to estates of decedents, the shares of beneficiaries of such estates, and gifts as hereinafter provided:

"ARTICLE I—INHERITANCE TAX

"SECTION 1. (a) All real property and tangible and intangible personal property, or any interest therein, having its taxable situs in the District of Columbia, transferred from any person who may die seized or possessed thereof, either by will or by law, or by right of survivorship, and all such property, or interest therein, transferred by deed, grant, bargain, gift, or sale (except in cases of a bona fide purchase for full consideration in money or money's worth), made or intended to take effect in possession or enjoyment after the death of the decedent, or made in contemplation of death, to or for the use of, in trust or otherwise (including property of which the decedent has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (1) the possession or enjoyment of, or the right to the income from such property or (2) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom), the father, mother, husband, wife, children by blood or legally adopted children, or any other lineal descendants or lineal ancestors of the decedent, shall be subject to a tax of 1 percent on so much of the clear value of such property so transferred to each such beneficiary as is in excess of $5,000.

"(b) So much of said property as is in excess of $2,000, so transferred to each of the brothers, sisters, nephews, and nieces of the whole or half blood of the decedent shall be subject to a tax of 3 percent thereof.

"(c) So much of said property as is in excess of $1,000, so transferred to each of the grandnephews and grandnieces of the decedent and all persons other than those included in paragraphs (a) and (b) of this section, and all firms, institutions, associations, and corporations, shall be subject to a tax of 5 percent thereof.

"(d) Executors, administrators, trustees, and other persons making distribution shall only be discharged from liability for the amount of such tax, with the payment of which they are charged, by paying the same as hereinafter described.

"(e) Property transferred exclusively for public or municipal purposes, to the United States or the District of Columbia, or exclusively for charitable, educational, or religious purposes within the District of Columbia, shall be exempt from any and all taxation under the provisions of this section.

"(f) Where any beneficiary has died or may hereafter die within 6 months after the death of the decedent and before coming into the possession and enjoyment of any property passing to him, and before selling, assigning, transferring, or in any manner contracting with respect to his interest in such property, such property shall be taxed only once, and if the tax on the property so passing to said beneficiary has not been paid, then the tax shall be assessed on the property received from such share by each beneficiary thereof, finally entitled to the possession and enjoyment thereof, as if he had been the original beneficiary, and the exemptions and rates of taxation shall be governed by the respective relationship of each of the ultimate beneficiaries to the first decedent.

"(g) The provisions of article I of this title shall apply to property in the estate of every person who shall die after this title becomes effective.

"(h) The transfer of any property, or interest therein, within 2 years prior to death, shall, unless shown to the contrary, be deemed to have been made in contemplation of death.

"(i) All property and interest therein which shall pass from a decedent to the same beneficiary by one or more of the methods specified in this section, and all beneficial interests which shall accrue in the manner herein provided to such beneficiary on account of the death of such decedent, shall be united and treated as a single interest for the purpose of determining the tax hereunder.

"(j) Whenever any person shall exercise a general power of appointment derived from any disposition of property, made either before or after the passage of this title, such appointment, when made, shall be deemed a transfer taxable, under the provisions of this title, in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power; and whenever any person possessing such power of appointment so derived shall omit or fail to exercise the same, within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this title shall be deemed to take place to the extent of such omissions or failure in the same manner as though the person or persons thereby becoming entitled to the possession or enjoyment of the property to which such power related had succeeded thereto by the will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

"(k) The doctrine of equitable conversion shall not be invoked in the assessment of taxes under this article.

"SEC. 2. The tax provided in section 1 shall be paid on the market value of the property or interest therein at the time of the death of the decedent as appraised by the assessor, or, in the discretion of the assessor, upon the value as appraised by the probate court of the District. The taxable portion of real or personal property held jointly or by the entireties shall be determined by dividing the value of the entire property by the number of persons in whose joint names it was held.

"SEC. 3. The appraisal thus made shall be deemed and taken to be the true value of the said property or interest therein upon which the said tax shall be paid, and the amount of said tax and the tax imposed by article II of this title shall be a lien on said property or interest therein for the period of 10 years from the date of death of the decedent: *Provided, however,* That such lien shall not attach to any personal property sold or disposed of for value by an administrator, executor, or collector, of the estate of such decedent appointed by the District Court of the United States for the District of Columbia or by a trustee appointed under a will filed with the register of wills for the District or by order of said court, or his successor approved by said court, but a lien for said taxes shall attach on all property acquired in substitution therefor for a period of 10 years after the acquisition of such substituted property. *And provided further,* That such lien upon such substituted property shall, upon sale by such personal representatives, be extinguished and shall reattach in the manner as provided with respect of such original property.

"SEC. 4. The personal representative of every decedent, the gross value of whose estate is in excess of $1,000, shall, within 15 months after the death of the decedent, report under oath to the assessor, on forms provided for that purpose, an itemized schedule of all the property (real, personal, and mixed) of the decedent, the market value thereof at the time of the death of the decedent, the name or names of the persons to receive the same and the actual value of the property that each will receive, the relationship of such persons to the decedent, and the age of any persons who receive a life interest in the property, and any other information which the assessor may require. Said personal representative shall, within 18 months of the date of the death of the decedent and before distribution of the estate, pay to the collector of taxes the taxes imposed by section 1 upon the distributive shares and legacies in his hands and the tax imposed by section 1 hereof against each distributive share or legacy shall be charged against such distributive share or legacy unless the will shall otherwise direct.

"SEC. 5. The personal representative of the decedent shall collect from each beneficiary entitled to a distibutive share or legacy the tax imposed upon such distributive share or legacy in section 1 hereof, and if the said beneficiary shall neglect or fail to pay the same within 15 months after the date of the death of the decedent such personal representative shall, upon the order of the District Court of the United States for the District of Columbia, sell for cash so much of said distributive share or legacy as may be necessary to pay said tax and all the expenses of said sale.

"SEC. 6. Every person entitled to receive property taxable under section 1 hereof, which property is not under the control of a personal representative, and is over $1,000 in value, shall, within 6 months after the death of the decedent, report under oath to the assessor, on forms provided for that purpose, an itemized schedule of all property (real, personal, and mixed) received or to be received by such person; the market value of the same at the time of the death of the decedent and the relationship of such person to the decedent; and any other information which the assessor may require. The tax on the transfer of any such property shall be paid by such person to the collector of taxes within 9 months after the date of the death of the decedent: *Provided, however,* That with respect to real estate passing by will or inheritance such report shall be made within 15 months after the death of the decedent, and the tax on the transfer thereof shall be paid within 18 months after the date of the death of the decedent.

"SEC. 7. In the case of any grant, deed, devise, descent, or bequest of a life interest or term of years, the donee for life or years shall pay a tax only on the value of his interest, determined in a manner as the Commissioners by regulation may prescribe, and the donee of the future interest shall pay a tax only on his interest as based upon the value thereof at the time of the death of the decedent creating such interest. The value of any future interest shall be determined by deducting from the market value of such property at the time of the death of such decedent the value of the precedent life interest or term of years. Where the future interest is vested the donee thereof shall pay the tax within the time in which the tax upon the precedent life interest or term of years is required to be paid under the provisions of sections 4 and 6 of this article, as the case may be. Where the future interest is contingent the personal representative of such decedent or the persons interested in such contingent future estate shall have the option of (1) paying, within the time herein provided for the payment of taxes due upon vested future interests, a tax equal to the mean between the highest possible tax and the lowest possible tax which could be imposed under any contingency or condition whereby such contingent future interest might be wholly or in part created, defeated, extended, or abridged; or (2) paying the tax upon such transfer at the time when such future interest shall become vested at rates and with exemptions in force at the time of the death of the decedent: *Provided,* That the personal representative or trustee of the estate of the decedent or the persons interested in the future contingent interest shall deposit with the assessor a bond in the penal sum of an amount equal to twice the tax payable under option (1) hereof. Such bonds shall be payable to the District and shall be conditioned for the payment of such tax when and as the same shall become due and payable. The tax upon the transfer of future interests or remainders shall be a lien upon the property or interest transferred from the date of the death of the decedent creating the interests and shall remain in force and effect until 10 years after the date, when such remainder or future interest shall become vested in the donee thereof. If the tax upon the transfer of a contingent future interest is paid before the same shall become vested, such tax shall be paid by the personal representative out of the corpus of the estate of the decedent, otherwise by the person or persons entitled to receive the same.

"ARTICLE II—ESTATE TAXES

"SECTION 1. In addition to the taxes imposed by article I, there is hereby imposed upon the transfer of the estate of every decedent who, after this title becomes effective, shall die a resident of the District, a tax equal to 80 percent of the Federal estate tax imposed by subdivision (a) of section 301, title III, of the Revenue Act of 1926, as amended, or as hereafter amended or reenacted.

"SEC. 2. There shall be credited against and applied in reduction of the tax imposed by section 1 of this article the amount of any estate, inheritance, legacy, or succession tax lawfully imposed by any State or Territory of the United States, in respect of any property included in the gross estate for Federal estate-tax purposes as prescribed in title III of the Revenue Act of 1926, as amended, or as hereafter amended or reenacted: *Provided, however,* That only such taxes as are actually paid and credit therefor claimed and allowed against the Federal estate tax may be applied as a credit against and in reduction of the tax imposed by section 1.

"SEC. 3. In no event shall the tax imposed by section 1 of this article exceed the difference between the maximum credit which might be allowed against the Federal estate tax imposed by title III of the Revenue Act of 1926, as amended, or as hereafter amended or reenacted, and the aggregate amount of the taxes described in section 2 of this article (but not including the tax imposed by section 1) allowable as a credit against the Federal estate tax.

"SEC. 4. The purpose of section 1 of this article is to secure for the District the benefit of the credit allowed under the provisions of section 301 (c) of title III of the Revenue Act of 1926, as amended, or as hereafter amended or reenacted, to the extent that the District may be entitled by the provisions of said Revenue Act, by imposing additional taxes, and the same shall be liberally construed to effect such purpose: *Provided,* That the amount of the tax imposed by section 1 of this article shall not be decreased by any failure to secure the allowance of credit against the Federal estate tax.

"SEC. 5. A tax is hereby imposed upon the transfer of real property or tangible personal property in the District of every person who at the time of death was a resident of the United States but not a resident of the District, and upon the transfer of all property, both real and personal, within the District of every person who at the time of death was not a resident of the United States, the amount of which shall be a sum equal to such proportion of the amount by which the credit allowable under the applicable Federal Revenue Act for estate, inheritance, legacy, and succession taxes actually paid to the several States exceeds the amount actually so paid for such taxes, exclusive of estate taxes based upon the difference between such credit and other estate taxes and inheritance, legacy, and succession taxes, as the value of the property in the District bears to the value of the entire estate, subject to estate tax under the applicable Federal Revenue Act.

"SEC. 6. Every executor or administrator of the estate of a decedent dying a resident of the District or of a nonresident decedent owning real estate or tangible personal property situated in the District, or of an alien decedent owning any real estate, tangible or intangible personal property situated in the District or, if there is no executor or administrator appointed, qualified, and acting, then any person in actual or constructive possession of any property forming a part of an estate subject to estate tax under this title shall, within 16 months after the death of the decedent file with the assessor a copy of the return required by section 304 of the Revenue Act of 1926, verified by the affidavit of the person filing said return with the assessor, and shall, within 30 days after the date of any communication from the Commissioner of Internal Revenue, confirming, increasing, or diminishing the tax shown to be due, file a copy of such communication with the assessor. With the copy of the Federal estate-tax return there shall be filed an affidavit as to the several amounts paid or expected to be paid as taxes within the purview of section 2 of this article: *Provided, however,* That in any case where the time for the filing of such return as required by section 304 of the Revenue Act of 1926 is extended without penalty by the Bureau of Internal Revenue, then the copy thereof verified as aforesaid may be filed with the assessor within 30 days after the expiration of said extended period.

"SEC. 7. The assessor shall, upon receipt of the return and accompanying affidavit, assess such amount as he may determine, from the basis of the return, to be due the District. Upon receipt of a copy of any communication from the Commissioner of Inter-

nal Revenue, herein required to be filed, the assessor shall make such additional assessment or shall make such abatement of the assessment as may appear proper.

"SEC. 8. The estate taxes imposed by this article shall be paid to the collector of taxes within 17 months after the death of the decedent: *Provided, however,* That in any case where the time for the payment of taxes imposed by subdivision (a) of section 301, title III, of the Revenue Act of 1926, is extended by the Bureau of Internal Revenue, then the tax imposed by this article shall be paid within 60 days after the expiration of such extended period, together with interest as provided in section 4 of article IV of this title: *Provided further,* That any additional assessment found to be due under section 7 of this article shall be paid to the collector of taxes within 30 days after the determination of such additional assessment by the assessor."

"ARTICLE III—GIFT TAX

"SECTION 1. A tax is hereby imposed for the calendar year 1939 and each calendar year thereafter upon the transfer during such calendar year by any person, resident or nonresident, of property by gift, but this article shall not apply to such transfers made and completed prior to the effective date of this article.

"SEC. 2. The tax shall be an amount equal to the tax which would have been imposed under article I of this title if the transfer had been one properly taxable under said article, and the rates imposed and the exemptions allowed shall be those in force under said article I at the time the gift is completed.

"SEC. 3. The tax shall apply whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible; and shall apply to all transfers of property having a taxable situs within the District of Columbia.

"SEC. 4. The donor shall be allowed as many exemptions as there may be donees, but he shall have only one exemption with respect to each donee, regardless of the number of years over which the gifts from said donor shall continue. The exemption, at the option of the donor, may be taken in its entirety in a single year, or be spread over successive years in such amounts as he sees fit, but after the limit has been reached no further exemption is allowable.

"SEC. 5. The exemption, or portion thereof, claimed by any donor in respect to any donee under section 4 hereof shall be applied to reduce the exemption claimed by the same donee under article I of this title when receiving property taxable thereunder from the same donor. The purpose of this section is to limit the total amount of the exemption allowable under both articles I and III, in respect of a transfer or transfers from one donor to one donee to the amount of the exemption allowable had such transfer or transfers been subject to taxation under one of such articles only.

"SEC. 6. If the transfer is made in property, the clear market value thereof at the date of the gift as determined by the assessor shall be considered the taxable value of the gift. Where the property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the clear market value of the property exceeded the consideration received shall, for the purposes of the tax imposed by this article, be deemed a gift and shall be included in computing the amount of gifts made during the year.

"SEC. 7. The following transfers are exempt from such tax and from all other provisions of this article:

"(1) Property transferred exclusively for public or municipal purposes to the United States or the District of Columbia, or exclusively for charitable, educational, or religious purposes within the District of Columbia.

"(2) All property, money, service, or other thing of value transferred, paid, furnished, or delivered by any corporation, organization, or association to its employees, or to any organization of its employees, directly or indirectly, or to any person, firm, or corporation for them or it, to cover insurance, sickness and death benefits, pensions, relief activities, or to any other employees' benefit fund of any kind, and medical service to such employees and their families.

"(3) All reasonable amounts of property, money, service, or other thing of value transferred, paid, furnished, or delivered by any individual to anyone who is dependent upon him for support when such property, money, service, or other thing of value is transferred and paid or furnished for the current mainteance, support, or education of such dependent.

"SEC 8. (a) Any person who, within the calendar year 1939 or any calendar year thereafter, makes any transfer or transfers by gift in excess of $1,000 shall file a return under oath with the assessor on a form prescribed by the assessor for that purpose. Such return shall be filed by the 15th day of March following the close of the calendar year and such return shall set forth the following: (1) The value of each gift made during the calendar year; (2) the net gifts for each of the preceding calendar years; (3) the name and address of each donee; and (4) any other information the assessor may require: *Provided, however,* That at such time as the aggregate of gifts since the effective date of this article to any one donee exceeds $1,000 in value, the donor thereof shall file the return required herein by the 15th day of March following the close of the calendar year in which said excess occurred, regardless of whether the aggregate gifts to said donee during that calendar year exceeded $1,000 or not, and said donor shall file a return for every successive calendar year in which a gift is made to said donee regardless of the amount thereof.

"(b) The return in the case of a donor dying prior to the date when he is required to make a return shall be made on his behalf by his personal representative; that of a person for whom or for whose property a guardian has been appointed shall be made by the guardian of his person or his property or both; and that of a person employing any device to make gifts indirectly shall be made by him and by those in charge or in control of the agency or instrumentality through which such person is making gifts indirectly.

"SEC. 9. The assessor may require of any donee or his agent, trustee, or representative such information as may be necessary for the effective administration of this article.

"SEC. 10. The tax imposed by this article shall be paid by the donor on or before the 15th day of April following the close of the calendar year: *Provided, however,* That if the tax is not paid by the donor when due each donee shall be jointly and severally liable with the donor for so much of the tax as may be due on account of his respective gift.

"SEC. 11. The tax imposed by this article shall be a lien upon all gifts made during the calendar year for a period of 10 years from the time the gifts were made and completed. Any part of the property comprised in the gift that may have been sold by the donee to a bona fide purchaser for an adequate and full consideration in money or money's worth shall be divested of the lien hereby imposed and the lien, to the extent of the value of such gift, shall attach to all the property of the donee (including after-acquired property), except any part sold to a bona fide purchaser for an adequate and full consideration in money or money's worth.

"SEC. 12. No tax shall be imposed upon the transfer of any property which is taxable under article 1 of this title: *Provided, however,* That the relinquishment or termination of any power reserved to a donor in relation to any property, to the extent that such relinquishment or termination renders the transfer of such property nontaxable under article 1 of title, shall be considered a transfer of the property taxable under this article.

"SEC. 13. Any gift tax paid upon the transfer of any property under the provisions of this article may be applied as a credit upon any inheritance tax which may be imposed under article 1 upon the same transfer.

"SEC. 14. Any person aggrieved at any assessment of tax imposed by this article, or at the imposition of penalties in relation thereto, may appeal therefrom to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as provided in sections 3, 4, 7, 8, 9, 10, 11, and 12 of title IX of the District of Columbia Revenue Act of 1937, as amended."

