money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8053. Also, petition of John G. Kroon, of Los Angeles, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8054. Also, petition of Arthur F. Hagerman, of Templeton, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8055. Also, petition of James G. Slatter, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8056. Also, petition of Wilbur C. Miller, of San Jose, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8057. Also, petition of John H. Lang, of Los Angeles, Calif., and 26 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8058. Also, petition of John E. Gray, of Pasadena, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8059. Also, petition of Charles E. Lynch, of Riverside, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8060. Also, petition of Jack L. Mitchell, of Los Angeles, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8061. Also, petition of Mrs. J. Kursinski, of Alhambra, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8062. Also, petition of H. M. Callecod, of Chula Vista, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8063. Also, petition of Gaston J. Bertormean, of Los Angeles, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8064. By the SPEAKER: Petition of Local Union, No. 60, United Brotherhood of Carpenters and Joiners of America, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8065. Also, petition of the Council of Social Agencies, Detroit, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8066. Also, petition of We the Americans, Inc., Philadelphia, Pa., petitioning consideration of their resolution with reference to House bill 9449, concerning Social Security Act; to the Committee on Ways and Means.

8067. Also, petition of the Northern District of the American Lutheran Church, Portland, Oreg., petitioning consideration of their resolution with reference to neutrality and peace; to the Committee on Foreign Affairs.

SENATE

MONDAY, MAY 6, 1940

(Legislative day of Wednesday, April 24, 1940)

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

Rev. William L. Darby, D. D., executive secretary, Washington Federation of Churches, offered the following prayer:

Thou God of men and nations, we appear before Thee today with grateful thanks for the multitude of Thy mercies to us and to the children of men everywhere. We would not be silent when flowers and trees around us on this beautiful spring day are showing forth Thy praise. Yet some of us are not living in harmony with Thy will, and need to seek divine forgiveness because of the way in which we are treating our fellow men. War and strife across the seas, both east and west, destroy the sense of human brotherhood. Wrong and injustice at home, we know, tend to produce the same result. Grant us, we pray, the grace and strength to live together in the world as the sons of the Most High. Give peace and fellowship in place of bloodshed and slaughter throughout the whole earth.

Thy blessing we ask upon our country, that America may play her part well in these trying days. Grant Thy guidance to the President of the United States, the Vice President, and the Members of the Congress, that, with wisdom and prudence, they may perform their respective duties to both God and man. May all of us realize our responsibility for the betterment of conditions among our own people in this favored land and for the promotion of human welfare in lands abroad. In all our purposes and undertakings give us the mind and spirit of Jesus Christ our Lord. We ask in His name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, May 2, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

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

On April 30, 1940:

S. 2661. An act to provide for rearrangement of the location of the several boards of local inspectors.

On May 3, 1940:

S. J. Res. 199. Joint resolution amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR, Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. FITZPATRICK, Mr. LEAVY, Mr. SHEPPARD, Mr. RICH, Mr. CARTER, and Mr. WHITE of Ohio 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. 8475) to limit the interpretation of the term "products of American fisheries," in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTIONS SIGNED

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

S. J. Res. 252. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes; and

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the exposition of 1939.

CALL OF THE ROLL

Mr. BARKLEY. 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	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], and the Senator from Illinois [Mr. SLATTERY] are unavoidably detained from the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. CHANDLER], the Senator from Alabama [Mr. HILL], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Missouri [Mr. TRUMAN] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent because of illness.

Mr. AUSTIN. I announce the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from North Dakota [Mr. NYE], and my colleague the junior Senator from Vermont [Mr. GIBSON] are necessarily absent.

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

AMENDMENT OF FEDERAL CROP INSURANCE ACT—VETO MESSAGE (S. DOC. NO. 193)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Agriculture and Forestry and ordered to be printed, as follows:

To the Senate:

I am returning herewith, without my approval, a bill (S. 2635) to amend the Federal Crop Insurance Act.

This bill would extend to cotton the system of Federal crop insurance now experimentally applied to wheat.

In my message to Congress on February 18, 1937, advocating initiation of wheat-crop insurance under Federal auspices, I expressed the belief that such insurance should be extended to other commodities when "application of the plan to wheat has provided a backlog of experience in applying the principles of crop insurance."

The Federal Crop Insurance Corporation has just completed 1 year of experience with wheat-crop insurance and is entering upon a second year with three times the first-year volume of insurance coverage. While the initial year's business has resulted in great benefit to the insured producers, it has resulted, nevertheless, in an impairment of $1,430,000 in the Corporation's capital, over and above the costs of administration and research, which are borne by the Government. It seems evident, therefore, that we do not have as yet the essential "backlog of experience" required for the establishment of a sound actuarial basis for crop insurance—that is, for a crop-insurance plan that would be fully self-supporting, with premium rates sufficient to cover costs of administration, as well as of indemnities. Moreover, when such a plan is established, I think that the producers of all major agricultural crops should share in its benefits.

Since this bill merely broadens the scope of an experiment not yet on a satisfactory actuarial basis, and fails to provide a fully self-supporting insurance plan for general application to all crops, I do not feel that I would be justified in giving it my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 4, 1940.*

INTERIOR DEPARTMENT APPROPRIATIONS

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. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. 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. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. BANKHEAD, Mr. NYE, and Mr. HOLMAN, conferees on the part of the Senate.

REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 192)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1939, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

LANDOWNERS ON UINTAH INDIAN IRRIGATION PROJECT, UTAH

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide relief for, and to promote the interest of, landowners on the Uintah Indian irrigation project, Utah, and for other purposes, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

AMENDMENT OF REVISED STATUTES AS AMENDED BY ANTISMUGGLING ACT OF 1935

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 4336 of the Revised Statutes, as amended, which, with the accompanying paper, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from officers and members of Pennsylvania Industrial Union Council, C. I. O., of Harrisburg, Pa., remonstrating against adoption of the so-called

Smith-Norton amendments to the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions of the Northwestern District of the American Lutheran Church, favoring the preservation of neutrality and peace, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Unión de Mujeres Americanas, United Women of the Americas, New York City, N. Y., favoring the issuance of a commemorative postage stamp in honor of Mary Ball Washington, mother of George Washington, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution of the Council of Social Agencies of Metropolitan Detroit, Detroit, Mich., favoring the enactment of Senate bill 591, to amend the United States Housing Act of 1937, and for other purposes, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution of the Columbia Heights Citizens' Association, Washington, D. C., protesting against the enactment of the bill (H. R. 8692) to amend the act to regulate the practice of podiatry in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. VANDENBERG presented a petition of sundry citizens of Wayne County, Mich., praying for the enactment of the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, which was ordered to lie on the table.

SETTLEMENT AND DEVELOPMENT OF ALASKA

Mr. VANDENBERG. Mr. President, Senate bill 3577 is a bill "to provide for the settlement and development of Alaska." Alaska has no representation in the Senate, and as the citizens of Alaska apparently have very profound objection to the program embodied in this particular bill, I ask that a brief analysis or statement regarding it from the Juneau Chamber of Commerce be printed in the RECORD.

The VICE PRESIDENT. It there objection?

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

ANALYSIS OF S. 3577—BEING "A BILL TO PROVIDE FOR THE SETTLEMENT AND DEVELOPMENT OF ALASKA"

This is a measure designed to make effective the so-called Slattery plan for opening up Alaska to settlement by European refugees and to create Government-chartered development corporations for industrial utilization of the Territory's natural resources. Salmon fishing and canning are excluded.

The bill places full authority for granting charters, upon the filing with him of articles of incorporation conforming to certain conditions satisfactory to him, upon the Secretary of the Interior. He is given absolute power in the matter of issuance of regulations over the corporations and authorized, in case of violations of requirements, to bring legal action to terminate the charters.

While the admission of now ineligible immigrants to the Territory is the most objectionable feature of the proposed law, there are other features which are worth serious consideration.

Subsection 4 of section 3 provides: "The maximum rate of interest to be paid on debentures and the maximum rate of dividend to be paid upon stock: *Provided*, That in no case shall such rate of interest or dividend be higher than 6 percent per annum."

This is purely a limitation on interest that can be paid upon bonds, but it does not set a limit upon the earning power of the corporation. It might actually earn much more than 6 percent upon its investment, but it could pay only the stated 6 percent upon its stock. There is no prohibition against surplus earnings anywhere in the bill.

Section 4 sets the minimum capitalization at $10,000,000 and a minimum cash at the outset of $2,500,000 in either stock or debentures. There is no limitation upon the amount of either bonded indebtedness or stock subscriptions.

This could easily lead to speculation on a tremendous scale, more especially so in view of the provision contained in section 13, which specifically exempts the corporations' securities from the provisions of the Securities Act of 1933 and, therefore, from jurisdiction under the Securities and Exchange Commission.

Transfers of voting stock legally held to any alien not a certified settler is prohibited and such transfers declared to be null and void. It seems doubtful if this would be upheld in the courts. It might be that the courts would hold that any legal stockholder could dispose of his property, including voting stock in the corporation, to whomever and wherever he could do so at a profit, or, for that matter, even at a loss.

Corporations would be authorized to certify annually the number of settlers to be brought into the Territory. These would be of three types:

1. At least 50 percent of the total to be citizens of the United States if they make application and possess necessary qualifications.
2. Aliens who are admissable under immigration quotas in proportion to the several national quotas.
3. Aliens between the ages of 16 and 45 other than quota immigrants.

These would be given visas permitting them to enter Alaska as corporation settlers under the certification of the corporation. They would be required to remain in Alaska for a period of 5 years or such longer time as it might require for them to enter the classification of quota immigrants and thus entitled legally to admission to the country. They could not engage in any occupation or trade other than that specified in the bill as long as they remained nonquota immigrants.

This is the provision to which Alaskans have strenuously protested. Delegate DIMOND has publicly termed it an effort to make out of Alaska a concentration or detention camp. It is an apt phrase and wholly justified.

In the end, if the many thousands of European refugees were brought here in large groups, it would not be many years until the Territorial culture and economy would be transferred from American to alien, a transformation Alaskans do not want and which the Nation as a whole should not desire.

Mr. DIMOND has announced his opposition to the measure. He should have the united support of civic and commercial organizations throughout the Territory, and of all Alaskans regardless of party.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8024) to provide for the leasing of restricted allotments of deceased Indians in certain circumstances, and for other purposes, reported it with an amendment and submitted a report (No. 1570) thereon.

Mr. CONNALLY, from the Committee on the Judiciary, to which was referred the bill (S. 3828) to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities, reported it without amendment and submitted a report (No. 1571) thereon.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, 10 lists of records transmitted to the Senate by the Archivist of the United States, which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, May 6, 1940, that that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

ACCEPTANCE AND DEDICATION OF PAINTING, SIGNING OF THE CONSTITUTION

Mr. BARKLEY. From the Committee on the Library I report an original concurrent resolution. I may say that, under the rule, the resolution will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate, as it provides for an expenditure of $1,000 from the contingent funds of the Senate and the House for the purpose of holding ceremonies in the rotunda accepting and dedicating a work of art produced under a previous joint resolution authorizing the employment of an artist to paint a scene depicting the signing of the Constitution of the United States. That work has been completed; it is a marvelous piece of painting. At a little later date, we shall have the ceremony in the rotunda accepting and dedicating the picture, which will be hung in the Capitol later.

I ask that the resolution now reported by me from the Committee on the Library be referred to the Committee to Audit

and Control the Contingent Expenses of the Senate, in order that the committee may pass on the question of expenditure.

There being no objection, the concurrent resolution (S. Con. Res. 45) was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved by the Senate (the House of Representatives concurring), That the commission authorized to employ an artist to paint a painting of the scene at the signing of the Constitution, created by Public Resolution No. 11, approved April 20, 1939, be, and it is hereby, authorized to place temporarily in the rotunda of the Capitol the painting by the artist employed by the said commission, and to hold ceremonies in the rotunda on the said occasion.

The Architect of the Capitol is hereby authorized to make the necessary arrangements for the ceremonies, the expenses of which shall not exceed the sum of $1,000, of which one-half shall be payable 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 commission.

ADDITIONAL COPIES ON REPORT OF STATUS OF WILDLIFE

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report back favorably from that committee, without amendment, Senate Resolution 263, and I ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 263) submitted by Mr. PITTMAN on April 24, 1940, was considered and agreed to as follows:

Resolved, That there be printed 1,800 additional copies of Senate Report No. 1203, submitted pursuant to Senate Resolution 246 (71st Cong.), entitled "The Status of Wildlife in the United States," of which 1,500 copies shall be for the use of the Special Committee on the Conservation of Wildlife Resources and 300 copies for the use of the Senate document room.

LAWS AND TREATIES RELATING TO INDIAN AFFAIRS

Mr. HAYDEN. From the Committee on Printing I report back favorably, with an amendment, Senate Resolution 141, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution, which had been submitted by Mr. THOMAS of Oklahoma on June 5, 1939.

The VICE PRESIDENT. The amendment will be stated.

The amendment reported by the Committee on Printing was, on line 6, after the word "document", to strike out—

And that 50 additional copies of each be printed for the use of the Indian Office and Indian agencies, 30 additional copies of each for the use of the Senate Committee on Indian Affairs, 30 additional copies of each for the use of the House Committee on Indian Affairs, and 30 additional copies of each for use of the compilers.

So as to make the resolution read:

Resolved, That the manuscript of the laws, agreements, Executive orders, proclamations, etc., relating to Indian Affairs, prepared under Senate Resolution No. 60, Seventy-fifth Congress, first session, to be known as Laws and Treaties Relating to Indian Affairs, volume 5, be printed as a Senate document.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. CLARK of Missouri:

S. 3915. A bill for the relief of the Pittsburgh Plate Glass Co.; to the Committee on Claims.

By Mr. BURKE:

S. 3916. A bill for the relief of Lawrence T. Post, G. F. Allen, and D. Buddrus; to the Committee on Claims.

By Mr. MEAD:

S. 3917. A bill for the relief of Guy T. Morris; to the Committee on Claims.

S. 3918. A bill adopting and authorizing the improvement of East River, N. Y.; to the Committee on Commerce.

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

S. 3919. A bill to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; to the Committee on Foreign Relations.

By Mr. WAGNER:

S. 3920. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes; to the Committee on Interstate Commerce.

By Mr. MINTON:

S. 3921. A bill granting an increase of pension to Sarah A. Hollis (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

S. 3922. A bill granting a pension to James C. Keeley; to the Committee on Pensions.

By Mr. MALONEY:

S. 3923. A bill for the relief of Austin L. Tierney; to the Committee on Naval Affairs.

(Mr. WAGNER also introduced Senate bill 3924, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. GURNEY introduced Senate bill 3925, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. GUFFEY:

S. 3926. A bill to authorize the Secretary of War to provide a license for the construction of a pile dolphin and walkway at Fort Mifflin Military Reservation, and for other purposes; to the Committee on Military Affairs.

By Mr. BAILEY:

S. 3927. A bill to provide for the administration of the Washington National Airport, and for other purposes; to the Committee on Commerce.

By Mr. WALSH:

S. J. Res. 253. Joint resolution providing for the celebration in 1945 of the one hundredth anniversary of the founding of the United States Naval Academy, Annapolis, Md.; to the Committee on Naval Affairs.

(Mr. WILEY introduced Senate Joint Resolution 254, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

PERMANENT DISABILITY INSURANCE BENEFITS UNDER SOCIAL SECURITY ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill for appropriate reference.

This bill, providing systematic insurance protection for wage earners totally and permanently disabled before they reach the retirement age, would meet the economic needs of those who have hitherto been the forgotten men of our social-security system. As pointed out in the last annual report of the Social Security Board:

There is an anomaly in present provisions for social insurance in that benefits are payable to unemployed workers who are well and able to work but not to those, with perhaps a precisely similar work history, who are unemployed because they are sick, and for that very reason are probably in more serious need. A similar anomaly exists in the fact that insurance provision has been made for the worker who is incapacitated by old age while none yet exists for younger persons with nonoccupational disabilities which produce an even more prolonged loss of earning power, even though persons in the latter group are more likely to have responsibilities for dependents. Appropriate measures to safeguard health and offset the losses occasioned by disability are an essential link in the defenses which are being erected to prevent or relieve dependency and to promote security in the United States.

This anomalous gap in our Social Security Act should be promptly closed. The present Railroad Retirement Act, as well as the old-age insurance system in practically every other industrial country in the world, authorizes benefits for the permanently disabled.

The bill, with necessary technical changes, follows closely the proposal which I introduced last year when the revision of the Social Security Act was under consideration. Benefits are payable to wage earners totally and permanently disabled and covered by old-age and survivors insurance. Benefits are geared into the old-age insurance system, including the allowances for dependents. For at least 10

years the added cost of these benefits would be comparatively small and would be met out of the existing Old Age and Survivors' Insurance Fund without any increase in the schedule of contributions by employers and employees in the present law.

Humanity and economy require that the disabled beneficiaries be restored to health in all cases where medical and surgical skill have progressed far enough to offer a remedy. The bill anticipates the need for rehabilitation, where such services may aid in restoring the beneficiary's working ability. The funds to be expended for the purpose of rehabilitation are carefully limited and could not be utilized for the construction of hospitals or other institutions.

The bill I would wish to have referred to the Committee on Finance, which has just established a special subcommittee to study the old-age insurance and related provisions of the Social Security Act. I am confident that the subcommittee, when it begins its deliberations, will give early attention to the problem of the permanently disabled, of whom the Advisory Council on Old Age wrote in its report:

> No other group in our population is more completely dependent or in a more desperate economic situation.

There being no objection, the bill (S. 3924) amending the Social Security Act so as to provide insurance benefits for wage earners permanently and totally disabled for causes not arising out of their employment, was read twice by its title and referred to the Committee on Finance.

AMENDMENT OF RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. GURNEY. Mr. President, at this time I ask unanimous consent to introduce a bill proposing to amend the Railroad Unemployment Insurance Act which was approved on June 25, 1938, and which was amended June 20, 1939, and became operative on July 1, 1939.

Therefore, the present Railroad Unemployment Insurance Act has been in operation for a period of some 10 months. A huge reserve is being built up, much more than is necessary to take care of the payments for railroad unemployment, in accordance with the payment provisions of the act itself.

Within the past few days a bill has been introduced by the senior Senator from New York [Mr. WAGNER] seeking to increase the benefit payments now provided by existing law. This bill, S. 3906, was introduced on May 2. The Association of American Railroads is in complete agreement that some changes should be made, but considers that the percentage of increased benefits should not be as large as proposed in S. 3906. As I understand, a great deal of effort has been made as between the railroad employer and the railroad employee, seeking to reconcile their individual ideas so that a plan agreed on may be submitted to Congress.

I feel I am wholly consistent in offering the employer's ideas at this time, inasmuch as the employee's ideas have already been offered as represented by the bill introduced last week. I feel that the bill which I am offering now should be studied carefully by the Senate Committee on Interstate Commerce, at the same time S. 3906 is being studied. A thorough study must be made so that fair consideration shall be given to the railroad employees and the railroads themselves, bearing in mind that during these times of world stress, the railroads and their employees must be a harmonious whole, because both are so vital to our national defense.

I ask unanimous consent that the bill which I offer at this time be printed in the RECORD following my remarks, and that there also be printed in the RECORD, following my remarks, an explanatory letter from the Association of American Railroads, together with a schedule showing a comparison between the provisions of Senate bill 3906 and the bill which I offer at this time.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The bill (S. 3925) to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, was read twice by its title, referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.,

SECTION 1. Subsection (h) of section 1 of the Railroad Unemployment Insurance Act, approved June 25, 1938 (52 Stat. 1094), as amended June 20, 1939 (53 Stat. 845), is hereby amended to read as follows:

"(h) The term 'registration period' means, with respect to any employee, the period of 14 consecutive calendar days which begins with the first day for which such employee registers in accordance with such regulations as the Board may prescribe, and thereafter each period of 14 consecutive calendar days which begins with the first day for which he next registers after the end of his last preceding registration period."

SEC. 2. Subsection (j) of section 1 of said act is hereby amended by inserting the following sentence at the end of the first sentence thereof:

"The term 'remuneration' also includes earned income other than for services for hire when in excess of an average of $1 per day during any registration period, if the accruel thereof in whole or in part is ascertainable with respect to a particular day or particular days."

SEC. 3. Subsection (1) of section 1 of said act is hereby amended to read as follows:

"(1) The term 'base year' means the calendar year immediately preceding the beginning of the benefit year."

SEC. 4. Subsection (n) of section 1 of said act is hereby amended to read as follows:

"(n) The term 'benefit year' means the 12 months' period beginning July 1 of any year and ending June 30 of the following year, except that a registration period beginning in one benefit year and ending in another shall be deemed to be in the benefit year in which it begins."

SEC. 5. Subsection (a) of section 2 of said act is hereby amended to read as follows:

"(a) A qualified employee shall be paid benefits for each day of unemployment in excess of 4 during any registration period other than that prescribed as a waiting period in section 3 of this act.

"The benefits payable to any such employee for each such day of unemployment shall be the amount appearing in the following table in column II on the line on which, in column I, appears the compensation-range containing the total amount of compensation payable to him with respect to employment in his base year:

Total compensation:	*Daily benefit amount*
$150 to $399.99	$1.50
$400 to $699.99	2.00
$700 to $999.99	2.50
$1,000 to $1,299.99	3.00
$1,300 to $1,599.99	3.50
$1,600 and over	4.00

SEC. 6. Subsection (b) of section 3 of said act is hereby amended by striking the first sentence thereof and substituting therefor the following: "Within his benefit year he has had a waiting period of one registration period during which he had at least 7 days of unemployment."

SEC. 7. Paragraph (iv) of subsection (a) of section 4 of said act is hereby amended by striking therefrom the term "half month" and inserting in lieu thereof the term "registration period."

SEC. 8. Paragraph (vi) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(vi) Any day in any registration period comprising the last 14 days of a period of 28 days with respect to which the Board finds that he earned, in train and engine service, yard service, dining-car service, sleeping-car service, parlor-car service, or other pullman-car or similar service, or express service on trains, at least the equivalent of 32 times his daily benefit rate."

SEC. 9. Subsection (a) of section 4 of said act is hereby further amended by adding at the end thereof the following additional paragraph:

"(vii) Any Sunday which is not immediately preceded and immediately followed by a day of unemployment other than a holiday; and any holiday which is not immediately preceded and immediately followed by a day of unemployment other than a Sunday or other holiday."

SEC. 10. Subsections (a) and (b) of section 8 of said act are hereby amended to read as follows:

(a) Every employer shall pay a contribution, with respect to having employees in his service, equal to the percent hereinafter set forth of so much of the compensation as is not in excess of $300 for any calendar month payable by him to any employee with respect to employment after June 30, 1939: *Provided, however,* That if compensation is payable to an employee by more than one

employer with respect to any such calendar month the contributions required by this subsection shall apply to not more than $300 of the aggregate compensation payable to said employee by all said employers with respect to such calendar month, and each such employer shall be liable for that proportion of the contribution with respect to such compensation which the amount payable by him to the employee with respect to such calendar month bears to the aggregate compensation payable to such employee by all employers with respect to such calendar month:

"(i) With respect to employment during the fiscal year beginning July 1, 1939, and ending June 30, 1940, the rate shall be 3 percent;

"(ii) With respect to employment during any fiscal year after June 30, 1940, the rate shall be that appearing in the following table in column II on the line on which appears, in column I, a range of amounts within which falls the amount of the assets of the railroad unemployment insurance account as of June 30 of the preceding fiscal year:

Insurance-account assets:	*Contribution rate*
Less than $100,000,000	3 percent
$100,000,000 but less than $125,000,000	2 percent
$125,000,000 or more	1 percent

"It shall be the duty of the Board, as soon as practicable after the close of each fiscal year, to make a determination of the amount of the assets of the account as of June 30 of said year and give notice thereof, and of the resulting contribution rate for the ensuing year, to all employers and employee representatives subject to this act. In making such determination, the Board shall include as assets of the account, in addition to all amounts credited thereto, all amounts transferable to that account under the provisions of sections 13 and 14 of this act, and shall make reasonable estimates of the amounts so transferable if the exact amounts thereof have not been agreed to in accordance with the provisions of said sections.

"(b) Each employee representative shall pay, with respect to his income, a contribution equal to the percent prescribed in subsection (a) of this section of so much of the compensation of such employee representative as is not in excess of $300 for any calendar month, paid to him for services performed as an employee representative after June 30, 1939. The compensation of an employee representative and the contribution with respect thereto shall be determined in the same manner and with the same effect as if the employee organization by which such employee representative is employed were an employer as defined in this act."

SEC. 11. Subsection (c) of section 11 of said act is hereby amended by striking the clause at the beginning thereof, reading:

"Notwithstanding any other provision of law, all moneys at any time credited to the fund are hereby permanently appropriated to the Board to be continuously available to the Board without further appropriation for any expenses necessary or incidental to administering this act" and substituting therefor the following:

"There are hereby authorized to be appropriated from the fund such amounts as may be required to meet all expenses necessary or incidental to administering this act."

SEC. 12. Subsection (d) of section 11 of said act is hereby amended to read as follows:

"(d) So much of the balance in the fund as of June 30 of each year as is in excess of $6,000,000 shall as of such date be transferred from the fund and credited to the account."

SEC. 13. The provisions of this act (except sec. 11) shall take effect on July 1, 1940, except that a half month which is begun prior to such date in accordance with the act of which this act is amendatory, and regulations made thereunder, and which includes such date, shall continue, and benefits with respect thereto shall be computed and paid in the same manner and with the same effect as if this act had not been enacted, and the provisions of this act shall become operative with respect to any employee having any such half month only upon the termination of such half month. The provisions of section 11 of this act shall take effect on July 1, 1941.

The explanatory letter and schedule presented by Mr. GURNEY in connection with the bill are as follows:

ASSOCIATION OF AMERICAN RAILROADS,
BUREAU OF RAILWAY ECONOMICS,
Washington, D. C., May 6, 1940.

Hon. CHAN GURNEY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In compliance with your request for information with respect to amendments proposed by the Association of American Railroads to the present Railroad Unemployment Insurance Act, I attach two copies of a typewritten statement along the lines of your request. This statement shows, as to the principal features, a comparison of the provisions of the present act (R. U. I. A.), the proposed railroad amendments (railroad bill), the amendments proposed by railway labor (S. 3906) introduced by Senator WAGNER on May 2, and the present Unemployment Compensation Act of the State of South Dakota.

You will recall that the present Railroad Unemployment Insurance Act was enacted by Congress in 1938, and became effective on July 1, 1939, so that it has been in operation now for approximately 10 months. During these 10 months railway employment has been generally on the upward trend, each month of that period showing greater employment than in the same month of the next preceding year. I attach two copies of a statement, which shows the percentage of increase in employment on railways of class I, during each of those months up to March 1940, the latest month for which we now have available statistics. Because of the favorable employment conditions during this period the amount of unemployment benefits paid out has been below normal.

These favorable conditions, and the considerable sum that is expected to be turned over to the railroad unemployment reserve fund from the several State unemployment funds, as provided under the present act, are the factors that lead railway labor to request Congress to amend the act by making radical increases in the present scale of benefits, which will produce 100-percent increase in the total benefit payments annually. These are written into S. 3906.

We feel that some increase in benefits is justified, especially in those features which will increase the amount of weekly benefit. The railroad bill is designed to meet this particular situation. Our best estimate is that the amendments in that bill will increase the benefit payments by about 25 percent annually, which is as large an increase as we believe it wise to propose at this time, before we have had sufficient experience with the workings of the present act over a cycle of both rising and falling employment trends.

So far as possible, the railroad bill follows the provisions contained in S. 3906, although it does not, of course, go so far as that bill in respect to certain provisions.

I have stated that S. 3906 will increase benefit scales about 100 percent, and the railroad bill about 25 percent. These percentages cannot be assigned to any one change in the benefit provisions under the act, because all the changes affect each other in a complex pattern, and must be considered jointly. The estimate of 100 percent for S. 3906 is that of Chairman Murray W. Latimer of the Railroad Retirement Board, who in a memorandum dated March 28, 1940, made an estimate of increase in costs for the amendments proposed by S. 3906, and stated that "the proposed effect of all these changes is to increase the cost by 100 percent, that is, to double the benefit outlay required by the present law." The estimate of 25 percent is arrived at by our experts, who have made a careful analysis of the proposed changes, and believe that their estimate is a reasonable one.

The railroad bill provides for a graduated scale of contribution, or tax, on the pay rolls. The tax, which is 3 percent under the present act, is wholly paid by the employers, and applies to all pay rolls up to $300 per month per man. The scale provided in the railroad bill would leave the tax at its present rate of 3 percent, so long as the cash and other assets in the unemployment insurance reserve fund are less than $100,000,000. If the fund is greater than $100,000,000 as of June 30 of any fiscal year, the tax for the succeeding fiscal year becomes 2 percent; if greater than $125,000,000, the tax for the succeeding year becomes 1 percent. It returns to 3 percent, however, whenever the reserve fund declines below $100,000,000 on any June 30. We believe that this reserve is amply sufficient to protect and assure the financial soundness of the system, that it will afford greater benefits to the employees than the present act, and at the same time will offer employers an incentive to stabilize their employment, and in that way obtain a reduction in tax rate. No such tax scale is set up in S. 3906.

In addition, S. 3906 contains a number of provisions which would enable the Railroad Retirement Board, the administrative agency under the act, to spend money for administrative purposes without any check or supervision by Congress or by any Government agency. We believe that sound and economical administration demands that such a check be set up. We do not, therefore, adopt the administrative provisions of S. 3906, but instead have provided in sections 11 and 12 of the railroad bill that the Railroad Retirement Board shall be required to obtain annual appropriations from Congress for its administrative expenses under the act, and that when the balance in the administrative fund exceeds $6,000,000, on June 30 of any year the excess shall be transferred to the unemployment insurance reserve fund.

I shall be glad to supply additional information on the railroad bill, the present act, or the bill introduced by Senator WAGNER, or to answer any questions that may arise regarding them.