"ARTICLE IV—GENERAL

"SECTION 1. The bond of the personal representative of the decedent shall be liable for all taxes and penalties assessed under this title, except inheritance taxes and penalties imposed in relation to the transfer of property not under the control of such personal representative: *Provided,* That in no case shall the bond or the personal representative be liable for a greater sum than is actually received by him.

"SEC. 2. The register of wills of the District shall report to the assessor on forms provided for the purpose every qualification in the District upon the estate of a decedent. Such report shall be filed with the assessor at least once every month, and shall contain the name of the decedent, the date of his death, the name and address of the personal representative, and the value of the estate, as shown by the petition for administration or probate.

"SEC. 3. The Commissioners shall have supervision of the enforcement of this title and shall have the power to make such rules and regulations, consistent with its provisions, as may be necessary for its enforcement and efficient administration and to provide for the granting of extension of time within which to perform the duties imposed by this title. The assessor shall determine all taxes assessable under this title, and immediately upon the determination of same shall forward a statement of the taxes determined to the person or persons chargeable with the payment thereof and shall give advice thereof to the collector of taxes. The assessor is hereby authorized and empowered to summon any person before him to give testimony on oath or affirmation or to produce all books, records, papers, documents, or other legal evidence as to any matter relating to this title, and the assessor is authorized to administer oaths and to take testimony for the purposes of the administration of this title. Such summons may be served by any member of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then and in that event the assessor may report that fact to the District Court of the United States for the District of Columbia of one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpenas of that court.

"SEC. 4. If the taxes imposed by this title are not paid when due, 1 percent interest for each month or portion of a month from the date when the same were due until paid shall be added to the amount of said taxes and collected as a part of the same, and said taxes shall be collected by the collector of taxes in the manner provided by the law for the collection of taxes due the District on personal property in force at the time of such collection: *Provided, however,* That where the time for payment of the tax imposed by this title is extended by the assessor or where the payment of the tax is lawfully suspended under the regulations for the administration of this title, interest shall be paid at the rate of 6 percent per annum from the date on which the tax would otherwise be payable.

"SEC. 5. If any person shall fail to perform any duty imposed upon him by the provisions of this title or the regulations made

hereunder the Commissioners may proceed by petition for mandamus to compel performance, and upon the granting of such writ the court shall adjudge all costs of such proceeding against the delinquent.

"SEC. 6. Any person required by this title to file a return who fails to file such return within the time prescribed by this title, or within such additional time as may be granted under regulations promulgated by the Commissioners, shall become liable in his own person and estate to the District in an amount equal to 10 percent of the tax found to be due. In case any person required by this title to file a return knowingly files a false or fraudulent return, he shall become liable in his own person and estate to the said District in an amount equal to 50 percent of the tax found to be due. Such amounts shall be collected in the same manner as is herein provided for the collection of the taxes levied under this title.

"SEC. 7. Any person required by this title to pay a tax or required by law or regulation made under authority thereof to make a return or keep any records or supply any information for the purposes of computation, assessment, or collection of any tax imposed by this title, who willfully fails to pay such tax, make any such return, or supply any such information at the time or times required by law or regulation shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 8. When the assessor is satisfied that the tax liability imposed by this title has been fully discharged or provided for, he may, under regulations prescribed by the Commissioners, issue his certificate, releasing any or all property from the lien herein imposed.

"SEC. 9. No person holding, within the District, tangible or intangible assets of any resident or nonresident decedent, of the value of $300 or more, shall deliver or transfer the same or any part thereof to any person other than an executor, administrator, or collector of the estate of such decedent appointed by the District Court of the United States for the District of Columbia, unless notice of the date and place of such intended transfer be served upon the assessor of the District of Columbia at least 10 days prior to such delivery or transfer, nor shall any person holding, within the District of Columbia, any assets of a resident or nonresident decedent, of the value of $300 or more, deliver or transfer the same or any part thereof to any person other than an executor, administrator, or collector of the estate of such decedent appointed by said District court without retaining a sufficient portion or amount thereof to pay any tax which may be assessed on account of the transfer of such assets under the provisions of articles I and II without an order from the assessor of the District of Columbia authorizing such transfer. It shall be lawful for the assessor of the District, personally, or by his representatives, to examine said assets at any time before such delivery or transfer. Failure to serve such notice or to allow such examination or to retain as herein required a sufficient portion or amount to pay the taxes imposed by this title shall render such person liable to the payment of such taxes. The assessor of the District may issue a certificate authorizing the transfer of any such assets whenever it appears to the satisfaction of said assessor that no tax is due thereon: *Provided, however,* That any corporation, foreign or domestic to the District, having outstanding stock or other securities registered in the sole name of a decedent whose estate or any part thereof is taxable under this title, may transfer the same, without notice to the assessor and without liability for any tax imposed thereon under this title, upon the order of an administrator, executor, or collector of the estate of such decedent appointed by the District Court of the United States for the District of Columbia, or by a trustee appointed under a will filed with the register of wills of the District, or appointed by said court, or his successor approved by said court: *Provided further,* That the lessor of a safe-deposit box standing in the joint names of a decedent and a survivor or survivors may deliver the entire contents of such safe-deposit box to the survivor or survivors, after examination of such contents by the assessor or his representative, without any liability on the part of the said lessor for the payment of such tax.

"SEC. 10. The Bureau of Internal Revenue of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Commissioners relative to any person subject to the taxes imposed under this title or relative to any person whose estate is subject to the provisions of this title.

"SEC. 11. If any return required by this title is not filed with the assessor when due, the assessor shall have the right to determine and assess the tax or taxes from such information as he may possess or obtain.

"SEC. 12. The assessor is authorized to enter into an agreement with any person liable for a tax on a transfer under article I or article III of this title, in which remainders or expectant estates are of such nature or so disposed and circumstanced that the value of the interest is not ascertainable under the provisions of this title, and to compound and settle such tax upon such terms as the assessor may deem equitable and expedient.

"SEC. 13. In the interpretation of this title, unless the context indicates a different meaning, the term "tax" means the tax or taxes mentioned in this title.

"(a) The term 'District' means the District of Columbia.

"(b) The term 'Commissioners' means the Commissioners of the District of Columbia, or their duly authorized representative or representatives.

"(c) The term 'assessor' means the assessor of the District of Columbia or his duly authorized representative or representatives.

"(d) The term 'collector of taxes' means the collector of taxes for the District of Columbia, or his duly authorized representative or representatives.

"(e) The term 'Metropolitan Police Department' means the Metropolitan Police Department of the District of Columbia.

"(f) The term 'include' when used in a definition contained in this title, shall not be deemed to exclude other things otherwise within the meaning of the term defined.

"(g) The term 'resident' means domiciled and the term 'residence' means domicile.

"SEC. 14. The provisions of this title shall become effective at 12:01 antemeridian, the day immediately following its approval."

With the following committee amendments:

Page 70, line 11, after the parenthesis and the comma, insert the word "to."

Page 70, line 14, after the word "tax", strike out the remainder of the line and all of lines 15 and 16 and insert in lieu thereof the following: "as follows: 1 percent of so much of said property as is in excess of $5,000 and not in excess of $50,000; 2 percent of so much of said property as is in excess of $50,000 and not in excess of $100,000; 3 percent of so much of said property as is in excess of $100,000 and not in excess of $500,000; 4 percent of so much of said property as in excess of $500,000 and not in excess of $1,000,000; 5 percent of so much of said property as is in excess of $1,000,000."

Page 71, beginning in line 1, strike out down to and including line 10 and insert the following:

"(b) So much of said property so transferred to each of the brothers and sisters of the whole or half blood of the decedent shall be subject to a tax as follows: 3 percent of so much of said property as is in excess of $2,000 and not in excess of $25,000; 4 percent of so much of said property as is in excess of $25,000 and not in excess of $50,000; 6 percent of so much of said property as is in excess of $50,000 and not in excess of $100,000; 8 percent of so much of said property as is in excess of $100,000 and not in excess of $500,000; 10 percent of so much of said property as is in excess of $500,000.

"(c) So much of said property so transferred to any person other than those included in paragraphs (a) and (b) of this section and all firms, institutions, associations, and corporations shall be subject to a tax as follows: 5 percent of so much of said property as is in excess of $1,000 and not in excess of $25,000; 7 percent of so much of said property as is in excess of $25,000 and not in excess of $50,000; 9 percent of so much of said property as is in excess of $50,000 and not in excess of $100,000; 12 percent of so much of said property as is in excess of $100,000 and not in excess of $500,000; 15 percent of so much of said property as is in excess of $500,000."

The committee amendments were agreed to.

The Clerk read as follows:

TITLE VI—TAX ON PRIVILEGE OF DOING BUSINESS

SECTION 1. Title VI of the District of Columbia Revenue Act of 1937, as amended by an act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved May 16, 1938, is amended to read as follows:

"SEC. 1. Where used in this title—

"(a) The term 'person' includes any individual, firm, copartnership, joint adventure, association, corporation (domestic or foreign), trust, estate, receiver, or any other group or combination, acting as a unit; and all bus lines, truck lines, radio-communication lines or networks, telegraph lines, telephone lines, or any instrumentality of commerce, but shall not include railroads, railroad-express companies, steamship companies, and air-transportation lines.

"(b) The term 'District' means the District of Columbia.

"(c) The term 'taxpayer' means any person liable for any tax hereunder.

"(d) The term 'Commissioners' means the Commissioners of the District or their duly authorized representative or representatives.

"(e) The term 'business' shall include the carrying on or exercising for gain or economic benefit, either direct or indirect, any trade, business, profession, vocation, or commercial activity, including the renting or leasing of real or personal property, in any commerce whatsoever in the District, in or on privately owned property and in or on property owned by the United States Government, or by the District, not including, however, labor or services rendered by any individual as an employee for wages, salary, or commission.

"The term 'business' shall not include the usual activities of boards of trade, chambers of commerce, trade associations or unions, or other associations performing the services usually performed by trade associations and unions, community chest funds or foundations, corporations organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or club or fraternal organizations operated exclusively for social, literary, educational, or fraternal purposes, where no part of the net earnings or income or receipts from such units, groups, or associations inure to any private shareholder or individual, and no substantial part of the activities of which is carried on for propaganda or attempt to influence legislation: *Provided, however,* That if any such units, groups, or associations shall engage in activities other than the activities in which such units, groups, or associations usually engage, such activities shall be included in the term 'business':

*Provided further,* That activities conducted for gain or profit by any educational institution, hospital, or any other institution mentioned in this subparagraph are included in the term 'business.'

"(f) The term 'gross receipts' means the gross receipts received from any business in the District, including cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials, labor, or services, or other costs, interest or discount paid, or any expense whatsoever: *Provided, however,* That any credits included by a taxpayer in a prior return of gross receipts which shall not have been collected during the period since the filing of the return in which the credit was included may be deducted from the gross receipts covered by the subsequent return: *Provided further,* That if such credit shall be collected during a succeeding taxable period, such items shall be included in the return of gross receipts for such succeeding taxable period: *Provided further,* That the term 'gross receipts' when used in connection with or in respect to financial transactions involving the sale of notes, stocks, bonds, and other securities, or the loan, collection, or advance of money, or the discounting of notes, bills, or other evidences of debt, shall be deemed to mean the gross interest, discount, or commission, or other gross income earned by means of or resulting from said financial transactions: *Provided further,* That in connection with commission merchants, attorneys, or other agents, the term 'gross receipts' shall be deemed to mean the gross amount of such commissions or gross fees received by them, and as to stock and bond brokers, the term 'gross receipts' shall be deemed to mean gross amount of commissions or gross fees received, the gross trading profit on securities bought and sold, and the gross interest income on marginal accounts from business done or arising in the District: *Provided further,* That with respect to contractors the term 'gross receipts' shall mean their total receipts, less money paid by them to subcontractors for work and labor performed, and material furnished by such subcontractors in connection with such work and labor.

"(g) The term 'fiscal year' means the year beginning on the 1st day of July and ending on the 30th day of June following.

"(h) The term 'original license' shall mean the first license issued to any person for any single place of business, and the term 'renewal license' shall mean any subsequent license issued to the same person for the same place of business.

"(i) The terms 'include' and 'including' when used in this title in connection with a class or group, or in a definition contained in this title, shall not be deemed to exclude other persons or things otherwise within such class or group, or within the meaning of the term defined, as the case may be.

"SEC. 2. (a) No person shall engage in or carry on any business in the District without having a license required by this title so to do from the Commissioners, except that no license shall be required of any person selling newspapers, magazines, and periodicals, whose sales are not made from a fixed location and which sales do not exceed the annual sum of $2,000, nor of any person conducting a display or exhibit of merchandise as a part of or in connection with any convention of merchants or manufacturers held within the District and negotiating or procuring orders for merchandise displayed thereat: *Provided, however,* That such person shall not be relieved from the requirement of reporting and paying the tax computed on the gross receipts derived from business carried on by such person within the District.

"(b) All licenses issued under this title shall be in effect for the duration of the fiscal year in which issued, unless revoked as herein provided, and shall expire at midnight of the 30th day of June of each year. No license may be transferred to any other person.

"(c) All licenses granted under this title must be conspicuously posted on the premises of the licensee and said license shall be accessible at all times for inspection by the police or other officers duly authorized to make such inspection. Licensees having no located place of business shall exhibit their licenses when requested to do so by any of the officers above named.

"(d) Licenses shall be good only for the location designated thereon; except in the case of licenses issued hereunder for businesses which in their nature are carried on at large and not at a fixed place of business. No license shall be issued for more than one place of business without a payment of a separate fee for each, except where a taxpayer is engaged in the business of renting real estate.

"(e) Any person not having an office or place of business in the District but who does or transacts business in the District by or through an employee or agent, shall procure the license provided by this title. Said license shall be carried and exhibited by said employee or agent: *Provided, however,* That where said person does or transacts business in the District by or through two or more employees or agents, each such employee or agent shall carry either the license or a certificate from the Commissioners that the license has been obtained. Such certificates shall be in such form as the Commissioners shall determine and shall be furnished without charge by the Commissioners upon request. No employee or agent of a person not having an office or place of business within the District shall engage in or carry on any business in the District for or on behalf of such person unless such person shall have first obtained a license as provided by this title.

"(f) The Commissioners may, after hearing, revoke any license issued hereunder for failure of the licensee to file a return or corrected return within the time required by this title as originally enacted or amended or to pay any installment of tax when due thereunder.

"(g) Licenses shall be renewed for the ensuing fiscal year upon application as provided in section 3 of this title: *Provided, however,* That no license shall be issued if the taxpayer has failed or refused to pay any tax or installment thereof or penalties thereon imposed by this title as originally enacted or as amended: *Provided further,* That the Commissioners in their discretion for cause shown may, on such terms and conditions as they may determine or prescribe, waive the provisions of this paragraph.

"SEC. 3. (a) Applications for license shall be upon a form prescribed and furnished by the Commissioners, and each application shall be accompanied by a fee of $10: *Provided, however,* That no fee for the renewal of any license previously issued shall be required of any person if he shall certify under oath (1) that his gross receipts during the year immediately preceding his application, if he was engaged in business during all of such period of time, or (2) that his gross receipts as computed in section 5 of this title, if he was engaged in business for less than 1 year immediately preceding his application, were not more than $2,000. Application for an original license may be made at any time. Application for a renewal license shall be made during the month of May immediately preceding the fiscal year for which it is desired that the license be renewed: *Provided further,* That where an original license is issued to any person after the 1st day of May of any year, application for a renewal of such license for the ensuing fiscal year may be made at any time prior to the expiration of the fiscal year in which such original license was issued.

"(b) In the event of the failure of a licensee to apply for renewal of a license or licenses within the time prescribed herein, such licensee shall be required to pay for the renewal of each license the sum of $5 in addition to the fees prescribed herein, and the license fee in no event shall be less than $5 for each such renewal license.

"SEC. 4. (a) Every person subject to the provisions of this title, whose annual gross receipts during the preceding calendar year exceed $2,000, shall, during the month of July of each year, furnish to the assessor, on a form prescribed by the Commissioners, a statement under oath showing the gross receipts of the taxpayer during the preceding calendar year, which return shall contain such other information as the Commissioners may deem necessary for the proper administration of this title. The burden of proof shall be upon the person claiming exemption from the requirement of filing a return to show that his gross annual receipts are not in excess of $2,000.

"(b) The Commissioners, for the purpose of ascertaining the correctness of any return filed hereunder, or for the purpose of making a return where none has been made, are authorized to examine any books, papers, records, or memoranda of any person bearing upon the matters required to be included in the return, and to give testimony or answer interrogatories under oath respecting the same, and the Commissioners shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then, and in that event, the Commissioners may report that fact to the District Court of the United States for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to such summons to the same extent as witnesses may be compelled to obey the subpenas of that court.

"(c) The Commissioners are authorized and empowered to extend for cause shown the time for filing a return for a period not exceeding 30 days.