Very truly yours,

J. H. PARMELEE, *Director.*

PERCENTAGE INCREASE IN NUMBER OF EMPLOYEES—RAILWAYS OF CLASS I—JULY 1939–MARCH 1940

Increase over same month of next preceding year

	Percent
July 1939	7.8
August	6.9
September	5.8
October	8.1
November	8.1
December	7.0
January 1940	6.1
February	5.5
March	4.2

Comparative provisions of Railroad Unemployment Insurance Act (R. U. I. A.), proposed railroad bill, S. 3906

Provision	Railroad Unemployment Insurance Act	Railroad bill	Wagner bill (S. 3906)
Registration period	Subsec. (h) of sec. 1: 15 consecutive days	Sec. 1: 14 consecutive days	Subsec. (h) of sec. 3: Same as railroad bill.
Self-employment	No provision	Sec. 2: Earnings from self-employment of $1 or less per day does not bar a person from unemployment benefits.	Subsec. (k) of sec. 5: Same as railroad bill.
Base year	Subsec. (L) sec. 1: For benefit year beginning on or after July 1, last completed calendar year. For benefit year beginning before July 1, next to last completed calendar year.	Sec. 3: Calendar year immediately preceding benefit year.	Subsec. (n) sec. 8: Same as railroad bill.
Benefit year	Subsec. (n) sec. 1: 12 months beginning with first day of first 15-day period for which benefits are payable.	Sec. 4: Uniform benefit year July 1 to June 30	Subsec. (m) sec. 7: Same as railroad bill.
Benefit scale	Subsec. (a) sec. 2: Total compensation in base year and daily benefit amount: $150–$199 $1.75 $200–$474 2.00 $475–$749 2.25 $750–$1,024 2.50 $1,025–$1,299 2.75 $1,300 and over 3.00	Sec. 5: Total compensation in base year and daily benefit amount: $150–$399 $1.50 $400–$699 2.00 $700–$999 2.50 $1,000–$1,299 3.00 $1,300–$1,599 3.50 $1,600 and over 4.00	Subsec. (a) sec. 9: Same as railroad bill, except that daily benefit for base year wages $150–$390 is $1.75 instead of $1.50.
Weekly benefits for total unemployment at wages in base year of:			
$150	$6.53	$7.50	$8.75.
$400	$7.46	$10.00	$10.00.
$700	$8.40	$12.50	$12.50.
$1,000	$9.33	$15.00	$15.00.
$1,300	$11.20	$17.50	$17.50.
$1,600	$11.20	$20.00	$20.00.
Aggregate benefits in benefit year for total unemployment	Minimum, $149 Maximum, $240	Minimum, $120 Maximum, $320	Minimum, $175. Maximum, $400.
Waiting period	Subsec. (b) of sec. 3: 15 consecutive days with not less than 8 days of unemployment.	Sec. 6: 14 consecutive days with not less than 7 days of unemployment.	Subsec. (a) sec. 9: 7 days of unemployment in first registration period.
Certain classes of employees paid on mileage basis.	Par. (vi) of subsec. (a) sec. 4: Not eligible for benefits if earnings during 15 days equal 8 times daily scheduled rates of pay.	Sec. 8: Not eligible for benefits if earnings during 28 days equal 32 times daily benefit rate.	Par. (vi) (vii) sec. 18: Not eligible for benefits if earnings during 14 days equal 20 times daily benefit rate, or during 28 days equal 40 times daily benefit rate.
Sundays and holidays	No provision	Sec. 9, par. (vii): Sundays and holidays not considered as days of unemployment unless immediately preceded and followed by a day of unemployment.	Sec. 18, par. (viii): Same as railroad bill.
Contribution (or tax) rate	Sec. 8, subsec. (a): 3 percent on compensation not in excess of $300 per month, payable by employer.	Sec. 10: When insurance account assets as of June 30, of preceding fiscal year are: Less than $100,000,000 [1] 3 $100,000,000 but less than $125,000,000 [1] 2 $125,000,000 or more [1] 1	Same as present act.

[1] Percent rate for fiscal years after June 30, 1940.

NATIONAL DAIRY DAY

Mr. WILEY. Mr. President, I ask unanimous consent to introduce and have read a joint resolution which I am now presenting to provide for the observance of a national dairy day.

It is not my intention to comment on the resolution at this time, but I should like to point out that milk production is now at near record levels—all-time high.

As a consequence national dairy organizations are drafting plans for a national dairy month in June to promote greater consumption of dairy products. Many well-known national dairy organizations are participating in this worth-while movement.

It is apparent that the challenge of record dairy production can be met only by a curtailment in production or an increase in the extent of the present market or a more intensive use of the existing market.

I believe the answer to record dairy production will eventually be found in research which will develop new industrial uses for milk and its byproducts. Along with this research I believe it is vital that a conscientious effort be made to increase the per capita consumption of dairy products. If our per capita consumption, for example, paralleled that of Holland, our dairy problem would be solved, and we would, incidentally, be a healthier people.

There being no objection, the joint resolution (S. J. Res. 254) providing for the observance of National Dairy Day was read the first time by its title, the second time at length, and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, etc., That for the purpose of stimulating the per capita consumption of dairy products the President is hereby requested, by proclamation, to designate a day in the month of June 1940 as National Dairy Day which may be appropriately observed throughout the United States.

REFERENCE OF A BILL

On motion by Mr. BONE, the bill (S. 2687) to establish a circuit court of appeals for patents was taken from the calendar and referred to the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion by Mr. HARRISON, the Committee on Finance was discharged from the further consideration of the bill (S. 3366) for the relief of John C. Gardner, and it was referred to the Committee on Pensions.

IMPROVEMENT OF HIGHWAYS—AMENDMENTS

Mr. HAYDEN submitted an amendment in the nature of a substitute, and Mr. JOHNSON of Colorado submitted an amendment, intended to be proposed by them, respectively, to the bill (S. 3105) to assist the States in the improvement of highways, which were each referred to the Committee on Post Offices and Post Roads and ordered to be printed.

ADDRESS BY THE PRESIDENT TO DELEGATES ATTENDING THE NATIONAL INSTITUTE OF GOVERNMENT

[Mr. BROWN asked and obtained leave to have printed in the RECORD an address delivered by the President to the delegates attending the National Institute of Government, conducted by the women's division of the Democratic National Committee, May 3, 1940, which appears in the appendix.]

STATEMENT BY THE PRESIDENT ON CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a statement by the President of the United States with reference to the Civil Aeronautics Authority and the Air Safety Board, which appears in the Appendix.]

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a letter from the Director of the Bureau of the Budget to Robert H. Hinckley, Chairman of the Civil Aeronautics Authority, and a letter from the Attorney General to the Director of the Bureau of the Budget, both with reference to the Civil Aeronautics Authority and the Air Safety Board, which appear in the Appendix.]

SPEECH BY MR. HOMER MAT ADAMS INTRODUCING THE PRESIDENT AT JEFFERSON DAY DINNER ON APRIL 20, 1940

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a speech introducing the President, delivered by

Homer Mat Adams, president of the Young Democratic Clubs of America, at the Jefferson Day dinner, Washington, D. C., April 20, 1940, which appears in the Appendix.]

ADDRESS BY HON. CHARLES EVANS HUGHES BEFORE ELMIRA CHAMBER OF COMMERCE, MAY 3, 1907

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Charles Evans Hughes before the Elmira Chamber of Commerce on May 3, 1907, which appears in the Appendix.]

GOVERNMENT AND BUSINESS CAN COOPERATE

[Mr. MEAD asked and obtained leave to have printed in the RECORD addresses on the subject "Government and Business Can Cooperate," delivered by himself, by Hon. Robert H. Jackson, Attorney General of the United States, and by Mr. Henry I. Harriman, former president of the Chamber of Commerce of the United States, on the occasion of the Democratic forum held at the Riverside Stadium, Washington, D. C., on the evening of the 3d instant, which appear in the Appendix.]

BANKING SYSTEM FOR SMALL BUSINESS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address by Mr. Peter R. Nehemkis, Jr., special counsel, Investment Banking Section, Securities and Exchange Commission, delivered on the 2d instant before the Kiwanis Club of Newark, N. J., entitled "Wanted: A New Banking System for Small Business," which appears in the Appendix.]

AMERICA'S DUTY TO THE FUTURE—ADDRESS BY J. EDGAR HOOVER

[Mr. ASHURST asked and obtained leave to have printed in the RECORD an address on America's Duty to the Future, delivered by J. Edgar Hoover before the New York Federation of Women's Clubs, Hotel Astor, New York City, May 3, 1940, which appears in the Appendix.]

ADDRESS BY JUDGE SAUL A. YAGER ON MR. JUSTICE BLACK

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address by Judge Saul A. Yager on Mr. Justice Black, which appears in the Appendix.]

ADDRESS BY PRESIDENT OF NORWICH UNIVERSITY AT UNVEILING OF PAINTING OF ADMIRAL DEWEY

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address delivered by Dr. John Martin Thomas, president of Norwich University, on the occasion of the unveiling of a painting of Admiral George Dewey, at Montpelier, Vt., on May 1, 1940, which appears in the Appendix.]

HON. JAMES A. FARLEY AND THE PRESIDENCY

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD an article by Harold Brayman entitled "Colorful Jim Farley Looms Large in Demo Presidential Picture," published in the Chattanooga (Tenn.) News-Free Press, of April 20, 1940, which appears in the Appendix.]

ARTICLE BY CARNEGIE PEACE LIBRARY ON THE COST OF WAR

[Mr. BONE asked and obtained leave to have printed in the RECORD an article by the Carnegie Peace Library entitled "The Cost of War in General," which appears in the Appendix.]

ARTICLE BY ERNEST LINDLEY ON WALTER-LOGAN BILL

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by Ernest Lindley on the Walter-Logan bill, published in the Washington Post of May 3, 1940, which appears in the Appendix.]

NAVY AND MARINE MEMORIAL

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial dealing with the completion of the Navy and Marine Memorial on Columbia Island, Washington, D. C., published in the Sunday Star of May 5, 1940, which appears in the Appendix.]

ARTICLE FROM CHRISTIAN SCIENCE MONITOR ON SILVER-PURCHASE PROGRAM

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article written by H. B. Elliston and published in the Christian Science Monitor of May 3, 1940, relating to the silver-purchase program, which appears in the Appendix.]

AMERICA AND THE EUROPEAN WAR

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD two editorials; one from the Wanderer of the issue of May 2 and the other from the Lutheran Companion of the issue of April 25, in regard to the European war, which appear in the Appendix.]

FEDERAL BUREAU OF INVESTIGATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of May 6, 1940, under the heading "F. B. I. Exonerated," which appears in the Appendix.]

SALE OF PLANES TO ALLIES

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article from the Washington Times-Herald relating to the sale of planes to the Allies, which appears in the Appendix.]

NATIONAL DEFENSE

Mr. VANDENBERG. Mr. President, there is a great deal of perplexity in the minds of many of us regarding the form in which an adequate national defense should be developed. There is a distinct difference of opinion respecting the relative value of surface craft in the Navy and aircraft. Then there is an equally distinct difference of opinion regarding categories of naval craft, with particular reference to the utility of the superdreadnaughts, which we have now started to construct.

The Secretary of the Navy, in a press conference last week end, had some very important things to say upon this subject. I am asking that the report of his press conference and the statement he had to make upon the subject be inserted in the RECORD.

The VICE PRESIDENT. Is there objection?

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

EDISON SAYS NAVY FACES AIR MENACE—PLANES' ADVANTAGE IS CALLED TEMPORARY, BUT HE SUGGESTS NEW BATTLESHIP DESIGN

(By Frank L. Kluckhohn)

WASHINGTON, May 1.—Secretary Edison declared today that airplanes have a "temporary" advantage over battleships under modern conditions of warfare. He proposed the rebuilding of the "top sides" of existing battleships and "a real basic change" in the design of new ones.

The airplane, he added, has made inadvisable certain types of naval activity, particularly some types of action close to shore.

The remarks of the Secretary of the Navy, made in his first press conference since he observed the Navy's Pacific maneuvers, were considered perhaps the most authoritative comment to date by a responsible naval official of any country on the vital controversy as to whether the airplane or the battleship is superior. The issue has been sharpened since the struggle for Norway began. He has at his disposal this Government's information from all quarters.

Mr. Edison made clear that he did not think airplanes could actually sink American battleships, but asserted frankly that at present they might damage a ship's controls. His discussion on the airplane against the battleship took place in connection with his expressed belief that sea power is as important to a nation as ever.

NEW DESIGNS CITED AS THE NEED

The attitude taken was that American ships should be improved to meet the new air weapon as they have been redesigned to meet other new weapons in the past. He cautioned that the scope of air operations is limited.

"I think that aircraft have a temporary advantage over ships," Mr. Edison declared. "This can be overcome by improved armor and armaments on the top side of the vessels.

"One thing that stands out very forcibly with me is that our ships have been designed to meet weapons in existence many years. These weapons are gunfire, shell fire, and submarines. Not enough attention has been paid to the top sides of our ships to permit them to meet this air weapon.

"I think we now ought to alter the top side of our ships to eliminate as far as possible every projection likely to splinter and itself become a projectile."

The Secretary added that he did not think that extensive changes could be made on warships already commissioned, expressing the opinion that new battleships should be constructed differently "from the bottom up" as a result of air developments.

DOUBTS SHIPS CAN BE PATCHED UP

"I do not believe we can patch ships up, because it is a matter of changing basic designs which will take some time," he said. "We don't want to go into it half-baked. To redesign ships all the way through would be the real solution. Rebuilding isn't the real answer.

"I do not believe many ships can be sunk by air, but the top side and the controls can be disorganized."

A reporter remarked that discussion of air against sea power seemed to be concentrated on whether a plane could sink a battleship and asked whether airplanes did not limit naval operations because of the danger.

"Yes; in a minor way," Mr. Edison replied. "There are some minor operations where the risk has been increased to such an extent it would be inadvisable to attempt them."

In the classification of naval activities barred by air power he mentioned "certain close-in operations of a mass formation subject to continued air raids." He remarked that ships "might want to be farther away or use a distributed formation."

Capt. Morton Deyo, aide to the Secretary, explained:

"A naval expedition operating close to very large air concentrations is subject to very great damage. But airplanes can operate only close to bases and at very short range now. A small naval unit would be very silly to operate close to a large air concentration. Planes based on ships are at a great disadvantage against short-based planes because they are operating from a vulnerable base."

FOR SOME CHANGES AT PRESENT

Secretary Edison said that changes in existing ships should include "putting aintiaircraft guns in turrets and placing control apparatus where it will be protected." He would not ask for appropriations for changes of structure at this session of Congress, he remarked, because he had to confer with Navy Department officials as to modifications of design.

"I may be talked out of it," he added, smiling.

The Secretary revealed that steps are contemplated to increase the armor on the bottom of warships to protect them against mines.

"The side armor of battleships is strong enough to withstand projectiles," he remarked. "The bottoms of our ships are pretty thin and that's true of all navies."

Discussing changes in the superstructure and general construction of ships to protect them against air attack, Mr. Edison remarked that such changes also were required in the light of experience with heavy modern gun projectiles. He said that in the battle of three British ships with the *Graf Spee*, "the *Exeter* was pretty well battered up and the ship had to be worked by hand." Nevertheless, he noted, the ship finally reached England.

While warships were protected by three types of control, full automatic, local control, and the manual method, he thought that with 16-inch shells now in use automatic controls should be better protected.

"On lighter ships in the past few years, aircraft guns have been placed in turrets and something has been done about general protection," he said. "Even so, I do not think enough has been done."

SEES WEAK POINT AT PEARL HARBOR

As a result of his observations while with the fleet, the Secretary suggested that oil tanks at Pearl Harbor, Hawaiian base, "stand out as targets and a few bombs on those tanks might cripple our storage enormously. He advocated placing the tanks below ground in bomb-proof tanks.

The belief was expressed by the Secretary that the Navy needed more auxiliary ships, that more money should be appropriated for ammunition to be used in target practice and that ships should carry more oil in their tanks.

"I think we have a splendid Navy," he emphasized at the close of his conference. "I am very much pleased with the fleet and the way it is handled. The enlisted men are fine; we have a splendid type of young men coming into the Navy now. We always have had fine officers."

He said that naval construction has now reached a peak and that ships could not be constructed faster except by expanding shipyards at great cost. Nevertheless, he believed that "a 25-percent increase in authorization would be better than 11 percent." He explained that with the larger appropriation the Navy would be able to plan construction better.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. PITTMAN. Mr. President, I have offered to the pending bill of the Senator from Delaware [Mr. TOWNSEND] an amendment which in effect provides that there shall be no further purchases of silver which is the product of foreign countries except and unless the purchase price, under arrangements and agreements with the Treasury Department, shall be applied to payment for exports of agricultural products of the United States.

It has been testified by Mr. Eccles, Chairman of the Federal Reserve Board, and by Mr. Morgenthau, Secretary of the Treasury, that the silver purchased under the Silver Purchase Act has, as to the purchase price, all been applied to payment for exports from the United States. It is contended, of course, by Mr. Eccles, as quoted by the Senator from Delaware, that silver is a worthless commodity, that we have no use for it, and therefore, although it furnished a market for over a billion dollars' worth of our products, that nevertheless we received nothing of value for them.

Let us see the situation in this country with regard to cotton and wheat at the present time. I do not have to remind the Senate of the dire condition of cotton and wheat, particularly cotton. We have on hand an enormous surplus supply of cotton. We are not finding a market for it. Apparently, we shall not be able to export it unless we pay an export bonus in some form or other, so that the export may compensate the cotton producer.

Agricultural products for many years have been below parity with reference to other products of industry. For 7 years the administration has been making every effort it possibly could make, at enormous expense, to bring about a parity of agricultural products. So far as I know, that has not been accomplished. The producers of agricultural products have been compensated for the loss, however, in various ways. This is costing our Government, I am informed, nearly a billion dollars a year raised by taxes on our people.

If it is possible to encourage a market for the export of cotton and wheat through any kind of legislation which does not constitute a tax upon the people of the United States, it should be done. Since the beginning of the present World War agricultural products have been in an even more desperate situation than for many years. It is perfectly obvious that Great Britain and France have to rely upon the United States to supply them with arms, ammunition, and implements of war. It is also known that under the Neutrality Act they cannot obtain credit in this country, and will not be able to obtain credit in this country during the present war while they are belligerents. Obviously, therefore, they must conserve their gold securities. It is estimated that they have probably seven or eight billion dollars' worth of gold securities available with which they can buy war materials in this country; but to conserve that gold supply they have to buy all other kinds of products in the countries where they can buy them with their exportable goods. Personally I do not blame them for adopting that course. They are at war. They have stopped buying our cotton, wheat, canned goods, fruits, tobacco, and other articles of export. They have to do without them unless they can trade their goods for them in some other country. As a matter of fact, we do not need their goods in this country at the present time, with probably ten or eleven million people idle. Our own industry requires stimulation. But, under this amendment, if silver can be bought in payment for agricultural exports, what happens? Great Britain and France want cotton. They want wheat. They can get the best cotton here. They can get a surplus supply of wheat here. They go into Mexico with their manufactured articles and sell their manufactured articles to Mexico for silver at 35 cents an ounce. Why? Because if 35 cents an ounce is the world's market price—which it is now, and has been for some time—we will take that silver from Great Britain or France at 35 cents an ounce if it is applied to payment for cotton, or wheat, or other agricultural exports. The result of it is that we have enabled Mexico to use her chief product to buy manufactured goods from Great Britain and France and we have enabled Great Britain and France to take the same silver and purchase cotton, and wheat, and other agricultural products in the United States at the fixed price of 35 cents an ounce. That is what will happen in this matter if my amendment is adopted.

Let me say that that follows as a logical proposition provided silver is not a worthless commodity, as has been charged by Mr. Eccles, and repeated on the floor of the Senate by the Senator from Delaware.

It must be remembered that half of the people of the world have never had any money to use except silver. China has had two or three billion ounces of silver hidden away in the floors and walls of her buildings for ages. Right now, the only thing with which China can buy anything in this country or anywhere else is silver. China can buy in Great Britain with silver today at 35 cents an ounce. She can buy in France. She can buy anywhere.

Then there is India, with its two-hundred-and-odd millions of people. They have been hoarding silver since the beginning of time as their measure of wealth; as their reservoir; as their bank account. Whenever a famine comes, they cut off some of the silver which hangs as jewelry on the wives of India, and they go into the marts and buy food with it. Every effort of the British Government to do away with the use of silver in India has been an utter failure. They desired to do it, of course, for monetary reasons. If they could establish the paper pound sterling in India, they would have a stronger control over the finances of India.

They abolished the mint of India years ago; they have imposed high import duties on silver in order to prevent it being imported into India; they have done everything they could along that line; yet they cannot force the people of India to accept and retain the paper money of Great Britain.

Gold may all come to the United States some day. Gold might be demonitized by all the countries of the world except the United States. Not so with regard to silver. Silver is scattered among too many people in the world for that to happen. Over half of the people of the world have it.

One would think there was a river of silver flowing somewhere that was going to dump itself into the United States. Let us see about that. Last year the world production of gold was 40,240,000 ounces. The production of silver was 259,913,000 ounces. What is the ratio of production? The ratio of production is only 6.47 ounces of silver to 1 ounce of gold. Yet for 400 years, down to 1913, the average production of gold and silver in the world was 14½ ounces of silver to 1 ounce of gold.

If supply and demand have anything to do with the matter, gold should be getting cheaper and silver dearer. The production of silver has been steadily decreasing throughout the world, and the supply of gold has been steadily increasing.

But it is said that there is no country on a silver basis. I might counter by saying there is no country on a gold basis. It is said that, there being no country on a silver basis, silver is not money. Yet the only money with which the 415,000,000 people of China have to buy is silver, and they have bought our automobiles in this country with silver. They borrowed the money, and paid it back. The only thing with which the people of India have to buy is silver. When they desire to purchase something in Great Britain—and they are almost compelled to buy there, under the law—they take silver rupees and buy pound sterling, and with the pound sterling they buy in Great Britain. But the primary money of purchase was silver, and it is still the ultimate money of purchase.

I have in my possession a memorandum written by one of the greatest monetary experts in this country, whose name I am not at liberty to divulge at this time, because his opinion was given to me in confidence; but he gave it as his opinion that the effort of the United States Government to place the world on a gold standard is futile. He calls attention to the fact that Professor Kemmerer went to China to try to place China on a gold standard. They paid him $50,000 for his advice, and continued to use silver.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK of Idaho in the chair). Does the Senator from Nevada yield to the Senator from Oregon?

Mr. PITTMAN. I yield.

Mr. McNARY. What has been the average annual purchase of foreign silver in the United States for the last 5 years?

Mr. PITTMAN. The total purchase of silver was 1,865,200,000 ounces.

Mr. McNARY. That is close enough; about 300,000,000 ounces a year.

Mr. PITTMAN. About 300,000,000 ounces a year.

Mr. McNARY. I am interested in the Senator's proposal, inasmuch as it attempts to augment the purchase of our agricultural products. In the Senator's opinion, would the purchase of a limited amount of agricultural products bring about diminution of the importation of silver?

Mr. PITTMAN. I do not think so. I think we will import, perhaps, in payment for agricultural products, a billion ounces of silver in the next year.

Mr. McNARY. In the various statements which have been made on the floor of the Senate and before the committees of the Senate and the House, I do not recall that there has been any indication of a great amount of exports to Mexico. I do not know why Mexico should buy American products because they can dispose of their silver here. What is the Senator's view as to that?

Mr. PITTMAN. I will try to explain it again.

Mr. McNARY. I may add, that we have covered that matter in the reciprocal-trade agreements, and Canada and Mexico and India produce most of the silver which comes into this country. I wish the Senator would direct himself to that point. As I recall, we sell scarcely anything to India, very little to Mexico, some quantity to Canada, which is sold now largely because of necessity under the trade agreements and because they require some of our products, but such sales would not be increased by any means through the purchase of silver.

I have no quarrel with the Senator's proposal. I may say to the Senator frankly that I am against all the schemes to bring foreign silver to this country, but I desire to ascertain whether there is any merit to the proposal, whether it would indeed result in an increase in the purchase of our agricultural products.

Mr. PITTMAN. I will endeavor to explain the matter. Perhaps I was not sufficiently definite in my previous statement.

Mexico does not desire to purchase agricultural products from the United States, it is true; Canada does not desire to purchase many agricultural products from the United States; that is correct; but Great Britain and France do desire to purchase agricultural products here.

Mr. McNARY. That explanation does not explain, to me.

Mr. PITTMAN. Possibly if the Senator will wait awhile——

Mr. McNARY. I hope the Senator will explain it. I am willing to wait.

Mr. PITTMAN. I have agreed with the Senator as to Mexico and Canada, but I have asserted that Great Britain and France desire to purchase agricultural products in this country. There is no doubt of that. They cannot purchase agricultural products here because all they can use in their purchase is gold. They have not the exports with which to purchase them, and we do not care about their exports now. They have nothing but gold with which to purchase in this country, and they need all their gold with which to purchase arms, ammunition, and implements of war. Still, they would like to purchase agricultural products; but how can they purchase?

If our Treasury will accept silver from Mexico at 35 cents an ounce, assuming that is the world price, in payment for exports of cotton and wheat, then Great Britain and France would be glad to sell their manufactured products to Mexico for silver at 35 cents an ounce, because it has an absolute market in the United States at 35 cents an ounce and with it they could buy wheat, cotton, and other products. The same thing is true with regard to Canada. Canada produces about 20,000,000 ounces of silver a year. Great Britain would like to sell some of her manufactured products to Canada, and does so. She would sell them for silver at 35 cents an ounce, and Great Britain would buy, provided that 35-cents-an-ounce silver would purchase cotton and wheat in this country, at a value of 35 cents an ounce.

Mr. McNARY. Mr. President, let me remind the able Senator that Great Britain has placed restrictions on the importation of both cotton and wheat and is getting all such commodities she desires from markets outside the United States. It is not a question of not having the gold with which to pay. Great Britain has colonies, and there are other countries with which she must deal, which are supplying her all

the cotton and all the wheat she needs, and today she has raised a barrier against further shipments of subsidized grain and wheat into her markets.

Mr. PITTMAN. She has raised a barrier for the very reason I have stated, namely, she would have to buy here with gold, and she needs to keep that. But I think the Senator is mistaken in saying that England and France do not desire any American cotton. They cannot buy American cotton because they have nothing but gold with which to buy it; but they can buy the cotton if they can buy silver with manufactured goods in Mexico, and turn that silver over at the same price for cotton in the United States.

Mr. VANDENBERG. They can do that right now, but they do not.

Mr. PITTMAN. No; they cannot do that right now.

Mr. VANDENBERG. Why not?

Mr. PITTMAN. Because there is no determination as to what the money shall be used for.

Mr. VANDENBERG. But they are free to use it for the precise purpose the Senator indicates, and they do not so use it.

Mr. PITTMAN. Yes; but they have no knowledge as to whether tomorrow or next week the Government of the United States may not cease to accept foreign silver. They cannot contract with manufactured goods and buy silver with them in Mexico, Peru, and Canada unless there is a law under which they know that this Government will accept the silver at the world price for agricultural products.

Mr. VANDENBERG. But the system has operated for 5 years, and they have never reverted to the triangular formula the Senator indicates. Is not that the fact?

Mr. PITTMAN. Yes; because we accepted the silver exchange, the dollar exchange, for automobiles and sewing machines. Automobiles and sewing machines were the things they took out of this country. The dollar exchange furnished them went into the export of manufactured articles. It went into exports looking to the war. Long before the war was declared they were buying trucks and automobiles, and other machinery of that kind, looking to the war. They were buying road machines. The millions of dollars of exchange we gave them in this country went into those manufactured articles. There is no question about it.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. As I understand the Senator's scheme, he proposes to transfer from United States domestic production to foreign production all the industrial products which Mexico has been buying here. Is that correct?

Mr. PITTMAN. If I had my way in the matter, I would transfer it all to agriculture.

Mr. VANDENBERG. In other words, the Senator is willing definitely and deliberately to penalize American industry, under his plan?

Mr. PITTMAN. I do not propose to penalize American industry, which is a nice expression the Senator uses, but, instead of paying out a billion dollars a year to our agriculturalists, I am proposing that we furnish them a market, as far as possible.

The automobile industry of the Senator's State is not suffering. It never has suffered. Everyone knows that agriculture has been at the lowest possible point, by comparison with manufacturing, and, knowing these circumstances as we do, knowing that they are becoming worse by virtue of the war, it does not do now to stand here and complain against aiding agriculture because possibly it will mean the sale of a few less automobiles.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield further to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. That may be the Senator's view of what cannot properly be said on the floor of the Senate at the present time, but I would assert that either it is right or it is wrong to buy foreign silver; and, if it is right, then the flow should be free in respect to the products of the United States which are sold as a result. The buying of foreign silver is either right or it is wrong. The Senator from Nevada is trying to find a middle ground between right and wrong.

Mr. PITTMAN. Does the Senator from Michigan believe in paying subsidies to agriculture?

Mr. VANDENBERG. That all depends. I do not believe in doing it in the round-about method of subsidizing silver, as it is done at present.

Mr. PITTMAN. Does the Senator believe in the subsidizing of agriculture that is taking place at the present time?

Mr. VANDENBERG. I do not know what it is.

Mr. PITTMAN. The Senator has been here in the Senate and should know about it. Does the Senator approve of those things?

Mr. VANDENBERG. Will the Senator be specific in his question, and I will tell him what I believe.

Mr. PITTMAN. Does the Senator believe in the paying of parity payments?

Mr. VANDENBERG. I do not at the present time.

Mr. PITTMAN. The Senator does not at the present time?

Mr. VANDENBERG. No; because we have not any money with which to make the payments.

Mr. PITTMAN. Does the Senator believe in making loans to agriculture?

Mr. VANDENBERG. Yes.

Mr. PITTMAN. The Senator believes in that part of it, does he not?

Mr. VANDENBERG. Yes.

Mr. PITTMAN. Does not that constitute a bonus?

Mr. VANDENBERG. Certainly it does.

Mr. PITTMAN. Then the Senator is in favor of a bonus to agriculture?

Mr. VANDENBERG. I am in favor of a legitimate bonus to agriculture, within proper regulations. That has nothing to do with the use of a collateral silver bonus, or a gold bonus either, for that matter.

Mr. PITTMAN. The Senator is speaking of a silver bonus. The Silver Purchase Act does not allow the Government to buy at anything except the world price. If silver is bought at the world price, does that constitute a bonus to the silver miners of the West? Not at all. The silver miners of the West have but little interest in this bill. I do not think they have any interest in it directly. There is a separate law which deals with them. I am now arguing this proposition based on my amendment. I think it would be an outrage to continue the purchase of American silver, as we have done, and let the benefits of that purchase go to those industries which do not need it, and keep the benefits away from agriculture, which does need it. So, unless my amendment is agreed to, I shall probably consider voting for the bill introduced by the Senator from Delaware. I have not made up my mind yet whether I shall or not, but I think there is such a splendid opportunity to furnish a market for agriculture and agricultural products, that I think we ought to do it.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Nevada yield to the Senator from Delaware?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. I am glad to hear the Senator say that he may vote for the bill, but I understood the Senator to say that we could not buy silver except at the world price.

Mr. PITTMAN. Yes.

Mr. TOWNSEND. Under the authority granted the Secretary of the Treasury, the Secretary can fix his buying price at any point he desires. That has been clear throughout the administration of the Silver Purchase Act of 1934; it is clear from the fact that after the passage of the bill by the Senate last June he reduced the Treasury's buying price immediately from 43 cents to 35 cents an ounce. He has full authority to reduce the price again at this present minute

if he so desires, or he has full authority to increase the price. Is that not correct?

Mr. PITTMAN. Not under the intent of the act. We know that. Whether administratively he can do that, I do not know.

Mr. TOWNSEND. He has been doing it all along. Each day the Treasury sends out word as to what price it will pay for foreign silver.

Mr. PITTMAN. But not under the act. He is supposed to buy it at the world price until it goes to $1.29, or until one-quarter of the metallic reserves of the United States is in silver.

Let me call the attention of the Senate to the fact that fear is being stimulated that if we stop buying silver the price will go to nothing. I do not think that will happen.

Mr. TOWNSEND. I do not, either.

Mr. PITTMAN. The average price of silver since 1913 has been 53 cents an ounce. Let me call the attention of the Senate to another thing: Silver has always been a war metal. In the last war small silver coins were used to pay soldiers. During the World War silver rose to nearly a dollar an ounce, and stayed there. There was no buying of silver by the United States Government. There was no buying of silver by any government. Silver moved to the country where it was needed, and it was needed to pay the soldiers. After the World War was over, in January 1920, without any government buying silver, with our Government doing its best to hold the price down, silver went to $1.38 an ounce. What did our Government do then? It made available 50,000,000 silver dollars out of the Treasury of the United States to break that market, and did break it below 60 cents an ounce, but after it broke it to below 60 cents an ounce, it remained between 50 cents and 60 cents an ounce until 1932, when in the great financial crash, with everything else, it went down, and went to 34.58 cents an ounce.

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. As evidence that our Government, the world's largest buyer of silver, fixes the price for silver, and that the price was sufficiently high to attract silver even when the Secretary of the Treasury reduced the price from 43 cents to 35 cents an ounce, we are still getting all the surplus silver.

Mr. PITTMAN. I do not think we are getting all the silver.

Mr. TOWNSEND. Practically all.

Mr. PITTMAN. There is no doubt that India is full of silver in the form of jewelry. There is no doubt that silver is hidden in China. But we have only purchased 9,000,000 ounces a month during the last year. Does the Senator realize that?

Mr. TOWNSEND. I think, so far as India is concerned, that England has put an embargo on silver movements in India.

Mr. PITTMAN. Oh, yes; it is free to prevent it from going out; but, notwithstanding that, silver can come out of India. It can pay an export duty.

Mr. TOWNSEND. And when it comes out we get it.

Mr. PITTMAN. There are five or six billion ounces of silver there. There are two or three billion ounces of silver in China; yet on the Secretary's bid of 35 cents an ounce he has only been able to get about 9,000,000 ounces of silver a month. It is even less than that much a month, because it is less than 100,000,000 ounces a year. If we bought 100,000,000 ounces of foreign silver a year for 10 years it would not affect the United States a particle.

Mr. VANDENBERG. Mr. President, will the Senator yield for one further question?

Mr. PITTMAN. Certainly.

Mr. VANDENBERG. I think the Senator may have already adverted to it. I am proceeding on the theory that the continued purchase of foreign silver is not in any aspect necessary for the welfare of domestic-silver producers. Am I correct?

Mr. PITTMAN. I think so. That is my opinion on the subject. We have a coinage law for silver which the Senator from Michigan helped me pass, and for which I am very grateful, and that takes it out of the discretion of anybody—the Secretary of the Treasury or anyone else. I do not conceive that that law would be affected by the passage of the pending measure. There are others who think it might be affected, but that is merely a matter of opinion. I am not arguing the question from that standpoint.

It is said that silver is a worthless metal. I wish to read a few lines from a very interesting letter I have before me. I shall first read a paragraph of this letter written by Dr. Alexander Goetz, associate professor of physics, California Institute of Technology, Pasadena, Calif. I may say that the professor, under a foundation, has been studying the uses of silver for 2 years. Let me read one paragraph from this letter, which is quite interesting. The professor says:

> Relative to the physical and chemical qualities of silver, the metal is unique as far as a number of properties are concerned; for instance, it is the best conductor for heat as well as for electricity, it has the highest brilliancy when polished, it is the only metal which can be made so extremely sensitive toward the influence of light that it renders the art of photography possible. In fact, up to now, one has not found any substance which could ever serve for silver, even as a poor substitute; and the statement appears thus to be justified that if only the photochemical qualities of silver are considered, any modern civilization without silver would find itself most severely handicapped.

I do not want to read all the letter. I wish to put it in the RECORD. I may call the attention of the Senate to this letter. This scientist states that silver is the greatest germicide known. For instance, heretofore it has been used only in connection with argyrol and some such medical combinations. But now after years of experiment the professor has found that a minute quantity of silver mixed with manganese oxide to furnish the oxygen can be put into a jar that is alive with bacteria and in 15 minutes the jar is free of all bacteria. He has made a thousand tests of that kind. He has taken an ordinary drinking glass and placed it in saliva containing millions of harmful bacteria, and then he has swabbed it around the edges with this fine silver solution, and not a germ was alive in 15 minutes.

I shall not attempt to go into the details of this letter, but I want the Senate to read it. I think every Senator who reads it will thereafter disagree with the distinguished chairman of the Federal Reserve Board and even the Senator from Delaware [Mr. TOWNSEND] when they assert that silver is a mere "bag of shells."

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. I have not been arguing against the industrial use of silver. The Senator cannot find that I have tried to adduce any argument against the industrial use of silver. In fact, S. 785, in its original form, sought to appropriate money to increase the industrial use of silver. I have been arguing against the purchase of foreign silver and its addition to our monetary stock, when we have absolutely no monetary need for it. To illustrate how England feels, England has licensed silver imports and under the regulations even Canada may not send her silver to England.

Mr. PITTMAN. England will be very glad to get it in about 3 or 4 months.

Mr. TOWNSEND. I am talking about the present situation. We are taking silver from many foreign countries. The economists, the experts, the advisory council of the Federal Reserve Board, and the Chairman of the Board of Governors of the Federal Reserve Board, all say that we have no monetary use whatever for it.

Mr. PITTMAN. I know that; but what Mr. Eccles has to say about it does not bind the mind of the Senator from Delaware or the mind of the Senator from Nevada. I think this Government could get along and exist without Mr. Eccles; nor do I think that all the functions of the Senate and House should be set aside by reason of the opinion of Mr. Eccles. Mr. Eccles says that silver is a useless commodity, like shells. I cannot understand how on earth a reputable, intelligent man can make such a statement in the face of the facts which I have shown.

With respect to the uses of silver, let me refer to the report of Handy and Harman, silver brokers. They have been frequently quoted by the Senator from Delaware. The report shows that the consumption of silver by the arts and industries in the United States and Canada for the year 1939 was estimated by Messrs. Handy and Harman, silver brokers, to be 34,000,000 ounces, an increase of 25 percent over the preceding year. The three most important classifications, from the consumption standpoint, increased their consumption from 1938 to 1939 as follows: Sterling silverware, 20 percent; silver-plated ware, 30 percent; and motion pictures, 10 percent. As a matter of fact, the rapid increase in consumption of silver in the arts and sciences and commerce threatens to consume all the production. That is the truth about the matter.

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. The Senator will not argue that if the pending bill should pass, individuals or firms that wanted to buy silver could not still continue to buy foreign silver. They could still continue to buy it, and more cheaply than ever, thus stimulating the industrial demand for silver. The bill would not affect their purchases at all, and they could fix the price.

Mr. PITTMAN. I am not dealing with that question. As was stated by the junior Senator from California [Mr. DOWNEY], if silver has a value of 35 cents an ounce, either commercially or in any other way, irrespective of its monetary use, that is the commercial price of silver for use in commerce. If silver is not like a bunch of shells, if it is a precious metal, then if we should accept it in payment for our agricultural products we should be accepting something of value for a surplus commodity which we cannot dispose of today. It seems to me that would be a very wise thing to do.

Mr. President, in closing I wish to put in the RECORD a few memoranda which I have prepared. I do not want to take the time of the Senate to read them, because those who are interested will read them in the RECORD, and those who are not interested would not listen to them if they were present. The memoranda give in brief statements the whole history of silver from the beginning of time, showing the production of silver everywhere, and its movement; also the Bland Act, the Allison Act, and all legislation affecting silver since 1792. I think the information will be of great value to the Senator from Delaware. I know he would like to have the facts which come from the statistical departments of the Government.

The other day the Senator challenged anyone to show that silver is used as a monetary medium anywhere except in the United States. I call his attention to the fact that all the great commercial countries have monetary silver, and that they use that monetary silver. The quantity of monetary silver in use in the various countries has been steadily increasing. They are adding to their monetary silver; and they have added to it to such an extent that they have increased the use of silver by more than $1,000,000,000.

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. What I was attempting to explain was that no country in the world employs silver as a standard of value and therefore no country will accept silver in settlement of its balance of international payments. It will accept gold, but will not accept silver.

Mr. PITTMAN. The Senator may be speaking of governments. However, one can go into China with a chunk of silver and buy food, housing, and clothing. One can go into India with a chunk of silver and buy food, housing, and clothing. In fact, one can go into any country I know of in the world with a chunk of silver and buy food, clothing, and shelter. One cannot do so with a piece of American paper money.

Mr. TOWNSEND. What I was arguing was that no country in the world will accept silver in settlement of adverse trade balances. The Senator's argument in support of his amendment is along the line that other countries will accept agricultural products. We do not expect to send any such products to Mexico or Canada, where we obtain most of our silver. If France or England were able to raise 35 cents an ounce to purchase Mexican silver for the purpose of sending that silver here to buy our farm products, they could just as well send the 35 cents directly to us now, or at any other time, and buy our products. The roundabout scheme offers no advantage to them, and certainly offers none to us.

Mr. PITTMAN. They have done so, but they will not do so with the Senator's bill pending.

Mr. TOWNSEND. Why not?

Mr. PITTMAN. Because if the bill should pass, the United States would not buy any more Mexican silver. We would not buy any silver from India. We would not buy any silver from London. However, if the bill does not pass, what will be the result? Other countries will sell their manufactured goods to Mexico.

Mr. TOWNSEND. But if England and France must first raise the 35 cents an ounce to buy silver from Mexico and then send the silver to us, they might just as well send us the 35 cents directly.

Mr. PITTMAN. I think the Senator is mistaken. If they have to buy the 35 cents with gold, that is one thing. If they can buy the 35 cents with trucks, that is another thing. Unless my amendment is adopted, Great Britain will not purchase agricultural products here, because she will have to purchase with gold. She has no balance of trade with which to purchase. If the Senator objects to Great Britain buying silver in Mexico at 35 cents an ounce with automobiles, with the arrangement and understanding that she can use that 35 cents to buy agricultural products, then we have a difference of opinion.

Mr. TOWNSEND. With England licensing silver imports and refusing to buy any silver from Canada, one of her own dominions, it seems to me we are going a long way when we purchase from Canada silver for which we have no use.

Mr. PITTMAN. That is the same old answer—"We have no use for it." If the silver bought 100,000,000 bushels of wheat or 100,000 bales of cotton, somebody would benefit—somebody who is not now benefiting and never could benefit under the present arrangement. If the silver went into buying in this country canned fruits, which Great Britain discontinued buying because she could not afford to use her gold for that purpose, somebody would be greatly helped.

We know that the proposal embodied in the amendment is a good one. We know that it would furnish an export market. However, the idea that silver is a worthless, useless commodity, an idea fathered by Mr. Eccles, has been broadcast over the country.

I have read a portion of a letter from Professor Goetz, of the California Institute of Technology, a distinguished scientist, in which he stated that silver has a quality which no other metal or no other thing in the world has—the quality of sensitivity to light, so that it can be used in photography. But for that quality there would be no photography. No substitute for silver has ever been found.

We have the report of Handy & Harman, silver purchasers, who state that 34,000,000 ounces of silver were used last year in the United States in the arts and sciences, and that there was an increase of 20 percent in 1939 over 1938.

We have the further fact that the production of silver in the world today has dropped from a ratio of 14½ ounces of silver to 1 ounce of gold to 6.47 ounces of silver to 1 ounce of gold. The demand for silver is increasing. Its production has been steadily decreasing.

I call attention to an article—which I think I shall later ask permission to have printed in the RECORD—written by a very distinguished monetary expert, who makes reference to what is happening to gold. Japan, China, and India will have to go back on the silver basis in self-defense.

All these things show the value of silver. It is said that we have no use for silver. Let us see whether or not we have any use for it. We have silver money in this country to the value of $2,266,763,000. It is nonretirable money. It has some in-

trinsic value, at least. That money is recognized all over the world to be of some value.

We have in this country approximately $7,000,000,000 in currency. The amount varies, but we have approximately $7,000,000,000 in currency. Three-fourths of that currency consists of Federal Reserve notes. What is behind the Federal Reserve note today? Is there anything behind it? I remember one time when it had to have 40 percent gold back of it. Has any Federal Reserve bank got any gold back of it today? What is back of it? Nothing. Who determines the issue of that money? The United States Government? No; certainly not. It is determined by the bankers. When the bankers want to issue more money they place securities with the Federal Reserve Board, and then the amount of currency desired is issued to them. So, when they desire to retire a part or all of that circulation, the Government cannot keep it in circulation; what they do with it is to take it back to the Federal Reserve Board, ask to have it canceled, and have their securities returned to them.

We have not any national money in the United States today except silver. We have over $2,000,000,000 of silver money. That is the only nonretireable money in the United States. Every dollar of the Federal Reserve notes issued could be canceled tomorrow.

The Government, under the Constitution, is supposed to coin and issue money. It has abandoned that constitutional prerogative. It says to the bankers of this country, "You"—not the United States Government—"will determine when we need more currency and when we need less currency." When the banks get panicky, at a time when currency should be issued, when there is no credit, the banks close down on both of them. That is due to a natural fear they have. I say, however, that no bank has a right to control the nonretireable money of the country.

Do not understand me as saying that I do not think the Federal Reserve Act was a good act, but it was an emergency act. It was never intended that the sole currency of this country should be Federal Reserve notes, and it was never considered that they should be. Every banker, including Mr. Morgenthau and Mr. Eccles, who has testified before the Special Committee on Silver Investigation, has said that this country should have at least $5,000,000,000 of nonretireable circulating currency. Where are we going to get it? We have $2,000,000,000 nonretireable silver currency; we have not any gold currency at all.

What we should do is to issue silver certificates or silver coin against the 1,200,000,000 ounces of seigniorage silver the Government now owns. Then we would have three and a half billion dollars of silver money in this country.

Then there should be coined into little coins, such as the $5 gold pieces, all the gold that comes into this country, and the Government should take them and pay relief charges, put such coin into the hands of individuals and induce them to hide it or hoard it. Mr. Aldrich said that gold so accumulated was the safest reserve in the world.

Do we forget that in 1872 when Bismarck was in France he demanded a payment of 5,000,000,000 gold francs before he would leave? Bismarck did not have the slightest idea that the people of France could raise 5,000,000,000 gold francs; there was no gold in the banks; it was an excuse for making France a German colony; but the people of France were a frugal people; gold coins had been accumulated and hid in the floors and in the walls of houses, and when the French Government called on the peasants of France to bring in all the gold they had and take notes of their Government, they brought in 5,000,000,000 gold francs. That seems to be a sound kind of monetary system.

In our country today, if we should call on the people to come in with gold they could not do so. If we should call on them to come in with silver, all they could come in with would be the few silver coins in circulation in this country.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. Referring to the Senator's statement regarding the constitutional control of coinage, and so forth, and the Senator's reference to the fact that the general ultimate control of our monetary system is now in private banks, may I ask the Senator, in his judgment, would it substantially correct that phase of the situation if all the stock of the Federal Reserve banks were owned by the Government of the United States?

Mr. PITTMAN. Yes, undoubtedly it would; but I am only dealing with facts as they exist today. If they were Government institutions they would be under the control of Congress. However, they are private banks and are not under the control of Congress.

Mr. VANDENBERG. Mr. President, I think the point rather important. At the present time the control by private banks is pretty largely theoretical, inasmuch as the Federal Reserve Board itself exercises such overwhelming ultimate control. For that reason, it seems to me that it is really a very questionable process to maintain private ownership of any stock in the Federal Reserve System because I think it leads to a very great misconception regarding what is happening to our money.

Mr. PITTMAN. Under the law, there is probably a great deal to what the Senator from Michigan says; under the administration of the law, however, there is very little to what he says. As a matter of fact, the advisory board of the banks, apparently, dictate the policy of the Federal Reserve System, and probably wisely so. I would not doubt that a group of big bankers know more about monetary subjects than does the Federal Reserve Board, and probably it is wise to take their advice, but it is unfortunate, nevertheless, to have to do so. They have control, of course, over the discount rate, and such control proved an utter failure during the boom days of 1929. They have control over open market transactions, which is a method by which they can inflate or deflate currency and credit. But, nevertheless, that does not reach the point. We have not a sound monetary system. Those who issue the Federal Reserve notes have no gold at all. Mr. Eccles testified before our committee that the Government owned the gold. I was attempting to ascertain what the peculiar relation was. The Federal Reserve banks issue money, Federal Reserve notes; the banks call for it; put up their securities; the printing press goes to work. They can inflate it or deflate it or they can contract it to nothing. It would be very unfortunate if all the retireable Federal Reserve notes were withdrawn from circulation. We would then have a little over $2,000,000,000 of silver coin circulating in the entire country.

We know that there is a scientific relationship between income bank deposits and loans. We know that if we had a $100,000,000,000 national income we would have a great bank debt, which probably would be greater than deposits by 2 to 1. I think that every monetary expert not only in the United States but elsewhere agrees that the nonretireable circulating national currency should be 10 percent of the national income. We will say that 10 percent of money is a safe currency reserve. It will take $10,000,000,000 currency reserve for $100,000,000,000 national income.

But, Mr. President, we have no gold in circulation; we have nothing in circulation that gold is behind. We have a paper currency called Federal Reserve notes that are withdrawable or issuable at the will of the banks. That is the exact situation we are in, and that is not a very sound situation.

Talk about silver not being received in exchange in foreign countries. The pound sterling is not received in exchange in the United States, and yet the pound sterling has more gold behind it than have Federal Reserve notes. The Federal Reserve note has only a possibility behind it, but the pound sterling actually has gold behind it to the extent probably in the case of the English national currency, not their fiduciary currency, of 10 percent.

It is now said that they will not accept silver exchange. No; they will not accept silver exchange, and we will not accept the pound sterling, either. They will have to put gold metal in our hands in this country. We do not care

whether it has a stamp on it or not; it will buy something anywhere in the world, exactly the same as silver will.

I think it is a peculiar thing that the same delusion which undoubtedly arose in the Bryan era with regard to silver should have been perpetuated down the line during all these years. We all remember those debates. We heard of "dishonest money," "hoards of silver pouring into this country," and many similar things. I have often thought, looking back on the history of the matter, that it would have been very much better for Mr. Bryan if he had dealt with our own monetary system, and had provided for the unlimited coinage of American gold and American silver. If that had been done, probably there would have been no particular fight against it. But the delusion created by the speakers of that day has gone down through history. We find all the civilized countries of the world using silver coin in increasing quantities; we find India and China with vast quantities of it, the only thing with which they can buy, and, although Great Britain for years and years has been trying to stamp out the use of silver in India, the effort has failed. They placed heavy import duties upon silver to keep the Indians from buying it, and the Indians smuggled it in. They put export duties upon silver to keep people from shipping silver out, but they shipped it out when they got ready. It is a natural thing. It cannot be overcome. When we see these two metals that have circulated side by side since the earliest dawn of history; when we look back in the Bible and see that Abraham bought a grave for his wife with a few pieces of silver, and we find the betrayal of Christ associated with silver, and as we read down through the ages, we find that silver has been the money of the masses. It has been the circulating money. Gold has been held by the rulers and the kings in their treasuries; and so it is today. Gold today is held by the rulers, or buried in the ground, while silver is freely circulating throughout this country. No one has ever questioned its value or its worth; and when the greenbacks were going to pieces after the Civil War it was the gold and the silver coming out of the Comstock mines of Nevada that saved their credit and restored them to par.

I wish to read a brief extract. I want to go back again to the World War.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield before he proceeds to that phase of the discussion?

Mr. PITTMAN. I yield.

Mr. THOMAS of Oklahoma. I understand that the Senator is not a member of the Committee on Banking and Currency. Is that correct?

Mr. PITTMAN. That is true.

Mr. THOMAS of Oklahoma. Has the Senator given attention to this bill with relation to its form as first introduced as to the effect it would have had if it had been enacted into law? The facts are that the bill as first introduced was stricken out and a new bill was prepared.

Mr. PITTMAN. That is true.

Mr. THOMAS of Oklahoma. Is the Senator aware that the bill as originally introduced provided not only for the repeal of the so-called Silver Purchase Act of 1934, but also repealed the bill passed by the Congress last year relating to and affecting the price of domestically mined silver?

Mr. PITTMAN. I was under that impression. That is the reason why I went before the committee. I do not know whether or not it would have had that legal effect, but I was under that impression; but when I was before the committee the amendment which has since been reported by the committee had been presented, and it seemed not to effect that result.

Mr. THOMAS of Oklahoma. The first few lines on the first page of the pending bill, if they had been enacted into law, would have stopped not only the purchase of foreign silver but the purchase of all silver, domestically mined and otherwise.

If the Senator will permit me, I should like to read into the RECORD the first four or five lines, commencing on page 1, line 3.

That the Silver Purchase Act of 1934 is hereby repealed.

That refers to the measure known as the Silver Purchase Act, under which we buy silver from any source.

Further:

And all power and authority of the President and the Secretary of the Treasury with respect to the acquisition of silver, the changing of the weight or content of the standard silver dollar or the monetary value of silver, or the issuance of silver certificates—

That relates to the amendment attached to the so-called Agricultural Adjustment Act passed in 1933.

The next lines are the particular lines which refer to domestically produced silver. I read:

under any act of Congress, shall cease and terminate on the date of enactment of this act.

So anything relating to silver under any act of Congress would have been repealed if the original bill had been enacted into law.

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. The Senator from Oklahoma has read the bill as it was introduced. When the bill passed last year, as Senators will remember, the price of domestic silver was fixed by law at 71 cents an ounce. The Committee on Banking and Currency held lengthy hearings on the pending bill, and after those hearings and after passage of the act of July 6, 1939, amended the bill—S. 785—in its present form; and it was reported out in its present form, after due consideration and hearings, by a vote of 14 to 4.

Mr. PITTMAN. Mr. President, there is one other subject to which I wish to refer, and then I shall conclude. As I have previously said, I am not going to read memoranda of statistics, but I ask unanimous consent to place in the RECORD as a part of my remarks, at the close of my remarks, certain statistics and documents.

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

(See exhibit 1.)

Mr. PITTMAN. I now desire to call the attention of the Senate to something that happened in 1918, during the World War. At that time we were in the World War. The Secretary of the Treasury for India came over here. He, with the British Ambassador, Lord Reading, met with the Secretary of the Treasury, and I was called into the meeting. He stated that they had had great difficulty in educating the Indians to accept paper money; that they had finally induced them to accept paper money on the promise and the practice that they could go into any bank with a paper rupee and get a silver rupee for it. That was going along nicely for 2 or 3 years, when the banks became careless, and commenced to reduce their reserves behind the paper notes. Then the Germans got in there with the propaganda which they used so extensively in the war, and convinced the people of India that there was not sufficient silver in the banks to redeem their paper rupees, and there was a run on the banks. Lord Reading stated to the Treasury Department that unless the British could get 200,000,000 ounces of silver at once, they would have to declare that paper currency irredeemable, and if they did there would be a revolution in India.

That meeting was held in March 1918, just at the time of the last big drive of the Germans in France. It was utterly impossible at that time for the British Government to draw any troops away from the French front, to take them to India to stop a revolution; and yet, strange as it may seem, there was not a supply of silver in all the world from which 200,000,000 ounces could be obtained except the silver dollars lying in the Treasury of the United States as security for the silver certificates which had been issued, and which silver certificates were redeemable on presentation. That money was in circulation. We had no right to touch it, but it was absolutely essential to get silver to redeem those India paper notes. So Congress passed an act authorizing the Treasury Department to break up 250,000,000 standard silver dollars which were lying in the Treasury as security for silver certificates and sell them to Great Britain at the rate of $1 an ounce, the price prevailing at that time. Actually, before that

bill passed, the Treasury Department issued and shipped 8,000,000 ounces of silver. Things of that kind may happen again.

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

Mr. PITTMAN. I yield.

Mr. McNARY. I desire to pursue for another question or two the subject about which I spoke earlier in the afternoon.

Mr. PITTMAN. Will the Senator let me read this statement first, so as not to break in on that subject?

Mr. McNARY. Certainly. I thought the Senator had finished discussing that subject.

Mr. PITTMAN. It is very brief. This is a portion of a speech delivered by Lord Reading in New York when he was retiring as British Ambassador to the United States. It was delivered at a banquet given him at that time by the English Speaking Union of New York. This is what he had to say about that transaction in a speech at a dinner of farewell tendered him by the English Speaking Union on February 12, 1921:

> My views on this subject are too well known to need repetition, and were I so minded I could relate tales during my experience in America on the four visits to it during the war which would take a long time in telling, but each incident of which would impress upon you most deeply the value and generosity of American friendship. There is just one incident to which I will briefly refer which has not been told you. During the war, as you know, every attempt was made to sow dissension in the Empire by insidious propaganda. Every attempt was made to create distrust of the British and of the British Empire. There arose in India a situation which is not known to the general public, but gives material for a story which illustrates American good will and friendship as well as anything I know during the war—except, perhaps, the greatest event of all, when President Wilson agreed that American troops should be brigaded with the British and the French if they were needed.
>
> It was a moment when, owing to the war and to this propaganda, there was a great scarcity of silver in India as well as elsewhere, and in India it was of more consequence than in most places. There was a moment at which we were very hard pressed to find the metallic reserve, particularly the silver which was necessary in India, it being incumbent that the paper note issue should be convertible immediately into the silver rupee. Owing to this great scarcity our difficulty was to find the silver. There was no means but one; that seemed impossible. In the vaults of the American Treasury there were vast stores of silver preserved there as the financial backing against the notes which were issued—silver which could not be disturbed, no matter how much it was wanted. It could not be taken out of the vaults of the United States except by act of Congress, to whatever party they belonged, joined in an endeavor to meet the situation by passing an act of Congress without discussion, because discussion would have been serious.
>
> Practically without any debate this measure was passed in almost record shortness of time. It became a law within a very few days of its seeing the light. The vast millions of ounces of silver from the vaults were released and were sent across by arrangement between America and ourselves to India, with which America had no concern but simply because it was necessary at that moment to help the British Empire. Nothing was said of this. Even the newspapers—remember the newspapers were conscious of it—knew as well as possible what was happening; but they did not mention it because they knew that if they did they would detract largely from the generous services that America was rendering and they passed it over in silence. Nothing has been heard of it or said of it since. I do not know myself that now, long after the war, America has ever claimed in any way our recognition of that service.
>
> I only instance for the purpose of bringing home to the mind of the British people not only what America can do if she once sets her mind to do a thing, but I want strongly to impress upon you the generosity with which America responded to the demands which were made upon her.

He was referring to the act approved April 12, 1918, which I introduced.

Now I will be glad to answer the Senator from Oregon.

Mr. McNARY. Mr. President, I wish to ascertain more particularly from the able Senator from Nevada whether he thinks that the restriction which this amendment would place upon the existing purchase act would in any way interfere with or diminish the flow of foreign silver into this country.

Mr. PITTMAN. I will try to answer, of course, though I think the Senator can answer as well as I can.

Mr. McNARY. I am opposed to the continuation of the purchase act. I would be disposed more kindly toward the amendment if I thought it would curtail the inflow of silver, but I cannot conceive that other nations, with the trade agreements existing, and considering their ability to purchase agricultural commodities at this time in practically the quantities they desire, would in fact be willing to exchange the agricultural products because of the amendment offered by the Senator from Nevada. That is a fair question. If it would not have any effect on the inflow, then we may dismiss it. If it would partially curtail the inflow, I would think more of it than I do now. I cannot conceive how it would have any particular effect on the importation of silver. I think it would largely and very drastically diminish the amount of silver coming to this country. If that be the case, I think more of the Senator's amendment than I would if it would permit the free flow of silver to this country.

Mr. PITTMAN. The unfortunate thing about the Senator is that he has largely made up his mind how he is going to vote, though his mind is partially open, as I can see from his question.

Mr. McNARY. Yes.

Mr. PITTMAN. If the amendment would not result in the purchase of any agricultural commodities, then it would accomplish what the bill would; that is, stop the purchase of foreign silver.