"SEC. 5. (a) For the privilege of engaging in business in the District during any fiscal year after June 30, 1939, each person so engaged shall pay to the collector of taxes a tax measured upon gross receipts in excess of $2,000 derived from such business for the calendar year immediately preceding, as follows:

"1. Dealers in goods, wares, and merchandise, the owners of rental, real, and personal property, persons who supply transportation for hire, and all other persons engaged in a business in which capital is the primary material factor in the production of gross receipts, shall pay a tax equal to four-tenths of 1 percent of such excess gross receipts derived by them respectively from such businesses: *Provided, however,* That with repect to dealers in goods, wares, and merchandise, where the spread or difference between the cost of goods sold and the sale price does not exceed 4 percent of the cost of the goods sold, one-tenth of 1 percent of such dealers' excess gross receipts; where such spread or difference exceeds 4 but does not exceed 8 percent, two-tenths of 1 percent of such dealers' excess gross receipt; and where such spread or difference exceeds 8 percent but does not exceed 12 percent, three-tenths of 1 percent of such dealers' excess gross receipts; and where such spread or difference exceeds 12 percent, four-tenths of 1 percent of such dealers' excess gross receipts. The cost of such goods, wares, and merchandise sold shall be determined after considering the inventories both at the beginning and at the end of the period covered by the return and purchases made during such period, and such inventories shall be valued at cost or market, whichever is lower, and shall be in agreement with the inventories as reflected by the books of such dealers. The cost of goods, wares, and merchandise shall be the actual purchase price, including the prevailing freight rate to the dealers' place of business in the District. The burden of proving under which classification the taxpayer

shall be taxed shall be upon the taxpayer, and, unless the taxpayer shall by proof satisfactory to the assessor show to the contrary, the spread or difference between the cost of goods, wares, and merchandise sold by the taxpayer and the selling price of such goods, wares, and merchandise shall be presumed to be in excess of 12 percent of the cost of the goods, wares, and merchandise sold, and the taxpayer shall be taxed accordingly.

"2. Attorneys at law, physicians, surgeons, dentists, oculists, nurses, accountants, commission merchants, factors, musicians, artists, brokers, agents, engineers, architects, interior decorators, osteopathic physicians, surveyors, Christian Science practitioners, clairvoyants, phrenologists, and all other persons engaged in a business in which personal services are the primary material factor in the production of gross receipts shall pay a tax equal to eight-tenths of 1 percent of such excess gross receipts derived by them respectively from such businesses. With respect to any corporation which shall conduct, carry on, or transact any business described in this subparagraph, such corporation shall be subject to the provisions of this subparagraph to the same extent as if such business had been conducted, transacted, or carried on by an individual or individuals.

"3. All persons other than those mentioned in subparagraph (1) of this paragraph shall pay a tax equal to eight-tenths of 1 percent of the gross receipts derived by such persons from such business. The burden of proving that the taxpayer should be classified under subparagraph (1) of this paragraph shall be upon the taxpayer, and, unless the taxpayer shall by proof satisfactory to the assessor show to the contrary, the taxpayer shall be classified under subparagraph (2) of this paragraph.

"(b) If a taxpayer shall not have been engaged in business during the entire calendar year upon the gross receipts of which the tax imposed by this title is measured, he shall pay the tax imposed by this title measured by his gross receipts during the period of 1 year from the date when he became so engaged; and if such taxpayer shall not have been so engaged for an entire year prior to the beginning of the fiscal year for which the tax is imposed, then the tax imposed shall be measured by his gross receipts during the period in which he was so engaged, multiplied by a fraction, the numerator of which shall be 365 and the denominator of which shall be the number of days in which he was so engaged.

"(c) If a person liable for the tax during any year or portion of a year for which the tax is computed acquires the assets or franchises of or merges or consolidates his business with the business of any other person or persons, such person liable for the tax shall report, as his gross receipts by which the tax is to be measured, the gross receipts for such year of such other person or persons, together with his own gross receipts during such year.

"SEC. 6. National banks and all other incorporated banks and trust companies, street railroad, gas, electric lighting, and telephone companies, companies incorporated or otherwise, which guarantee the fidelity of any individual or individuals, such as bonding companies, companies which furnish abstracts of title, savings banks, and building and loan associations which pay taxes under existing laws of the District upon gross receipts or gross earnings and insurance companies which pay a tax upon premiums shall be exempt from the provisions of this title.

"SEC. 7. (a) The taxes imposed hereby shall be due on the 1st day of July of the fiscal year for which such taxes are assessed and may be paid, without penalty, to the collector of taxes of the District in equal semiannual installments in the months of October and April following. If either of said installments shall not be paid within the month when the same is due, said installment shall thereupon be in arrears and delinquent and there shall be added, and collected, to said tax a penalty of 1 percent per month upon the amount thereof for the period of such delinquency, and said installment with the penalties thereon shall constitute a delinquent tax.

"(b) Any tax on tangible personal property (other than motor vehicle) levied against and paid by the taxpayer to the District, shall be allowed as a credit against the tax due by such taxpayer under this title for the taxable year for which such tax on tangible personal property is assessed.

"SEC. 8. If a return required by this title is not filed, or if a return when filed is incorrect or insufficient and the maker fails to file a corrected or sufficient return within 20 days after the same is required by notice from the assessor, the assessor shall determine the amount of tax due from such information as he may be able to obtain, and if necessary, may estimate the tax on the basis of external indices, such as number of employees of the person concerned, rentals paid by him, stock on hand, and other factors. The assessor shall give notice of such determination to the person liable for the tax. Such determination shall fix the tax, subject, however, to appeal as provided in sections 3 and 4 of title IX of this act.

"SEC. 9. Any person failing to file a return or corrected return within the time required by this title shall be subject to a penalty of 10 percent of the tax imposed by this title for the first month of delay plus 1 percent of such tax for each additional month of delay or fraction thereof: *Provided, however*, That if such failure shall be due to willful neglect or disregard of the provisions of this title or regulations prescribed for its enforcement such penalty shall be 10 percent of the tax imposed by this title for the first month of delay plus 5 percent of such tax for each additional month of delay or fraction thereof. Such penalty shall be computed upon and added to the tax imposed by this title for any allowance or credit for tangible personal-property tax paid by the taxpayer as provided in section 7 (b) hereof.

"SEC. 10. Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended, addressed to such person at the address given in the return filed by him pursuant to the provisions of this title, or if no return has been filed, then to his last-known address. The mailing of such notice shall be presumptive evidence of the receipt of the same by the person to whom addressed. Any period of time which must be determined under the provisions of this title by the giving of notice shall commence to run from the date of mailing such notice.

"SEC. 11. The taxes levied hereunder and penalties may be assessed by the assessor and collected by the collector of taxes of the District in the manner provided by law for the assessment and collection of taxes due to the District on personal property in force at the time of such assessment and collection.

"SEC. 12. Any person engaging in or carrying on business without having a license so to do, or failing or refusing to file a sworn report as required herein, or to comply with any rule or regulation of the Commissioners for the administration and enforcement of the provisions of this title shall, upon conviction thereof, be fined not more than $300 for each and every failure, refusal, or violation, and each and every day that such failure, refusal, or violation continues shall constitute a separate and distinct offense. All prosecutions under this title shall be brought in the police court of the District on information by the corporation counsel or his assistant in the name of the District.

"SEC. 13. The Bureau of Internal Revenue of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Commissioners relative to any person subject to the taxes imposed under this title.

"SEC. 14. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the Commissioners or any person having an administrative duty under this title to divulge or make known in any manner the receipts or any other information relating to the business of a taxpayer contained in any return required under this title. The persons charged with the custody of such returns shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the United States or the District, or on behalf of any party to any action or proceeding under the provisions of this title, when the returns or facts shown thereby are directly involved in such action or proceeding, in either of which events the court may require the production of, and may admit in evidence so much of such returns or of the facts shown thereby as are pertinent to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery to a taxpayer, or his duly authorized representative, of a certified copy of any return filed in connection with his tax, nor to prohibit the publication of statistics so classified as to prevent the identification of particular returns and the items thereof, or the inspection by the corporation counsel of the District, or any of his assistants, of the return of any taxpayer who shall bring action to set aside or review the tax based thereon, or against whom an action or proceeding has been instituted for the collection of a tax or penalty. Returns shall be preserved for 3 years and thereafter until the Commissioners order them to be destroyed. Any violation of the provisions of this section shall be subject to the punishment provided by section 12 of this title.

"SEC. 15. This title shall not be deemed to repeal or in any way affect any existing act or regulation under which taxes are now levied, or any license or license fees are now required.

"SEC. 16. Appropriations are hereby authorized for such additional personnel and expenses as may be necessary to carry out the provisions of this act.

"SEC. 17. The proper apportionment and allocation of gross receipts with respect to sources within and without the District may be determined by processes or formulas of general apportionment under rules and regulations prescribed by the Commissioners."

SEC. 2. The amendments made by this section shall not affect the taxes imposed and the licenses required by the provisions of title VI of the District of Columbia Revenue Act of 1937, as originally enacted, or, as amended by the act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved May 16, 1938. The provisions of title VI of the District of Columbia Revenue Act of 1937, as amended by an act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved May 16, 1938, shall remain effective to and including June 30, 1939; and the amendment made by this section shall be effective July 1, 1939.

With the following committee amendments:

Page 104, line 20, after the word "return", insert the following: "and may summon any person to appear and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return."

Page 109, line 13, strike out "(a)."

Page 110, beginning in line 1, strike out down to and including line 5.

Page 111, line 4, after the word "thereof" strike out the remainder of the line and lines 5, 6, 7, and 8.

Page 114, line 13, strike out the word "section" and insert "title".

Page 114, line 24, strike out "amendment" and insert "amendments".

Page 114, line 24, strike out "section" and insert "title."

The committee amendments were agreed to.

Mr. BATES of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: Beginning on page 96, line 9, strike out Title VI.

Mr. BATES of Massachusetts. Mr. Chairman, the amendment I now offer strikes out title VI, which is the business-privilege tax.

In connection with the recent approval of the reduction in exemptions in the income tax from $10,000 to $2,000, the gentleman from Oklahoma [Mr. NICHOLS] said that the adoption of this provision cutting exemptions to $2,000 on earned income would produce a surplus. My answer to that is that even without the further exemption from $10,000 to $2,000 and without the business-privilege tax we still have a surplus on the basis of the House appropriation bill of over $1,500,000 to operate the District Government for the fiscal year 1940. If we have a surplus of $1,500,000 without exempting incomes below $10,000 and also without the business-privilege tax, then what sense is there in adopting the business-privilege tax if lower income-tax exemptions develop more revenue? Or, in other words, if exemptions to $2,000 will yield another $1,000,000, there will be a surplus of at least $2,500,000 after meeting all the requirements of the District appropriation bill as passed by the House. This House bill also provides $4,600,000 for capital outlays.

If we have two and a half million dollars on the basis of the House bill, setting aside a total of $4,600,000 for capital improvements, we do not need to worry about the inclusion of any other provision in the bill in order to raise additional money which is not necessary.

Let us now find out what the Advisory Committee on Taxation says about the so-called business-privilege tax. Here is what the Advisory Committee which we had make a study and a report to the Congress at the beginning of this year states:

The business-privilege tax is generally regarded as a temporary or stop-gap measure. Although some of the friction caused by its introduction has subsided, almost the entire time of the Board of Tax Appeals for the District of Columbia is spent in the adjudication of issues arising under this tax. Popular condemnation is widespread and it is safe to say that public sentiment is overwhelmingly opposed to this tax.

They further say:

The tax ignores the ability doctrine, its philosophy being that every business is operated at a profit.

A gross-receipt tax works an undue hardship on the marginal firms, those operating on such a narrow profit margin that the tax may bankrupt them if it is not shifted.

The tax is difficult to administer. Even with nearly 50,000 accounts, allegations of widespread evasions have been made and it is a matter of general knowledge that the administrative coverage is incomplete.

The tax is easily evaded.

Insofar as the tax is shifted, it pyramids by being added to each business transaction in the process of reaching the consumer.

The business-privilege tax far outweighs the contentions advanced in their favor. The immediate removal of these two taxes is a prerequisite to the establishment of a well-arranged tax system in the District of Columbia.

I trust the amendment will be adopted.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, is the gentleman going to speak on this amendment?

Mr. RANDOLPH. Yes.

Mr. DIRKSEN. I would like to have 5 minutes.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I want to get before you just what the situation is with respect to the business-privilege tax. Here is the way the thing operates: Everybody who is in business and who is subject to this title, and has been since 1937, must get a license to do business, even though he may not be taxable. In 1938 there were 47,000 licenses in the District of Columbia. Think of that in a town of around 600,000 people. Twenty thousand of those licenses were free—that is, they were not taxable—23,000 were taxable, and 4,000 were relieved because the element of interstate commerce was involved, like bus lines, railroads, and so forth.

About 60 percent of all those who were licensed under this provision paid a tax that ran from $20 to $50, and it raised, in 1938, $1,800,000. There was a credit against that, so that the amount realized from 47,000 licensed businesses was something like $1,200,000. The gross is estimated for this fiscal year at about $2,200,000. If your gross income is under $3,000, of course, that is exempt, or if you do not do business at a fixed place, that is exempt. Then we divide the application of this tax to people in two classes; first, those who deal in goods, wares, and merchandise, where capital is a primary element in the business as distinguished from a professional man like a lawyer or doctor. If you are a grocer or a baker, or if you operate a meat market, if the spread between the cost of merchandise you buy and the sales price is less than 4 percent or up to 4 percent, you pay one-tenth of 1 percent; if it is up to 8 percent, you pay two-tenths of 1 percent; and if it is up to 12 percent, you pay three-tenths of 1 percent; and if the spread is over 12 percent, you pay four-tenths of 1 percent.

You can imagine what an abomination that kind of a bill is to administer and the number of administrative difficulties that will arise in the case of professional men. They pay eight-tenths of 1 percent on all over $2,000. Now, the language of this bill in that respect, to say the least, is interesting. Listen to this, on page 107:

Attorneys at law, physicians, surgeons, dentists, oculists, nurses, accountants, commission merchants, factors, musicians, artists, brokers, agents, engineers, architects, interior decorators, osteopathic physicians, surveyors, Christian Science practitioners, clairvoyants, phrenologists, and all other persons engaged in a business in which personal services are the primary material factor in the production of gross receipts, shall pay a tax equal to eight-tenths of 1 percent of such excess gross receipts derived by them respectively from such businesses.

You see what difficulty arises in trying to administer a law of this kind, and then we have to refine so carefully in connection with dealers in goods, wares, and merchandise, trying to develop an equitable sort of balance. The fact of the matter is that under a bill of this kind you just cannot do it. If we can raise this money under the first title of this bill—and it will probably need some little refinement in the Senate, since we have not adjusted the table of rates—then of course we can get along without this business-privilege tax, and that is the best argument that I know of why the amendment of the gentleman from Massachusetts [Mr. BATES] should be adopted, and we ought to strike title 6 from this bill.

Mr. BATES of Massachusetts. And even without the exemption from $10,000 to $2,000, we still have a million and a half surplus without the business-privilege tax.

Mr. DIRKSEN. There have been so many estimates going about, that I will say the careful estimate of my friend from Massachusetts is just as good and probably as near to the fact as any I have seen, but in case we run into difficulty so that we do not have any revenue, there is a provision in the bill that permits advances to be made to the District from the Federal Treasury, which are of course to be reimbursable. But we have plenty of time to test the matter so that we can very well strike out the business-privilege tax. I recognize the fact that this has been on the books before, but that was done just as a gesture, as a stop-gap, as something that came about at the time that the fiscal year was ready to close. That, however, does not make this an acceptable tax.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. COCHRAN. Of course the States could not retaliate in this instance because this is not a manufacturing city.

Mr. DIRKSEN. That is true.

Mr. COCHRAN. But if the States of the Union followed this policy, we would have a fine condition all over the country, where every State in the Union would be passing what would practically be a tariff bill.

Mr. DIRKSEN. And I say to the gentleman that that retaliation in the tax structures of the States has gotten to the point where the Council of State Governments with offices in Chicago is giving the major portion of its time to the general problem of tax and State barriers erected, and the matter has gotten to such a point where the free flow of commerce within the States is being definitely obstructed. Let us strike out title 6 of this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. BATES].

The question was taken; and on a division (demanded by Mr. BATES of Massachusetts) there were ayes 60 and noes 39.

Mr. NICHOLS. Mr. Chairman, I object to the vote on the ground that there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty-three Members are present; a quorum is present.

Mr. NICHOLS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. NICHOLS and Mr. BATES of Massachusetts to act as tellers.

The committee again divided; and the tellers reported there were ayes 86 and noes 51.

So the amendment was agreed to.

The Clerk read as follows:

TITLE VII—GENERAL PROVISIONS

SEPARABILITY CLAUSE

SECTION 1. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

RULES AND REGULATIONS

SEC. 2. The Commissioners shall prescribe and publish all needful rules and regulations for the enforcement of this act.

Mr. RANDOLPH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6577) to provide revenue for the District of Columbia, and for other purposes, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill, as amended, do pass.

Mr. RANDOLPH. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. RANDOLPH. Mr. Speaker, I ask for a separate vote on the so-called Bates amendment applying to the income-tax feature of the bill; also on the Bates amendment applying to the privilege tax.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en grosse.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: On page 7, line 2, strike out "$10,000" and insert "$2,000."

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 75 and noes 54.