Mr. McNARY. Exactly.

Mr. PITTMAN. If it would result in the purchase of a large quantity of agricultural products, would it be unfortunate, in the Senator's opinion?

Mr. McNARY. No. I say that if the silver comes in, and it is limited to the purchase of agricultural commodities, that is one view; but I desire to understand from the Senator whether, if the amendment should be adopted, he thinks it would impinge upon or lessen the free flow of silver.

Silver is coming into the country now at the rate of about 300,000,000 ounces a year. Does the Senator think it would continue to flow in, and that that would bring about the purchase of a larger quantity of agricultural products?

Mr. PITTMAN. I stated before what I believe would happen, and I will state it again: I believe that Great Britain wants cotton and wheat, and knowing that she cannot buy our agricultural products except with gold, because of the balance of trade against her, I believe she would buy the cotton and wheat if she could buy them with her manufactured articles, and I know she could buy them with her manufactured articles through Mexico if my amendment should be adopted. I believe it would result in a very large supply of silver being bought elsewhere in the world by Great Britain and France, where they could buy it with their export products, and Great Britain would sell her export products for it, if she knew certainly that when she got the silver she could buy our agricultural products with it at the same value for silver. That is my view.

I think a considerable quantity of silver would come in under that plan and would result in the purchase of our agricultural products. If I am mistaken, however, and not much silver were brought in, still I would be content, because if silver should come here in large quantities, I should want it used to pay for agricultural products. If it were not used for that purpose, I should not want it to come in.

Mr. McNARY. This is a fair question: Does the Senator believe that if it were confined to the purchase of agricultural products it would stimulate the inflow of silver, using the average for the past 5 years of about 200,000,000 ounces a year?

Mr. PITTMAN. I know of a time when the foreign nations purchased 600,000,000 ounces in 1 year. They could purchase a billion ounces in 1 year if they desired, if it were applied to the purchase of agricultural products. To what extent it will be done no one can possibly know, but I know that what I have stated is accurate. If a great deal of it comes in at 35 cents an ounce, and is applied to the payments for exports in the way of agricultural products, I do not care how much comes in, because I am sure silver will be worth 35 cents throughout the world forever.

On the other hand, if I am mistaken, and foreign countries do not convert their manufactured products into silver with

which to buy agricultural products, and very little comes in, that will be satisfactory to me. So I think it works both ways.

EXHIBIT 1

WASHINGTON, D. C., *April 27, 1940.*

Hon. KEY PITTMAN,
The Capitol, Washington, D. C.

MY DEAR SENATOR PITTMAN: Responding to your request made during our conversation last Wednesday, I should like to submit to you the enclosed exposé, which may serve as an answer to the question whether or not silver should be considered, aside from its application to coinage and silverware, a "useless commodity."

In the hope that the exposé will contain the material you desire, I have the honor to be,

Very sincerely yours,

DR. ALEXANDER GOETZ,
Associate Professor of Physics, California Institute of Technology, Pasadena, Calif.

THE INDUSTRIAL APPLICABILITY OF SILVER

The usefulness of an elementary metal has to be judged from an analysis of its various physical and chemical characteristics, none of which are identical for two different metals. Obviously in case of two metals with similar characteristics, the preference has to go to the metal which is less costly. The price of the metal becomes less important if these desirable physical and chemical properties are unique. Typical examples for this case are metals like rhodium, vanadium, gallium, and iridium, which are very rare and costly indeed but, for certain purposes, cannot be replaced by a cheaper metal because of the uniqueness of their qualities.

Relative to the physical and chemical qualities of silver, the metal is unique as far as a number of properties are concerned; for instance, it is the best conductor for heat as well as for electricity; it has the highest brilliancy when polished; it is the only metal which can be made so extremely sensitive toward the influence of light that it renders the art of photography possible. In fact, up to now, one has not found any substance which could ever serve for silver, even as a poor substitute; and the statement appears thus to be justified that if only the photochemical qualities of silver are considered, any modern civilization without silver would find itself most severely handicapped.

The photochemical application is, however, by far not the only use of the metal in industry, although it comprises at the time its largest commercial consumption aside from silverplate.

The peculiar situation that silver is considered a precious metal, due to its scarcity and its resistance to corrosion, has caused a prejudice against its wider practical usage; consequently, its unique chemical qualities have created in the past very little stimulus to thorough investigations into other useful applications of the metal. This situation has changed in recent years, and numerous investigations in different laboratories have brought to light practical applications of the metal in which new results can be achieved.

Practical developments of some of such uses are well underway, and look decidedly hopeful. A few shall be enumerated in the following:

1. Silver, being a metal which has considerable resistance toward any form of corrosion, in particular against alkali, has also the advantage that most of its chemical compounds; that is, its corrosion products are next to insoluble in water. These qualities render silver as a lining for vats, pipes, tubes, etc., an indispensable metal in certain branches of the chemical industries.

Furthermore, the disadvantageous effects which the corrosion products of other metals have are practically absent from silver and render it particularly apt to come in touch with foodstuffs (realized empirically long ago with the use of silver tableware). Its use as inner lining for tin cans is thus highly advantageous. This is important especially for certain foodstuffs which are easily discolored, or for very delicate tastes such as fruit juices, beer, and probably also wine where the present methods are safe but far from perfect. The lining of food containers with silver can be made so thin that the cost is not prohibitive, and it can be safely anticipated this particular application will increase the industrial demand for the metal considerably.

2. Another property in which silver is practically unique is its deadly action on a large variety of primitive forms of life, such as practically all dangerous bacteria and yeasts. Although other heavy metals, like mercury, lead, etc., are known to be excellent disinfectants, they cannot be used as such in cases where the disinfected material is for human consumption because these metals are also severely poisonous to humans. In this respect silver is different from the other heavy metals, inasmuch as its poisoning power (toxicity) for animals and humans is very small, so that very large doses are needed to produce silver poisoning, whereas extremely small doses are necessary to kill bacteria. It appears for this reason that silver will be able to replace other disinfectants in a number of fields.

The advantage of silver before, for instance, chlorine is the absense of odor or taste. It must, however, be realized that the applicability of silver for these purposes is very much less broad than the applicability of chlorine, but it may also be mentioned that sanitation plants using silver for sterilization of water and numerous beverages have been in use already for many years in a number of European countries. It is expected that future developments in this field will add appreciably to the consumption of silver.

3. There are many applications in other fields in which silver has been used and where its use is likely to increase, such as its use in linings for bearings, where silver combines two highly desirable qualities, inasmuch as it does not alloy with steel and because of its very good heat conductivity, causing a quick dissipation of the heat developed by friction.

Among the many other industrial uses, only a few may be enumerated:

4. Silver as powder compound in plastic substances;

5. As an ideal material for electric contact surfaces, decreasing the loss of power in generators, motors, and being widely in use wherever the making and breaking of contacts has to be absolutely reliable, as, for instance, in railroad signals;

6. In the pharmaceutical industry; and

7. As a substitute for gold or platinum in the field of dentistry.

Finally, it may be mentioned that a highly desirable quality, peculiar for metallic silver, is its catalytic properties which accelerate the chemical processes taking place when aging alcoholic beverages, such as wines and liquors.

In addition, there are hundreds of minor uses of the metal or its compounds, which, however, call only for relatively small quantities.

It appears, thus, quite safe to state that the future will see in this metal an increasingly desirable industrial material.

DR. ALEXANDER GOETZ,
Associate Professor of Physics, California Institute of Technology, Pasadena, Calif.

APRIL 26, 1940.

SILVER STATEMENT

The actual silver money of the United States on December 31, 1939, was $2,266,763,746, consisting of 1,752,850,000 ounces. An additional stock of seigniorage silver, amounting to $1,656,200,000 and consisting of 1,200,000,000 ounces, is held by the Treasury but has not been monetized.

The total silver production of the United States, for the period 1792–1939, was 3,579,100,000 ounces. The commercial value of this silver was $2,770,000,000 and the monetary value was $4,627,776,000. For this period the average commercial value of domestically produced silver was $0.777 per fine ounce.

The silver money, representing actual money, at the end of 1939, was 49 percent of the total United States silver production, and the nonmonetized seigniorage silver represented 34.5 percent of the total United States silver production.

The total gold production of the United States for the period 1792–1939, was 255,412,671 ounces, which had a commercial value of $5,660,036,000. The United States gold monetary stock, at the end of 1939, amounted to seventeen thousand six hundred and forty-three and four-tenths millions of dollars, which was 311.7 percent of the total United States production of gold.

The total gold monetary stock is withdrawn from monetary use and circulation in the United States. Gold may be withdrawn by foreign central bankers upon the presentation of dollar demand, subject to export license from the Secretary of the Treasury.

The silver exports of the United States, for the period 1873–1939, had a commercial value of three thousand five hundred and ten and five-tenths millions of dollars, and silver imports had a commercial value of three thousand one hundred and ninety-eight and two-tenths millions of dollars. At the end of 1939, regardless of the tremendous importations of silver for the period 1934–39, the United States still had an excess of exports of the white metal, amounting to three hundred and two and three-tenths millions of dollars.

The average price paid for American-produced silver during the period 1873–1939 was 75.7 cents per ounce.

The monetary value of United States silver exports for the period 1873–1939 was six thousand and three and three-tenths millions of dollars, and the monetary value of silver imports during the same period was five thousand four hundred and seventy-seven and two-tenths millions of dollars. The excess of exports of silver for this period had a monetary value of five hundred and fifty-six and one-tenth millions of dollars.

The United States gold imports for the period 1873–1939 had a value of nineteen thousand seven hundred and ninety-seven millions of dollars, and the value of gold exports for the same period was six thousand seven hundred and seventy millions of dollars. The excess of gold imports for the period 1873–1939 was thirteen thousand and twenty-seven millions of dollars, more than twice the value of the total gold mined in the United States during the life of the Nation.

Little consideration has been given to the fact that the silver production of the world has become relatively stationary, whereas the production of gold, copper, lead, zinc, and steel is undergoing a constant increase.

On the other hand, world gold production is increasing at a much more rapid rate, by quantity, than copper, lead, zinc, and steel. The relative lag in the world production of silver, together with the noncirculation of gold, is rapidly deepening the depression throughout the world by causing the price levels to fall and international commerce to shrink.

The lag in silver production is generic. All but three silver mines in the United States have been exhausted. At least 80 percent of the silver of the United States comes from ores containing gold, copper, lead, and zinc.

The low price of world silver depresses production of the industrial metals beside contracting annual gold and silver increment and replacement. New uses for silver in commercial fields are absorbing currently produced silver in ever-increasing amounts, as well as consuming increasing amounts of existing silver stocks.

Vast amounts of old silver and ornamental silver are purchased by the industrial consumers. The consumption of silver by the arts and industries in the United States and Canada for the year 1939 was estimated by Messrs. Handy and Harman, silver brokers, to be 34,000,000 ounces, an increase of 25 percent over the preceding year. The three most important classifications, from the consumption standpoint, increased consumption from 1938 to 1939, as follows:

	Percent
Sterling silverware	20
Silver-plated ware	30
Motion pictures	10

There have been a great many new uses for silver undergoing development during the last 3 years, which will draw heavily on silver supplies in ever-increasing amounts in future years. These uses include purification of drinking water; silver linings in cans containing liquids, solid foods, and beverages; pasteurization of wines; and production of nontarnishable silver products for all classes of domestic uses, and for the beautification of homes. Silver is being added, in small quantities, to steel to make it noncorrosive, especially in salt water and polluted atmospheres.

All of these uses, and many others, seriously will reduce silver stocks which formerly have been available for monetary uses, and which will be necessary for monetary use in the future because of the vast public debts and disrupted monetary systems of war-torn countries throughout the world.

STATEMENT TO BANKING AND CURRENCY COMMITTEE BY HON. KEY PITTMAN

(1) I do know that our surplus exportable products were purchased with the foreign silver that our Government purchased under the Silver Purchase Act. In other words, the foreign silver purchased by the Government was purchased with our surplus exportable products. I do not believe that this will be denied. In fact, Chairman Eccles, of the Federal Reserve System, admitted this fact in his testimony before the Senate Committee on the Investigation of the Administration of the Silver Purchase Act. It is true that Mr. Eccles qualified his admission by stating that probably if these exports had not been purchased by silver they might have been purchased by gold.

If this be true, then the American producer has been greatly benefited, and the Government has not lost anything, if silver has even the value of 35 cents per ounce, because the Government would have purchased such products if not exported.

To hold that the Government has lost in the transaction, we must hold that silver is a worthless commodity. It is this subject that I desire particularly to direct my attention to.

Gold and silver have constituted the money metals of the world since the beginning of history. Over half of the people of the world today have no money with which to purchase abroad save silver. There is nowhere in the world today that you can go that you can't buy food, clothing, and shelter with a chunk of silver. There are many places in the world where you could not buy these necessaries of life with a Federal Reserve note. There is no known substitute for silver for use as subsidiary currency throughout the world. We constantly hear the ignorant say that the civilized world has abandoned silver as money.

The figures supplied by the Treasury Department at the hearings before the special committee of the United States Senate on the investigation of the Silver Purchase Act disclosed that since the 1st day of January 1921 the monetary silver in substantially all countries of the world has been increased 2,395,384,344 ounces. The net increase of silver consumed in coinage for all countries, excluding the United States, for the period 1921–39, has been 1,303,507,135 ounces. The average price now in use by the 10 leading countries of the world in the coinage of silver is $2.10 per ounce. I attach a copy of that statement.

Silver is a war metal. During every great war the demand for silver, chiefly for the purpose of paying soldiers, has increased and the price has risen.

Take as an example the effect of the last great World War upon the demand for silver and its great increase in price. In 1913 the world price of silver was 61.2 cents per ounce. In 1915, 1 year after the war commenced, the price was 67.1 cents per ounce. In 1917 it was 84 cents per ounce. In 1918, it was 98.4 cents per ounce. After the war was over, in 1919, it was $1.12 per ounce. In 1920, it was $1.02.

Then the United States Government made available to exporters of silver 50,000,000 of standard silver dollars for the purpose of beating down the price of silver, under the excuse that the silver bullion price had gone above the monetary price in the United States. The Government did not intend to bring the price of silver below the monetary price but intended and did accomplish the beating down of silver from $1.38 an ounce to 60 cents an ounce. If the present war lasts for 2 years, I predict that the price of silver will go above $1 an ounce, unless our Government conspires with other governments to beat down the market price of silver.

We constantly hear the argument that no country is today on the silver basis. What difference does that make to countries like India and China, who have nothing but silver with which to buy foreign imports? India is compelled to buy pound sterling with silver. The more silver she has to pay for pound sterling, the less pound sterling she has with which to buy foreign imports. The same condition has existed and does even now exist in China.

All monetary experts, including Chairman Eccles, have testified before our Special Committee Investigating the Administration of the Silver Purchase Act, that our Government should at all times have a minimum of $5,000,000,000 in national circulation as money. How can you have a minimum of $5,000,000,000 in circulating currency unless you have $5,000,000,000 in nonretirable currency? We have not today $5,000,000,000 in nonretirable currency because $4,667,000,000 of our circulating currency consists of Federal Reserve notes, which are retirable at the will of the banks. The only nonretirable currency in circulation today is silver currency, amounting to $1,568,000,000.

The Government could today issue its United States seigniorage silver in the form of silver currency, and thus add to the nonretirable currency of the United States $1,223,000,000. The total then, of the nonretirable silver currency in circulation in the United States would be only $3,811,900,000.

These monetary experts place the minimum fixed circulating currency at $5,000,000,000. As a matter of fact, the nonretirable circulating currency of the United States should be at least 10 percent of the total bank deposits and also 10 percent of national income, if income happens to be greater than total bank deposits.

It is to be hoped that the Government can coin, issue, and circulate at least a billion and half dollars in gold coins. If this were done, still we would have only slightly more than $5,000,000,000 in nonretirable currency. We now have an estimated income of $68,000,000,000 in the United States for 1939.

The resources of the United States justify a $100,000,000,000 income, which would require a $100,000,000,000 in deposits, with a turn-over of 10 times per year to support the income of $100,000,000,000.

This situation in sound finance would require $10,000,000,000 nonretirable national currency, with 100-percent metallic coverage.

Mr. Winthrop W. Aldrich, chairman of the Chase National Bank, only recently gave it as his opinion that gold should be coined and circulated. That means nationalizing all currency. He stated that the safest reserve in the world was gold coin hoarded by the people. I thoroughly agree with Mr. Aldrich. I think that it follows equally that it would be a splendid reserve as against panics. If the people of the country have difficulty in getting sufficient gold to hoard, they should have an opportunity to hoard some silver currency.

The real, great issue is whether we are going to have managed currency without relation to metallic coverage or whether we are going to have national currency 100 percent covered by gold and silver.

The fear that of systems of managed currency throughout the world will cause the abandonment of gold reserves is just as absurd as the assertion that silver is a worthless commodity.

We may have sufficient silver at the present time, although I do not believe it.

I know the great benefit the Silver Purchase Act accomplished in the past. The Treasury Department can inform you of the present situation.

(2) One billion people of the world, whose currencies are associated with sterling in the dollar, utilize silver with which to buy sterling or dollar exchange to pay for merchandise imported from the United States, Great Britain, and other countries.

(3) The silver-owning populations will buy American cotton at the rate of 10 pounds of cotton per ounce of silver, and will purchase wheat at the rate of one bushel per ounce of silver.

(4) When the price of silver is depressed below parity, coinage value, it has the direct effect of raising export prices of cotton, wheat, and other commodities above the parity price levels to such an extent that foreigners who wish to purchase American goods by converting silver into dollar exchange find the prices prohibitive.

(5) For the period 1933–39, the average price of export cotton was 10.9 cents per pound, but the foreigners had to pay 31 cents a pound for same at the United States monetary value of silver.

(6) For the period 1933–39, the average export price of wheat was $1.05 per bushel, but the foreigners had to pay $2.25 per bushel in silver at the United States coinage value.

(7) For the period 1933–39, 65 percent of the monetary value of all silver imported into the United States was taken by the Treasury Department as seigniorage, and the foreign buyer was given 35 percent with which to pay for exports.

(8) Nonmonetized silver, collected as seigniorage, has accumulated in the Treasury having a coinage value of $1,672,000,000.

(9) The above cotton, wheat, and silver figures are taken from the accompanying tables and charts, which were compiled for the period 1865–1939 by the United States Tariff Commission, which were made for and delivered to the Senate Special Silver Committee a few days ago.

(10) These tables show that the export price of commodities of the United States change directly with changes in the world price of silver.

(11) The Tariff Commission tables bear out my statements to the effect that when gold and silver were in general circulation the purchasing power of the gold dollar varied inversely with the world price of silver, and that the purchasing power of the silver in the dollar is equal to its world price multiplied by the purchasing power of the dollar.

(12) When a silver market exists free from barriers and embargoes (a) price levels of all international commodities in gold-standard countries as well as silver-using ones change with changes in the world price of silver; (b) silver is so universally distributed amongst one-half of the people of the world that changes in its price react immediately on the price of commodities; and (c) gold is concentrated to such an extent that price levels of international commodities respond very slowly to changes in the gold price.

(13) By dispensing with the seigniorage tax on silver in favor of agriculture, export prices of cotton would reach a normal parity at 12.9 cents per pound, and export wheat would reach parity at $1.29 per bushel, without subsidies. The unit price and volume of com-

modities and industrial exports would immediately increase to a total value equal to 10 percent of national income.

(14) The value of United States exports, when computed as a percentage of national income, varies directly with the world price of silver.

(15) For the 5-year period 1916–20, during which the price of silver was 71 percent of parity ($1.29 per ounce), the value of exports averaged 12.9 percent of national income.

For the 5-year period 1934–39, when the average price of silver was 44 percent of parity, the value of total exports was 60 percent of parity. The value of total exports for the period averaged 4.4 percent of national income.

During the 1916–20 period unit value index of exports averaged above 100, and during the 1934–39 period the unit price index averaged 66. For the year 1939 the unit value index of exports was 70.

(16) Changes in the world price of silver are followed by corresponding changes in the value of exports, imports, national income, and price levels. (See chart entitled "International Commerce Is Affected by World Price of Silver.")

BARRIERS AND EMBARGOES CREATED AGAINST PRICE AND SHIPMENTS OF SILVER

(17) The British-Indian Government, during February 1940, sponsored a bill to reduce the silver content of the fractional rupee (4 anna) from eleven-twelfths to 0.500 fine. This raises the Indian coinage rate from $1.01 per ounce of silver to $1.86. British silver is coined at the value of $2.56 per ounce.

Great Britain and British India promote minimum value for silver bullion by adopting maximum silver coinage rates, India's rate being approximately 50 percent higher than the United States, and England, 100 percent higher.

(18) British India maintains an import tax on silver bullion at approximately 6.25 cents per ounce, and they contemplate raising this import duty in the next Indian budget.

(19) The British-Indian Government, during January of this year, adopted a policy of selling silver to Indian buyers at 23.5 pence per ounce, and buying same at 21.5 pence per ounce. Their buying price is higher than the United States Treasury buying price. Both Great Britain and India have embargoes on silver imports.

(20) The British-Indian Government silver stock has been reduced to 100,000,000 ounces but the inhabitants of India hold at least 5,000,000,000 ounces, and are consistent buyers of silver when barriers and embargoes do not prohibit their operations.

(21) The United States Silver Purchase Act of 1934 requires the payment of a 50-percent silver profit on silver-bullion transactions. This tax prevents American citizens from buying silver from foreigners who wish to establish dollar credits required to pay for merchandise to be purchased in the United States.

(22) Since the Treasury Department lowered its bid for world silver at 35 cents per ounce in July 1939, Great Britain and India have controlled the world price of silver and maintained its price at the lowest level ever recorded.

(23) There should be no barriers or embargoes created by any country to interfere with international money, either silver or gold, because of their direct, depressing effects on the price and volume of world trade.

Today the citizens of the United States, Great Britain, India, France, and Germany are prevented from dealing in silver without restrictions and penalties. Therefore the silver price and the movement of silver are the results of an international racket.

Quotation from the Economist (London): "These fluctuations in the price of silver are obviously the outcome of speculative indiscretions and of the virtually monopolistic position which the Government of India holds both in the indigenous and the London markets for the metal."

UNITED STATES EXCESS OF EXPORTS OF SILVER, 1870–1939

(24) After the operation of the Silver Purchase Act, for a period of 6 years, the United States still maintained an excess of exports of silver of $360,000,000 for the period 1870–1939. Excess of silver exports prevailed during 58 years of the period, amounting to one thousand four hundred and one and seven-tenths millions of dollars, and an excess of imports prevailed for 12 years, amounting to one thousand and thirty-seven and six-tenths millions of dollars. Of the 12 years representing excess of imports, the 6-year period (1934–39) was $966,716,000,000, or 93 percent of the total.

UNITED STATES EXCESS OF EXPORTS OF MERCHANDISE, 1870–1939

(25) The United States excess of exports of merchandise for this 70-year period has been forty and seventy-nine one-hundredths billions of dollars. At the end of 1914 the merchandise excess of exports was ten and twenty-six one-hundredths billions of dollars. The increase of excess of exports of merchandise for the period 1915–39 was thirty and fifty-three one-hundredths billions of dollars.

UNITED STATES IMPORTS OF GOLD, 1870–1939

(26) The total excess of imports of gold for this period was $13,600,000,000. Until 1916 gold exports exceeded imports, and at the end of 1933 the excess of imports was only $1,480,000,000. For the period 1934–39 the excess of gold imports has been eleven and one-tenth billions of dollars.

(27) FOREIGN COMMERCE—SILVER, GOLD, AND MERCHANDISE, 1870–1939

United States excess of exports of silver	$360,000,000
United States excess of exports of merchandise	40,744,000,000
Total excess of exports of silver and merchandise	41,100,000,000
United States excess of imports of gold	13,600,000,000
Excess of exports of merchandise not paid for at the end of 1939	27,500,000,000

(28) FOREIGN COMMERCE—SILVER, GOLD, AND MERCHANDISE, 1934–39

Silver excess of imports	$966,716,000
Gold excess of imports	11,122,738,000
Total	12,089,454,000
Merchandise excess of exports	3,005,117,000
Gold imports not offset by merchandise exports	9,084,337,000

The present administration is the first since 1848, to balance excess of merchandise exports, with excess of imports of silver and gold. In fact, additional gold over and above a foreign trade balance for the period 1934–39 has been imported in the sum of $9,084,337, which represents a collection of overdue payments for excess of exports of merchandise created by former administrations.

EXCESS RESERVES OF SILVER

(29) Silver is purchased by the Government and paid for with new national money—silver certificates. Credit moneys of the banks necessarily do not enter into the purchases of silver; therefore, additions to silver money inherently do not increase bank reserves.

When silver certificates are deposited in the banks, they become part of net demand deposits and therefore create legal reserve of 22.25 cents per dollar and excess reserves of 77.5 cents per dollar, but the silver certificates in circulation do not create either legal or excess reserves. The reserves created by silver certificates are set forth in the following table:

Silver certificates, total amount	$1,772,211,742
In circulation, no reserves	1,469,353,514
Held by Federal Reserve banks and agents	302,858,228
Legal reserves demand deposits, 22.5 percent	68,123,100
Excess reserve demand deposits, 77.5 percent	234,735,128

(30) EXCESS OF GOLD RESERVES

Gold certificates, total amount	$15,630,531,386
In circulation	None
Legal reserves, 15 percent of sixty-four and four-tenths billions of dollars	9,800,000,000
Excess reserves	5,830,531,386

METALLIC CONVERSION VALUES OF SILVER AND GOLD DOLLARS

(31) Silver certificates are convertible into silver bullion at the New York price of silver which is an arbitrarily low price fixed by the Treasury Department. At the present time the Treasury silver price is 35 cents per ounce, and therefore silver certificates are convertible at the rate of 27 cents per dollar.

Federal Reserve notes and bank deposits (for use in the United States) are not convertible into either gold or silver. Federal Reserve notes and bank deposits can be exchanged for silver certificates, which can then be converted into silver, but only to the extent of silver certificates and corresponding silver-bullion reserves which are not already in circulation, amounting to the normal total of $302,858,228. As bank deposits and currency (less silver certificates) amount to $64,000,000,000, the amount of their convertibility into silver is negligible.

If bank deposits, Federal Reserve notes, and Government obligations not owned by banks ($20,000,000,000) were made convertible into gold, each credit dollar would receive 17.6 cents in gold. If deposits and currency only were convertible, each credit dollar would receive 24.5 cents in gold.

(32) FEDERAL RESERVE NOTES AND SILVER CERTIFICATES

[Total outstanding]

	Jan. 1, 1933	Jan. 31, 1940	Increase
Federal Reserve notes	$2,287,014,640	$5,164,941,100	$2,177,926,460
Silver certificates	492,283,529	1,772,211,742	1,279,928,213
Excess Federal Reserve notes	1,794,731,111	3,392,729,358	897,998,247

(33) SILVER OF SPECIFIED CLASSIFICATIONS ACQUIRED BY MINTS AND ASSAY OFFICES

[In millions]

	Newly mined domestic		Nationalized		Foreign		Total	
	Ounces	Dollars	Ounces	Dollars	Ounces	Dollars	Ounces	Dollars
1934	21.8	14.1	110.6	55.3	172.5	86.5	304.9	155.9
1935	38.0	27.3	2.0	1.0	494.4	318.2	534.3	346.5
1936	61.1	47.3	.4	.2	271.9	150.3	333.4	197.9
1937	70.6	54.6			241.5	108.7	312.2	163.4
1938	61.6	42.2			355.4	156.9	417.1	199.1
1939	60.7	39.9			282.8	120.5	343.3	160.4
Total	313.8	225.4	113.0	56.5	1,818.5	941.1	2,245.2	1,223.2
Silver in general fund paid for but not monetized							1,211.1	615.3

WORLD PRODUCTION OF GOLD AND SILVER

(34) The relative valuation of gold and silver by weight today is 100 to 1 (gold, $35 per ounce; silver, 35 cents per ounce). This distortion in the relative values of the two metals has been caused (1) by decreasing the price of silver, and (2) by increasing the price of gold.

	Millions of fine ounces
1493–1939:	
World production of gold	1,336.0
World production of silver	16,357.0
Ratio, 12.7 to 1.	
1901–39:	
World production of gold	864.6
World production of silver	8,148.0
Ratio, 9.6 to 1.	
1919–39:	
World production of gold	503.8
World production of silver	4,773.0
Ratio, 9.4 to 1.	
1933–39:	
World production of gold	231.8
World production of silver	1,625.1
Ratio, 7 to 1.	

(35) UNITED STATES PRODUCTION OF GOLD AND SILVER

	Millions of fine ounces
1792–1939:	
United States production of gold	244.7
United States production of silver	3,516.1
Ratio, 14.7 to 1.	
1901–39:	
United States production of gold	2,250.0
United States production of silver	140.0
Ratio, 16.1 to 1.	
1933–39:	
United States production of gold	29.0
United States production of silver	354.0
Ratio, 12.5 to 1.	

(36) UNITED STATES SILVER AND GOLD STOCKS, JANUARY 1, 1940

United States monetary silver subject to circulation	$2,257,100,000
Silver purchased and paid for, now in Treasury, but not monetized	1,554,800,000
Value of total silver at $1.29 per ounce	3,811,900,000
Monetary gold stock in the Treasury not subject to United States circulation	17,931,000,000
Active gold in stabilization fund	200,000,000
Total gold	18,131,000,000
Gold imports in excess of exports (1934 minus 1939)	9,084,300,000
Gold reserve not subject to export	9,046,700,000

(37) The total silver stock of the United States, held by the Treasury at the end of 1939, was 84 percent of the total silver production of the United States. The monetary gold stock in the Treasury, at the end of 1939, was 316 percent of the total gold production of the United States.

The silver held by the United States, at the end of 1939, consisting of 2,800,000,000 ounces, is 17 percent of the recorded silver production of the world, reported to be 16,357,000,000 ounces. The gold, held by the United States, consisting of five hundred and twelve and two-tenths million ounces, is 38 percent of the recorded gold production of the world, reported to be 1,366,000,000 ounces.

(38) FINE OUNCES OF SILVER CONSUMED AND WITHDRAWN FROM MONETARY USE

[U. S., 1921–39; the rest of the world, 1921–38]

	Ounces consumed	Ounces withdrawn
1921–27	1,253,431,524	427,331,577
1928–36	1,421,745,018	946,560,993
1937	100,333,925	37,288,451
1938	60,702,319	47,189,060
United States 1939	27,912,125	
Total	2,864,124,911	1,408,370,081

(39) NET INCREASE SILVER CONSUMPTION BY COINAGE AND BY UNITED STATES CERTIFICATES COVERED BY SILVER BULLION

The world, 1921–38, plus United States coinage 1939	$1,405,754,830
Silver certificates, United States 1934–39	989,384,344
Total net consumption for coinage, 1921–39	2,395,139,174
United States seigniorage silver	1,223,000,000
Grand total	3,618,139,174

(40) MONETARY STOCK OF PRINCIPAL COUNTRIES OF THE WORLD AND OF CALENDAR YEAR 1938; ANNUAL REPORT, DIRECTOR OF THE MINT, 1939

[World population, 2,066,823,000]

		Per capita
Total gold stock	$25,057,247,000	$12.46
Monetary silver stock	7,452,377,000	3.61

Since the above table was compiled, the United States gold stock has increased, by December 31, 1939, $3,474,151; and United States silver monetary stock has increased by $150,000,000, so that the total metallic stocks of the world, up to the end of 1939, may be considered to be:

Total gold stock	$29,231,351,000
Monetary silver stock	7,602,377,000

There are hoards of both gold and silver which are not taken into consideration in the compilation of the above-recognized monetary stocks.

The Federal Reserve Bulletin of March reflects the gold reserves of central banks and governments to have been $25,999,000,000 for 1940, preliminary estimate.

TABLE I.—*World production of gold, silver, copper, lead, zinc (1913–39)*

	Gold	Silver	Copper	Lead	Zinc	Steel
	Fine ounces	*Fine ounces*	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*	*Tons of 2,400 pounds*
1913	22,145,314	225,686,823	1,072,674	1,291,799	1,113,872	75,150,000
1914	21,697,416	178,331,493	1,011,939	1,273,245	968,207	59,490,000
1915	22,593,833	189,626,405	1,188,172	1,220,452	924,977	65,570,000
1916	21,976,437	180,112,525	1,533,294	1,254,627	1,089,980	77,010,000
1917	20,611,049	187,443,658	1,579,675	1,290,334	1,105,826	80,760,000
1918	18,556,920	204,199,399	1,568,677	1,317,700	914,474	75,990,000
1919	17,629,977	181,800,394	1,069,998	976,239	728,927	57,560,000
1920	16,125,697	173,200,618	1,082,652	1,006,629	811,537	71,300,000
1921	15,983,772	171,873,246	601,913	974,056	493,439	43,510,000
1922	15,444,830	210,533,502	996,147	1,179,140	792,777	67,660,000
1923	17,786,472	240,169,264	1,411,980	1,314,001	1,059,821	76,930,000
1924	19,050,134	238,779,157	1,522,394	1,467,265	1,125,188	77,230,000
1925	19,031,137	241,697,187	1,589,717	1,669,854	1,265,714	88,930,000
1926	19,369,364	253,129,548	1,637,489	1,770,278	1,373,212	91,790,000
1927	19,445,612	253,121,265	1,682,361	1,857,998	1,464,091	100,130,000
1928	19,583,153	255,183,512	1,892,350	1,841,012	1,566,919	107,860,000
1929	19,673,022	262,804,711	2,118,209	1,932,520	1,623,451	118,370,000
1930	20,721,981	252,535,958	1,734,745	1,845,672	1,556,857	93,100,000
1931	22,370,718	200,760,352	1,487,992	1,593,723	1,111,450	68,410,000
1932	24,305,683	171,231,441	998,103	1,302,124	870,758	49,900,000
1933	25,493,426	169,680,081	1,146,260	1,322,273	1,106,864	66,760,000
1934	27,318,362	186,488,619	1,401,334	1,493,391	1,305,052	80,600,000
1935	30,054,210	214,534,290	1,617,032	1,567,616	1,487,088	97,700,000
1936	34,230,241	253,667,219	1,848,521	1,641,335	1,641,634	122,000,000
1937	35,732,622	275,148,523	2,503,966	1,895,491	1,838,487	132,300,000
1938	37,942,685	262,932,684	2,184,267	1,879,460	1,751,870	106,000,000
1939	40,200,000	259,913,000	2,356,800	1,904,883	1,877,614	133,298,000

TABLE I–A.—*World production, indexes, gold, silver, copper, lead, zinc, steel*

[1926 (all metals) = 100]

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1913	114.30	89.15	65.50	73.00	81.10	81.84
1914	111.90	70.44	61.77	71.92	70.47	64.78
1915	116.60	74.90	72.59	68.93	67.34	71.41
1916	113.40	71.14	93.67	70.91	79.35	83.86
1917	106.30	74.04	96.48	72.88	80.52	79.95
1918	95.75	80.66	95.86	74.47	66.54	82.75
1919	90.97	71.81	65.37	55.14	53.07	62.68
1920	83.21	68.41	66.17	56.89	59.11	77.64
1921	81.44	67.89	36.78	55.03	35.89	47.38
1922	79.70	83.16	60.85	66.61	57.73	73.68
1923	91.78	94.87	86.27	74.24	77.17	83.78
1924	98.30	94.32	92.99	82.88	81.90	84.10
1925	98.20	95.47	97.15	94.35	92.16	96.84
1926	100.00	100.00	100.00	100.00	100.00	100.00
1927	100.30	99.98	102.80	105.00	106.60	109.00
1928	101.00	100.70	115.60	104.00	114.00	117.50
1929	101.50	103.80	129.40	109.20	118.10	128.90
1930	106.90	99.75	105.90	104.20	113.30	101.40
1931	115.40	79.30	90.92	90.06	80.89	74.50
1932	125.40	67.64	60.98	73.56	63.41	54.34
1933	131.40	67.02	70.02	74.69	80.59	72.70
1934	141.00	73.66	85.60	84.35	95.00	87.96
1935	115.10	84.74	98.80	88.59	108.20	106.40
1936	176.60	100.20	113.00	92.72	119.50	132.70
1937	184.40	108.70	153.00	107.10	133.80	144.30
1938	195.80	103.80	133.40	106.20	127.50	116.50
1939	207.40	102.70	143.90	107.60	136.70	145.22
	Ounces	*Ounces*	*Tons*	*Tons*	*Tons*	*Tons*
1926	19,369,364	253,129,548	1,637,489	1,770,278	1,373,212	91,790,000

TABLE II.—*Metal prices, annual averages (1913–39)*

Year	Gold (dollars per ounce)	Silver (cents per ounce)	Copper (dollars per 2,000 pounds)	Lead (dollars per 2,000 pounds)	Zinc (dollars per 2,000 pounds)	Steel (dollars per 2,240 pounds)
1913	20.67	59.79	305.38	87.40	110.08	37.20
1914	20.67	54.81	272.04	77.64	101.21	32.10
1915	20.67	49.68	345.50	93.46	261.18	34.34
1916	20.67	65.66	544.04	127.16	252.68	59.74
1917	20.67	81.42	543.60	175.74	174.60	109.98
1918	20.67	96.77	493.36	148.26	159.80	79.34
1919	20.67	111.12	373.82	115.18	139.76	69.78
1920	20.67	100.09	349.16	158.14	153.42	83.71
1921	20.67	62.65	250.04	80.90	93.15	54.59
1922	20.67	67.53	267.64	114.68	114.36	47.58
1923	20.67	64.87	288.42	145.34	132.14	60.41
1924	20.67	66.78	260.48	161.94	126.88	56.11
1925	20.67	69.06	280.84	180.40	152.44	52.28
1926	20.67	62.11	275.90	168.34	146.74	51.86
1927	20.67	56.37	258.40	135.10	124.84	49.32
1928	20.67	58.18	291.40	126.10	120.54	48.50
1929	20.67	52.99	361.14	136.66	130.24	49.48
1930	20.67	38.15	259.64	110.34	91.12	45.87
1931	20.67	28.70	162.32	84.86	72.80	48.84
1932	20.67	27.89	111.10	63.60	57.52	42.58
1933	30.00	34.73	140.50	77.38	80.58	42.09
1934	35.00	47.93	168.56	77.20	83.16	45.54
1935	35.00	64.27	172.98	81.35	86.56	46.10
1936	35.00	45.09	189.48	47.10	98.02	46.52
1937	35.00	44.88	263.34	120.18	130.38	55.19
1938	35.00	43.22	200.00	94.78	92.20	53.62
1939	35.00	39.08	219.30	101.06	102.20	50.56

TABLE III.—*Metal values, world production (1913–39)*

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1913	$450,773,000	$134,955,000	$327,265,000	$112,265,000	$122,540,000	$2,795,580,000
1914	448,447,000	97,725,000	275,264,000	98,784,000	97,768,000	1,109,625,000
1915	467,017,000	94,244,000	411,048,000	114,070,000	241,425,000	2,251,674,000
1916	454,244,000	118,335,000	835,485,000	159,385,000	275,770,000	4,600,577,000
1917	426,029,000	152,579,000	859,520,000	227,040,000	193,500,000	8,875,524,000
1918	383,573,000	197,664,000	773,517,000	195,064,000	146,240,000	6,029,047,000
1919	364,412,000	201,980,000	400,180,000	112,240,000	102,060,000	4,016,537,000
1920	333,324,000	174,932,000	377,967,000	159,106,000	124,848,000	5,968,523,000
1921	330,389,000	107,678,000	150,500,000	78,797,000	45,898,000	2,375,211,000
1922	319,248,000	142,173,000	266,928,000	117,900,000	90,402,000	3,219,263,000
1923	369,166,000	155,870,000	406,656,000	190,530,000	139,920,000	4,647,341,000
1924	393,764,000	159,504,000	395,720,000	237,654,000	142,875,000	4,333,375,000
1925	393,371,000	166,771,000	446,790,000	300,600,000	192,432,000	4,649,260,000
1926	400,357,000	157,193,000	451,812,000	297,360,000	201,831,000	4,760,229,000
1927	401,949,000	142,760,000	433,956,000	250,830,000	183,000,000	4,938,412,000
1928	404,781,000	148,516,000	550,572,000	231,966,000	189,607,000	5,231,210,000
1929	406,641,000	139,287,000	764,598,000	264,821,000	212,216,000	5,856,948,000
1930	428,324,000	96,216,000	451,100,000	203,060,000	141,843,000	4,270,497,000
1931	462,408,000	57,618,000	241,056,000	153,331,000	80,881,000	3,341,144,000
1932	502,405,000	47,773,000	110,778,000	82,807,000	50,082,000	2,124,742,000
1933	764,790,000	58,879,000	161,586,000	102,323,000	89,224,000	2,809,923,000
1934	956,130,000	89,515,000	236,769,000	115,259,000	108,576,000	3,670,524,000
1935	1,051,890,000	137,945,000	279,741,000	127,635,000	128,774,000	4,503,970,000
1936	1,198,050,000	114,404,000	349,461,000	77,291,000	161,080,000	5,675,440,000
1937	1,250,655,000	123,541,000	658,552,000	227,400,000	240,778,000	7,301,637,000
1938	1,328,005,000	113,587,000	436,800,000	178,129,000	161,534,000	5,683,720,000
1939	1,407,000,000	101,578,000	516,890,000	192,519,000	191,892,000	6,739,648,000

Tonnages and prices from American Bureau of Metal Statistics.
Steel values equal tonnage steel ingots and castings, and composite price of finished steel (Iron Age Annual, January 1940).

Silver-production ratios, ounces of world silver production of 1939, per ounce of gold and per ton of copper, lead, zinc, and steel

[1939 silver production=100]

Year	Silver production index	Silver ounces per ounce of gold (1939)	All figures are silver ounces per ton of—			
			Copper	Lead	Zinc	Steel
1913	115.2	11.73	242.2	201.2	233.3	3.459
1914	145.7	11.98	156.8	204.2	268.5	4.369
1915	137.1	11.50	218.8	213.0	281.0	3.963
1916	144.3	11.82	169.8	207.1	238.4	3.376
1917	138.7	12.61	164.5	201.5	235.0	3.218
1918	127.3	14.00	165.6	197.2	284.3	3.420
1919	142.9	14.74	242.9	266.4	356.6	4.514
1920	150.1	16.12	240.0	258.1	320.2	3.646
1921	151.2	16.26	431.7	266.9	527.1	5.975
1922	123.5	16.83	260.9	220.4	327.7	3.841
1923	108.2	14.61	184.1	197.8	245.2	3.379
1924	108.3	13.64	170.8	177.2	231.0	3.366
1925	107.5	13.66	163.5	155.6	205.3	2.921
1926	102.7	13.42	158.8	146.8	188.6	2.830
1927	102.7	13.37	154.5	140.0	177.5	2.596
1928	101.8	13.27	137.4	141.2	165.9	2.409
1929	98.9	13.21	122.7	134.4	160.1	2.195
1930	102.9	12.54	150.0	140.8	166.9	2.791
1931	129.5	11.62	174.7	163.1	233.9	3.800

Silver-production ratios, ounces of world silver production of 1939, per ounce of gold and per ton of copper, lead, zinc, and steel—Continued

Year	Silver production index	Silver ounces per ounce of gold (1939)	All figures are silver ounces per ton of—			
			Copper	Lead	Zinc	Steel
1932	151.8	10.69	260.4	199.6	298.4	5.208
1933	153.2	10.20	226.8	196.6	234.8	3.893
1934	139.3	9.51	185.5	174.1	199.2	3.225
1935	121.2	8.65	160.7	165.8	174.8	2.661
1936	102.4	7.59	140.6	158.4	158.3	2.130
1937	94.5	7.27	103.8	137.1	141.4	1.965
1938	98.9	6.85	119.0	138.3	148.4	2.452
1939	100.0	6.47	110.3	136.4	138.4	1.969

Gold-production ratios, ounces of world gold production of 1939, per ounce of silver and per ton of copper, lead, zinc, and steel

[1939 gold production=100]

Year	Gold-production index	Gold ounces per ounce of silver	All figures are gold ounces per ton of—			
			Copper	Lead	Zinc	Steel
1913	55.10	0.17813	37.47	31.11	36.09	0.5351
1914	53.98	.22544	39.72	31.58	41.53	.6758
1915	56.21	.21201	33.34	32.95	43.46	.6131
1916	54.68	.22319	26.26	32.03	36.88	.5222
1917	51.28	.21451	25.44	31.16	36.35	.4977
1918	46.17	.19686	25.62	30.50	43.98	.5290
1919	43.86	.22110	37.57	41.21	55.15	.6983
1920	40.12	.23211	37.12	39.92	49.53	.5640
1921	39.77	.23384	66.77	41.29	81.53	.9242
1922	38.43	.19099	40.36	34.10	50.69	.5942
1923	44.25	.16735	28.47	30.59	37.92	.5222
1924	47.40	.16835	26.41	27.40	35.73	.5206
1925	47.35	.16631	25.28	24.07	31.75	.4518
1926	48.20	.15883	24.56	22.71	29.28	.4378
1927	48.38	.15883	23.90	21.64	27.46	.4016
1928	48.72	.15750	21.25	21.84	25.66	.3726
1929	48.95	.15300	18.98	20.80	24.77	.3395
1930	61.56	.15919	23.17	21.78	25.82	.4317
1931	55.66	.20031	27.01	25.22	36.18	.5877
1932	60.47	.23481	40.28	30.87	46.15	.8056
1933	63.43	.23690	35.08	30.41	36.31	.6022
1934	47.97	.21555	28.69	26.93	36.81	.4989
1935	74.77	.18741	24.86	25.64	27.03	.4116
1936	85.16	.15847	21.74	24.50	24.48	.3295
1937	88.90	.14613	16.06	21.21	21.87	.3039
1938	94.40	.15292	18.41	21.39	22.95	.3972
1939	100.00	.15469	17.06	21.10	21.41	.3046

TABLE VI.—*Dollars per capita, United States, 1873–1939, gold, silver, merchandise, and public debt (domestic) per capita*

	Gold monetary stock [1]	Silver monetary stock [1]	Production of—		Excess of—		Merchandise excess of export cumulative	Public debt [1]
			Gold monetary value cumulative	Silver monetary value cumulative	Gold import monetary value cumulative	Silver export monetary value cumulative		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1873	3.24	0.44	0.863	0.86	0.868	0.648	2.87	51.62
1874	3.44	.49	1.623	1.71	1.180	1.181	2.35	50.47
1875	2.76	.70	2.344	2.38	2.360	1.559	2.73	49.06
1876	2.88	.84	3.164	3.18	2.810	1.903	.90	47.21
1877	3.61	1.09	4.093	3.95	2.750	2.177	2.38	45.47
1878	4.48	1.72	5.060	4.80	2.590	2.290	7.73	45.37
1879	5.03	2.28	5.919	5.50	2.500	2.346	12.90	47.05
1880	7.01	2.84	.063	6.15	.900	2.311	15.90	41.69
1881	9.32	3.30	6.829	6.86	1.010	2.381	20.60	39.35
1882	9.65	3.76	.073	7.59	1.028	2.494	20.60	35.37
1883	10.11	4.23	7.691	8.28	1.119	2.615	22.00	32.07
1884	9.93	4.65	8.083	8.99	.762	2.766	22.90	29.60
1885	10.48	5.05	8.467	9.70	1.070	3.012	25.30	28.11
1886	10.29	5.44	8.893	10.39	.649	3.149	25.40	27.10
1887	11.15	6.02	9.264	11.08	1.202	3.234	25.40	24.97
1888	11.77	6.45	9.616	11.82	1.602	3.371	24.40	23.09
1889	11.10	2.86	9.946	12.62	.758	3.595	23.80	20.39
1890	11.11	7.30	10.250	13.48	.673	3.742	24.40	17.92
1891	10.13	8.09	7.451	14.41	.407	3.740	24.50	15.70
1892	10.21	8.74	7.817	15.40	.406	3.866	27.20	14.80
1893	9.01	9.28	8.211	16.27	1.717	4.058	26.40	14.40
1894	9.28	9.28	8.637	16.91	1.752	4.529	29.40	15.00
1895	9.23	9.06	9.207	17.63	2.156	4.839	29.90	15.90
1896	8.53	8.93	9.791	18.39	3.237	5.198	30.80	17.40
1897	9.73	8.83	11.100	19.00	2.553	5.542	34.30	17.10
1898	11.81	8.74	11.090	19.62	1.067	5.400	42.10	16.90
1899	12.96	8.59	11.840	20.21	3.552	5.642	48.40	19.30
1900	13.56	8.51	12.570	20.66	5.115	5.842	55.70	16.50

[1] Fiscal years.

TABLE VI.—*Dollars per capita, United States, 1873–1939, gold, silver, merchandise, and public debt (domestic) per capita*—Continued

	Gold monetary stock	Silver monetary stock	Production of—		Excess of—		Merchandise excess of export cumulative	Public debt
			Gold monetary value cumulative	Silver monetary value cumulative	Gold import monetary value cumulative	Silver export monetary value cumulative		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1901	14.46	8.46	13.350	21.20	4.629	6.060	62.10	15.70
1902	15.07	8.43	15.440	21.73	5.581	6.231	66.00	14.80
1903	15.51	8.39	16.090	22.24	8.084	6.329	70.90	14.40
1904	16.22	8.31	16.800	22.77	3.501	6.516	74.80	13.80
1905	16.31	8.20	17.590	23.27	3.893	6.698	79.00	13.60
1906	17.43	8.11	18.410	23.75	1.665	6.778	83.30	13.50
1907	17.04	8.12	19.150	24.20	2.663	6.852	87.80	13.30
1908	18.49	8.80	19.910	24.57	2.266	6.850	93.60	13.40
1909	18.47	8.80	20.720	24.98	1.230	6.864	94.90	12.90
1910	18.11	8.01	21.450	25.37	1.216	6.881	96.80	12.70
1911	18.65	7.74	21.670	25.24	1.385	6.853	99.00	12.30
1912	19.01	7.73	22.260	25.65	1.560	6.977	103.00	12.50
1913	19.22	7.64	22.790	26.09	1.244	7.133	134.00	12.30
1914	19.09	7.58	22.390	26.58	.444	7.274	119.00	12.00
1915	19.71	7.48	23.040	27.12	3.738	7.445	125.00	11.80
1916	23.87	7.39	23.560	27.61	8.853	7.761	154.00	11.90
1917	30.92	7.36	23.980	28.05	10.440	7.761	183.00	28.60
1918	29.87	6.91	24.220	28.40	10.460	9.345	209.00	115.60
1919	29.33	5.19	24.740	29.04	7.690	10.740	246.00	240.00
1920	26.93	4.96	25.150	29.63	8.560	10.949	273.00	228.30
1921	30.23	5.16	25.150	29.71	14.560	10.640	287.00	221.00
1922	34.44	5.94	25.250	29.97	16.500	10.422	289.00	208.90
1923	36.26	6.81	25.310	30.34	18.890	10.236	288.00	200.10
1924	39.47	6.87	25.320	30.55	20.830	10.372	291.00	184.00
1925	37.79	6.98	23.400	30.81	19.360	10.518	293.00	177.80
1926	37.97	7.02	25.420	31.08	19.020	10.559	292.00	167.70
1927	38.67	7.03	25.490	31.35	19.720	10.599	294.00	156.00
1928	34.24	6.99	25.570	31.61	16.220	10.636	299.00	146.60
1929	35.60	6.95	25.630	31.88	17.460	10.762	302.00	139.40
1930	36.80	6.91	25.660	31.97	19.490	10.602	305.00	131.40
1931	39.94	6.84	25.880	32.06	20.530	10.516	305.00	135.30
1932	31.39	6.77	26.140	32.13	16.830	10.409	306.00	155.90
1933	34.35	6.67	26.130	32.14	15.330	10.008	305.00	179.20
1934	62.07	6.62	27.040	32.24	24.180	9.293	307.00	213.60
1935	71.69	9.21	27.900	32.55	37.700	6.573	307.00	225.00
1936	82.61	12.36	28.830	32.87	46.080	5.197	305.00	261.20
1937	95.24	13.46	29.930	33.38	58.000	4.527	305.00	281.80
1938	99.65	15.05	31.500	33.71	72.800	2.782	311.00	285.40
1939	122.82	16.44	34.400	34.00	98.800	2.207	313.00	308.30

Additional silver stock paid for, but not monetized, February 1940—$12.56 per capita.

TABLE III–A.—*Total-value indexes, gold, silver, copper, lead, zinc, steel (1913–39)*

Year	Gold ($20.67=100)	Silver ($1.293=100)	Copper	Lead (1926=100)	Zinc	Steel
1913	112.60	41.23	72.42	37.96	60.72	58.69
1914	112.02	29.85	60.92	33.21	48.44	23.29
1915	116.66	28.79	90.96	38.35	119.60	47.27
1916	113.47	36.15	184.90	53.58	136.60	96.60
1917	106.42	46.61	190.20	76.33	95.88	180.37
1918	95.82	60.39	171.20	65.58	72.46	126.61
1919	91.03	61.70	88.56	37.73	50.57	84.33
1920	83.26	53.44	83.64	53.49	61.86	125.33
1921	82.53	32.89	33.31	26.49	22.74	49.87
1922	79.75	43.43	59.10	39.64	44.79	67.60
1923	92.22	47.62	90.00	64.06	69.33	97.59
1924	98.36	48.73	87.57	79.90	70.79	90.99
1925	98.26	50.49	98.87	101.10	95.35	97.63
1926	100.00	48.02	100.00	100.00	100.00	100.00
1927	100.41	43.61	96.03	84.33	90.68	103.69
1928	101.11	45.37	121.80	77.99	93.95	109.85
1929	101.58	42.55	169.20	89.03	105.20	123.00
1930	106.99	29.39	99.83	68.27	70.28	89.67
1931	115.51	17.60	53.35	51.55	40.08	70.16
1932	125.51	14.59	24.52	27.83	24.82	44.62
1933	191.04	17.98	35.76	34.40	44.21	59.01
1934	238.84	27.35	52.40	38.75	53.80	77.09
1935	262.76	24.14	61.91	42.91	63.81	94.58
1936	299.27	34.95	77.34	25.98	79.81	119.17
1937	312.41	37.74	145.74	76.45	119.30	153.32
1938	331.75	34.70	96.65	59.89	80.00	119.34
1939	351.00	32.21	114.39	64.72	95.08	141.52
1939=100	100.00	9.12	32.60	18.40	27.10	40.30

TOWNSEND BILL STATEMENT OF FINANCIAL ASPECT

The financial and business conditions of the United States are unsatisfactory to all classes of citizens.

The income of the agricultural division is below parity to such an extent that Government subsidies amounting to $1.5 billions per year are necessary to save them from general bankruptcy.

The interests representing industrial production are contending with an average index of 105 (the average for 1939), whereas this index has to be 195 to produce sufficient income to support a parity income for the present population under existing conditions (if national income is to be in accordance with the findings of the National Resources Committee as set forth in their report, entitled "Patterns of Resource Use").

The transportation industry of the United States, represented chiefly by the railroads, is in a general state of financial collapse.

The leading bankers of the country, as well as members of the advisory council of the Federal Reserve System, have expressed unrestrained dissatisfaction with the present financial practices and policies of the Federal Reserve System.

The banks have become supercharged with investments in Government obligations in assuming the responsibility of financing the administration during its course of deficit spending. The banks have had to depart from their primary function of sustaining general business with commercial loans (in order to sustain abnormal Government credit) to the extent that money is scarce and tight in the United States.

Prices are low, and the volume of business is low.

Exporters are shipping goods out of the country at a unit value index of 66 instead of 100. Importers are bringing goods to the United States at a unit value index of 57 instead of 100. The quantity index of imports is 121, a higher quantity index than that of exports and a lower index unit price. The United States has become a dumping ground for foreign commodities and merchandise.

The index of exports is 119 (below that of imports) notwithstanding the abnormal business created by war. Contrary to popular opinion, imports now exceed exports in quantities, but the reduced level of import prices conceals this fact from the general businessman. This condition explains the dumping process now existing and growing in the United States.

Countries of unstable and unsupported money systems are overriding the producers of the United States. The money of the United States is on a fiduciary and confidence basis notwithstanding the fact that the largest stock of gold of all time reposes inactively in the vaults of the country. This gold is being bought at a premium of 69.3 percent, represented by paying $35 per ounce instead of $20.67.

Foreign silver is being purchased at a discount of 72 percent of its monetary value, represented by a purchasing price of 35 cents per ounce, in contrast to its monetary value of $1.2929 per ounce.

The Government has imported, during the 1934–39 period, 11 times more gold than silver in dollars. (See table, p. 4.) The loss suffered by the purchase of gold dollars amounts to four thousand five hundred and fifty-three billions of dollars, and the profit gained by the net importation of silver (average cost at 50 cents per ounce) is one thousand five hundred and eighty-one billions of dollars. One-third of the losses incurred by gold purchases has been compensated by importation of undervalued silver.

Unfortunately, the profit in silver was taken by the Treasury as seigniorage profit which represents an excise tax against the exporters; and, also, unfortunately, the Treasury has not used this silver profit as money. The Treasury has elected to spend borrowed money, gained by the sale of bonds, rather than use national money which has been not only paid for but actually represents a profit at the expense of foreign customers and American exporters. Hence, the reason for the existence in this country of the surplus stocks of wheat, cotton, and all commodities except war materials.

Congress has reached the extreme limit in permitting this country to suffer under a "managed currency" basis, while gold purchases continue at ever-increasing amounts and far in excess of merchandise surplus of exports. Henceforth, the bank should buy all gold entering the United States and deliver it to the Treasury in exchange for either coin or circulatory convertible gold certificates.

All silver purchased by the Treasury should be limited to payments for commodity exports. All silver so acquired should be monetized and paid out by the Treasury to cover Government subsidies.

Unless, and until, both gold and silver are circulated as national money, deficit expenditures must continue to increase as a desperate and futile recourse to compensate shrinking price levels and receding industrial production.

If the currently incoming gold is not to be monetized, the banks, much to their embarrassment, must continue to finance the Government purchases without having free monetary use of the gold. The present practice of increasing Government debt by two billion of dollars for each one billion dollars of gold imported will continue. Bank deposits will become increasingly dormant and interest rates will continue to diminish, until Government bonds will fall below parity.

The banks, after having accepted noncirculatory gold certificates in exchange for deposit credits to the Treasury in compensation for all imported gold purchases, are now forced to redeposit part of these certificates with the Treasury to secure Federal Reserve notes. If the new gold is monetized, the Federal Reserve banks can discontinue their present forced practice of returning gold certificates to Government agencies to obtain Federal Reserve notes.

After having paid the Treasury $16,378,477,000 (Federal Reserve statement, April 24, 1940) to cover the cost of imported gold, the banks have redeposited with the Treasury $5,373,500,000 of the certificates to have issued to them $5,245,738,000 of the Federal Reserve notes.

If this process of returning gold certificates to the Treasury continues, eventually the Government may have all the outstanding

certificates back in their possession and will have delivered to the banks inconvertible Federal Reserve notes of an equal value. By this method the Government will have received $16,000,000,000 of bank credit free and will have repossessed its gold certificates by exchanging for them Federal Reserve notes which can assert no claim against the gold.

The Government will then have taxed bank depositors $16,378,477,000, and will have cleared title to gold of the same value, thus making it available for foreign distribution.

The Congress should immediately monetize all incoming gold, deliver gold certificates in exchange for outstanding Federal Reserve notes, monetize all silver now held inactive, and also the newly acquired silver imported as payment for commodity exports.

The attached table entitled "Foreign Commerce—Gold, Silver, and Merchandise," sets forth for the period 1934–39 the values of excess of imports of gold and silver, excess of merchandise exports, gross gold stocks, gold imports not offset by merchandise exports, and net gold reserves.