Mr. RANDOLPH. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 187, nays 130, not voting 113, as follows:

[Roll No. 92]

YEAS—187

| | | | |
|---|---|---|---|
| Alexander | Dworshak | Kerr | Rogers, Mass. |
| Allen, Ill. | Eaton, Calif. | Kilday | Rutherford |
| Allen, La. | Eaton, N. J. | Kinzer | Sandager |
| Andersen, H. Carl | Elliott | Kramer | Schafer, Wis. |
| Anderson, Calif. | Engel | Kunkel | Schiffler |
| Angell | Englebright | Lambertson | Seccombe |
| Arends | Fish | Landis | Seger |
| Ashbrook | Folger | Lanham | Shannon |
| Austin | Gathings | Leavy | Short |
| Barden | Gearhart | LeCompte | Simpson |
| Bates, Mass. | Gehrmann | Lemke | Smith, Ill. |
| Beckworth | Gilchrist | Luce | Smith, Maine |
| Blackney | Gillie | Ludlow | Sparkman |
| Boehne | Gore | McDowell | Springer |
| Bolles | Graham | McLean | Steagall |
| Bolton | Green | Maas | Stearns, N. H. |
| Bradley, Mich. | Griffith | Magnuson | Stefan |
| Brooks | Griswold | Mapes | Taber |
| Brown, Ohio | Gross | Marshall | Talle |
| Bryson | Guyer, Kans. | Martin, Colo. | Tarver |
| Buckler, Minn. | Gwynne | Martin, Iowa | Taylor, Colo. |
| Bulwinkle | Hall | Martin, Mass. | Taylor, Tenn. |
| Burdick | Halleck | Mason | Thill |
| Burgin | Hancock | Michener | Thorkelson |
| Carlson | Hare | Miller | Tibbott |
| Carter | Harness | Mills, La. | Tinkham |
| Cartwright | Hawks | Monkiewicz | Van Zandt |
| Chiperfield | Heinke | Moser | Vincent, Ky. |
| Church | Hess | Mott | Voorhis, Calif. |
| Clason | Hinshaw | Mundt | Vorys, Ohio |
| Clevenger | Hobbs | Murray | Vreeland |
| Cluett | Hoffman | O'Brien | Wadsworth |
| Cochran | Holmes | O'Connor | Warren |
| Cole, N. Y. | Hope | Oliver | Welch |
| Cooper | Houston | Patrick | Wheat |
| Crawford | Hull | Peterson, Ga. | Whelchel |
| Crosser | Jeffries | Pittenger | White, Idaho |
| Crowe | Jenks, N. H. | Polk | White, Ohio |
| Crowther | Jensen | Powers | Wigglesworth |
| Curtis | Johns | Rankin | Williams, Mo. |
| D'Alesandro | Johnson, Ill. | Reece, Tenn. | Wolcott |
| Darrow | Johnson, Ind. | Reed, Ill. | Wolverton, N. J. |
| Dirksen | Johnson, Lyndon | Reed, N. Y. | Woodruff, Mich. |
| Dondero | Johnson, Okla. | Rees, Kans. | Woodrum, Va. |
| Doughton | Jones, Ohio | Robsion, Ky. | Youngdahl |
| Dowell | Kean | Rockefeller | Zimmerman |
| Durham | Keefe | Rodgers, Pa. | |

NAYS—130

| | | | |
|---|---|---|---|
| Arnold | Ferguson | McCormack | Robertson |
| Ball | Fernandez | McGehee | Robinson, Utah |
| Barry | Flaherty | McKeough | Rogers, Okla. |
| Bates, Ky. | Flannery | McMillan, John L. | Romjue |
| Beam | Ford, Miss. | McMillan, Thos. S. | Ryan |
| Bland | Ford, Thomas F. | Mahon | Sasscer |
| Boren | Fries | Maloney | Schaefer, Ill. |
| Bradley, Pa. | Garrett | Marcantonio | Schuetz |
| Brown, Ga. | Geyer, Calif. | Martin, Ill. | Schulte |
| Buck | Gibbs | May | Schwert |
| Burch | Gossett | Mills, Ark. | Scrugham |
| Byrns, Tenn. | Grant, Ala. | Mitchell | Shafer, Mich. |
| Byron | Gregory | Mouton | Shanley |
| Cannon, Fla. | Hart | Murdock, Ariz. | Sheppard |
| Cannon, Mo. | Harter, Ohio | Murdock, Utah | Smith, Conn. |
| Coffee, Nebr. | Havenner | Nichols | Smith, Ohio |
| Coffee, Wash. | Hill | Norrell | Smith, Va. |
| Cole, Md. | Hook | Norton | Snyder |
| Collins | Hunter | O'Day | South |
| Colmer | Izac | O'Leary | Spence |
| Corbett | Jacobsen | Owen | Starnes, Ala. |
| Courtney | Johnson, Luther A. | Pace | Sutphin |
| Cox | Johnson, W. Va. | Parsons | Tenerowicz |
| Creal | Jones, Tex. | Patman | Thomas, Tex. |
| Delaney | Kee | Patton | Thomason |
| Dempsey | Kennedy, Md. | Pearson | Tolan |
| Dingell | Kirwan | Peterson, Fla. | Vinson, Ga. |
| Disney | Kitchens | Pfeifer | Wallgren |
| Doxey | Kocialkowski | Poage | Walter |
| Duncan | Larrabee | Rabaut | Weaver |
| Dunn | Lea | Randolph | Whittington |
| Edmiston | Lewis, Colo. | Rayburn | |
| Ellis | McArdle | Richards | |

NOT VOTING—113

| | | | |
|---|---|---|---|
| Allen, Pa. | Darden | Horton | Pierce, Oreg. |
| Anderson, Mo. | DeRouen | Jarman | Plumley |
| Andresen, A. H. | Dickstein | Jarrett | Ramspeck |
| Andrews | Dies | Jenkins, Ohio | Rich |
| Barnes | Ditter | Keller | Risk |
| Barton | Douglas | Kelly | Routzohn |
| Bell | Drewry | Kennedy, Martin | Sabath |
| Bender | Eberharter | Kennedy, Michael | Sacks |
| Bloom | Elston | Keogh | Satterfield |
| Boland | Evans | Kleberg | Secrest |
| Boykin | Faddis | Knutson | Sirovich |
| Brewster | Fay | Lesinski | Smith, Wash. |
| Buckley, N. Y. | Fenton | Lewis, Ohio | Smith, W. Va. |
| Byrne, N. Y. | Fitzpatrick | McAndrews | Somers, N. Y. |
| Caldwell | Flannagan | McGranery | Sullivan |
| Case, S. Dak. | Ford, Leland M. | McLaughlin | Sumner, Ill. |
| Casey, Mass. | Fulmer | McLeod | Sumners, Tex. |
| Celler | Gamble | McReynolds | Sweeney |
| Chandler | Gartner | Maciejewski | Terry |
| Chapman | Gavagan | Mansfield | Thomas, N. J. |
| Clark | Gerlach | Massingale | Treadway |
| Claypool | Gifford | Merritt | West |
| Connery | Grant, Ind. | Monroney | Williams, Del. |
| Cooley | Harrington | Myers | Winter |
| Costello | Harter, N. Y. | Nelson | Wolfenden, Pa. |
| Culkin | Hartley | O'Neal | Wood |
| Cullen | Healey | Osmers | |
| Cummings | Hendricks | O'Toole | |
| Curley | Hennings | Pierce, N. Y. | |

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Mansfield with Mr. Treadway.
Mr. Cullen with Mr. Gartner.
Mr. Ramspeck with Mr. Thomas of New Jersey.
Mr. Nelson with Mr. Wolfenden of Pennsylvania.
Mr. Drewry with Mr. Douglas.
Mr. Boland with Mr. Plumley.
Mr. Sullivan with Mr. Barton.
Mr. West with Mr. Ditter.
Mr. Cooley with Mr. Hartley.
Mr. Fulmer with Mr. Jenkins of Ohio.
Mr. Keogh with Mr. Rich.
Mr. O'Neal with Mr. Pierce of New York.
Mr. Kleberg with Mr. Brewster.
Mr. Bell with Mr. Gamble.
Mr. Martin J. Kennedy with Mr. Knutson.
Mr. Boykin with Mr. McLeod.
Mr. Flannagan with Mr. H. Carl Andersen.
Mr. Chandler with Mr. Risk.
Mr. Kelly with Mr. Winter.
Mr. Gavagan with Mr. Case of South Dakota.
Mr. Darden with Mr. Gifford.
Mr. McAndrews with Mr. Jarrett.
Mr. Chapman with Mr. Lewis of Ohio.
Mr. DeRouen with Miss Sumner of Illinois.
Mr. Hendricks with Mr. Osmers.
Mr. Harrington with Mr. Culkin.
Mr. Fitzpatrick with Mr. Andrews.
Mr. Sabath with Mr. Fenton.
Mr. Terry with Mr. Grant of Indiana.
Mr. Satterfield with Mr. Routzohn.
Mr. Jarman with Mr. Williams of Delaware.
Mr. Hennings with Mr. Bender.
Mr. Keller with Mr. Elston.
Mr. McReynolds with Mr. Gerlach.
Mr. Dies with Mr. Harter of New York.
Mr. Merritt with Mr. Anderson of California.
Mr. Costello with Mr. Horton.
Mr. Dickstein with Mr. Leland M. Ford.
Mr. Secrest with Mr. Curley.
Mr. McGranery with Mr. Sumners of Texas.
Mr. Celler with Mr. Monroney.
Mr. Allen of Pennsylvania with Mr. Smith of West Virginia.
Mr. McLaughlin with Mr. Wood.
Mr. Sweeney with Mr. Cummings.
Mr. Clark with Mr. Michael J. Kennedy.
Mr. Myers with Mr. O'Toole.
Mr. Bloom with Mr. Faddis.
Mr. Connery with Mr. Byrne of New York.
Mr. Sirovich with Mr. Maciejewski.
Mr. Claypool with Mr. Somers of New York.
Mr. Fay with Mr. Anderson of Missouri.
Mr. Barnes with Mr. Evans.
Mr. Buckley of New York with Mr. Eberharter.
Mr. Caldwell with Mr. Sachs.
Mr. Smith of Washington with Mr. Casey of Massachusetts.

Mr. GREEN and Mr. O'CONNOR changed their vote from "nay" to "yea."

Mr. DUNN changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BATES of Massachusetts: On page 96, beginning in line 9, strike out all of title VI.

The SPEAKER. The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 149, noes 57.

Mr. RANDOLPH. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventy-one Members are present, a quorum.

So the amendment was agreed to.

Mr. THILL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

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

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

SUPPLEMENTAL WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. SNYDER, from the Committee on Appropriations, reported the bill (H. R. 6791, Rept. No. 823) making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, which was referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. POWERS reserved all points of order against the bill.

ISSUANCE OF BONDS BY T. V. A.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight in which to file a report on the bill to amend the Tennessee Valley Authority Act of 1933.

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

There was no objection.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a rule making the so-called T. V. A. bill in order.

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

There was no objection.

The report is as follows:

Mr. SABATH, from the Committee on Rules, submitted the following report (to accompany H. Res. 219):

The Committee on Rules, having had under consideration House Resolution 219, reports the same to the House with the recommendation that the resolution do pass.

House Resolution 219

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1796, an act to amend the Tennessee Valley Authority Act of 1933, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Military Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or Committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject The Impressions of a Congressman on the Visit of King George and Queen Elizabeth to the Nation's Capital, prepared by myself.

Mr. POWERS. Mr. Speaker, reserving the right to object, and I shall not, I merely take this method of gaining an opportunity to ask the gentleman from Pennsylvania when he intends to call up the supplemental War Department bill for consideration.

Mr. SNYDER. I am not able to say. It all depends on when the leadership, both majority and minority, find time to take it up.

Mr. ENGEL. Mr. Speaker, will the gentleman yield?

Mr. POWERS. I yield.

Mr. ENGEL. The majority leader said on last Friday that it was not the intention of the administration to bring this bill up until next week. Has anything occurred to cause a change in that plan?

Mr. RAYBURN. No. The so-called T. V. A. bill will be up tomorrow, and on Wednesday we shall begin consideration of the relief bill which, I think, will take the balance of this week.

Mr. ENGEL. And this War Department bill will not come up until next week?

Mr. RAYBURN. I am sure it will not come up until next week.

The SPEAKER. Is there objection to the request of the gentleman from Idaho to extend his remarks in the manner indicated?

There was no objection.

DISTRICT OF COLUMBIA

Several Members rose.

The SPEAKER. This is District of Columbia Day, and the gentleman from West Virginia is entitled to recognition. The Chair cannot recognize Members at this time unless the gentleman from West Virginia yields for that purpose.

Mr. RANDOLPH. Mr. Speaker, I, of course, will be very generous to my colleagues. I think, however, if they will wait just a moment to dispose of this one measure we shall not unduly delay them.

RESALE PRICES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 3838) to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following terms, as used in this act, are hereby defined as follows:

(a) "Commodity" means any subject of commerce.

(b) "Producer" means any grower, baker, maker, manufacturer, bottler, packer, converter, processor, or publisher.

(c) "Wholesaler" means any person selling a commodity other than a producer or retailer."

(d) "Retailer" means any person selling a commodity to consumers for use.

(e) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any unincorporated organization.

SEC. 2. No contract relating to the sale or resale of a commodity which bears, or the label or container of which bears, the trade-mark, brand, or name of the producer or distributor of such commodity and which commodity is in free and open competition with commodities of the same general class produced or distributed by others shall be deemed in violation of any law of the District of Columbia by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity at less than the minimum price stipulated by the seller.

(b) That the buyer will require of any dealer to whom he may resell such commodity an agreement that he will not, in turn, resell at less than the minimum price stipulated by the seller.

(c) That the seller will not sell such commodity—

(1) To any wholesaler, unless such wholesaler will agree not to resell the same to any retailer unless the retailer will, in turn, agree not to resell the same except to consumers for use and at not less than the stipulated minimum price, and such wholesaler will likewise agree not to resell the same to any other wholesaler unless such other wholesaler will make the same agreement with any wholesaler or retailer to whom he may resell; or

(2) To any retailer, unless the retailer will agree not to resell the same except to consumers for use and at not less than the stipulated minimum price.

SEC. 3. For the purpose of preventing evasion of the resale price restrictions imposed in respect of any commodity by any contract entered into pursuant to the provisions of this act (except to the extent authorized by the said contract)—

(a) The offering or giving of any article of value in connection with the sale of such commodity;

(b) The offering or the making of any concession of any kind whatsoever (whether by the giving of coupons or otherwise) in connection with any such sale; or

(c) The sale or offering for sale of such commodity in combination with any other commodity

shall be deemed a violation of such resale price restriction, for which the remedies prescribed by section 6 of this act shall be available.

SEC. 4. No minimum resale price shall be established for any commodity, under any contract entered into pursuant to the provisions of this act, by any person other than the owner of the trade-mark, brand, or name used in connection with such commodity or by a distributor specifically authorized to establish said price by the owner of such trade-mark, brand, or name.

SEC. 5. No contract containing any of the provisions enumerated in section 2 of this act shall be deemed to preclude the resale of any commodity covered thereby without reference to such contract in the following cases:

(a) In closing out the owner's stock for the bona fide purpose of discontinuing dealing in any such commodity and plain notice of the fact is given to the public: *Provided*, That the owner of such stock shall give to the producer or distributor of such commodity prompt and reasonable notice in writing of his intention to close out said stock and an opportunity to purchase such stock at the original invoice price;

(b) When the trade-mark, brand, or name is removed or wholly obliterated from the commodity and is not used or directly or indirectly referred to in the advertisement or sale thereof;

(c) When the goods are altered, second-hand, damaged, or deteriorated and plain notice of the fact is given to the public in the advertisement and sale thereof, such notice to be conspicuously displayed in all advertisements and to be affixed to the commodity; or

(d) By any officer acting under an order of court.

SEC. 6. Willfully and knowingly advertising, offering for sale, or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of this act, whether the person so advertising, offering for sale, or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby.

SEC. 7. This act shall not apply to any contract or agreement between or among producers or distributors or between or among wholesalers or between or among retailers as to sale or resale price.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 9. All acts or parts of acts inconsistent herewith are hereby repealed to the extent of such inconsistency.

SEC. 10. This act may be known and cited as the "Fair Trade Act."

Mr. LANHAM. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill refers to trade-marks. Will the gentleman from West Virginia tell us what provision in the bill relates to trade-marks?

Mr. RANDOLPH. Mr. Speaker, I yield to the gentleman from Maryland to answer the gentleman's question.

Mr. KENNEDY of Maryland. Trade-marks are not affected by this bill.

Mr. RANDOLPH. Mr. Speaker, I move the previous question.

The previous question was ordered.

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.

RETIREMENT PAY FOR JUDGES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6504) providing retirement pay for the judges of the police court of the District of Columbia, the municipal court of the District of Columbia, and the juvenile court of the District of Columbia, be transferred from the District of Columbia Committee to the Committee on the Judiciary of the House.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, this completes the calendar for the District of Columbia Committee.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 322. Joint resolution making an additional appropriation for the control of outbreaks of insect pests.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 6260) entitled "An act making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. SHEPPARD, Mr. TOWNSEND, and Mr. BRIDGES to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a memorial address I made before the United States Park Police Association.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. ALLEN]?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks twice in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

THE NATIONAL YOUTH ADMINISTRATION

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLLINS]?

There was no objection.

Mr. COLLINS. Mr. Speaker, in considering the unemployment problem, I think it is well to remember that one-third of the unemployed are youth 16 to 24 years of age. The National Youth Administration is giving work and educational opportunities to over 600,000 needy young people at the remarkably low cost of around $125 a year, and I want to give you an idea of how a dollar of N. Y. A. funds is expended. Last year, out of every dollar 84 cents went into youth wages; 11 cents went into project supervision and timekeeping; and 5 cents was expended for equipment, materials, and other nonlabor costs. An enormous amount has been done with a small amount of money in a group where need is so great.

The administrative overhead of the National Youth Administration has been around $4,000,000. In my opinion, the proper administration of a program for young people is of utmost importance. It is my firm conviction that unless there are competent people working with our youth there had better not be any at all. Young people must have able and intelligent handling to get the most from the work they are doing.

The National Youth Administration not only gives work relief to young men and women but it prepares them for honest jobs. I am convinced that the National Youth Administration has a practical understanding of its responsibility to young people, and every Member of Congress should support and extend a program of such real value to our youth.

In the student-aid program 378,000 needy young people are being assisted in continuing their education at a yearly cost of $58.50 in payment for part-time work in schools and colleges. On the work projects, the out-of-school unemployed youth is given every conceivable kind of work experience at a cost of $233 a year to the N. Y. A. This project work is so varied that on any one project a young person may receive valuable experience in several different types of activities. The N. Y. A. policy is to afford these young people as wide a range of work experience as possible.