The net gold reserve represents the difference between gross gold stock and gold imported which has not been offset by corresponding merchandise exports.

It will be noted that at the end of 1939 the gold stock not offset by merchandise exports amounts to $9,084,337,000. This gold may be considered as subject to export upon the presentation of dollar demand by any foreign central bank but not by any American citizen.

The delivery of gold certificates in exchange for outstanding Federal Reserve notes and the monetizing of currently imported gold, together with the monetization of the inactive silver stocks, will cause immediately the stabilization of the banking system. The banking system is now in an advanced stage of transition into a governmental credit controlled bureau under which money and banking are becoming socialized. This rapidly expanding practice is corroding Government credit and therefore is the direct cause of the loss of business confidence. It is high time for Congress to exercise both its authority and responsibility in reestablishing banking and monetary stability.

Foreign commerce, gold, silver, and merchandise

[In revalued dollars]

Year	(1) Gold excess of imports	(2) Silver excess of imports	(3) Merchandise excess of exports	(4) Gold imports not offset by merchandise exports	(5) Column 4, cumulative	(6) Gross gold stock	(7) Column 6 minus column 5, net gold reserve at end of year	(8) Gross gold stock (annual average by months)	(9) Column 4, cumulative: 100 percent past years, 50 percent current years	(10) Column 8 minus column 9, net gold reserve (annual average)
1934	1,133,912,000	86,174,000	477,745,000	742,341,000	742,341,000	8,237,967,000	7,495,626,000	7,568,000,000	371,170,500	7,196,829,500
1935	1,739,019,000	335,730,000	235,389,000	1,839,360,000	2,581,701,000	10,125,175,000	7,543,474,000	9,135,000,000	1,662,001,000	7,472,999,000
1936	1,116,584,000	170,851,000	33,386,000	1,254,049,000	3,835,750,000	11,257,626,000	7,421,876,000	10,621,000,000	3,208,705,000	7,412,295,000
1937	1,585,503,000	79,835,000	265,499,000	1,399,839,000	5,235,589,000	12,760,000,000	7,524,411,000	12,213,000,000	4,535,669,000	7,677,331,000
1938	1,973,569,000	223,449,000	1,134,012,000	1,063,006,000	6,298,595,000	14,511,225,000	8,212,185,000	13,323,000,000	5,767,314,000	7,555,685,000
1939	3,574,151,000	70,677,000	859,086,000	2,785,742,000	9,084,337,000	17,643,450,000	8,559,113,000	16,194,000,000	7,691,912,000	8,502,083,000
Total	11,122,738,000	966,716,000	3,005,117,000	9,084,337,000						

The basis of stability is national currency, all of which must be convertible into gold certificates or coin. A national currency with full metallic cover and of sufficient volume to support bank deposits, bank loans, and investments necessary to support a parity income of one hundred billions of dollars, will require a currency gold reserve of ten billions of dollars, commercial loans of fifty billions of dollars, and total deposits of one hundred billions of dollars. It will be the responsibility of the Federal Reserve System to restrain the velocity of total deposit turn-over to an annual rate of 10 which means a velocity of gold reserve turn-over of 100.

During 1929, the year of greatest national activity, the annual velocity of gold reserves was 245. The total bank debits were nine hundred and eighty-two thousand, five hundred and thirty-one millions of dollars, substantially one thousand millions of dollars. The corresponding velocity of turn-over of total deposits and currency was 17.79. The gold reserve should have been ten billions of dollars in 1929 instead of four billions of dollars. Total deposits and currency should have been one hundred billions of dollars, with a turn-over of 10 instead of fifty-five and twenty-one one-hundredths billions of dollars with a turn-over of 17.79.

Total bank deposits today should be one hundred billions of dollars with a controlled rate of turn-over of 10. This rate would produce bank debits of one thousand billions of dollars without inflation and cause a national income quite adequate to support the country at a parity economic level. The rate of annual Government expenditures would then be only 10 percent of national income.

The bankers until recently have believed that inflation springs from excess deposits caused by the usual practice of pyramiding loans and deposits. They now recognize that inflation comes from excessive rates of money turn-over. The bankers realize that excessive rates of turn-over arise as a result of uncontrolled loans voluntarily advanced by banks in general and that henceforth inflation cannot occur with properly supervised loan regulations.

In 1933 bank debits reached the low level since the creation of the Federal Reserve System. That year the velocity of turn-over of gold reserve was 75, 25 percent below the parity of 100. The gold reserve that year should have been eight billions of dollars instead of four billions of dollars.

Bank debits have not been above five hundred billions of dollars since 1931, and the rate of turn-over of gold reserve to bank debits has not been at 100 since 1931.

Bank debits for the years 1936, 1937, 1938, and 1939, respectively, were four hundred and sixty-one and nine-tenths, four hundred and sixty-nine and four-tenths, and four hundred and ten billions of dollars from 40 to 46 percent of the amount to meet the needs of the country. The rate of turn-over of gold reserve to bank debits for 1938 and 1939, respectively, were 50.54 and 49.51. The monetary transactions for 2 years have been only one-half the volume required to sustain the Government (free from deficit expenditures) and afford a parity scale of living.

The chart following entitled "Ratio of Bank Debits to Gold Reserve, Deposits, Loans, Etc.," sets up the bank credit items and their relationships to gold reserves and total bank debits. The average gold reserve turn-over for the 21-year period under consideration was 106.53. The parity average gold turn-over should be 100.

Ten millions of dollars gold reserve, having an annual rate of turn-over of 100, would produce bank debits of one thousand millions of dollars, and thereby secure a national income of one hundred billions of dollars.

Ratio of bank debits to gold-reserve deposits, loans, etc.

[Millions of dollars]

Call dates	Bank debits (1)	Net gold reserve (2)	Total deposits and currency (3)	Adjusted demand deposits (4)	Total loans (5)	Total investments (6)	Public debt (7)	Column 1 divided by— Column 2 (8)	Column 3 (9)	Column 4 (10)	Column 5 (11)	Column 6 (12)	Column 7 (13)	Column 4 divided by column 2 (14)
June 30—														
1919	455,293	2,842	35,520	16,980	24,723	11,847	25,482	160.17	12.82	26.81	18.41	38.44	17.87	5.97
1920	483,026	2,581	39,820	19,080	30,839	10,845	24,297	187.12	12.13	25.32	15.66	44.60	19.88	7.39
1921	399,036	3,002	37,840	17,030	28,988	11,012	23,976	132.91	10.54	23.43	13.77	36.24	16.64	5.67
1922	439,363	3,514	39,140	17,990	27,750	12,206	22,964	125.00	11.22	24.42	15.83	36.01	19.13	5.12
1923	463,726	3,773	42,520	18,860	30,398	13,341	22,349	122.89	10.90	24.59	15.26	34.76	20.76	5.00
1924	491,691	4,251	44,620	19,570	31,541	13,639	21,251	115.75	11.02	25.12	15.59	36.07	23.13	4.60
1925	570,064	4,093	48,030	21,150	33,882	14,948	20,516	139.27	11.87	26.95	16.82	38.15	27.79	5.17
1926	607,956	4,165	50,290	21,610	36,176	15,386	19,643	145.91	12.09	28.13	16.80	39.52	30.95	5.19
1927	673,861	4,277	52,480	22,250	37,378	16,373	18,510	157.55	12.84	30.28	13.03	41.16	36.40	5.20
1928	850,522	3,919	54,750	22,340	39,483	17,782	17,604	216.94	15.53	38.07	21.54	47.83	48.32	5.70
1929	982,531	3,995	55,210	22,620	41,513	16,943	16,931	245.93	17.79	43.43	23.65	58.00	58.03	5.66
1930	702,960	4,184	54,530	21,870	40,638	17,471	16,185	168.01	12.89	32.14	17.30	40.24	43.44	5.23
1931	515,320	4,416	52,940	19,910	35,384	19,637	16,801	116.67	9.73	25.88	14.56	26.25	30.67	4.51
1932	347,246	3,952	45,470	15,670	27,834	18,237	19,457	87.85	7.64	22.16	12.48	19.05	17.82	3.96
1933	303,215	4,060	41,720	14,450	22,203	17,872	22,538	74.68	7.27	20.98	13.77	16.96	13.46	3.56

Ratio of bank debits to gold-reserve deposits, loans, etc.—Continued

[Millions of dollars]

Call dates	Bank debits (1)	Net gold reserve (2)	Total deposits and currency (3)	Adjusted demand deposits (4)	Total loans (5)	Total investments (6)	Public debt (7)	Column 1 divided by— Column 2 (8)	Column 3 (9)	Column 4 (10)	Column 5 (11)	Column 6 (12)	Column 7 (13)	Column 4 divided by column 2 (14)
June 30—														
1934	356,612	6,770	45,890	16,650	21,278	21,224	27,053	52.67	7.77	21.42	16.76	16.80	13.18	2.46
1935	402,718	6,554	49,970	20,540	20,272	24,145	28,701	61.41	8.06	19.60	19.87	16.68	14.03	3.13
1936	461,889	6,920	55,170	23,860	20,679	27,779	33,545	66.74	8.37	19.36	22.34	16.63	13.77	3.45
1937	469,463	7,778	57,420	25,260	22,514	27,182	36,427	60.33	8.17	18.58	20.85	17.27	12.89	3.25
1938	405,929	8,031	56,740	24,390	21,130	26,252	37,167	50.54	7.15	16.64	19.21	15.46	10.92	3.04
March 1939	410,000	8,270	59,160	26,140	21,154	27,775	39,982	49.57	6.93	15.68	19.38	14.76	10.25	3.16
21-year average	513,925	4,826	48,535	29,322	29,322	18,186	24,353	106.53	10.59	25.20	17.53	28.27	21.10	4.23
100-billion annual income	1,000,000	10,000	100,000	50,000	56,000	25,000	25,000	100.00	10.00	20.00	20.00	40.00	40.00	5.00

Indexes of purchasing power of the import dollar by economic classes, by quarters, 1929–39

[1923–25=100]

Year and quarter	Total imports: Purchasing power of the import dollar	Total imports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude-materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude-foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured-foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1929												
First quarter	113.6	64.2	125.0	70.7	86.2	48.7	158.7	89.7	103.1	58.3	103.1	58.3
Second quarter	112.4	60.8	123.5	66.8	84.7	45.8	161.3	87.2	99.0	53.5	106.4	57.5
Third quarter	116.3	60.5	128.2	66.7	88.5	46.1	161.3	84.0	102.0	53.1	107.5	56.0
Fourth quarter	116.3	57.4	126.6	62.5	94.3	46.5	153.8	75.9	102.0	50.3	108.7	53.6
1930												
First quarter	126.6	54.8	138.9	60.1	111.1	48.1	163.9	70.9	106.4	46.0	114.9	49.7
Second quarter	133.3	52.3	149.3	58.6	112.4	44.1	181.8	71.4	116.3	45.6	119.0	46.7
Third quarter	144.9	51.1	169.5	59.8	111.1	39.2	212.8	75.1	126.6	44.7	117.6	41.5
Fourth quarter	158.7	55.2	196.1	68.2	135.1	47.0	217.4	75.7	133.3	46.4	123.5	43.0
1931												
First quarter	166.7	47.4	208.3	59.3	142.9	40.7	212.8	60.6	137.0	39.0	133.3	37.9
Second quarter	175.4	48.6	227.3	63.0	147.1	40.8	217.4	60.3	144.9	40.2	138.9	38.5
Third quarter	185.2	51.8	250.0	70.0	153.8	43.0	208.3	58.3	153.8	43.0	144.9	40.5
Fourth quarter	196.1	60.1	270.3	82.8	166.7	51.1	217.4	66.6	163.9	50.2	149.3	45.7
1932												
First quarter	217.4	65.0	285.7	85.5	178.6	53.4	263.2	78.7	178.6	53.4	172.4	51.6
Second quarter	222.2	61.9	322.6	89.8	172.4	48.0	263.2	73.3	185.2	51.6	172.4	48.0
Third quarter	243.9	67.1	384.6	105.8	181.8	50.0	263.2	72.4	196.1	54.0	178.6	49.2
Fourth quarter	243.9	64.1	357.1	93.9	185.2	48.7	250.0	65.8	196.1	51.6	188.7	49.6
1933												
Firt quarter	256.4	67.9	370.4	98.0	196.1	51.9	277.8	73.5	204.1	54.0	204.1	54.0
Second quarter	256.4	85.9	384.6	128.8	204.1	68.4	270.3	90.5	196.1	65.7	204.1	68.4
Third quarter	217.4	81.3	294.1	109.9	181.8	68.0	227.3	85.0	163.9	61.3	178.6	66.8
Fourth quarter	208.3	86.6	270.3	112.4	185.2	77.0	227.3	94.5	156.2	64.9	175.4	72.9
1934												
First quarter	208.3	93.9	270.3	121.9	188.7	85.1	232.6	104.9	151.5	68.3	175.4	79.1
Second quarter	200.0	89.7	256.4	115.0	166.7	74.8	232.6	104.3	149.3	67.0	175.4	78.7
Third quarter	200.0	96.5	256.4	123.7	166.7	80.4	232.6	112.3	147.1	71.0	175.4	84.6
Fourth quarter	196.1	105.3	256.4	137.6	166.7	89.5	204.1	109.6	151.5	81.3	181.8	97.6
1935												
First quarter	200.0	112.0	256.4	143.6	169.5	95.0	208.3	116.7	151.5	84.9	181.8	101.8
Second quarter	200.0	142.7	263.2	187.8	181.8	129.7	204.1	145.6	151.5	108.1	181.8	129.7
Third quarter	196.1	130.7	250.0	166.6	192.3	128.2	196.1	130.7	147.1	98.1	178.6	119.1
Fourth quarter	200.0	125.0	238.1	148.8	196.1	122.5	208.3	130.1	147.1	91.9	181.8	113.6
1936												
First quarter	188.7	86.0	222.2	101.3	188.7	86.0	192.3	87.7	147.1	67.0	185.2	84.4
Second quarter	185.2	83.0	217.4	97.5	181.8	81.5	185.2	83.0	149.3	66.9	185.2	83.0
Third quarter	185.2	82.9	212.8	95.2	178.6	79.9	185.2	82.9	147.1	65.8	185.2	82.9
Fourth quarter	181.8	82.1	204.1	92.2	166.7	75.3	188.7	85.3	147.1	66.5	188.7	85.3
1937												
First quarter	169.5	76.2	185.2	83.2	153.8	69.1	178.6	80.2	140.8	63.3	185.2	83.2
Second quarter	161.3	72.7	172.4	77.8	144.9	65.3	178.6	80.5	129.9	58.6	178.6	80.5
Third quarter	163.9	73.3	175.4	78.5	144.9	64.8	188.7	84.4	128.2	57.4	175.4	78.5
Fourth quarter	169.5	75.3	185.2	82.3	158.7	70.5	196.1	87.1	125.0	55.6	172.4	76.6

Indexes of purchasing power of the import dollar by economic classes, by quarters, 1929–39—Continued

Year and quarter	Total imports: Purchasing power of the import dollar	Total imports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude-materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude-foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured-foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1938												
First quarter	178.6	79.4	204.1	90.8	175.4	78.0	200.0	89.0	138.9	61.8	163.9	72.9
Second quarter	181.8	77.7	217.4	92.9	181.8	77.7	204.1	87.3	142.9	61.1	163.9	70.1
Third quarter	188.7	81.9	222.2	96.5	181.8	78.9	222.2	96.5	147.1	63.9	166.7	72.4
Fourth quarter	185.2	79.2	208.3	89.0	185.2	79.2	222.2	95.0	147.1	62.9	169.5	72.5
1939												
First quarter	185.2	79.2	208.3	89.0	185.2	79.2	217.4	92.9	144.9	61.9	172.4	73.7
Second quarter	181.8	77.2	200.0	85.0	185.2	78.7	212.8	90.4	144.9	61.6	166.7	70.8
Third quarter	181.8	65.4	192.3	69.1	185.2	66.6	217.4	78.2	147.1	52.9	166.7	59.9
Fourth quarter	175.4	61.6	181.8	63.9	188.6	66.3	208.3	73.2	138.9	48.8	166.7	58.6

Source: Purchasing power indexes computed from official statistics of the U. S. Department of Commerce.

Indexes of purchasing power of the export dollar by economic classes, by quarters, 1929–39

[1923–25=100]

Year and quarter	Total exports: Purchasing power of the export dollar	Total exports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1929												
First quarter	114.9	65.0	128.2	72.5	109.9	62.1	106.4	60.1	100.0	56.5	113.6	64.2
Second quarter	114.9	62.1	131.6	71.2	122.0	66.0	105.3	56.9	98.0	53.0	111.1	60.1
Third quarter	114.9	59.8	131.6	68.5	111.1	57.8	103.1	53.7	101.0	52.6	113.6	59.1
Fourth quarter	114.9	56.7	133.3	65.8	107.5	53.0	103.1	50.9	101.0	49.8	113.6	56.0
1930												
First quarter	117.6	50.9	140.8	60.9	111.1	48.1	107.5	46.5	102.0	44.1	114.9	49.7
Second quarter	123.5	48.5	151.5	59.5	117.6	46.2	111.1	43.6	111.1	43.6	117.6	46.2
Third quarter	131.6	46.4	178.6	63.0	129.9	45.8	117.6	41.5	120.5	42.5	119.0	42.0
Fourth quarter	142.9	49.7	200.0	69.6	138.9	48.3	122.0	42.5	129.9	45.2	126.6	44.1
1931												
First quarter	149.3	42.5	208.3	59.3	153.8	43.8	133.3	37.9	135.1	38.4	131.6	37.5
Second quarter	158.7	44.0	222.2	61.6	166.7	46.2	144.9	40.2	137.0	38.0	142.9	39.6

Indexes of purchasing power of the export dollar by economic classes, by quarters, 1929–32—Continued

Year and quarter	Total exports		Crude materials		Crude foodstuffs		Manufactured foodstuffs		Semimanufactures		Finished manufactures	
	Purchasing power of the export dollar	Purchasing power = price of silver	Purchasing power of the crude materials dollar	Purchasing power = price of silver	Purchasing power of the crude foodstuffs dollar	Purchasing power = price of silver	Purchasing power of the manufactured foodstuffs dollar	Purchasing power = price of silver	Purchasing power of the semimanufactures dollar	Purchasing power = price of silver	Purchasing power of the finished manufactures dollar	Purchasing power = price of silver
1931												
Third quarter	175.4	49.1	263.2	73.6	192.3	53.8	149.3	41.8	147.1	41.2	156.2	43.7
Fourth quarter	188.7	57.8	294.1	90.1	192.3	58.9	158.7	48.6	153.8	47.1	163.9	50.2
1932												
First quarter	188.7	56.4	294.1	88.0	204.1	61.0	178.6	53.4	163.9	49.0	158.7	47.5
Second quarter	192.3	53.5	303.0	84.4	200.0	55.7	192.3	53.5	169.5	47.2	161.3	44.9
Third quarter	192.3	52.9	285.7	78.6	217.4	59.8	192.3	52.9	175.4	48.3	158.7	43.7
Fourth quarter	200.0	52.6	303.0	79.7	232.6	61.2	196.1	51.6	175.4	46.1	161.3	42.4
1933												
First quarter	208.3	55.1	312.5	82.7	243.9	64.6	212.8	56.3	185.2	49.0	175.4	46.4
Second quarter	200.0	67.0	277.8	93.0	238.1	79.7	192.3	64.4	175.4	58.7	175.4	58.7
Third quarter	178.6	66.8	238.1	89.0	172.4	64.4	172.4	64.4	158.7	59.3	169.5	63.4
Fourth quarter	169.5	70.5	227.3	94.5	185.2	77.0	169.5	70.5	149.3	62.1	156.2	64.9
1934												
First quarter	161.3	72.7	204.1	92.0	196.1	88.4	169.5	76.4	144.9	65.3	153.8	69.4
Second quarter	161.3	72.4	200.0	89.7	185.2	83.1	169.5	76.0	138.9	62.3	153.8	69.0
Third quarter	153.8	74.2	185.2	89.4	169.5	81.8	156.2	75.4	142.9	69.0	153.8	74.2
Fourth quarter	153.8	82.6	181.8	97.6	166.7	89.5	144.9	77.8	151.5	81.3	158.7	85.2
1935												
First quarter	153.8	86.2	181.8	101.8	178.6	100.1	137.0	76.7	151.5	84.9	153.8	86.2
Second quarter	153.8	109.8	188.7	134.7	163.9	117.0	138.9	99.1	144.9	103.4	153.8	109.8
Third quarter	153.8	102.5	188.7	125.8	169.5	113.0	131.6	87.7	144.9	96.6	151.5	101.0
Fourth quarter	156.2	97.6	196.1	122.5	175.4	109.6	135.1	84.4	140.8	88.0	153.8	96.1
1936												
First quarter	151.5	69.1	188.7	86.0	178.6	81.4	137.0	62.4	138.9	63.3	151.5	69.1
Second quarter	153.8	69.0	188.7	84.6	175.4	78.6	138.9	62.3	138.9	62.3	153.8	69.0
Third quarter	149.3	66.8	185.2	82.9	153.8	68.8	133.3	59.7	137.0	61.3	151.5	67.8
Fourth quarter	147.1	66.5	181.8	82.1	158.7	71.7	126.6	57.2	133.3	60.2	149.3	67.5
1937												
First quarter	142.9	64.2	175.4	78.8	144.9	65.1	126.6	56.9	119.0	53.5	149.3	67.1
Second quarter	137.0	61.8	169.5	76.4	131.6	59.4	123.5	55.7	109.9	49.6	147.1	66.3
Third quarter	138.9	62.2	181.8	81.4	140.8	63.0	122.0	54.6	109.9	49.2	142.9	63.9
Fourth quarter	147.1	65.4	212.8	94.6	166.7	74.1	129.9	57.7	116.3	51.7	140.8	62.6
1938												
First quarter	147.1	65.4	212.8	94.7	169.5	75.4	138.9	61.8	120.5	53.6	144.9	64.5
Second quarter	153.8	65.7	208.3	89.0	185.2	79.2	144.9	61.9	131.6	56.3	147.1	62.9
Third quarter	156.2	67.8	212.8	92.9	204.1	88.6	147.1	63.9	133.3	57.9	149.3	64.8
Fourth quarter	156.2	66.8	217.4	92.9	227.3	97.2	153.8	65.7	129.9	55.5	149.3	63.8
1939												
First quarter	158.7	67.8	222.2	95.0	232.6	99.4	161.3	69.0	131.6	56.3	151.5	64.8
Second quarter	161.3	68.5	222.2	94.4	238.1	101.1	163.9	69.6	135.1	57.4	151.5	64.4
Third quarter	158.7	57.1	217.4	78.2	232.6	83.6	163.9	58.9	133.3	47.9	149.3	53.7
Fourth quarter	151.5	53.2	212.8	74.8	204.1	71.7	144.9	50.9	117.6	41.3	142.9	50.2

Source: Purchasing power indexes computed from official statistics of the U. S. Department of Commerce.
U. S. Tariff Commission, March 1940.

DISCUSSION OF THE HISTORY OF SILVER AND SILVER LEGISLATION

There are no conscientious objectors to the utilization of silver as money.

There are two general classes of people in the United States who are opposed to using silver as money both within the country and internationally. One class of silver objectors wish silver to be reduced to an industrial metal for commercial purposes only. These people deliberately attempt to destroy the monetary value of one of the world's traditional monetary metals. They feel no responsibility whatever as to the resulting distress and impoverishment of a large part of the world's population.

For each and every cent they reduce the price of an ounce of silver a loss is caused in the bullion value of the monetary silver of $50,000,000, and for silver bullion not monetized another $50,000,000. There are many new uses for silver. In 1939 there were 35,000,000 ounces of silver consumed in the United States for purposes other than coinage. The saving to industry by reducing this commercially used silver 1 cent per ounce would be $350,000. The greatest loss in diverting silver from monetary to commercial uses occurs as a result of contracting the world's metallic money supply. The proposition of reducing the price of silver to a fractional part of its monetary value for the selfish purpose of increasing commercial consumption is not worthy of debate.

The other group consists of the "managed currency" advocates, who, like the first class of objectors, wish to destroy silver as a monetary metal. They are a more dangerous group than the first, because they wish also to destroy gold as money except for monetary settlements between nations. There have been so many failures of monetary structures among the important nations of the world due to the application of managed-currency principles that sound-thinking people should banish from their minds all consideration of the contraction of gold and silver. The need for both metals for monetary purposes has been tremendously enlarged because of the many monetary failures in the past 20 years and because of the burdens placed upon the monetary metals by increased national debt throughout the world due to war.

The second group consists of the contemporary economists who have been taught to deprecate silver as a competitive money with gold. These economists were educated in colleges and universities which largely were endowed by individuals who had been opposed to silver since the passage of the first National Bank Act on June 3, 1864. These economists now have decided that both gold and silver are unnecessary as money under their plans of managing everybody's money.

Senator John Sherman first planned to abolish silver as primary money, in cooperation with Samuel G. Ruggles, United States Commissioner to the Paris Exposition in 1867; at which time Senator Sherman also collaborated with Prime Minister Gladstone of England. Senator Sherman and Mr. Ruggles attempted to interest the French Government—and all other European countries—in establishing an international gold-monetary system under which silver was to have been reduced to subsidiary money. The plan was rejected by the United States Congress when submitted for their consideration.

The next attack on silver was dropping the silver dollar from the list of American coins in the act of February 12, 1873, section 15:

"That the silver coins of the United States shall be a trade dollar, a half dollar or 50-cent piece, a quarter dollar or 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains troy, the weight of the half dollar shall be 12 grams and one-half of a gram; the quarter dollar and the dime shall be, respectively, one-half and one-fifth of the weight of the said half dollar; and said coins shall be legal tender at their nominal value for any amount not exceeding $5 in any one payment."

It will be noted that silver was demonetized by the unfortunate and questionable method of failing to give it mention as a silver coin of legal-tender value.

This method of demonetizing silver was accomplished at the final Senate and House conferences on the bill, in spite of the fact that neither the House nor the Senate bills, which were presented to conference report, had any provision whatsoever contemplaing the dropping of the standard silver dollar and thereby demonetizing silver.

President Grant did not realize that silver had been demonetized by the act of February 12, 1873. The members of the Senate and Congress did not realize that silver had been demonetized until after the act of 1873 had been incorporated into the Revised Statutes of 1874.

As a matter of fact, it was not until the latter part of 1875, when the mints of the Latin Unions were closed to the coinage of silver, that American demonetization was realized. This realization lead to an intense interest in the United States during 1876 when, for the first time, the people realized that silver had been demonetized without one word of publicity about the matter either during the time the bill was pending in Congress, or after it had become an act. The newspaper literature of the time did not reveal one single announcement of the demonetization of silver for a period of 2 years following the passage of the act in 1873. Then, in 1876, the leading journals of the country demanded the restoration of the silver dollar to the place it occupied as a legal-tender coin previous to 1873.

Section 254 (March 3, 1863—5) of the Revised Statutes of the United States of 1874 contains the following opening sentence:

"The Secretary of the Treasury is authorized to receive deposits of gold, coin, and bullion, with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $20, and to issue certificates therefore in denominations of not less than $20 each, corresponding with the denominations of the United States notes. * * *."

"The coin and silver bullion deposit for or representing the certificates of deposits shall be retained in the Treasury for the payment of same on demand. * * *."

It will be noted that silver is not mentioned in this section.

Section 3513 of the Revised Statutes of 1874 confirmed the silent dropping of the standard silver dollar in section 15 of the act of February 12, 1873, as follows:

Section 3513 (1873—15):

"The silver coins of the United States shall be a trade dollar, a half dollar or a 50-cent piece, a quarter dollar or a 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains troy, the weight of the half dollar shall be 12 grammes and a one-half of a gramme; the quarter dollar and the dime shall be, respectively, one-half and one-fifth of the weight of said half dollar."

The trade dollars were intended for export use only and had a legal tender at their nominal values for any amount not exceeding $5 in any one payment. The trade dollars could not be paid out at the mints in exchange for gold coins at par on the same basis as all other silver coins which could be secured in sums not less than $100 in exchange for gold.

The following is the first sentence from section 3527 (1873—28) of Revised Statutes:

"Silver coins other than the trade dollar shall be paid out at the several mints and at the assay office in New York City in exchange for gold coins at par, in sums not less than $100. * * *."

"But for 2 years after the 12th day of February, 1873, silver coins shall be paid at the mint in Philadelphia, in the assay office at New York City, for silver bullion purchased for coinage, under such regulations as may be prescribed by the Director of the Mint and approved by the Secretary of the Treasury."

It will be noted by this provision that the Mint would no longer accept silver for coinage. The Secretary of the Treasury authorized the purchase of same at the market price only, as, if, and when the Treasury wanted silver bullion.

The tremendous clamor for the restoration of the silver dollar, conducted by the press of the United States during 1876, led Senator Sherman, of Ohio, to remark in a speech made at Marietta, Ohio, August 12, 1876, reported by the Cincinnati Gazette of August 14, 1876, as follows:

"I do not now, fellow citizens, enter fully upon the great question of the restoration of the old silver dollar, as the money of account, for it has not yet assumed a party aspect. I have given the subject the most careful consideration, and was the first to propose the recoining of the old silver dollar."

In the same speech, Senator Sherman is quoted as follows:

"I was a member of the conference committee of the two Houses on the silver bill. I am not at liberty to state what occurred except as shown by the action of the two Houses. Both Houses were in favor of issuing the old dollar—the dollar in legal existence since 1792, containing 412.8 grains and only demonetized in 1873, when it was worth 2 percent more than the gold dollar. It was then, and for 20 years had been, only issued for export and was not circulating; still, it was a legal standard, as well as gold; always had been, and it was the right of any debtor to pay in silver dollars as well as gold dollars. It was his legal option.