Youth on N. Y. A. work projects are building rural schools, small libraries, and community centers, constructing athletic fields, building swimming pools, tennis courts, and many other kinds of recreational facilities for community use. They are doing ground beautification work and landscaping public parks and grounds around public buildings. They work on the roads, they are making sidewalks and grading roads, building bridges, gutters, and sewers. They do conservation work and clear forests, reclaim swamplands, build small dams, plant trees and shrubs; they are doing statistical, clerical work, and library work. A large number of the young men are in workshops repairing and renovating furniture for schools and public agencies. Girls are sewing for relief agencies, acting as health clinic assistants, and serving school lunches. In fact, these young people on the N. Y. A. are learning to do every kind of work, and most of them had not had a chance at any work before they got their N. Y. A. job.

Although it is difficult to give a clear picture of what actually is being done on work projects by a mere listing of the major work categories, I am submitting for your inspection the distribution of N. Y. A. project youth in each State by the major work classifications in which they are employed.

*Number of persons employed on work projects of the National Youth Administration, by type of project, Mar. 31, 1939*

| Type of project | Alabama | Arizona | Arkansas | California |
|---|---|---|---|---|
| Grand total | 6,824 | 898 | 4,549 | 7,458 |
| Highways, roads, and streets | 58 | | 48 | 28 |
| Construction of new buildings | 769 | 160 | 1,648 | 256 |
| Remodeling and repairing of public buildings | 643 | 41 | 126 | 78 |
| Improvement of grounds | 419 | 264 | 32 | 302 |
| Recreational equipment and facilities (excluding buildings) | 59 | 20 | 87 | 275 |
| Conservation | | | | 701 |
| Sewing | 378 | 80 | 82 | 466 |
| Workshops | 472 | | 338 | 836 |
| Nursery schools | 212 | | 29 | 289 |
| Resident training projects | 2,142 | | 1,485 | 605 |
| Recreational-assistance projects | 273 | 24 | 27 | 198 |
| Clerical projects | 560 | 130 | 457 | 1,925 |
| Public health and hospital work | | | | 48 |
| Library service and book repair | 239 | 26 | 16 | 247 |
| Museum work | | | 11 | 105 |
| Research, statistical and nonstatistical surveys | | | | 14 |
| Arts and crafts | | | | 369 |
| School-lunch projects | 191 | 84 | | 56 |
| Homemaking and domestic training projects | 206 | 11 | 108 | 117 |
| Youth-center activities | | | | 45 |
| Miscellaneous projects | 203 | 58 | 55 | 498 |

| Type of project | Colorado | Connecticut | Delaware | District of Columbia |
|---|---|---|---|---|
| Grand total | 3,066 | 2,357 | 305 | 768 |
| Highways, roads, and streets | 60 | 81 | 13 | |
| Construction of new buildings | 112 | | | 63 |
| Remodeling and repair of public buildings | 137 | 135 | | |
| Improvement of grounds | 58 | 82 | 4 | |
| Recreational equipment and facilities (excluding buildings) | 337 | 83 | 78 | |
| Conservation | 24 | 10 | | |
| Sewing | 602 | 150 | 6 | |
| Workshops | 342 | 606 | 33 | 66 |
| Nursery schools | 99 | | 38 | 70 |
| Resident training projects | 113 | 47 | | 88 |
| Recreational-assistance projects | 112 | 198 | 10 | 102 |
| Clerical projects | 444 | 661 | 42 | 145 |
| Public health and hospital work | | 29 | 10 | 125 |
| Library service and book repair | 314 | 31 | 6 | 5 |
| Museum work | 59 | | | |
| Research, statistical and nonstatistical surveys | 69 | 9 | | |
| Arts and crafts | 5 | 8 | | |
| School-lunch projects | 105 | | 19 | 26 |
| Homemaking and domestic training projects | | 24 | | 45 |
| Youth-center activities | | 92 | 18 | |
| Miscellaneous projects | 74 | 111 | 28 | 33 |

| Type of project | Florida | Georgia | Idaho | Illinois |
|---|---|---|---|---|
| Grand total | 4,667 | 5,994 | 1,269 | 12,735 |
| Highways, roads, and streets | | 19 | 25 | 1,306 |
| Construction of new buildings | 344 | 1,173 | 20 | 16 |
| Remodeling and repairing of public buildings | 141 | 70 | 61 | 140 |
| Improvement of grounds | 234 | 143 | 104 | 815 |
| Recreational equipment and facilities (excluding buildings) | 289 | | 2 | 863 |
| Conservation | | | | 263 |
| Sewing | 449 | 266 | 71 | 1,333 |
| Workshops | 369 | 469 | 76 | 1,285 |
| Nursery schools | 136 | 42 | 19 | 329 |
| Resident training projects | 302 | 1,478 | 445 | 439 |
| Recreational-assistance projects | 211 | 33 | 75 | 921 |
| Clerical projects | 1,266 | 1,436 | 213 | 2,723 |
| Public health and hospital work | 105 | | | 157 |
| Library service and book repair | 62 | 36 | 91 | 644 |

*Number of persons employed on work projects of the National Youth Administration, by type of project, Mar. 31, 1939*—Continued

| Type of project | Florida | Georgia | Idaho | Illinois |
|---|---|---|---|---|
| Museum work | 12 | | | |
| Research, statistical and nonstatistical surveys | | 10 | | 6 |
| Arts and crafts | 4 | | | 168 |
| School-lunch projects | 87 | | 7 | |
| Homemaking and domestic training projects | 67 | 425 | 2 | 185 |
| Youth-center activities | | 394 | | 135 |
| Miscellaneous projects | 589 | | 58 | 1,007 |

| Type of project | Indiana | Iowa | Kansas | Kentucky |
|---|---|---|---|---|
| Grand total | 4,991 | 2,639 | 5,780 | 6,376 |
| Highways, roads, and streets | 78 | 158 | 831 | 192 |
| Construction of new buildings | 437 | 120 | 794 | 453 |
| Remodeling and repairing of public buildings | 105 | 83 | 27 | 469 |
| Improvement of grounds | 284 | 119 | 489 | 120 |
| Recreational equipment and facilities (excluding buildings) | 1,246 | 483 | 1,363 | 158 |
| Conservation | 4 | 155 | 36 | |
| Sewing | | 53 | 757 | 935 |
| Workshops | 548 | 261 | 104 | 1,084 |
| Nursery schools | 46 | 21 | 38 | 74 |
| Resident training projects | 70 | 102 | 507 | 719 |
| Recreational-assistance projects | 309 | 93 | 36 | 63 |
| Clerical projects | 736 | 575 | 710 | 469 |
| Public health and hospital work | | 19 | | |
| Library service and book repair | 147 | 85 | 56 | 87 |
| Museum work | 2 | 1 | | 12 |
| Research, statistical and nonstatistical surveys | 31 | | | |
| Arts and crafts | 20 | 16 | | |
| School-lunch projects | 21 | 2 | 4 | 56 |
| Homemaking and domestic training projects | 851 | 99 | | 1,307 |
| Youth-center activities | | 150 | | |
| Miscellaneous projects | 56 | 44 | 28 | 178 |

| Type of project | Louisiana | Maine | Maryland | Massachusetts |
|---|---|---|---|---|
| Grand total | 5,713 | 1,252 | 1,332 | 5,799 |
| Highways, roads, and streets | 210 | | 24 | 63 |
| Construction of new buildings | 432 | | 97 | 68 |
| Remodeling and repairing of public buildings | 893 | 73 | 116 | 60 |
| Improvement of grounds | 137 | | | 452 |
| Recreational equipment and facilities (excluding buildings) | | 101 | 109 | 352 |
| Conservation | | | | 392 |
| Sewing | 187 | 96 | 57 | 956 |
| Workshops | 442 | 196 | 244 | 660 |
| Nursery schools | 120 | 14 | 140 | 230 |
| Resident training projects | 1,825 | 537 | 124 | 82 |
| Recreational-assistance projects | 2 | 39 | 19 | 263 |
| Clerical projects | 563 | 146 | 151 | 1,482 |
| Public health and hospital work | 192 | 24 | | 292 |
| Library service and book repair | 117 | 16 | 20 | 108 |
| Museum work | | | | 9 |
| Arts and crafts | | | | 26 |
| School-lunch projects | | | 54 | |
| Homemaking and domestic training projects | 549 | 9 | 41 | |
| Youth-center activities | | | 133 | 285 |
| Miscellaneous projects | 44 | 1 | 3 | 19 |

| Type of project | Michigan | Minnesota | Mississippi | Missouri |
|---|---|---|---|---|
| Grand total | 6,898 | 6,188 | 5,382 | 6,861 |
| Highways, roads, and streets | 101 | 548 | 41 | 1,377 |
| Construction of new buildings | 24 | 288 | 1,716 | 154 |
| Remodeling and repair of public buildings | 347 | 218 | 80 | 117 |
| Improvement of grounds | 222 | | 19 | 568 |
| Recreational equipment and facilities (excluding buildings) | 789 | 992 | | 535 |
| Conservation | 213 | 57 | | 68 |
| Sewing | 272 | 726 | | 311 |
| Workshops | 956 | 522 | 764 | 338 |
| Nursery schools | 136 | | | 74 |
| Resident training projects | 486 | 203 | 1,002 | 233 |
| Recreational-assistance projects | 267 | 623 | | 142 |
| Clerical projects | 1,739 | 1,179 | 1,190 | 1,409 |
| Public health and hospital work | | | | 39 |
| Library service and book repair | 190 | 318 | 332 | 341 |
| Museum work | 181 | 11 | 13 | |
| Research, statistical and nonstatistical surveys | | 19 | | |
| Arts and crafts | | 81 | | |
| School-lunch projects | 73 | 118 | | 15 |
| Homemaking and domestic training projects | | 67 | | |
| Youth-center activities | | | | 439 |
| Miscellaneous projects | 902 | 218 | 225 | 701 |

*Number of persons employed on work projects of the National Youth Administration, by type of project, Mar. 31, 1939*—Continued

| Type of project | Montana | Nebraska | Nevada | New Hampshire |
|---|---|---|---|---|
| Grand total | 1,433 | 3,753 | 162 | 786 |
| Highways, roads, and streets | 4 | 594 | | |
| Construction of new buildings | 10 | 269 | | |
| Remodeling and repairing of public buildings | 16 | 51 | | |
| Improvement of grounds | 42 | 202 | | |
| Recreational equipment and facilities (excluding buildings) | 97 | 320 | | 55 |
| Conservation | 37 | 18 | | |
| Sewing | 173 | 476 | | |
| Workshops | 142 | 443 | | 96 |
| Nursery schools | 88 | 9 | 1 | 22 |
| Resident training projects | 296 | 311 | | 279 |
| Recreational-assistance projects | 14 | 177 | 4 | |
| Clerical projects | 347 | 286 | 55 | 142 |
| Public health and hospital work | | | | |
| Library service and book repair | 48 | 186 | 23 | 24 |
| Museum work | | 15 | | |
| Research, statistical and nonstatistical surveys | | 10 | | |
| Arts and crafts | | 2 | | |
| School-lunch projects | 18 | 68 | 13 | |
| Homemaking and domestic training projects | | 6 | | 165 |
| Youth-center activities | 69 | 27 | | |
| Miscellaneous projects | 32 | 283 | 66 | 3 |

| Type of project | New Jersey | New Mexico | New York City | New York State |
|---|---|---|---|---|
| Grand total | 6,365 | 2,067 | 10,007 | 11,366 |
| Highways, roads, and streets | 148 | 50 | | 298 |
| Construction of new buildings | 114 | 126 | 73 | 7 |
| Remodeling and repairing of public buildings | 465 | 34 | | 643 |
| Improvement of grounds | 672 | 116 | | 130 |
| Recreational equipment and facilities (excluding buildings) | 505 | 107 | 1,999 | 938 |
| Conservation | 259 | 8 | | 153 |
| Sewing | | 88 | | 435 |
| Workshops | 1,670 | 528 | 121 | 2,225 |
| Nursery schools | 55 | 37 | 658 | 235 |
| Resident training projects | 96 | 247 | 4 | 323 |
| Recreational-assistance projects | 382 | 214 | 1,807 | 614 |
| Clerical projects | 1,825 | 341 | 5,345 | 2,515 |
| Public health and hospital work | | | | 541 |
| Library service and book repair | 27 | 88 | | 531 |
| Museum work | | 13 | | 63 |
| Research, statistical and nonstatistical surveys | | | | |
| Arts and crafts | 3 | | | 54 |
| School-lunch projects | | 19 | | 238 |
| Homemaking and domestic training projects | | | | 19 |
| Youth-center activities | | 28 | | 101 |
| Miscellaneous projects | 144 | 23 | | 1,303 |

| Type of project | North Carolina | North Dakota | Ohio | Oklahoma |
|---|---|---|---|---|
| Grand total | 7,579 | 3,108 | 8,216 | 7,875 |
| Highways, roads, and streets | 36 | 148 | 714 | |
| Construction of new buildings | 494 | 137 | 391 | 1,027 |
| Remodeling and repairing of public buildings | 1,020 | 120 | 177 | |
| Improvement of grounds | | 40 | 352 | |
| Recreational equipment and facilities (excluding buildings) | | 395 | 1,712 | 961 |
| Conservation | | 88 | 180 | |
| Sewing | 175 | 638 | 289 | |
| Workshops | 1,695 | 260 | 694 | 767 |
| Nursery schools | 89 | 37 | 70 | |
| Resident training projects | 586 | 213 | 335 | 2,925 |
| Recreational-assistance projects | | 64 | 328 | |
| Clerical projects | 1,037 | 465 | 1,861 | 1,063 |
| Public health and hospital work | | | 285 | |
| Library service and book repair | 105 | 73 | 138 | |
| Museum work | 42 | 3 | | |
| Research, statistical and nonstatistical surveys | 154 | | | |
| Arts and crafts | | 3 | 98 | 58 |
| School-lunch projects | 554 | 79 | | |
| Homemaking and domestic training projects | 1,317 | | 295 | 761 |
| Youth-center activities | 32 | | 5 | |
| Miscellaneous projects | 243 | 345 | 292 | 313 |

| Type of project | Oregon | Pennsylvania | Rhode Island | South Carolina |
|---|---|---|---|---|
| Grand total | 1,263 | 12,437 | 1,521 | 4,390 |
| Highways, roads, and streets | | 469 | | |
| Construction of new buildings | 57 | 203 | | 227 |
| Remodeling and repair of public buildings | | 654 | 156 | 31 |

*Number of persons employed on work projects of the National Youth Administration, by type of project, Mar. 31, 1939*—Continued

| Type of project | Oregon | Pennsylvania | Rhode Island | South Carolina |
|---|---|---|---|---|
| Improvement of grounds | 59 | 401 | | |
| Recreational equipment and facilities (excluding buildings) | 209 | 1,296 | | |
| Conservation | | 409 | 123 | |
| Sewing | 24 | 437 | 338 | |
| Workshops | 192 | 1,211 | 482 | 738 |
| Nursery schools | 30 | 270 | 34 | |
| Resident training projects | 113 | 281 | 60 | 1,927 |
| Recreational-assistance projects | 28 | 639 | 132 | |
| Clerical projects | 165 | 2,714 | 177 | 725 |
| Public health and hospital work | | 1,368 | | |
| Library service and book repair | 72 | 550 | | |
| Museum work | | 210 | | |
| Research, statistical and nonstatistical surveys | | | | |
| Arts and crafts | 9 | 199 | 19 | |
| School-lunch projects | 56 | | | |
| Homemaking and domestic training projects | 5 | | | |
| Youth-center activities | 199 | 156 | | 495 |
| Miscellaneous projects | 45 | 970 | | 247 |

| Type of project | South Dakota | Tennessee | Texas | Utah |
|---|---|---|---|---|
| Grand total | 3,708 | 6,037 | 11,870 | 1,831 |
| Highways, roads, and streets | 361 | 295 | 1,114 | 151 |
| Construction of new buildings | 68 | 917 | 1,326 | 144 |
| Remodeling and repairing of public buildings | 182 | 793 | 189 | 113 |
| Improvement of grounds | 9 | 656 | 570 | 268 |
| Recreational equipment and facilities (excluding buildings) | 110 | 144 | 1,004 | 133 |
| Conservation | 21 | | | 6 |
| Sewing | | 586 | 876 | 45 |
| Workshops | 204 | 734 | 1,257 | |
| Nursery schools | | 133 | 175 | 33 |
| Resident training projects | 440 | 593 | 2,178 | 277 |
| Recreational-assistance projects | 74 | 119 | 123 | 195 |
| Clerical projects | 605 | 552 | 1,848 | 121 |
| Public health and hospital work | 9 | | 64 | 52 |
| Library service and book repair | 2 | 97 | 21 | 180 |
| Museum work | | 69 | | |
| Research, statistical and nonstatistical surveys | | | | |
| Arts and crafts | | | | |
| School-lunch projects | 16 | 124 | 437 | |
| Homemaking and domestic training projects | 680 | | 10 | |
| Youth-center activities | 93 | | 21 | |
| Miscellaneous projects | 834 | 225 | 657 | 113 |

| Type of project | Vermont | Virginia | Washington | West Virginia |
|---|---|---|---|---|
| Grand total | 388 | 4,813 | 2,409 | 5,410 |
| Highways, roads, and streets | | 206 | 52 | 452 |
| Construction of new buildings | 34 | 132 | | 463 |
| Remodeling and repairing of public buildings | | 349 | | 382 |
| Improvement of grounds | | 698 | 135 | 1,613 |
| Recreational equipment and facilities (excluding buildings) | 28 | | 242 | 379 |
| Conservation | | 88 | 63 | 14 |
| Sewing | | 175 | 143 | 402 |
| Workshops | 76 | 227 | 295 | |
| Nursery schools | 29 | 58 | 8 | 99 |
| Resident-training projects | | 306 | 234 | 747 |
| Recreational assistance projects | 57 | 158 | 112 | 125 |
| Clerical projects | 89 | 1,009 | 625 | 481 |
| Public health and hospital work | | 29 | | 15 |
| Library service and book repair | 6 | 231 | 216 | 37 |
| Museum work | | | | 10 |
| Research, statistical and nonstatistical surveys | | | | |
| Arts and crafts | | | 19 | |
| School-lunch projects | 55 | 311 | 44 | |
| Homemaking and domestic training projects | | 566 | 70 | 24 |
| Youth-center activities | 13 | | | |
| Miscellaneous projects | 1 | 270 | 151 | 167 |

| Type of project | Wisconsin | Wyoming |
|---|---|---|
| Grand total | 5,807 | 773 |
| Highways, roads, and streets | | 17 |
| Construction of new buildings | 78 | 61 |
| Remodeling and repairing of public buildings | | 10 |
| Improvement of grounds | 635 | 24 |
| Recreational equipment and facilities (excluding buildings) | 383 | 12 |
| Conservation | 308 | |
| Sewing | 661 | 3 |
| Workshops | 671 | 121 |
| Nursery schools | | 23 |
| Resident training projects | 438 | |
| Recreational-assistance projects | 235 | 87 |

*Number of persons employed on work projects of the National Youth Administration, by type of project, Mar. 31, 1939*—Continued

| Type of project | Wisconsin | Wyoming |
|---|---|---|
| Clerical projects | 1,837 | 293 |
| Public health and hospital work | 34 | |
| Library service and book repair | 181 | 77 |
| Museum work | 25 | |
| Research, statistical and nonstatistical surveys | | |
| Arts and crafts | 87 | |
| School-lunch projects | 32 | 33 |
| Homemaking and domestic training projects | 33 | 12 |
| Youth-center activities | | |
| Miscellaneous projects | 169 | |

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extent my own remarks in the RECORD and to include in connection therewith an editorial in explanation thereof.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a very interesting article with reference to the N. Y. A. slash which appeared yesterday in the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter written to me on the subject of youth's place in our economic system, as well as supplementary material thereto.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SMITH]?

There was no objection.

INFORMATION FROM COMMITTEES

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I am receiving letters from home asking me what the committee is doing concerning the appropriation for the National Youth Administration. I can get no official information. As far as I know, the subcommittee of the Appropriations Committee is meeting in executive session. I do not know how information is getting out as to what this particular committee proposes to do. I have seen no report of the committee which tells me there has been any reduction in connection with this particular appropriation, and I would like to know whether or not the gentleman from Oklahoma or the gentleman from Mississippi can inform me whether the committee has agreed upon certain items concerning N. Y. A.; if so, what is the result of its deliberations? All I know is what I read in the papers and it does not sound very good for a Member of Congress to tell his constituents he does not know what is going on, when the papers seem to get the information.

Mr. JOHNSON of Oklahoma. I may say that in the remarks I have made with reference to the proposed slash in the National Youth Administration I simply said there were certain rumors that a very serious slash is being proposed "in certain quarters."

Not being a member of the subcommittee having jurisdiction over the N. Y. A., I, of course, do not have any first-hand information. If the gentleman, however, has read the newspapers, he is aware of the fact the newspaper reporters know exactly what is taking place. They know that there are well-founded rumors that a certain committee proposes to slash the N. Y. A. appropriation by more than $40,000,000.

Mr. COCHRAN. I have liberally supported the N. Y. A., because I feel it has been very valuable to the youth of the country, and I expect to support the President's recommendations in the future, but what is bothering me is the fact that

information is getting out to the newspapers about what a committee of Congress is doing in executive session, where there is an agreement that no information is to be given out until the committee has reported the bill. The committee members refuse to discuss the matter.

Mr. JOHNSON of Oklahoma. At no time or at no place have I quoted any member of the committee, because I thoroughly believe in the great program now being carried on by the National Youth Administration, and do not want to see it crippled. I have taken the liberty of calling attention to certain editorials based on rumors of a proposed drastic cut next year in the N. Y. A. below the urgent request of the President of the United States. If I have had a part in helping arouse public sentiment against the proposal to slash the appropriation for the N. Y. A., then I feel highly complimented and am thankful that my efforts have borne fruit. [Applause.]

Mr. COLLINS. The gentleman also addressed his question to me, and I want the privilege of answering it. I, too, have said there were well-defined rumors, and as evidence I expect to insert in the RECORD soon clippings from over 100 metropolitan newspapers on this subject. I am not a member of the subcommittee which is considering the W. P. A. and National Youth Administration appropriations, and hence have no personal knowledge of their action. There are rumors that national youth appropriations have been cut about $45,000,000 and I am afraid these rumors are well founded.

Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 1 minute.

[Here the gavel fell.]

The SPEAKER. The Chair cannot submit that request without the consent of the gentlemen having special orders.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. FISH] may be permitted to address the House for 15 minutes at the conclusion of the special orders for today heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a broadcast.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two topics, and in one extension to include a letter from a constituent and in the other a brief editorial.

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

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

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

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made today.

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

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a table giving the estimated cost of the Townsend plan in my district.

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

There was no objection.

The SPEAKER. Under a special order of the House heretofore made, the gentleman from Minnesota [Mr. ALEXANDER] is recognized for 30 minutes.

AMERICAN ASPECTS OF JAPANESE INFILTRATION INTO THE PHILIPPINES

Mr. ALEXANDER. Mr. Speaker, on May 19 I introduced H. R. 198 calling for an investigation of the Philippine-Japanese situation. Today I wish to present a few facts and figures in connection with the subject in order that a decision may be reached as to suitable action.

In order to avoid any charge of a desire to be dramatic or sensational in the presentation of some startling pictures, I will avoid oratory and personalities as much as possible and simply make a recitation of part of the material which has come to me from many sources during the past few months. Since some insight in and knowledge of Far East problems became evident with the remarks on Guam which I made in this House on February 22, this material has literally dropped into my office from all corners of the earth like a shower from the sky.

Under the terms of the present Philippine Independence Act we agreed to give the islands their complete independence on July 4, 1946. In view of the marked changes which have taken place in the Orient since the act was first proposed in 1934, especially the evident acts of aggression by Japan since July 1937 when her present drive was started into China, both we and the Filipino people realize the need for a reevaluation and revision of our plans.

On this subject there are, of course, several varying viewpoints. It is reported that up until very recently, many Filipinos, including President Quezon, have been asking for a plebiscite to vote on the question of immediate independence. In this connection it is interesting to note that this situation, this demand for independence, has never existed in any of our other Territorial dependencies. Did you ever hear of our native Alaskans, Hawaiians, or Puerto Ricans asking for independence? In this country the viewpoint of a few is that there should never be a severance of our present relations, but in view of the present inflammable world situation both in Asia and in Europe it is said that about 95 percent of our people are in favor of immediate withdrawal from the Philippines.

Under the terms of my resolution an investigation is called for to determine what our present and our immediate future attitude should be to these questions. In order to view the subject I will divide my remarks into two sections. The first will deal with some actual facts and activities of the Japanese in the Philippines, and the second section with some economic and trade aspects created by those Japanese activities as they affect trade, industry, and unemployment in America.

We do not hesitate to work ourselves into a frenzy over Japanese action in China. I have received, as many of you have, hundreds of letters from individuals and petitions signed by large groups of our church and civic organizations demanding that we take action of varied sorts against Japan for her acts of aggression in China. But we hear no remonstrance over a similar or more definite taking over of our own dependency, the Philippines, where flies the Stars and Stripes as the symbol of our sovereignty. Perhaps we have not been so well informed in the latter case as in the former.

That being the case I invite you to go with me today for a trip around the islands and you may be amazed to find such startling evidences of Japan's efficient invasion there in our territory as will overshadow her taking over merely a third of China. You will find that the Japanese are producing 67 percent of the islands' hemp—one of their most important crops, and one of our chief imports from there; that they control 35 percent of the storekeeping business or retail trade; that they are catching 80 percent of the fish sold commercially; that they in 1937 furnished the islands with from 60 to 90 percent of the total demand for such typically American products as canned mackerel, sardines, dried codfish, cotton yarns, and knitted goods, bicycles, fishing nets, and rayon cloth.

This bears out the prediction made 40 years ago by Admiral Dewey as revealed recently by John Barrett who served as special diplomatic adviser to the admiral. Mr. Barrett made notes of a conversation with the admiral while the two sat on the deck of the famous flagship *Olympia* as he viewed the beautiful natural harbor of Manila, in the course of which Admiral Dewey said:

I look forward some 40 or 50 years and foresee a Japanese naval squadron entering this harbor, as I have done, and demanding surrender of Manila and the Philippines, with the plan of making these islands part of a great Japanese empire of the future. I will not live to witness what you will see if you live your ordinary life. That will be the conquest of China by Japan and, when that is done, the conquest of all the island possessions from north to south.

Contemplating such a prediction, and keeping in mind present trends in the Far East, we need to recall that these islands are tremendously fertile and rich in natural resources. The population is variously estimated at from fifteen to eighteen million, but the land can easily support up to 50,000,000 as the islands have an area of double the size of all of our New England States.

But to get back to our inspection trip. Maj. William H. Anderson says in his recent book entitled "The Philippines":

There is an organized Japanese propaganda in the Philippines, especially in Manila, the cultural and business center of the archipelago. It may not be openly against the United States, but it is quietly working toward impressing the Filipinos with the fact that Japan is their greatest friend.

Tours to Japan, openly subsidized from Tokyo, have been organized. The manager of the tour for writers laid down only one condition to those who accepted his offer:

In turn for this free trip to Japan which I am giving you, you are to write six articles on the following subjects: Japanese personalities, Japanese press, Japan-Philippine affinities.

There have been tours for college professors, students, and members of the Philippine National Assembly. I also have here a copy of the Philippines Herald of April 17, 1939, showing a trip by a music group.

All over the Philippines, lawyers are learning the Japanese language. A school has been established in Manila by the Japanese for those desiring to learn the coming language of the country. With so much business done by the newcomers, Filipinos in commerce and professions are eager to learn Japanese.

A Filipino law professor at the University of the Philippines is the loudest Japanophile in the Philippines. He is in favor of Japanese overlordship of his country. He says that if the Philippines must be ruled by foreigners, it may as well be ruled by fellow orientals. This professor and some other intelligent Filipinos sent a deputation to Tokyo to present a petition to the Emperor praying the Son of Heaven to annex the Philippines. A leading department-store owner, who traveled extensively in Japan and who was feted royally by the Japanese as a member of a group of businessmen on a good-will mission, came out strongly for a Philippine-Japanese alliance.

Manila is rapidly becoming a typical Japanese town. The quaint old Spanish buildings, the picturesque nipa huts of the poor natives, and the modern structures built during the American regime, are being eclipsed by the gaudy, tinderbox Japanese bazars, novelty shops, photo studios, refreshment parlors, restaurants, and barber shops.

In order to maintain an efficient distributing system, big Japanese firms post men in all parts of the Philippines. They are rapidly supplanting 80,000 Chinese as the island's retail traders. Despite the fact that they sell 84 percent of their total exports to the United States, the Filipinos prefer to buy Japanese goods because they are much cheaper. This is especially true in the textile trade. In late years the United States has lost much of its textile market in the islands to Japan. The Philippines have been selling to the United States merchandise worth $100,000,000 annually, while they have been buying American goods valued at a little more than half of that figure. On the other hand, Japan sells to them goods worth $10,500,000, which is between two or three times as much as she buys from the islands.

Provided with fast motorboats and strong nets, and trained scientifically, the Japanese dominate the Philippine fishing industry. Most of the Filipinos who fish do so for fun or their own kitchens. With their antiquated methods they are no match for the Japanese, who own practically 100 percent of the fishing boats.

The Philippines has a law limiting the entrance of Japanese into the fishing trade, which provides that no boats of more than 3 tons belonging to aliens should be licensed. But all the Japanese have to do is to have Filipinos register as the owners of the fishing boats. For the use of his Spanish name, the Filipino nominal owner gets $10 a month on each boat and the satisfaction of passing as the employer of the Japanese fishermen who furnish him with the boodle.

The Japanese are also on their way to domination of the islands' lumber industry. Americans still control mining, but the Japanese are trying to get into the industry. They have been trying to buy some gold mines.

The Japanese also have their eyes on the copper, lead, zinc, iron ore, chromium, coal, petroleum, asphalt, asbestos, gypsum, guano, phosphate rock, sulfur, and cement resources there. Japan needs these materials not only for her industries but for war purposes.

The Philippines is particularly adapted to the production of the foregoing metals and minerals, as well as sugar, vegetable fats, and fibers. No wonder many a Japanese expansionist has said that Philippine independence is the answer to Japan's prayer.

Japanese in large numbers arrive in Davao every month. The only thing that is preventing Japan from moving in completely is that she does not want to precipitate any trouble at this time with the United States. Japan can wait a few more years and we in the meantime can add more wealth and defenses to be taken over.

The Filipino authorities are afraid to do anything about the steady flow of short, wiry, hardy, astute yellow men into what has proudly been called in the Philippine Commonwealth's Constitution "the patrimony of the nation." They are resigned to the coming of the Japanese. They admit frankly that they cannot afford to make any unfriendly gesture toward their invading neighbors. "Tomorrow they may be our masters," they say in a matter-of-fact manner.

Mindanao is the richest section of a country extraordinarily rich in natural resources. It is the second largest island of the Philippine Archipelago. At its southeastern end is Davao Province, a region free from typhoons and endowed with springlike weather all the year round. Its soil is most fertile and its mountains are covered with forests of hardwood. Philippine mahogany, known the world over, comes in great quantities from this region. On the mountain slopes grows grass on which millions of cattle can fatten. Mineral wealth of the land is abundant. Off the coast fish are plentiful.

Such is the region selected by the smart Japanese for their initial colony. At present they are growing the best kind of hemp in the world and raising over one-half of the total Philippine hemp production. In a few years they have progressed to such an extent as to completely dominate the Philippine hemp industry.

For over 30 years Japan has given the greatest study and encouragement to the agricultural development of the Philippines. She has done more pioneering and more constructive work there than has the United States. Japan knows the possibilities of every nook and corner of the archipelago. The Japanese have developed a large lumber industry, with almost the entire output going to Japan. They know every bay and inlet of the islands, every river and harbor, and have taken great interest in obtaining valuable information from all parts of the islands.

The Japanese in Davao are running a practically independent state. They have their own experimental stations, banks, schools, social centers, and hospitals, all of which are supervised by men presumably sent over by the Japanese

Government. Davao is so Japanese that even the Filipinos have dubbed it "Davaokuo." If it is known in Manila that you are going to visit the southern part of the Philippines, friends will jokingly urge you to make a call at the Japanese consulate and have your passport visaed. Even President Quezon, at the beginning of his administration, felt it necessary to notify the Japanese consul general at Manila and the Japanese consul at Davao before making an inspection trip to Mindanao.

Although the law of the Philippines prohibits the holding of land by aliens, Japanese have acquired 170,000 acres of agricultural land and many more acres of virgin forest land, thanks to crooked Government officials and lawyers and ignorant natives.

This is how it is done in some instances.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield for a question.

Mr. KITCHENS. I spent 9 years in the Philippines and learned to appreciate the Filipino people. They have a general assembly there and all necessary officials to run their government. We promised them independence. We are under obligation, therefore, to protect them until 1946. The mere fact that the Japanese are penetrating that country today in a business way, as I see it, should not concern us as long as we stand prepared to give the Filipinos their independence in 1946. We propose to give them their independence, and they can do whatever they like with it. They have demanded it. There seems to be a universal desire for it. If they would rather have the Japanese overlording them, as the gentleman says, then I say, let them have the Japanese overlord them.

Mr. ALEXANDER. True. The point I am making is that on account of that very penetration I am describing here it may perhaps be too late in 1946 and we may in the meantime be involved in the war which is now going on in the Orient. Therefore, I am questioning whether we should not immediately take steps to get out rather than wait until 1946.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Has the gentleman from Arkansas any idea that the Filipinos will accept their independence in 1946?

Mr. KITCHENS. It is not a question of accepting it. We have said we are going to give it to them at that time.

Mr. HOFFMAN. I understand from the press that they have now changed their minds about it and there are certain things they want us to continue to do.

Mr. KITCHENS. They might change their minds. Of course, I can see how, if I were a Filipino, I would have changed my mind a long time ago, because the general run of the Filipino people seem to be well satisfied with government by Americans. However, as far as I am concerned, although I love the Filipino people, I am willing to turn their country over to them and let them do what they want with it.

Mr. ALEXANDER. Exactly. I already have made the point that I understand that 95 percent of the people in this Nation feel that way, and that is what I am pointing out here. Our people are asking, Why should we wait until we are involved in a war in the Far East?

Mr. KITCHENS. But we are under a moral and a legal obligation to remain there until 1946 and to give them their independence then. I know of no honorable way to avoid that obligation. I would not want to manifest any disposition to withdraw from the Philippines before 1946.

Mr. ALEXANDER. If this Jap infiltration keeps up, we may have to. I started to explain how the Japanese take over the land. It is done in this way:

Japanese men have in many cases "married" native women who can lawfully acquire land for them. When their holdings are improved they send for their Japanese wives in the old country. The native "wives" disappear, die, or become servants to the ladies from Nippon.

With the help of crooked Filipino lawyers, Japanese also obtain large parcels of land through the use of fairly intelligent citizens as dummies. For the use of their names these dummies usually get 10 percent of the yearly products.

The secretary of agriculture and commerce could no longer stand the jibes of the press about his "cowardice" as manifest in his failure to cancel these illegal leases acquired by the Japanese. He was about ready to give in to the demands of the press and cancel several thousand leases when the head of the Government, President Quezon, ordered him to take no action.

So surprising was the attitude of the dictatorial president, who had been using strong-arm tactics in the eradication of bandits in his home province, that even at the height of his popularity he was described by some of his countrymen as having "cold feet." The fact was that President Quezon showed prudence. Assuming an attitude of defiance, the Japanese announced they were ready to raise a huge defense fund, sent a 700-word telegram to Tokyo, and then exclaimed: "We will never step off of our land. There will be trouble if anyone should drive us away." To all intents and purposes, Davao is as much Japanese territory as Manchukuo.