"The relative value of the two metals had often varied before, and still the right remained to the debtor to pay in either dollar, and, therefore, in a cheaper dollar. The mere disuse of the coinage of the silver dollar could not, and ought not, to affect preexisting contracts. And now, when all our domestic contracts have been based upon depreciated paper money, made a legal tender for all debts, public and private, except customs and duties and interest of the public debt, it would seem not only legal, but right, in the broadest sense of the term, that we should avail ourselves of the rapid and remarkable fall of silver bullion to recoin the old silver coins, including the old silver dollar, the oldest of our coins, and with them pay our depreciated notes, and thus restore the old coin standard."

The Senator was talking to his home constituents in Ohio. Previously, he had taken positions against silver in his report on a bill in 1868, entitled "A Bill in Relation to the Coinage of Gold and Silver." He said:

"The single standard of gold as an American idea, yielded reluctantly by France and other countries, where silver is the first standard of value."

This report will be found in the Senate Report of Committee, No. 117, Fortieth Congress, second session, page 4.

The business conditions in the United States in February 1873, when silver was demonetized, were at such a low ebb that it will be positive proof to legislators and businessmen of the year 1940, that, in 1873, the legislators were completely ignorant of the fact of silver demonetization as part of the act of 1873. Certainly no sane person would have had anything to do with the demonetization either of gold or silver under the then existing circumstances of complete noncirculation of either metal. The total monetary stock of silver in 1873 amounted to 44 cents per person, not one cent of which was in circulation. The total monetary stock of gold in 1873 was $3.24 per person, not one cent of which was in circulation.

The United States, fortunately, had become a most important producer of both gold and silver. In 1848, gold was discovered in California, and in that year $10,000,000 was produced. In 1849, $40,000,000 was produced, and by the end of 1872, $1,204,750,000 of gold had been produced which represented $29 per person (in contrast to circulation of $3.24).

The first silver mines in the United States, at Virginia City, Nev., were discovered in 1851, and the total production of silver by the end of 1872 was $157,750,000, which amounted to $3.80 per person (in contrast to circulation of 44 cents).

The United States did not separate the export figures of gold and silver until 1864. For the period 1864–72, the United States had an excess of export of gold amounting to $434,113,000, which amounted to $10.38 per person.

The excess of silver exports for the period 1864–72 amounted to $122,107,000, or $2.93 per person.

The United States had an unfavorable balance of merchandise trade since 1849, with three exceptions, to wit, 1858, when the favorable balance of merchandise trade was $8,672,000, 1862, when the favorable balance of merchandise trade was $1,313,000, and 1866, when the favorable balance of merchandise trade was $85,953,000. The unfavorable balance of merchandise trade for the period 1848–72 was $1,259,635,000, or $30.21 per person.

During this period there was an excess of exports of gold and silver amounting to $1,011,673,000, equal to $24.16 per person.

In 1873, the purchasing power of the gold and silver dollars was equal, at $1.25, so that the general wholesale price level of the day was at 80 (parity being the 1926 level at 100).

The most severe panic of the United States occurred in 1873 because of monetary shortage in the United States, and the contraction of the high price levels of the Civil War period.

In 1873, the United States was dependent upon the circulation of greenbacks and the so-called "shinplasters" (paper fractional currency). In 1873, greenbacks had a gold value of about 90 cents, which prevailed throughout the year 1874, and a value of about 87 cents during 1875.

During the period 1867–76, it was the habit of the Treasury Department to sell gold at auction, accepting greenbacks in payment, which were recirculated by the Treasury, and recycled by the bankers and bullion brokers in payment for additional gold purchases. The selling of gold to the highest bidder by the Treasury Department was a device to circumvent the inconvertibility of greenbacks. With neither gold nor silver in circulation in the United States, the Treasury Department sold five hundred and fourteen and three-tenths millions of dollars of gold during the period 1867–76, during which period the excess of exports of gold was five hundred and sixty-one and four-tenths millions of dollars. The gold production in the United States for that period was four hundred and twenty-one and six-tenths millions of dollars. Eighteen hundred and seventy-three—the year in which silver was demonetized—was the middle of the 10-year period when the country was being stripped of its total gold production with no reserves withheld to cover greenbacks or to build up a metallic currency. The accumulated silver production for that period was two hundred and forty-five and five-tenths millions of dollars of which one hundred and eighty-six and four-tenths millions of dollars was exported regardless of the desperate need for same to enhance the monetary stock.

Both the Government and the people of the United States were hopelessly in debt and their metallic currency was only a fraction of all other countries, including India. On the other hand, the country had become the most prolific producer of both gold and silver, practically all of which was being exported because of the brokerage and commission profits available to the New York bullion brokers. The principal exporters were the various banks of New York, who represented the central banks of Europe.

The first turn toward prosperity came in 1875 as a result of the act of January 14, 1875, entitled "An act to provide for the resumption of specie payments," but the prosperity was not due primarily to the future possibilities of redeeming greenbacks with gold. The immediate prosperity was due to the enacting clause of this act:

"*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined, at the mints of the United States, silver coins of the denominations of 10, 25, and 50 cents, of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, immediately issue such silver coins through the mints, the subtreasuries, public depositaries, and post offices of the United States; and upon such issue is hereby authorized and required to redeem an equal amount of such fractional currency until the whole amount of such fractional currency outstanding shall be redeemed * * *."

This act resumed the redemption of greenbacks for the bankers, with certain limitations, immediately upon its enactment, but the public waited 4 years longer for the period of resumption.

The subsequent act of May 31, 1878, forbade further retirement of legal-tender notes and fixed the amount then outstanding at $346,681,016. This repeal of the right of banks to retire greenbacks was in response to objections of the people of the United States to contraction of national currency.

The act of March 3, 1875, authorized the coinage of a 20-cent silver piece of 5 grams weight, legal tender for an amount not exceeding $5.

The act of April 17, 1876, specifically directed the Secretary of the Treasury to issue silver coin in place of fractional currency, under section 2, as follows:

"That the Secretary of the Treasury is hereby directed to issue silver coins of the United States of the denominations of 10, 20, 25, and 50 cents of standard value in redemption of an equal amount of fractional currency, whether the same be now in the Treasury waiting redemption or whenever it may be presented for redemption; and the Secretary of the Treasury may, under regulations of the Treasury Department, provide for such redemption and issue by substitution at the regular subtreasuries and public depositaries of the United States until the whole amount of fractional currency outstanding shall be redeemed. And the fractional currency redeemed under this act shall be held to be part of the sinking fund provided for by existing law at interest to be computed thereon as in the case of bonds redeemed under the act relating to the sinking fund."

The joint resolution of July 22, 1876, provided:

"For the issue of silver coin at any time in the Treasury to an amount not exceeding $10,000,000 in exchange for an equal amount of legal-tender notes; and the notes so received in exchange shall be kept as a special fund, separate and apart from all other money in the Treasury, and be reissued only upon retirement and destruction of a like amount of fractional currency received at the Treasury in payment of duties to the United States; and said fractional currency, when so substituted, shall be destroyed and held as part of the sinking fund, as provided in the act approved April 17, 1876."

It is most interesting to note that these legal-tender notes redeemed in the above-described act were reissued in payment of arrearages of pensions under section 3 of the Legislative, Executive, and Judicial Appropriation Act of June 21, 1879. In effect, $10,000,000 silver money was coined and paid out to cover pension arrearages.

The joint resolution of July 22, 1876, further fortified the earlier legislation as to the replacement of "shinplasters" with silver coin as provided in section 3, as follows:

"That in addition to the amount of subsidiary coin authorized by law to be issued in redemption of the fractional currency, it shall be lawful to manufacture at the several mints, and issue through the Treasury and its several offices, such coin to an amount that, including the amount of subsidiary coin and all fractional currency outstanding, which, in the aggregate, not exceed at any time $50,000,000."

The public have not realized that, immediately after demonetization of silver in 1873, these several acts mentioned providing for the coinage and circulation of silver were the direct means of ending the panic of 1873 and starting the country toward a return to substantial recovery.

The benefits of this minor silver legislation had become so apparent that a country-wide demand exerted itself for the remonetization of silver which culminated in the act of February 28, 1878, known as the Bland-Allison Act.

The Bland-Allison Act of February 28, 1878, was the culmination of silver legislation. On July 17, 1876, Mr. W. D. Kelley introduced in the House a bill to coin the standard silver dollar and to restore its legal-tender character. This was the original of the final Bland-Allison Act.

Mr. Bland introduced House bill 3635 July 25, 1876, providing for the issuance of bullion certificates. This bill was reported from the Committee on Mines and Mining December 12, 1876, sections 1 and 4, as follows:

Section 1:

"That coin notes of the denomination of $50, and multiples thereof up to $10,000, may, in the mode hereinafter provided, be paid by the several mints and assay offices * * * for the net value of gold and silver bullion deposited thereat; and of the bullion thus received not less than 75 percent in coin or fine bars shall at all times be kept on hand for redemption of the coin notes, gold for gold and silver for silver. The gold deposited shall be computed at its coining value and silver at the rate of 412.8 grains standard silver to the dollar."

Section 4:

"That the coin notes issued under the provisions of this act shall be receivable without limit for all dues to the United States; and the coin mentioned in this act shall be legal tender for all debts of the United States, public and private, not specified to be paid in gold coin."

Mr. Bland also proposed a substitute bill, H. R. 4189, which was the same as the Kelley bill of the former session. The enacting clause follows:

"Be it enacted, etc., That there shall be from time to time coined at the mints of the United States silver dollars of the weight of 412½ grains standard silver to the dollar, as provided for in the act of January 18, 1837, and that said dollar shall be a legal tender for all debts, public and private, except where payment of gold coin is required by law."

The substitute bill was passed on December 13, 1876, by a vote of 167 to 53. The bill was not acted upon by the Senate that session. Mr. Bland reintroduced his bill, H. R. 1093, and, under a suspension of rules, was passed without debate November 5, 1877, by a vote of 163 to 34. The bill as passed and sent to the House was as follows:

"Be it enacted, etc., That there shall be coined at the several mints of the United States silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1937, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise provided by contract; and any owner of silver bullion may deposit the same at any United States coinage mint or assay office to be coined into such dollars, for his benefit, upon the same terms and conditions as gold bullion is deposited for coinage under existing laws.

"SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed."

The bill reached the Senate on December 6, 1877, and was made the special order for December 11, 1877. The bill was in charge of Mr. Allison of the Committee on Finance, who reported the bill with an amendment which eliminated from the House bill the provision of free coinage. The amendment was adopted by a vote of 49 to 22 with Senate silver advocates Beck, Davis of Illinois, Garland, Jones of Nevada, Thurman, and Voorhees.

Another amendment was offered by Mr. Booth of California, as follows:

SEC. 3. "That any holder of the coin authorized by this act may deposit same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $10, and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes. The coins deposited for, or representing, the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued."

This amendment was adopted by a vote of 49 to 15, and the whole bill as amended passed the Senate February 15, 1878, by a vote of 48 to 21. The House passed the bill, as amended by the Senate, by a vote of 203 to 72, February 21, 1878. President Hayes vetoed the bill on the 28th, but it was promptly passed over the veto on the same day by the House with a vote of 196 to 72, and by the Senate with a vote of 46 to 19.

Among the Republicans voting the override of the veto were Representatives Butler, Charles Foster, William McKinley, and Kelley; and Senators Allison, Matthews, and Windom (later Secretary of the Treasury in 1881). Supporting Hayes were Representatives Hale, Reed, Garfield, and Frye; and Senators Blaine, Conkling, Dawes, Hoar, and Morrill of Vermont.

The bill, as it became law on February 28, 1878, passed each House by a two-third vote over the veto of the President, was as follows:

"Act of February 28, 1878: An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character

"Be it enacted, etc., That there shall be coined, at the several mints of the United States, silver dollars of the weight of four hundred and twelve and a half grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion, at the market price thereof, not less than $2,000,000 worth per month, nor more than $4,000,000 worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury, as provided, under existing laws relative to the subsidiary coinage: *Provided,* That the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed $5,000,000: *And provided further,* That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section 254 of the Revised Statutes.

"SEC. 2. That immediately after the passage of this act, the President shall invite the governments of the countries composing the Latin Union, so-called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money, and securing fixity of relative value between those metals; at such time, within 6 months, as may be mutually agreed upon by the executives of the governments joining in the same, whenever the governments so invited, or any three of them, shall have signified their willingness to unite in the same.

"The President shall, by and with the advice and consent of the Senate, appoint three Commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress.

"Said Commissioners shall each receive the sum of $2,500 and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated."

"SEC. 3. That any holder of the coin authorized by this act may deposit same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $10, and receive therefor certificates, of not less than $10 each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued.

"SEC. 4. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed."

The defect in this bill was the failure to provide for a coinage at least equal to the annual production of silver in the United States, and the failure to authorize one-, two-, and five-dollar silver certificates which later proved to be a great embarrassment in the circulation of the silver certificates, but was corrected by the act of August 4, 1886, "An act making appropriations for sundry

civil expenses of the Government for the fiscal year ending June 30, 1887, and for other purposes":

"*Be it enacted, etc.*, * * * And the Secretary of the Treasury is hereby authorized and required to issue silver certificates in denominations of one, two, and five dollars, and the silver certificates herein authorized shall be receivable, redeemable, and payable in like manner and for like purposes as is provided for silver certificates by the act of February 28, 1878, entitled 'An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character,' and denominations of one, two, and five dollars may be issued in lieu of silver certificates of larger denominations in the Treasury or in exchange therefor upon presentation by the holders, and to that extent said certificates of larger denominations shall be concealed and destroyed. * * *

"Transportation of silver coin: For transportation of silver coin, including fractional silver coin, by registered mail or otherwise, $75,000; and in expending this sum the Secretary of the Treasury is authorized and directed to transport from the Treasury or subtreasuries, free of charge, silver coin when so requested to do so: *Provided*, That an equal amount of coin or currency shall have been deposited in the Treasury or such subtreasuries by the applicant or applicants. And the Secretary of the Treasury shall report to Congress the cost arising under this appropriation * * *."

(Similar provisions are contained in succeeding sundry civil appropriation laws.)

It will be noted that the Secretary of the Treasury was authorized and directed to purchase silver bullion at the market price, not less than $2,000,000 worth per month, nor more than $4,000,000 worth per month; but none of the Secretaries of the Treasury, who had charge of the administration of this bill, ever exceeded the minimum amount; therefore, there was a large surplus of silver exported from the country during the life of the act, at decreasing prices which were fixed in London. The actual amount of silver coined under this act, was as follows:

AMOUNT, COST, AND AVERAGE PRICE OF SILVER PURCHASED UNDER THE ACT OF FEB. 28, 1878, AND COINAGE OF SILVER DOLLARS THEREFROM

1878–91:	
Fine ounces	$291,272,018.56
Cost	308,279,260.71
Average price per fine ounce	1.0583
Coinage of silver dollars	378,166,793.00

The average rate of coinage for this period was about $2,200,000 per month. The United States production of silver for the 1878–91 period was 569,896,300 ounces, having a value of $598,526,900, and the excess of exports for the same period amounted to 130,000,000 ounces, having a value of $137,914,347.

The seigniorage profit to the Government for the silver bought under the Bland-Allison Act amounted to $56,939,730.87.

The clearing houses of the United States offered obstacles to the success of the operation of the Bland-Allison Act by refusing to accept silver in settlements.

Rules printed in the Comptroller's report of 1878 disclosed that the clearing houses prohibited the payment of bills (of more than $10 change) in silver or silver certificates.

In the act of August 7, 1882, Congress enacted a provision that no national bank could be a member of a clearing house at which silver certificates were not receivable in payment of balances.

"But the practice continued as before; the Congress could compel a national bank to receive silver, but not to offer it" (The Silver Situation in the United States—Taussig).

Section 12 of this act follows:

"That the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer or Assistant Treasurers of the United States, in sums not less than $20, and to issue certificates therefor in denominations of not less than $20 each, corresponding with the denominations of United States notes. The coin deposited for or representing the certificates of deposits shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public duties, and when so received may be reissued; and such certificates, as also silver certificates, when held by any national banking association, shall be counted as part of its lawful reserve; and no national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing-house balances: *Provided*, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below $100,000,000; and the provisions of section 5207 of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued."

The monetary stock of the United States practically doubled during the period 1873–78. Silver increased from 44 cents per person to $1.72, and gold increased from $2.24 to $4.48, making a total monetary stock of $6.20 per capita. Tremendous benefits were felt immediately from silver coinage under the Bland-Allison Act. There was a constant increase in silver money, which amounted to $8.09 at the end of 1891. Gold had increased to $10.13, making a total of $18.22 per capita, gold and silver, a 300-percent increase during the life of the Bland-Allison Act.

The per capita debt dropped from $51.62 to $15.37, for the period 1873–78; and to $15.70 in 1891. This was slightly in excess of $1,000,000,000 debt reduction, and at the time was the most rapid rate of debt reduction of this or of any other country in the world.

Individual bank deposits increased from $620,000,000 in 1878 to $1,560,000,000 in 1890. Loans and discounts increased from $840,000,000 in 1878 to $1,990,000,000 in 1890. Bank capital, surpluses, and profits increased from $620,000,000 in 1878 to $96,000,000 in 1890. During the period 1878–91, the excess of gold import was $86,144,000, but the excess of merchandise export was $1,350,357,000.

During this period (1878–91) the foreign countries of Europe and Asia were clamoring for American silver, and the United States dumped the metal at constantly falling prices, which were fixed by the London brokers. The excess of export of silver during 1878–91 had a commercial value of $137,915,000, and a coinage value of $168,478,000. These shipments afforded a seigniorage profit to the foreign buyers of $30,563,000. If this silver had been coined in the United States, the monetary stock would have been increased $2.60 per person, which increase the country very much needed.

The selling of this uncoined silver on the foreign markets at prices controlled outside of the United States caused its world price to drop from $1.15 per ounce in 1878 to 99 cents during 1891.

Because of failure to utilize full American production and the fact that the world price was permitted by the United States Treasury to be fixed in London at the buyers' prices, the bankers were dissatisfied with the Bland-Allison Act because the country was building up a national currency whereas the banks at the time, and ever since, have followed the policy of building credit-bank currencies at the expense of national currency.

On July 15, 1890, the Bland-Allison Act was superseded by the Sherman Act, which contained a clause authorizing the Secretary of the Treasury to purchase monthly four and five-tenths million ounces of silver bullion to be paid for with Treasury notes redeemable in coin (gold or silver). But a "joker" was introduced which limited actual coinage of silver to $2 per month for a limited period of less than 1 year, terminating July 1, 1891. After that date, coinage was to be limited to the amount required to redeem notes.

Sherman's objective in changing from the Bland-Allison to the Sherman Act was to introduce Treasury notes into circulation, representing the silver purchased, instead of issuing silver certificates.

The silver certificates were not legal tender, and not convertible, and not redeemable in gold. The greenbacks were not redeemable in gold; but the Treasury notes of 1890, as defined by the Sherman Act, were legal tender, legal bank reserves, and redeemable in either gold or silver Therefore, the Treasury notes offered a means of siphoning gold out of the Treasury without the retirement of the notes. These notes were recirculated by the Treasury, and then used again to draw gold from the Treasury.

There was a profitable market for gold in Europe during the period; therefore, the yellow metal was shipped by the bullion brokers for profit even when the balance of merchandise shipments was much in favor of the United States. Europe needed gold so badly during their panic that American securities and stocks were liquidated at buyers' prices in order to secure for export the United States gold production, as well as the gold in the Treasury.

The concession to the silver advocates, in raising the silver purchases to four and five-tenths million ounces per month instead of a minimum of $2,000,000 per month, made the change from the Bland-Allison Act to the Sherman Act agreeable because the broad provisions of the latter act, in respect to the Treasury notes, was not realized by them. Neither did they realize that the Secretaries of the Treasury would treat these Treasury notes as redeemable in gold at the election of their owners.

The withdrawal of gold from the Treasury by redeeming Treasury certificates resulted in an accumulation of silver in the Treasury against which no currency was in circulation. This was intended to develop a situation which would cause the repeal of the Sherman Act because of excessive nonactive stocks of silver constantly growing in the Treasury.

The increase in the monetary stock of the United States, which had made such splendid headway under the Bland-Allison Act, was interrupted. The monetary silver stock per capita increased only from $8.09 in 1891, to $9.23 in 1894, after which there was a rapid reduction of silver money to the low point of $4.96 per capita in 1920.

The gold circulation per capita, which was $10.13 in 1891, was reduced to $9.28 in 1894. This was due to gold withdrawals against delivery of Treasury notes, which were issued against silver purchases. The excess of exports of gold for the 1891–94 period was $160,662,000, and the excess of exports of silver for the same period was $72,428,000. The excess of merchandise exports for the period 1891–94 was $460,851,000.

Sherman's idea in reducing both gold and silver monetary stocks was to create a vacuum for national-bank notes. This has always been and continues to be the objective of both the central and large commercial bankers.

The silver purchased under the Sherman Act was not adding to the monetary stock, because the Treasury notes were being cashed for gold and the gold shipped abroad. Silver bullion was being shipped in tremendous quantities.

On March 31, 1940, there was $5,224,000,000 of Federal Reserve notes outside the Treasury and $4,896,000,000 in circulation, representing a $37.12 per capita in contrast to silver certificates in circulation amounting to $11.43 per capita, and no gold in circulation at all.

The Baring Bros. bank failure in London was the direct cause of the panic of 1890, both in Europe and America. The Baring failure was unexpected, but it dovetailed with the premeditated contraction of bank loans in the United States, which was inaugurated as a means of repealing the silver-purchase clause of the Sherman Act.

Gold and silver were withdrawn from the United States by Europe in enormous amounts to counteract the broad panic which developed from the Baring failure, but the gold and silver withdrawals in the United States resulted in stock-exchange panics and a general depression in business throughout the United States, which was the principal cause of the panic of 1893.

During the fiscal-year period of 1891–94, the Treasury Department purchased, under the Sherman Act, 168,674,682.13 ounces of silver at a cost of $155,931,002.25, the average price per fine ounce being 92.44 cents.

During this same period, Treasury notes of 1890 were issued in the amount of $155,931,002. The silver dollars coined during that period amounted to only $36,000,000, and by the end of 1898 the total silver coinage under the Sherman Act was only $72,572,857.

The amount of Treasury notes redeemed in silver and canceled for the period 1891–94 was only $3,346,585, leaving $152,584,417 outstanding at the end of 1894, which were being used to siphon gold from the Treasury with the Treasury notes being reissued. At the end of 1898, $49,582,922 of Treasury notes had been redeemed in silver and canceled, and $106,384,280 in Treasury notes were outstanding, almost entirely held as bank reserves, because they were exchangeable for gold.

President Cleveland kept a campaign promise by calling a special session of Congress for August 7, 1893, to repeal the purchase clause of the act of 1890. The act passed the House by a vote of 239 to 108. Public sentiment had been created against silver because of false charges that silver money had caused the panic. This was ridiculous in view of the fact that both gold and silver were being exported at an enormous rate by the dumping of securities from Europe to meet the panic existing abroad with which the United States had nothing to do. On October 30 the bill passed the Senate by a vote of 42 to 32.

November 1, 1893, the bill became a law. The silver-purchase clause of the Sherman Act was repealed. It is curious to note the tremendous utilization and coinage of silver which followed after the repeal of the purchase clause of the Sherman Act.

In 1893 the total stock of silver coin and bullion was $615,716,000, amounting to $9.28 per capita. In the year 1917 the total silver coin and bullion was $766,545,000, representing only $7.36 per capita. In 1920, owing to the shipment of 208,000,000 ounces of silver to India, under the Pittman Act, the silver money stock fell from $527,712,000, representing $4.96 per capita. The Pittman Act silver was replaced by coinage during the period 1921–27.

As final evidence that silver had nothing to do with the panic in the United States, which was entirely sympathetic, with that of Britain and other European countries, after the Sherman Act was repealed, gold exports continued during 1895 and 1896 in the net amount of $103,968,000. Excess of silver exports increased. For the period 1895–1917 there was an annual excess of export of silver for the period amounting to $536,972,000. During 1918 and 1919 the Government shipped 208,000,000 ounces to India under the Pittman Act.

UTILIZATION OF TREASURY BULLION

Upon every occasion, when the United States Treasury has accumulated silver which was not in monetary use, most valuable uses have been found for same in emergencies. Under the sponsorship of President McKinley the revenue act of June 13, 1898, was enacted to provide funds for the financing of the Spanish-American War. This act had two main provisions: (a) Bonds in the amount of $200,000,000, and (b) coinage of all seigniorage silver held by the Treasury.

Coinage of silver bullion—Section 34:

"That the Secretary of the Treasury is hereby authorized and directed to coin into standard silver dollars as rapidly as the public interests may require, to an amount, however, of not less than one and one-half millions of dollars in each month, all of the silver bullion now in the Treasury purchased in accordance with the provisions of the act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,' and said dollars, when coined, shall be used and applied in the manner and for the purposes named in said act."

"It was, in fact, with difficulty that the silver majority in the Senate was restrained from forcing a free-silver amendment to this measure so imperatively demanded by the exigencies of war" (Contest for Sound Money, by Hepburn, p. 401).

This act resulted in the coinage of $108,800,888 of seigniorage silver accumulated under the Sherman Act of July 1891; in fact, for the period 1898–1918, leading up to the Pittman Act, the silver coinage amounted to $301,760,000. All of this silver coinage was authorized by McKinley and his Republican administration, who contemporaneously sponsored the Gold Standard Act of 1900.

THE GOLD STANDARD ACT OF MARCH 14, 1900

Section 5 of this act directed that, as fast as silver dollars were coined from silver obtained under the Sherman Act, that the Secretary of the Treasury was to retire and cancel an equal amount of Treasury notes, whenever received into the Treasury, and to issue silver certificates against the silver dollars so coined. Thus it will be seen that the Republican gold-standard administration reverted from the Treasury notes of the Sherman Act to the silver certificates of the Bland-Allison Act; thus, undoing the damage that had been created in the United States by these "special privilege" Treasury notes issued against and redeemed by the cycle method in gold.

Section 5:

"That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the acts of July 14, 1890, and June 13, 1898, from bullion purchased under the act of July 14, 1890, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this act or in the ordinary course of business, and upon the cancelation of Treasury notes, silver certificates shall be issued against the silver dollars so coined."

The following table shows the silver coinage of the United States for the period 1933–39. The rate of silver coinage has been increased to approximately $5,000,000 per month. It will be noted that the coinage in January 1939 was only $466,663. There was a constant increase throughout the year to the high average of more than $5,000,000 for the month of December:

Calendar years:

1933	$895,625.00
1934	22,091,840.00
1935	31,237,223.50
1936	34,656,954.75
1937	22,035,561.60
1938	8,998,493.05

Coinage by months, 1939:

January	466,663.00
February	464,000.00
March	536,814.45
April	318,150.75
May	2,285,855.10
June	2,497,181.55
July	1,577,000.00
August	1,810,301.80
September	3,781,427.55
October	3,737,127.55
November	5,152,855.10
December	5,286,121.00
	27,913,497.85

In his statement on March 18, 1940, before the Senate Committee on Banking and Currency, Senator PITTMAN outlined clearly and definitely the relationship between gold and silver, and the necessity of both metals to regulate purchasing power of the dollar. Senator PITTMAN's statement follows:

"When the price of silver is depressed below parity (coinage value), it has the direct effect of raising export prices of cotton, wheat, and other commodities above the parity price levels to such an extent that foreigners, who wish to purchase American goods by converting silver into dollar exchange, find the prices prohibitive.

"When a silver market exists free from barriers and embargoes, (a) price levels of all international commodities in gold-standard countries, as well as silver-using ones, change with changes in the world price of silver, (b) silver is so universally distributed amongst one-half of the people of the world that changes in its prices react immediately on the price of commodities, and, (c) gold is concentrated to such an extent that price levels of international commodities respond very slowly to changes in the gold price."

Senator PITTMAN has defined the monetary relationship of gold and silver as follows:

"The true measure of the value of silver as monetary metal resides in the fact that, whenever its world price is lowered, the purchasing power of the gold dollar is increased by the same amount; and, conversely, when the world price of silver is raised, the purchasing power of the gold dollar correspondingly is reduced."

The British have understood this simple law thoroughly since silver was demonetized, and for this reason their consistent policy has been to depress the price of silver in order to raise the purchasing power of gold. It has been an Empire policy to invest in gold deposits throughout the world and, after two generations, this policy has resulted in the British Empire producing and marketing 80 percent of the world's gold production in contrast to their 5 percent (less Canada) of the world's silver production.

Markets continuously have to be developed throughout the world by the British for their constantly increasing gold production. The most effective method they have found is to depress the price of silver so that gold, and currencies based on gold, will perform the functions of silver as well as gold.

Until the Great War started in 1914 the British policy, along with the gold-standard groups of the United States, was to keep silver depressed to a ratio of 32 to 1, at about 64.50 cents per ounce. After the Great War, the British policy became ultra-avaricious because of their inability to meet foreign obligations which were created as a result of the war. Their antisilver policy was extended to the point, virtually, of exterminating silver as a monetary metal. Britain was particularly desirous of weaning British India away from silver by replacing it with paper rupees, backed by gold reserves supposedly held in London as British-India reserve.

The Royal Mint Act of 1920 reduced the silver content of British coins from 925 fine to 500 fine. This act raised their coinage rate of silver to its present level of $2.56 per ounce, but resulted in reducing the bullion price of silver to 35 cents per ounce. By this incongruous procedure, monetary silver became worth seven times more as British coin than it was worth as bullion. This process resulted in raising the price of gold from 85 shillings to its present level of 168 shillings per ounce.

The British India Government is now proceeding with a debasement of the fractional rupee coin (4-anna) to 500 fine and, if no serious objections are encountered throughout India, the silver rupees and half rupees will be debased to the same extent. In the meantime, Britain found the exigencies of war so great that both her gold reserves and currently produced gold had to be shipped to the United States to make secure dollar credits with which to acquire necessary materials for the conduct of war.

The raising of the ounce price of gold is an obvious method of increasing the purchasing power of gold, but the most effective method of raising the purchasing power of gold is by the simple art of depressing the world price of silver. This operation is more difficult for the general public to understand, but nevertheless it is their favorite and most effective method. By this means, commodity prices in the United States are kept at "hard time" levels.