The Japanese Government has been subsidizing Japanese steamship lines which go out of their way to touch at Mindanao. The number of Japanese trading ships calling at the port of Davao alone is 25 times the number of American vessels. If the Japanese vessels operate at a loss, their Government makes up the deficit. The ships must continue in order that Japanese immigration may go on uninterrupted. It is no secret that the fare rates for Japanese between Japan and her mandated islands are ridiculously low, but the rates between the last mandated island and Mindanao are still lower, by half. With Brazil making drastic restrictions against Japanese immigration, more and more of the adventurous Nipponese have taken advantage of these low fares to settle in the Philippines. The Japanese Government is looking to the future. They can see the Philippines will be not only a gold mine but also an inexhaustible source of raw materials for Japanese industries.

Palau, one of the most important Japanese islands of Micronesia, lies at less than 3 hours' distance by plane from the Philippines, Netherlands India, or Australian territory. In Palau the Japanese have built a modern airport and are now building piers and channels to improve the already excellent harbor for Japanese warships.

Palau has complete command of the southern part of the Philippines, while Japan's Formosa is only 80 miles from the Batanes, the northernmost islands of the Philippine Archipelago. The Batanes people often make complaints to the government about Japanese fishermen from Formosa who make raids on their villages, carry away their cattle, pigs, and chickens and steal their lumber.

But what can the government do? Recently Filipino constabularly men boarded a suspicious Japanese boat off the coast. The Japanese battered the government agents and threw them overboard. The Philippine government protested to the Japanese consul, who promised that the boat's crew would be punished. The crew was brought to trial in Japan and set free.

Mr. KITCHENS. Will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. KITCHENS. Has the Philippine government or any official of the Philippine government asked the United States to take any action with regard to those matters?

Mr. ALEXANDER. Yes. Our Resident High Commissioner there, Paul V. McNutt, asked that recently in a radio address, and I have received requests since I introduced my resolution on May 19.

"Take a bird's eye view of the world," says an inspired Japanese writer. "The Philippines are part of Japan. Heaven will punish us if we refuse to take that which Heaven gives us. We must not stand on ceremony too much."

ECONOMIC AND TRADE ASPECTS

So much for the Japanese infiltrations. Now let us examine the effect of this situation on our own economy here in America.

Under our trade arrangement with the Philippines our own agriculture and industry is vitally and seriously affected. Japanese raised and produced hemp not only comes in duty free but so, also, does binder twine and rope, up to a total of 6,000,000 pounds per year. This product is manufactured with cheap oriental labor costing from 25 to 40 cents per day. This, as you see, is less by one-third to one-half than our prison twine factory pays its inmates in cash in my own district. But where does such competition leave industrial plants like the International Harvester Co., where the bulk of our twine was formerly produced at a higher wage per hour—45.7 cents average—than the daily wage in the Philippines? As an indication of the situation our entire industry is in, consider the fact that the number of employees has gone down from over 12,000 to 4,300 in 1935. It is estimated that up to 70 percent of the American market has been sacrificed by Philippine competition as they can undersell United States firms at from 2 to 6 cents per pound.

In other words, we are not only supporting Japanese industries in Japan and aiding in the war on China, but we are also doing a very good job in the Philippines where we are giving them all the advantages of free trade and thus favoring them above our own workingmen who have been thrown out of work. Statistics show an increase in the low economic year of 1934 of 900 percent in Philippine cordage imports, as compared to 1921.

Now let us take a look at two other live articles which we import in large quantities in competition with our own agricultural products—coconut oil and sugar. In 1937, 17.3 percent of the coconut oil consumed went into oleomargarine, 2.9 percent into lard compounds and vegetable shortenings, 11.7 percent into other edible use, and 66.1 percent into the manufacture of soaps. True, there is a 3-cent per pound excise tax on the coconut oil imported by us, but it is returned to the islands by our indulgent Government, as is also the revenue tax collected on cigars and tobacco and the bounty or processing tax on sugar. No one as yet has been able to discover why such a refund should be made, especially in view of the fact that the operation of the islands is said to cost us $100,000,000 a year for pensions to Filipinos and other gifts and items, but it all helps to aid in building up their wealth, their territorial army, and defenses so that they will be more valuable to the Japs when they take over the islands completely.

We import nearly 1,000,000 tons of sugar annually, which, with the 2,000,000 from Cuba, displaces millions of acres of cane and sugar-beet farm land in 27 of our States where sugar is produced, thus throwing not only our agriculture out of joint but also the workers in the sugar-processing plants.

Right now in this Congress an attempt is being made in S. 2390, which passed the Senate May 31, and in H. R. 6262 to liberalize still further the benefits and privileges to the Philippine Government and its Japanese citizens as to the exportation of coconut oil, tobacco, cigars, shell and pearl buttons, and a few other things, all of which come in in direct competition with our own farms, factories, and workers.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes. He is making a good American speech. [Applause.]

The SPEAKER pro tempore (Mr. JOHNSON of Oklahoma). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ALEXANDER. Therefore, in view of all these circumstances, in view of the intensive activities of the Japanese in the best parts of the islands, in view of the apparent lack of interest or inability of the local authorities to cope with the situation, and in view of the situation being highly detrimental and dangerous to the welfare of the United States and her citizens, I suggest to the Congress the advisability of an immediate investigation to determine whether we should complete our withdrawal immediately, or institute necessary reform measures, such as a change in administrative officials and enforcement of the Japanese exclusion acts, which are now fundamental laws of the Commonwealth, and such other details as are covered in my resolution. [Applause.]

As evidence of the need for immediate action I refer again to the recommendation to that effect of United States High Commissioner Paul V. McNutt, in his address here on March 14, 1938. Also, here is a cablegram illustrative of many other messages received by me:

MANILA, *May 29, 1939.*

We endorse urgent congressional investigation of Philippine Commonwealth for justice sake.

(Signed) ——— Party by ——— Chairman.

Names not published for protection of senders.

The following letters indicate the local situation, and coming from a large American-owned concern with headquarters at Manila give first-hand inside information of the charges made:

MANILA, P. I., *May 21, 1939.*

Congressman JOHN C. ALEXANDER,

*United States Congress, Washington, D. C.*

DEAR SIR: The news of your request for a congressional investigation of the pro-Japanese activities of President Quezon and the local government has created quite a furor here.

At the present time there is a case in court by Mrs. Fabella for libel against two public officials in the Province of Batangas who asserted in official reports that she was a "dummy" for Japanese fishermen. She was called on to produce her books in court by subpena duces tecum and refused, fighting it out in court until the judge ruled that she must produce same. She then offered to produce them in the office of the prosecuting attorney, and that compromise was accepted. It is rumored that she is to withdraw her suit for libel.

The most famous case was the Coron incident. The early reports, official and otherwise, said that the local police caught Japanese fishing with dynamite. An attempt to search the boat and make arrests was forcibly resisted, and one Japanese was killed. The Japs then seized a Chinese resident and carried him bound to Manila in their vessel. When the trial came up Filipino attorneys of political prominence, like Fiscal, Opinion, and Attorney Duran defended the Japanese of the charge of resistance against the authorities, and the cases were all quashed, and instead the police were indicted for their part in the case. Little is heard since.

There was a previous case years ago when a Jap vessel was seized by the authorities for violation of the laws, and a guard left aboard of three police. The Japs attacked them, threw them overboard, and then left hurriedly for Formosa. The Philippine Government sent a representative to Tokyo to arrange for extradition, which was refused, and the men brought to trial in Formosa. After serving a short period of their sentence they were pardoned by the Japanese authorities.

Many leading Filipinos, seeing the handwriting on the wall, are sending their children to Japan to study, and are themselves studying Japanese. The son of Justice Laurel went to Japanese military school. He was appointed to Quezon's staff after his return. He landed in the uniform of a reserve officer in the Japanese Army.

The influence of the Japanese consul is great. When it was advertised that Edgar Snow would lecture in Pasay, just outside the city limits of Manila, the consul protested, and the local mayor, 24 hours before the lecture, suspended the permit, at the behest of the governor of the province. The committee appealed to the office of President Quezon and that of the High Commissioner. The consul also visited Quezon to ask that the mayor continue to refuse the permit, as Snow is the celebrated author of Red Star Over China, and persona non grata to the Japanese. The governor of Rizal, rumored to be a shareholder in the new Japanese brewery, stood firm at first, but finally admitted that under the law he could not forbid the lecture, but, on the other hand, he could not be obliged to furnish police for protection of the meeting nor be responsible for what happened. This implied threat was wholly froth. A larger crowd than expected attended and there was not the slightest sign of disorder.

Various groups have advocated boycott of Japanese goods during the "China adventure," but the authorities here have been adamant, threatening to arrest anybody who circulated any such petition. A group of us wrote Mayor Posadas, under what laws he planned to make these arrests, and he replied:

"1. For violating the neutrality proclamation of President Quezon against showing sympathy for either side.

"2. For violating the ordinance against distribution of leaflets on the streets of Manila.

"3. For violating laws prohibiting incitement to war."

A small committee invited him to make a test case by arresting them for distribution of the boycott appeal and sent him one by mail. He has not replied.

On the other hand it is only fair to state that in the past 3 months there has been considerable activity in arresting illegal fishers. Mrs. Fabella is the wife of one of Quezon's closest friends, the man who accompanied Mrs. Quezon during her trip with her party to Java. Yet she has been denounced in public.

About the Davao matter, there seems no question that Filipinos acted as dummies for Japanese with the tacit consent of the authorities, and nothing has been done about it, because of the threatening and aggressive attitude of the Japanese consul in

Davao and the one in Manila also, to protect their nationals. It is a delicate subject. They had no real right to the land, but took it with tacit consent and have not invested millions in improvements. It is rumored that their first period of lease will be allowed to expire without expulsion, but that there will be no renewal. That would perhaps be fair, but who can tell what will happen the year those leases fall due for renewal.

Part of the inaction of the Filipinos is due to fear, especially as they have not received a very strong line from Washington, and part from President Quezon's lead. He has fraternized with the Japanese, received honors from them, and talks much of Bushide.

Yours truly.

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MANILA, P. I., *June 1, 1939.*

Congressman JOHN G. ALEXANDER,
*United States Congress, Washington, D. C.*

DEAR SIR: Since last writing you I have been following developments. Mayor Posadas has replied that he still considers the boycott circular an "insult" to Japan and punishable by law.

The Mrs. Fabella case has now been settled. She refused to bring to court her books for examination. The judge ordered her to do so or he would hold her in contempt of court. She then made an arrangement to show her books to the solicitor general not in open court. After a conference at his office last Monday, he "certified" that she was not a "dummy" for the Japanese. She at the same time withdrew her case for libel against the two officials who had said she was.

Her daughter was married yesterday morning and the principal attendant was Miss Quezon, daughter of the President.

Your resolution arrived this week by air mail and has excited much interest. The reply of Joaquin Elizalde has also been printed in full.

Yours very truly.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein an additional letter I have attached to my memorandum here.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I also ask unanimous consent to insert in the Appendix of the RECORD an article entitled "Japan, Spain, Germany, England absorb trade benefits granted Filipinos by the United States," and in addition thereto an article by Publisher Sevilla, of the Philippine-American Advocate along the same line as I have discussed here this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Under special order of the House, the gentleman from New York [Mr. FISH] is recognized for 15 minutes.

### FREEDOM OF SPEECH AND THE WAR DEBTS

Mr. FISH. Mr. Speaker, I want to make a few comments on this occasion in regard to freedom of speech and also upon the war debts which will come due on June 15.

The foundation and rock upon which our free institutions and American liberties are based is that of freedom of speech, whether in the press, forum, or over the radio. Any attempt to restrict the right of freedom of speech is a menace to popular government and to democratic institutions. Censorship of the press or control over the radio would establish a precedent that would endanger American liberties, promote intolerance, and, ultimately, set up an American dictatorship.

I subscribe to the sentiment expressed by Voltaire when he said:

> I do not agree with a word that you say, but I will defend to the death your right to say it.

The attempt to censor or restrict the right of Father Coughlin to speak over the radio, regardless of the merits or demerits of his views, is, in my opinion, an act of intolerance and an utterly un-American procedure.

If the administration or any opposition groups can keep critics off the radio then we have reached the end of government by the people and of free institutions in America. Dictatorships of the left, such as communism, and of the right, like fascism and nazi-ism, have already done away with freedom of speech. Let us not follow this example in the United States.

The constitutional right of freedom of speech must be upheld or otherwise we will have a dictatorship and the right of minority groups and legislative and party minorities will be destroyed. [Applause.]

Mr. Speaker, we again have with us the war debts. These war-debt payments are due on the 15th of June. Some years ago, back in 1932, President-elect Roosevelt refused to cooperate with President Hoover who asked him to come and meet him and discuss ways and means of settling these war debts. The President-elect, Mr. Roosevelt, then Governor of the State of New York, sent back word that he was very sorry he could not in this particular matter cooperate with President Hoover, but that he proposed when he came into power to make the settlement of the war debts his first objective. Six years or more have gone by, and practically no nation today is paying its war debts to us, except little, honest Finland.

Under Republican administrations approximately $200,000,000 was being paid in interest payments on these war debts. Today, in spite of the definite promise of President-elect Roosevelt, practically nothing is being paid except the $160,000 semiannually by the Republic of Finland.

One of the reasons I rose to speak today is the fact that we passed in the Congress only a few days ago legislation empowering the administration to swap cotton and wheat for tin and rubber and other supplies of that nature. I do not believe it is fair in talking on the war debts to say, "Why do not these nations pay; they made definite promises; why have Great Britain and France and other nations welched on their war debts," unless you present some method as to how they can pay.

I submit that Great Britain could very easily pay in rubber, in tin or in tea, none of which commodities we produce in this country. It would not interfere with our wage scales or the employment of our wage earners if they paid in these commodities.

But the fact is that Great Britain for the last 6 years has not paid one cent and she is all the time loaning money to other nations. I have before me a statement of the loans made by Great Britain since July 1, 1936. Great Britain loaned the Soviet Government $50,000,000 under an agreement which she entered into on July 28, 1936; she loaned the Turkish Government, by agreement of May 27, 1938, $50,000,000 and an additional $30,000,000 loaned by the British Treasury to the Turkish Government for military purchases in Great Britain. She loaned Czechoslovakia in February 1939 $40,000,000. She loaned China as of March 29, 1939, another $25,000,000, and Rumania, May 11, 1937, $25,000,000. I understand by reading the reports in the newspapers that she is negotiating loans for $100,000,000 with Poland, and yet she is unable and unwilling to pay one single dollar to the United States.

If Great Britain is bankrupt and insolvent and has no money with which to pay us, that would be an entirely different matter. I take this occasion, just prior to June 15, to point out that Great Britain produces—that is, the British Empire—about 66⅔ percent of all of the gold in the world. Gold is produced at the rate of approximately a billion dollars a year, so that Great Britain produces between six and seven hundred million dollars worth of gold, most of it in South Africa. Due to an act of Congress, we have set an arbitrary price on gold of $35 an ounce. It costs, roughly, $18 an ounce to produce. We are giving the British Empire year after year a 100-percent profit on their greatest product, that of gold. We have bought practically $4,000,000,000 worth of gold from foreign sources, most of it from Great Britain, upon which she has made a profit of 100 percent.

She could easily pay us in gold alone, if she wanted to do it, but the fact is she has refused to do it, and now, when we are staggering under debts, we have a right to ask the British Empire, with all of her gold and excess of rubber production and of tea and tin, what she proposes to do. I know of course that no Member of Congress did sell his political birthright for a cup of tea at the British Embassy the other day, and I know perfectly well that no Democratic Member of Congress has done that. It is true that 50 Democratic Members of the House, chairmen of the committees, went to the garden party while only one ranking

Republican member of a committee was even accorded an invitation.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Is it not a fact that in the 1932 campaign our ex-international banker, New Deal President, Mr. Roosevelt, promised no reduction or cancelation of our foreign debtor nations' obligations? Did he not repudiate that pledge when his administration debased the American dollar to 59 cents, which in effect canceled 41 percent of the principal and all interest payments on the $13,000,000,000 owed to the American Government by foreign nations?

Mr. FISH. Let me ask the gentleman a question, a very fair question. Does the gentleman know any single promise or pledge that the President ever made that he has ever kept?

Mr. SCHAFER of Wisconsin. No, I do not. Some of the new dealers in my district point with pride to the repeal of the eighteenth amendment.

However, the amendment repealing the eighteenth amendment conforms to the 1932 Republican platform plank. The President and his party platform promised to preserve States' rights on the question of repeal. After he was elected he forgot all about the rights of the States and under the protection of Federal bureaucracy the New Deal blue eagle hatched a gigantic liquor-monopoly vulture.

Mr. SEGER. Mr. Speaker, will the gentleman state the total amount of loans he speaks of?

Mr. FISH. The loans I refer to actually amount to $240,000,000 in the last few years, and another huge loan is proposed for Poland. There may be other loans that I have not been able to verify.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield further?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. The gentleman is the high-ranking minority member of the Committee on Foreign Affairs. I understand that your committee in the near future will bring the Sol Bloom antineutrality bill to the floor of the House for consideration. I would suggest that the gentleman offer an amendment to that bill in committee to make the policy of the Johnson Act apply—an amendment which would prohibit the sale or shipment of war supplies, arms, munitions, and implements of war to all foreign nations which are in default in their payments honestly due the American taxpayers' Treasury.

Mr. FISH. I think the position of the gentleman is very well taken, but that Bloom bill, that fake neutrality bill, which is actually an interventionist bill, is so vicious that I do not believe any amendment could make it work or that it could be perfected in any way. I hope the Bloom bill will come before the House so that all Members, particularly on the Democratic side, will have a chance to go on record for that unneutrality bill that turns over the war-making powers of the Congress to the President, and virtually guarantees that we will become involved in every war that breaks out in Europe.

I rose for the purpose of reiterating my question, to ask what does the British Government propose to do? How long do they propose to continue to loan money to other nations and refuse to pay their war debts to us?

I was about to say that 50 leading Members on the Democratic side, all chairmen of committees, went to the reception for the King and Queen at the British Embassy. Only one Republican, ranking member of a committee, was even invited. All of us, regardless of partisanship, welcomed the King and Queen to this country. We all think they were charming, kindly, and democratic people and we hope that our relationships with Great Britain will improve as the result of their visit here. But that does not change the vote or opinion of a single person on the payment of the war debts or of keeping out of the eternal wars of Europe.

When the British Ambassador gave a dinner to the King and Queen and did not invite a single member of the minority party in the House or the Senate, the greatest legislative body in the world, did not ask a single Republican Senator or a single Republican Member of the House to that dinner, all I can say is that if an American Ambassador had done the same thing he should be recalled, for, after all, we are the greatest legislative body in the world, yet the minority is deliberately ignored by the British Ambassador.

It may be that the Ambassador thinks the Republican Party has come to an end; he may think that we are in an innocuous vicissitude; that we do not count for anything. But I say to you it is my humble opinion that the Republican Party will be in control of the House of Representatives in 1940. [Applause.] At that time these ranking members on the Rules Committee, the Ways and Means Committee, the Appropriations Committee, the Military and Naval Affairs Committees, those Members who have served here from 15 to 25 years in the House, will be chairmen of these important committees. I have no ax to grind. I happen to be the only ranking member of an important committee who was invited to that garden party. I have a right, therefore, to speak for those who were not invited, and for the minority party, and for the opposition party. I know enough about the British Government to know that the opposition party and their leaders are always invited by the King and Queen to their state dinners and other functions.

The King and Queen had nothing to do with this slight upon the minority Members of the Congress, whether in the House or the Senate. They had nothing to do with the fact that the ranking Members of 50 committees of this House were not invited and particularly of the 10 major committees. It does not affect their visit here at all.

I conclude, Mr. Speaker, by asking again, When does the British Government propose to pay its war debts to the United States Government? [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore (Mr. JOHNSON of Oklahoma). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I wish to say to my distinguished colleague from New York [Mr. FISH] that every time the Democrats have control of the Federal Government they play Santa Claus to England and other foreign countries in a big way. During the World War and after the armistice they handed billions of American dollars to foreign countries, including the $13,000,000,000 which those countries now owe America.

Then they devalued the American dollar to 59 cents, which in effect canceled 41 percent of the principal and interest on all of the billions of dollars owed to Uncle Sam by foreign nations as well as the billions of dollars owed by foreign governments and their subjects to American private investors. I shall introduce in a very few days a bill to provide for a lien on all of the property, personal and real, in America which is owned by all foreign nations in default to the American taxpayers' Treasury, and liens on all of the property of their nationals. This legislation follows the suggestion of a distinguished Democratic President, Andrew Jackson. Every day Uncle Sam forecloses his liens on American citizens who are in default and takes away their homes and farms. Uncle Sam should act and collect the billions of dollars which foreign nations owe him. We should not wait until the kings and queens come to America with the hope that they will bring the "jack" with them, and give the American people a straight deal. [Applause.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. FISH. Mr. Speaker, the gentleman from Wisconsin is absolutely accurate. What we need in America is a President like Andrew Jackson. Had we a President in the

White House with his kind of courage all these war debts would be collected or settled on a satisfactory basis.

Let me say, also, that when it comes to the question of the King and Queen being invited here, I hope the next time any king or queen is invited to America that they will come here as the guests of the Nation and not of the administration or the New Deal.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CONNERY (at the request of Mr. FLAHERTY), indefinitely, on account of illness.

To Mr. DIES (at the request of Mr. LUTHER A. JOHNSON), indefinitely, on account of illness.

ADJOURNMENT

Mr. CARTWRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 13, 1939, at 12 o'clock noon.

## COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs (executive session) in the committee rooms, the Capitol, at 10 a. m., Tuesday, June 13, 1939, for the further consideration of House Joint Resolution 306, Neutrality Act of 1939.

COMMITTEE ON THE JUDICIARY

On Wednesday, June 14, 1939, beginning at 10 a. m., there will be continued a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court; and for other purposes.

There will be continued a public hearing before Subcommittee No. 3 of the Committee on the Judiciary on Wednesday, June 21, 1939, at 10 a. m., on the bill (H. R. 2318) to divorce the business of production, refining, and transporting of petroleum products from that of marketing petroleum products. Room 346, House Office Building.

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 Tuesday, June 19, 1939, on H. R. 1011, drydock facilities for San Francisco (WELCH); H. R. 2870, drydock facilities for Los Angeles (THOMAS F. FORD); H. R. 3040, drydock facilities for Los Angeles (GEYER of California); and H. R. 5787, drydock facilities for Seattle, Wash. (MAGNUSON).

The hearing originally scheduled by the Committee on Merchant Marine and Fisheries for Thursday, June 8, 1939, on H. R. 6042, requiring numbers on undocumented vessels (KRAMER), and H. R. 5837, alien owners and officers of vessels (KRAMER), has been postponed until Tuesday, June 13, and will come up on the same list as those bills named directly above.

On Thursday, June 15, 1939, on House Joint Resolution 194, investigate conditions pertaining to lascar seaman (SIROVICH).

On Friday, June 16, 1939, on H. R. 5611, district commanders' bill (U. S. Coast Guard).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m. Tuesday, June 13, 1939, for the continuation of hearings on House Joint Resolution 165 and House Joint Resolution 168.

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m. Wednesday, June 14, 1939, for the consideration of H. R. 5838 (KRAMER) and unfinished business.

COMMITTEE ON IRRIGATION AND RECLAMATION

There will be a meeting of the Committee on Irrigation and Reclamation, at 10 o'clock a. m. Thursday, June 15, 1939, for the consideration of H. R. 6773.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

840. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1939 amounting to $4,000 (H. Doc. No. 322); to the Committee on Appropriations and ordered to be printed.

841. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department, in the amount of $6,000, for the fiscal year 1940, for salaries of the office of the Inspector General (H. Doc. No. 321); to the Committee on Appropriations and ordered to be printed.

842. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Department of Labor for the fiscal year 1940 amounting to $25,000 (H. Doc. No. 320); to the Committee on Appropriations and ordered to be printed.

843. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1939, to remain available until December 31, 1939, for the Department of Agriculture, for the control of insect pests and plant disease, amounting to $1,750,000 (H. Doc. No. 319); to the Committee on Appropriations and ordered to be printed.

844. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of the activities and expenditures for the month of April 1939 (H. Doc. No. 323); to the Committee on Banking and Currency and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SNYDER: Committee on Appropriations. H. R. 6791. A bill making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; without amendment (Rept. No. 823). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6746. A bill to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes; with amendment (Rept. No. 824). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 1796. An act to amend the Tennessee Valley Authority Act of 1933; with amendment (Rept. No. 825). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 219. Resolution providing for the consideration of S. 1796, an act to amend the Tennessee Valley Authority Act of 1933; without amendment (Rept. No. 826). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SABATH:

H. R. 6790. A bill to liberalize extension of credit to small businesses, to stimulate business, to create employment, and for other purposes; to the Committee on Banking and Currency.

By Mr. SNYDER:

H. R. 6791. A bill making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

By Mr. BYRNE of New York:

H. R. 6792. A bill to provide for the acquisition, and preservation as a museum, of the John A. Griswold house, and contents thereof, in the city of Troy, N. Y.; to the Committee on the Public Lands.

By Mr. CELLER:

H. R. 6793. A bill to assist the States to establish and maintain improved methods of supervision of offenders released by probation, parole, conditional release, or otherwise; to the Committee on the Judiciary.

By Mr. DEMPSEY:

H. R. 6794. A bill to prevent pernicious political activities; to the Committee on the Judiciary.

By Mr. THOMAS F. FORD:

H. R. 6795. A bill to amend section 301 of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. MURDOCK of Arizona:

H. R. 6796. A bill to authorize the purchase of certain lands for the San Carlos Apache Tribe, Ariz.; to the Committee on Indian Affairs.

By Mr. PIERCE of Oregon:

H. R. 6797. A bill to provide for assistance by the Federal Government in the control and eradication of noxious weeds; to the Committee on Agriculture.

By Mr. TENEROWICZ:

H. R. 6798 (by request). A bill to amend section 2169, United States Revised Statutes, being title 8, section 359, United States Code; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Georgia:

H. R. 6799. A bill to regulate the assignment of naval officers to duty, and for other purposes; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN:

H. R. 6800. A bill granting pensions to certain soldiers, sailors, and marines who served in organizations and campaigns in the Philippines from July 5, 1902, to August 5, 1913, inclusive, and for other purposes; to the Committee on Pensions.

By Mr. WALLGREN:

H. J. Res. 323. Joint resolution to provide for negotiations with the Government of Canada to arrange a modification of the trade agreement entered into November 17, 1938; to the Committee on Ways and Means.

By Mr. PIERCE of Oregon:

H. Res. 220. Resolution creating a select committee to investigate the conducting of polls purporting to measure public opinion; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to consider their resolution dated May 26, 1939, with reference to citizenship to aliens; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 9, with reference to a reciprocal trade agreement between the United States of America and Venezuela; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to consider their Resolution No. 39, with reference to payment on Federal loans; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to consider their House Joint Resolution No. 13, with reference to House bill 2, known as the General Welfare Act; 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. CANNON of Missouri:

H. R. 6801. A bill confirming title to a certain tract of land located in Lincoln County, in the State of Missouri; to the Committee on the Public Lands.

By Mr. GILCHRIST:

H. R. 6802. A bill granting an increase of pension to Mary Jane Kemp; to the Committee on Invalid Pensions.

By Mr. JENSEN:

H. R. 6803. A bill for the relief of C. L. Herren; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6804. A bill for the relief of George E. Miller; to the Committee on Claims.

H. R. 6805. A bill for the relief of Sam E. Woods; to the Committee on Claims.

By Mr. MASON:

H. R. 6806. A bill granting an increase of pension to Mary L. Harwig; to the Committee on Invalid Pensions.

By Mr. NICHOLS:

H. R. 6807. A bill for the relief of Joe L. McKinney and Jenita E. McKinney; to the Committee on Claims.

By Mr. ROCKEFELLER:

H. R. 6808. A bill for the relief of Matilda Larned; to the Committee on Claims.

By Mr. KIRWAN:

H. J. Res. 324. Joint resolution to provide for the relief of Erich Hecht, Grete Hecht, and Erich Hecht, Jr.; to the Committee on Immigration and Naturalization.

## PETITIONS, ETC.

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

3665. By Mr. ASHBROOK: Petition of Mrs. James E. Atha, of Newark, Ohio, and 117 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3666. Also, petition of James A. Atha, of Newark, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3667. Also, petition of Minnie Korns, of Columbus, Ohio, and 60 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3668. By Mr. BARTON: Petition of Adele Archer, of New York City, and 60 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3669. Also, petition of Claire F. Renard, of New York City, and 112 others, endorsing House bill 5620, the General Welfare Act, to the Committee on Ways and Means.

3670. Also, petition of Albert J. Felmlee, of New York City, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3671. Also, petition of Ida Compton, of New York City, and 135 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3672. By Mr. CURTIS: Petition of the Legislature of the State of Nebraska, petitioning consideration of their Resolution No. 39, concerning farm credits; to the Committee on Agriculture.

3673. By Mr. FAY: Petition of Local No. 47 of the United Federal Workers of America, requesting that House bill 960 be placed on the current calendar as early as possible; to the Committee on Rules.

3674. By Mr. GEYER of California: Resolution from the District Council, No. 4, Maritime Federation of the Pacific, an organization of 6,000 members, W. S. Lawrence, secretary, San Pedro, Calif., requesting the Congress of the United States to enact into law the Casey bill (H. R. 6470), which provides adequate Works Progress Administration funds; to the Committee on Appropriations.

3675. Also, resolution of Motion Picture Democratic Committee, Maurice Murphy, executive secretary, Hollywood,

Calif., protesting against the passage of House bills 4860, 5128, 5643, 3390, 4907, 4909, 3029, 3051, 3031, 3032, 3035, 3241, 3245, and 999; also Senate bills 407 to 411, inclusive, 668, and 1470, and commending the Congressman from California who voted against House bill 5643, the Hobbs bill; to the Committee on Immigration and Naturalization.

3676. By Mr. KENNEDY of Maryland: Petition of Nell G. Chapman, of Baltimore, Md., and 29 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3677. Also, petition of Mrs. C. D. Halbert, of Baltimore, Md., and 29 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3678. Also, petition of Viola G. Sloffer, of Baltimore, Md., and 10 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3679. Also, petition of Rev. Grace A. M. T. Bratcher, of Baltimore, Md., and nine others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3680. By Mr. MICHAEL J. KENNEDY: Memorial of the Second Quadrennial Convention of the Brotherhood of Railroad Trainmen, endorsing the position of President Roosevelt in urging conscription of wealth in time of war; to the Committee on Military Affairs.

3681. Also, memorial of the New York State Industrial Union Council, New York City, representing 700,000 workers affiliated with the Congress of Industrial Organizations, opposing amendments to wage-hour and social-security laws exempting cannery and processing workers, urging limitation to bona fide agricultural laborers; to the Committee on Labor.

3682. Also memorial of the Grand Lodge of the Brotherhood of Railroad Trainmen, endorsing President Roosevelt's foreign policies and his peace program, and urging that the brotherhood cooperate with other organizations who are supporting such a peace program to the end that American democracy, in which labor particularly has a vital stake, shall be fortified against war by helping to keep the world out of war; to the Committee on Labor.

3683. Also, memorial of Local No. 47 of the United Federal Workers of America, requesting that House bill 960 be placed on the House Calendar by the chairman of the Civil Service Committee; to the Committee on the Civil Service.

3684. By Mr. MARTIN J. KENNEDY: Petition of the National Maritime Union of America, New York City, urging support of the Casey bill (H. R. 6470); to the Committee on Appropriations.

3685. Also, petition of the United Neighborhood Houses of New York, Inc., New York City, concerning curtailment of the National Youth Administration; to the Committee on Appropriations.

3686. By Mr. KEOGH: Petition of the Educational Conservation Society, Long Island City, favoring the passage of the Barry-Mead bill providing for Federal aid to the States in the furthering of conservation education in schools, colleges, and universities; to the Committee on Appropriations.

3687. Also, petition of the National Parks Association, Washington, D. C., concerning House bill 3794, Kings Canyon bill; to the Committee on the Public Lands.

3688. Also, petition of the New York State Industrial Union Council, concerning amendments to wage-hours security laws exempting cannery and processing workers; to the Committee on Ways and Means.

3689. Also, petition of Jacob J. Goldberg, president, New York Pharmaceutical Council, favoring the fair-trade bill (H. R. 3838) for the District of Columbia; to the Committee on the District of Columbia.

3690. Also, petition of the Labor Non-Partisan League, Washington, D. C., favoring the recommittal of the McGehee unemployment compensation bill (H. R. 4533); to the Committee on the District of Columbia.

3691. Also, petition of the United States Independent Telephone Association, Chicago, Ill., concerning the wage-and-hour bill (H. R. 5435); to the Committee on Labor.

3692. Also, petition of David J. Henry, president, Local No. 90 of the United Federal Workers of America, favoring the passage of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

3693. By Mr. LUCE: Memorial favoring resolutions memorializing Congress in favor of the granting of full United States citizenship to aliens who served in the Military or Naval Establishments of the United States during the World War and were honorably discharged from such service; to the Committee on Immigration and Naturalization.

3694. By Mr. PFEIFER: Petition of the National Parks Association, Washington, D. C., favoring the establishment of the John Muir-Kings Canyon National Park, House bill 3794; to the Committee on the Public Lands.

3695. Also, petition of the Sierra Club, San Francisco, Calif., concerning the Gearhart bill (H. R. 3794); to the Committee on the Public Lands.

3696. Also, petition of Local No. 90, United Federal Workers of America, New York City, urging the passage of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

3697. Also, petition of the United States Independent Telephone Association, Chicago, Ill., concerning certain amendments to House bill 5435; to the Committee on Labor.

3698. Also, petition of the New York State Telephone Association, Albany, N. Y., urging certain amendments to the Norton bill (H. R. 5435); to the Committee on Labor.

3699. Also, petition of the Brooklyn Botanic Garden, C. Stuart Gager, director, Brooklyn, N. Y., opposing any amendments to the Gearhart bill (H. R. 3794), known as the John Muir-Kings Canyon National Park bill; to the Committee on the Public Lands.

3700. Also, petition of the New York State Industrial Union Council, New York City, concerning amendments to the wage-hour and social-security laws; to the Committee on Ways and Means.

3701. Also, petition of the New York Pharmaceutical Council, Jacob J. Goldberg, president, New York City, urging support of the fair-trade bill (H. R. 3838) for the District of Columbia; to the Committee on the District of Columbia.

3702. By the SPEAKER: Petition of George W. Bennett, of San Francisco, Calif., and others, petitioning consideration of their resolution with reference to House Joint Resolution No. 266, Works Progress Administration appropriation; to the Committee on Appropriations.

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# SENATE

## TUESDAY, JUNE 13, 1939

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou whose amazing goodness crowneth our life, this is one of the days which Thou hast made, and we will rejoice and be glad in it.

We seek Thee not in vain but in the assurance that the whole fullness of Thine infinite being is at our disposal, for in the revelation of Thy greatness we see Thy power to accomplish all that Thou hast promised, to confer upon us all that we need, and to do for us abundantly above all that we can ask or think.

May Thy special blessing rest upon these Thy servants. Kindle within our hearts a desire to advance the welfare of mankind everywhere. May sentiments of benevolence and good will permeate all our thoughts and deeds. May these sentiments become more natural, more powerful, more impartial.

Help us to cleave with increasing tenacity of purpose and with fond affection to the coming of that day when Thy will shall be known on the earth and Thy saving health to all nations.

In the name of the Christ we pray. Amen.