When it is said that the purchasing power of gold has been raised, it is just another way of saying that the world price level of commodities has been reduced: as the purchasing power of gold goes up price levels have a corresponding decrease. Price levels decrease as the world price of silver is decreased.

This is plainly observable by studying the price levels of the United States in comparison to the price levels of world silver since 1870. The lines are substantially parallel. When silver drops in value, the general price level drops; and when silver increases in value, the general price level increases.

This is a natural phenomenon for the simple reason that silver (owing to the fact that its ounce price is much lower than that of gold) became metallic money of the great masses of the world's population; and gold, being the more valuable by weight of the two monetary metals, became the reserve metal for banks and governments. Both metals were necessery to a world monetary structure and complement one another when their natural relationship of values is not being tampered with.

Because of many conditions, both natural and artificial, which tend to change the ratio of value between gold and silver, it is quite necessary to have gold fixed as the basis of value (in terms of a fixed number of dollars per ounce of gold) and to let the world price of silver bullion undergo a natural price fluctuation to the extent that such changes regulate and maintain equal purchasing powers of both the gold and silver dollars.

To amplify this statement, it must be recalled, when the price of silver goes up the purchasing power of silver is increased and the purchasing power of the gold dollar is decreased; and when the price of silver bullion goes down the purchasing power of the gold dollar goes up correspondingly; therefore the only positive control that exists over the regulation of the purchasing power of the gold dollar is the existence of a free world market for silver.

If the monetary structure of the world were based upon gold alone, which is largely true today, gold would become concentrated into hoards by governments and central bankers. As a direct result of such hoarding the purchasing power of gold rises to higher and higher levels, without interference, for whatever length of time the natural world price of silver is being artificially depressed. The depression of the silver price is a result of concerted action in the form of various restrictions and import embargoes on the part of those countries who seek to enhance the purchasing power of gold at the expense of the silver-producing countries and those countries which for generations have used silver as their basic medium of exchange.

By permitting the world price of silver to rise above its present manipulated low level, the purchasing power of gold will decline correspondingly (without changing the ounce price) until the purchasing powers of gold and silver meet at a common and natural level of parity. The people of the world, including gold-owning countries, as well as those of silver, will be relieved from the yoke of both monetary and price-level manipulation under which many of the leading nations of the world have been plunged into wars of extermination.

The price of silver bullion, necessary to restore parity-price levels, will be between $1 per ounce and a maximum of $1.29 per ounce, which is the United States coinage rate for silver. As Great Britain seeks to maintain a lower price level than the United States, because of the distinct advantages which accrue to her from a lower price level in world trade, the United States arbitrarily will have to protect its own interests by liberating the artificially imposed world-price level of silver so that internationally used commodities and general merchandise price levels will become relatively uniform between the two great countries. Such a condition would be of as much benefit to Britain as it would to the United States because the volume of world trade increases directly with an increase in price levels. All countries enjoy periods of maximum foreign trade, both imports and exports, when world commodities are at or near parity levels.

The unit values and volumes of United States international commerce change directly with the world price of silver. As an example: In 1919 the value of exports was 12.6 percent of national income, with a unit value index of 144; and the value of imports was 6.36 percent of national income, with a unit value index of 125; whereas, for the year 1939, the value of exports was 4.56 percent of national income, with a unit value index of 64; and imports were 3.2 percent of national income, with a unit-value index of 55.

The average price of silver during 1919 was 111.1 cents per ounce, and for 1939 was 39.1 cents per ounce. Because of low-value indexes during 1939, it required 2.25 times the quantity of exports to yield a return of $1, and 2.27 times the quantity of imports to yield a return of $1, as it did in 1919.

When the price level commences to fall in terms of gold and rise in terms of silver, gold will come out of hoarding and enter circulation, just as it concentrated because of a rising purchasing power for gold and a falling one for silver. There is no other method known that will release hoarded gold into circulation than by the operation of raising price levels. If the movement is a forceful one and directed only toward abolishing excess purchasing power, the gold gets back into circulation at a faster rate than it went into hoarding.

The following table, for the period 1913–19, sets for each year the amount of national income, the value of exports and imports as a percentage of national income, the unit-value indexes annually for both exports and imports:

Values of United States exports and imports, in terms of national income, vary directly with the New York price of silver

Year	National income	Exports (percent of national income)	Export unit-value index	New York price of silver (cents per ounce)	Imports (percent of national income)	Import unit-value index
1913	----------	----------	65	59.8	----------	70
1914	$33,100,000,000	7.03	----------	54.8	5.72	----------
1915	34,500,000,000	7.87	----------	49.7	4.82	----------
1916	40,100,000,000	13.50	----------	65.7	5.95	----------
1917	47,200,000,000	13.00	----------	81.4	6.26	----------
1918	55,100,000,000	10.90	----------	96.8	5.49	----------
1919	61,500,000,000	12.60	144	111.1	6.36	125
1920	67,800,000,000	11.80	156	100.9	7.76	155
1921	55,500,000,000	7.88	102	62.6	4.51	88
1922	58,100,000,000	6.27	94	67.5	5.35	84
1923	66,500,000,000	6.13	101	64.9	5.69	99
1924	67,800,000,000	6.61	99	66.8	5.31	96
1925	71,500,000,000	6.84	100	69.0	6.00	105
1926	74,000,000,000	6.35	92	62.1	5.71	102
1927	74,500,000,000	6.37	86	56.4	5.61	95
1928	77,100,000,000	6.53	88	58.2	5.14	92
1929	80,200,000,000	6.44	87	53.0	5.46	87
1930	74,400,000,000	5.06	78	38.1	4.10	71
1931	62,800,000,000	3.78	60	28.7	3.32	55
1932	49,300,000,000	3.19	51	27.9	2.68	43
1933	49,600,000,000	3.32	54	34.7	2.93	43
1934	52,100,000,000	4.03	63	48.0	2.93	50
1935	55,800,000,000	4.29	65	64.3	3.18	50
1936	64,200,000,000	3.77	66	45.1	3.42	54
1937	70,700,000,000	4.74	70	44.9	4.63	60
1938	65,000,000,000	4.77	65	43.2	3.00	54
1939	69,000,000,000	4.56	64	39.1	3.20	55

The export and import values as reported are illusory for the purposes of comparison to similar values for other years unless they are adjusted to the unit-value indexes of exports and imports of the 1923–25 parities as established by the Department of Commerce. Such an adjustment portrays the parity values of the same quantities reported to have been exported and imported for any given year.

The following example portrays the adjustment of the 1939 exports and imports to the parity unit-price indexes when based on the same quantities exported and imported, as reported:

United States merchandise exports and imports, unadjusted and adjusted to parity indexes (1923–25=100), for the year 1939

	Exports	Imports	Excess of exports
Parity values of quantities shipped	$4,964,000,000	$4,215,015,000	$749,585,000
Values as reported	3,177,344,000	2,318,258,000	859,086,000
Losses to exporters and gains to importers	1,787,256,000	1,896,757,000	----------

By adjusting United States foreign commerce quantities to parity values of 1923–25, the exporters of the United States had to ship an excess of merchandise, representing $1,787,256,000, to realize exports as reported, amounting to $3,177,344,000.

The importers had to ship an excess of merchandise worth $1,896,757,000, in order to receive the value of imports reported at $2,318,258,000. This import figure portrays the enormous amount of dumping that is going on in the United States at the present time under the extremely low unit-value index of 55. The figures also show the tremendous tax on the exporters of the United States in having to ship without compensation practically 50 percent more merchandise to obtain the same dollar yield with the export unit-value index of 64. The value of these extra shipments not paid for, based on parity unit-value indexes, was $1,787,256,000.

The United States has been bled white in its foreign-trade transactions as fully depicted by the fact that excess of merchandise shipments, for one reason and another, have not been settled for either in merchandise, gold, or silver.

The following figures are startling but illuminating:

Since 1873 to the end of 1939, the excess of merchandise exports from the United States have amounted to $313 per person. The excess of silver exports for the same period, including imports under the Silver Purchase Act of 1934, is $1.88 per person. Combining excess of merchandise exports with exports of silver, the amount is $314.88 per person.

To offset these excesses of exports of merchandise and silver amounting to $314.88 per person, there has been an excess of imports of gold for the same period (1873–1939) of $98.88 per person, just 32 percent of the amount due to balance the foreign trade.

The people of the United States have not been paid for merchandise exports amounting to $216 per person, equal to twenty-eight and five-tenths billion dollars. The cost of foreign war, unpaid foreign loans and investments, and multitudinous other conditions have caused this staggering loss to the people of the United States.

Conditions in the United States, broadly represented by a public debt of $308.20 per person (substantially equal to losses in foreign trade), clearly indicate that the time has arrived when foreign commerce must be based on a standard monetary system utilizing the metallic moneys, gold and silver, as the bases of settlement.

The President recommended in 1934 that monetary silver should constitute one-fourth of the United States monetary supply, and gold three-fourths; and this ratio was enacted into law by the Silver Purchase Act of 1934.

This act should be amended to the effect that all foreign countries, when settling trade balances favorable to the United States, should pay with gold and silver at the ratio of 3 to 1, the gold value being based on $35 per ounce, and silver based on a free New York price for silver, with an upper limit price of $1.293 per ounce.

The President should revalue silver from $1.293 per ounce to $2.13, the same rate of revaluation which he established for gold, when the change was made from $20.67 per ounce to $35 per ounce. The silver revaluation profit should be placed in the stabilization fund to augment the gold profit which now constitutes the fund.

The settlement of favorable trade balances of the United States with gold and silver at the 3-to-1 ratio, gold to silver, does not apply to any gold or silver which may be shipped to the United States in excess of the amounts due to settle for the excess of merchandise shipments.

All gold in excess of merchandise export settlement should be purchased by the banks for their own accounts, and they should have legislative authority to deliver such gold to the Treasury and to receive for same circulatory, convertible gold certificates in payment thereof.

Henceforth, the Government should issue circulatory gold certificates for all gold deposited.

Any foreign silver bullion entering the United States over and above one-fourth of the excess of merchandise exports should not be purchased by the Government. Such bullion should be available to all private purchasers of the United States, and all other purchasers of the world.

There should be no transactions taxes on silver in the future. The New York market for world silver should be free and unrestricted so that silver may find its true natural price level, entirely without devices either to raise or lower its natural value as determined by buyers and sellers.

Under this plan of operation, all foreign countries would enter the New York silver market to secure silver bullion which would constitute a free world market for silver, and its bullion value would be determined by all the buyers and sellers of silver throughout every country of the world.

STATEMENT BY SENATOR KEY PITTMAN BEFORE SILVER COMMITTEE

Mr. PITTMAN. I believe that it has been conclusively demonstrated that our domestic industry and our domestic and foreign commerce are more directly affected by our monetary system and the monetary systems of foreign countries and the administration of such systems than from any other cause. We can have no persuasive influence with regard to the monetary systems of other governments or the manner in which such systems are administered. We can, however, through the formulation and administration of our own monetary system, force to a certain extent the modification of the monetary systems of foreign countries to accord with our own.

If we return to the gold standard in the United States it will encourage, at least, if not force, other great commercial countries to return to some form of gold standard.

I know of no sound reason why our Government should not coin and circulate its free gold. I believe that it would be of great advantage to our Government in the purchase of gold bullion to pay for the same with our gold coins. I believe that the time has arrived when our Government should convert its nonnegotiable gold certificates held by the Federal Reserve banks into gold coin or negotiable nonretirable gold notes. This, of course, is intended to result in a free gold market both foreign and domestic.

Mr. Winthrop W. Aldrich, chairman of Chase National Bank, on January 10, 1940, in an address to the stockholders of that bank, urged (1) resumption of gold coinage and circulation of such coins and (2) reestablishment of a free gold market. In that address he said:

"As I see it, our immediate function is to reestablish a free gold market permitting free movement of gold bars and gold currency both inward and outward, so that the price of gold as here established shall constitute a firm and certain base line from which the values of the diverse currencies of the world can be confidently figured.

* * * * * * *

"However much we may deplore the raising of the price of gold in dollars in the first place, time has run too far to permit us to return to the former price. We must keep the price where it now is. But I do not propose that we do nothing. On the contrary, it seems to me that we should proceed to take measures of so firm a nature that we will be able to retain for ourselves and for the world a stable monetary value for gold.

"The wise course seems to me to be the following: We should remove as promptly as possible the present prohibitions and restrictions on the private possession of gold. We should resume specie payments, coining gold again and putting gold coins back into circulation. At the same time gold certificates should be reinstated for the convenience of those who do not wish to use or hold sizable amounts of gold coin. New imports of gold should be paid for in gold coin or negotiable gold certificates and the circulation of gold and gold certificates should be encouraged.

"It is altogether probable that if gold were to be put back in circulation in the manner suggested, much would go out of sight in the private holdings of the people. To the extent that gold, in the form of coin or gold certificates, went out of sight or remained in general circulation, it would form a ready emergency reserve for future use. There have been many instances in monetary history where a gold circulation has proved its usefulness in times of national crisis. And at this time such gold as stayed out of circulation in private possession would reduce proportionately the menace of excess reserves.

"But it cannot be maintained that the procedure outlined above would relieve the American economic system entirely from the impact of further gold imports or from the expansive power of excess reserves. To deal with that danger it may be necessary to take further steps. When we shall have had time to see the effects of our gold stock of revived specie payments, Congress might well consider granting power to the Board of Governors of the Federal Reserve System to raise reserve requirements beyond the limits now authorized by law. But any power so granted should not be susceptible of use to an extent greater than that needed to reduce excess reserves to manageable proportions.

"We must all look forward to the day—and prepare for it—when the world will again find itself at peace. It is too soon to attempt a forecast of the influences which will determine the nature of that peace. But one thing is certain if peace, when it comes, is to have any real permanency, and that is that the multitudinous barriers which at the time of the outbreak of the war prohibited or unduly hampered trade between the nations of the world must be removed, and that a situation must be created in which goods may move freely and in volume over international boundaries.

"We are already the possessors of 60 percent of the world's monetary gold stock. Before peace can be achieved this share may have risen further. In a large sense, we are and will be the conservators of the world's monetary system. It is for this reason, as well as for ample reasons of our own, that we must take action now to preserve the monetary character of gold. As I see it, our immediate function is to reestablish a free gold market permitting free movement of gold bars and gold currency both inward and outward, so that the price of gold as here established shall constitute a firm and certain base line from which the values of the diverse currencies of the world can be confidently figured."

In a letter that I wrote to Hon. Henry A. Wallace, Secretary of Agriculture, under date of January 6, 1940, I stated:

"I contend that a sound monetary system requires a nonretirable national currency equal at least to 10 percent of deposits and national income based upon 100-percent metallic reserves. The Federal Reserve notes should be superimposed upon this nonretirable national currency subject to expansion and contraction as conditions may require. Certainly a 10-percent nonretirable currency is not too much when we realize that such currency in the ultimate is the only thing with which to settle all deposits and other indebtedness. Our entire monetary system is based upon confidence. Confidence by the depositor that he can get money for his deposits when he demands it. Confidence by the bondholder that he can get money for his bonds when they are due. And the only money to meet these demands and sustain that confidence is the $7,598,000,000 of 'circulating' money of the United States. Whenever a depositor thinks he cannot get money for his deposits, there is a run on the banks. There may be runs again in the future. It depends upon confidence. There is a limit to which you can try the confidence even of American people.

"It sometimes occurs to me that bank credits may be developed to the point of danger. We realize, of course, that 95 percent of our business and commercial transactions are carried on through checks, and drafts, and so forth. When banks close, this form of money ceases to circulate. When banks close, a large portion of

this form of money ceases to exist. When banks close, credit contracts, and even the flow of national currency, is retarded. During the bank panic of 1907 national currency was locked up, and all forms of substitutes, such as scrip, and so forth, were adopted. During our great monetary panic of 1929 probably three-fourths of our currency, and all of our credit money, was temporarily out of existence, resulting in a tremendous depression in industry, trade, and commerce. Our citizens were compelled to carry on transactions essential to life through the rapid turn-over of the small portion of the national currency and coins that they fortunately had in their safes, tills, and pockets. Their suffering would have been far less if they had had a larger quantity of national currency and coins in their possession."

I am very pleased to note that Mr. Aldrich in his address to the stockholders of his bank approves of the hoarding of a reasonable amount of gold coin by the citizens of our country. The language that he uses is definite and unequivocal when he says:

"It is altogether probable that if gold were to be put back in circulation in the manner suggested, much would go out of sight in the private holdings of the people. To the extent that gold, in the form of coin or gold certificates, went out of sight or remained in general circulation, it would form a ready emergency reserve for future use. There have been many instances in monetary history where a gold circulation has proved its usefulness in times of national crisis. And at this time such gold having stayed out of circulation in private possession would reduce proportionately the menace of excess reserves."

At the hearings of the special Committee on the Investigation of Silver, United States Senate, Seventy-sixth Congress, April 4, 1939, I raised this question when Mr. Percy H. Johnston, chairman, Chemical Bank & Trust Co., was on the stand. After discussion of the subject I asked Mr. Johnson this question:

"It raises a question as to whether or not you cannot get the credit dollar too high and have too little of the actual things that people keep in their safes, in their pockets, as they do now. Is there something in that?"

To which Mr. Johnston replied:

"I think there is. I think there is, distinctly."

I asked him this question:

"We look back now to the Franco-Prussian War when the German soldiers were in Paris and Germany did not intend that they should leave but said they would leave if France would pay Germany 5,000,000,000 gold francs. There wasn't 5,000,000,000 gold francs in any of the banks nor in the treasury. France did not have one-tenth of it anywhere, in fact much less than that, but the credit system had not arrived at the perfection it has in the United States, and the peasant of France kept gold in the ground and in the walls of adobe houses, and under the manure, and when France called on its peasants to bring in 5,000,000,000 in gold and take their Government notes for it they did. That was one very happy thing for the independence of France. That has been repeated in more or less the same form a number of times, so I just simply suggest if there is not a question of our depending too much on credit dollars and maybe going too far, isn't that true?"

To which Mr. Johnston replied:

"It is. I would say this: I am afraid of 'financial engineers.' They usually ditch their machine somewhere."

In my letter to the Secretary of Agriculture I asked him these questions:

"What, in your opinion, would be the result if the Government today coined dollars, dimes, quarters, and half dollars out of the billion and a half dollars' worth of silver bullion that it has in the Treasury as a profit that it has made out of the purchase of silver, and circulated such coins in actual payment for labor engaged in relief work? And what would be the result if in addition to the circulation of these silver coins, the Government would coin $5 gold pieces to the extent of a billion and a half dollars out of the $2,000,000,000 stabilization fund, and pay these $5 gold pieces out to relief workers? Again, what would be the effect if these things were done and 10 percent of these coins were hid in socks to meet emergency needs instead of being placed in country banks throughout the United States? And would not this process delay at least the concentration of national currency in the speculative centers of the United States? Would not an increase in cash transactions make for a greater monetary security? For one thing Congress would not be called upon to increase the limit of the indebtedness of the United States for some time, if ever. For another thing, possibly people would commence to realize that there is a potential metallic reserve behind our paper currency, behind our bonds, and behind the deposits in the banks of the United States.

"Is the Government to continue endlessly the vicious cycle of selling to the banks of the country interest-bearing bonds which are paid for by the depositors' money and upon which the depositors must pay taxes to pay such interest? Does the expenditure of such credits by the Government upon the great majority of projects result in the creation of enterprises that constitute expansion of industry which is essential to increase in employment and national income?"

Over a year ago with others interested in monetary matters particularly related to gold and silver coinage and reserves, we induced Mr. Walter E. Trent, a distinguished economist, to open in Washington an office for the study of these questions. I have during that period of time sought statistical information from Mr. Trent. He has had access to information of various departments and his statistics are based upon our Government records. I now ask leave to have published as a part of my remarks two letters that I have received from Mr. Trent in reply to information that I have sought. The information contained in these letters bears directly upon the subject under discussion and will be of great value to any person or committee studying these questions. I ask unanimous consent that these remarks together with the data and statistics included be referred to the Banking and Currency Committee of the United States Senate who are now undertaking a study of these questions.

WORLD PRODUCTION OF GOLD, SILVER, COPPER, LEAD, ZINC, STEEL

On pages 10 to 19 tables are given consisting of production, prices, and values, together with corresponding indexes of the world production of gold, silver, copper, lead, zinc, and steel, for the period 1913–39. This period corresponds to the life of the Federal Reserve System and commencing 1 year before the start of the Great War.

These figures portray the wide variations in the production and value relationships between gold and silver on one hand and between gold and silver as monetary metals in relationship to the industrial metals of copper, lead, zinc, and steel; the increase in industrial production normally should keep apace with the increase of monetary metal production. But, of course, this condition can exist only when there are free markets for both gold and silver so that the metals may be utilized at their full monetary values and at a normal rate of turn-over.

It will be observed by inspecting the following tables that gold has increased faster, both in quantity and value, than all other metals. Silver production has remained relatively constant in production, but has decreased more than all other metals in unit value and total value. Lead, which is more closely associated with silver (in natural occurrence) than any other metal, parallels quite closely with silver in tonnage production. But copper, zinc, and steel have increased in quantity production midway between the production of gold and silver. Copper, lead, zinc, and steel all have increased tremendously in unit values and total values in comparison to silver.

Steel production has remained constant with that of silver, except for the boom years of 1928 and 1929 and emergency war-preparation orders of the years 1937, 1938, and 1939. Surprising as it may appear, normally both steel prices and production are closely interlocked with values of world silver production.

Referring to the table entitled "World Production Indexes," page 11, in which the year 1926 is used as the production index of 100, it will be observed that gold production in ounces increased from 100 to 207.4 for 1939. Silver production has remained relatively stationary. Copper production has increased to 143.9, lead to 107.6, zinc to 136.7, and steel to 145.16.

Without reference to the disastrous price disequilibrium variations which occurred between the metals, it is obvious that the abnormal quantity increase in gold has not been paralleled by any of the industrial metals. The hoarding of gold has curtailed its normal monetary efficiency and consequently has retarded industrial production.

The stationary rate of production of silver is equivalent to a 50-percent lag in terms of gold production. The lag in the production of silver, without a commensurate increase in unit price, has caused an increase in the price of gold. This condition has promoted the hoarding of the yellow metal.

The lag in the production and value of industrial metals—which is intermediate between the production and value of gold and silver—clearly indicates the dire results of dropping the world price of silver. The direct result of increasing the price of gold caused its sequestration, and, as a consequence, indirectly caused the present lag in the normal increase of world industrial production.

Referring to the two tables entitled "Metal Values—World Production" and "Total Value Indexes," on pages 14 and 15, it is observable that the value of gold production from 1926 to 1939 was from $400,000,000 to $1,400,000,000, an increase of 368 percent in 13 years. In the case of silver the total values dropped for the same period from $157,200,000 to $101,600,000, a drop of 35.4 percent.

The value of the total silver production of 1926, at an average price of 62.11 cents per ounce, was 48.02 percent of the United States monetary value of silver. In 1939 the production value of silver, at an average price of 39.08 cents per ounce, was only 32.21 percent of the United States coinage value of the silver produced.

The value of copper produced in 1939 was 114.39 percent of the production value of 1926. The value of lead produced in 1939 was 64.72 percent of the production value of 1926. The value of zinc produced in 1939 was 95.08 percent of the production value of 1936. The value of steel produced in 1939 was 141.52 percent of the production value of 1926.

It should be noted that, in the case of steel values, the boom years of 1928 and 1929 were abnormally high, as were the foreign war preparation years of 1937, 1938, and 1939. Neither the business increase of the boom years nor the increase during the war-preparation years, were permanent increases. The business reaction, after the years 1928 and 1929, leveled off the abnormal production profits by losses. With the ending of the European war activities, the reaction will cancel profits of such temporary and uneconomic business unless gold and silver values are brought to a

normal monetary ratio. If they are established at a normal ratio, postwar prices and productions will ascend to normal levels in response to the requirements of world rehabilitation and natural advance in raising world standards of living which have been interrupted with monetary tampering and its inevitable companionship condition—war for subsistence requirements.

Assuming the value of 1939 gold production to have an index of 100, the index value of silver was 7.23 percent, of copper 3.67 percent, of lead 13.7 percent, of zinc 13.6 percent, and of steel 479.

The following table shows the tremendous drop in the index values of silver, copper, lead, zinc, and steel, in terms of the value of gold production, for the years 1920, 1930, and 1939:

Production-value indexes of gold, silver, copper, lead, zinc, steel

[In terms of gold]

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1920	100	50.40	113.4	47.7	37.4	1,790.6
1930	100	22.4	105.3	47.6	33.1	995.7
1939	100	7.23	36.7	13.7	13.6	479.0

It should be noted—that with gold indexes at 100 in 1920, 1930, and 1939—silver indexes, respectively, were 50.4, 22.4, and 7.23; copper indexes were 113.4, 105.3, and 36.7. The index drops in lead, zinc, and steel were in line, steel dropping from 1790.6 percent to 995.7 percent and 479 percent, respectively.

Obviously, the increased value of gold has not performed its monetary functions and its failure to have performed as money is measured by the difference in the above tables of indexes.

The following table shows the drop in index production of gold, copper, lead, zinc, and steel, in terms of silver:

Production-value indexes of gold, silver, copper, lead, zinc, steel

[In terms of silver]

Year	Silver	Gold	Copper	Lead	Zinc	Steel
1920	100	190.4	193.1	90.9	71.3	3,410
1930	100	445.2	468.9	211.0	147.4	4,440
1939	100	1,385.0	508.7	189.5	187.9	6,333

Taking the index value of silver production at 100 for the years 1920, 1930, and 1939, the gold index increases for these 3 years, respectively, were 190.44, 445.2, and 1,385. The respective indexes of copper were 193.1, 468.9, and 508.7. The indexes of lead and steel did not increase as rapidly as gold and copper, but lead showed more than a 100-percent increase, and the steel index almost doubled, increasing from 3,410 in 1920 to 6,333 in 1939.

Again, obviously, silver-production indexes for 1939 are, manifestly, critically low in terms of those of gold, copper, lead, zinc, and steel. The gold index has increased nearly 1,400 percent over silver and industrial metals from 200 to 250 percent.

Taking the two tables together, the failure of world industrial production (represented by industrial metals) in not keeping apace with gold production is due to the fact that since 1920 the silver production has dropped from 50.4 percent of the gold to 7.23 percent in 1939. This calamitous shrinkage of world industrial production was directly caused by the artificial barriers and embargoes which have been created to destroy a national silver bullion market. This forcing down of the price of silver naturally forced up the price of gold and, as long as the price of gold is rising, or, as long as a further rise in the dollar price of gold is considered imminent, it will be increasingly hoarded by governments and central banks.

The value of the world silver production has had a downward trend over a long period of time. Before normal international business can return, silver-production values will have to undergo a constant increase under a long-term policy which is of sufficient solidarity to establish confidence with international businessmen. Gold will continue to go into hoarding and thereby depress world trade unless the silver-production value is increased, and by no other means can gold be brought out of hoarding.

The metal production and value tables numbered from I to IV–a are made up from world figures.

Some United States production figures are given in the table covering gold, silver, copper, lead, zinc, and steel, including projected production figures taken from the report, entitled, "Patterns of Resource Use," a technical report prepared under the direction of Gardiner C. Means, of the industrial committee of the National Resources Committee.

In this table it will be observed that Dr. Means projects United States productions of copper, lead, zinc, and steel to tonnages required to sustain a national income of $100,000,000,000 per year, which amount is now recognized as being necessary to produce a normal scale of living in the United States, and necessary to reduce unemployment to the irreducible minimum:

United States metal production required to sustain and increase national income

Year	Thousands of ounces		Thousands of tons				Annual national income [3]	Corresponding industrial production [3]
	Gold	Silver	Copper [1]	Lead [1]	Zinc [1]	Steel [2]		
1926	2,335	60,918	878	696	639	48,294	58.3	87
1929	2,208	60,180	1,026	688	632	56,433	65.3	92
1933	2,537	20,955	234	293	325	23,232	48.0	68
1939	5,580	57,808	745	462	506	46,750		
			Consumption tonnages [3]					
For $100,000,000,000 national income			2,252	1,585	1,479	108,200	100.0	195

[1] 2,000 pounds.
[2] 2,240 pounds.
[3] Patterns of Resource Use, National Resources Committee.

It will be noted that the industrial consumption of copper, lead, and zinc, in order to support a national income of $100,000,000,000, will have to exceed the 1929 United States production of those metals by an increase of more than 100 percent.

These extraordinary tonnage requirements of copper, lead, and zinc will compel the raising of the production and value parities of silver. The increased production levels of copper, lead, and zinc will have to be preceded by a substantial raise in the price of silver; and, before any $100,000,000,000 national income can be attempted with any possibility of success, gold will have to be brought into circulation to the extent at least of all future gold deliveries to the Treasury.

It definitely has been demonstrated that any sound increase in national income, which inherently must be free from an increase of public debt, cannot occur with the banking and monetary structure operating on a "managed currency" basis, and restrictions which preclude citizen-ownership of gold and the general circulation of monetary certificates convertible into gold.

Silver cannot be raised in value as long as artificial restraints are in force. The United States should remove the silver transactions tax of 50 percent created by the Silver Purchase Act of 1934. This is the most deterrent legislation existing which blockades the world's return to balanced monetary and economic parity.

Great Britain and India should remove import taxes and import restrictions which now retard the importation, possession, and use of the white metal in those countries.

A free world market for silver bullion should be established. It must be established before the true value of silver bullion definitely can be determined. Unless and until there is a world market for silver established by world-wide buyers and sellers of silver, there can be no possible return to normal economic conditions throughout the world. As long as there is an artificial market price for silver, the purchasing power of gold will be correspondingly above parity; and, unfortunately, gold will continue to be hoarded and the world economic stalemate will continue to exist.

The price of gold (per ounce) will not be affected by a rise in the world value of silver production. This price can be $35 per ounce or $41.34 per ounce, provided gold is placed in circulation. The fixing of the price of gold (at any dollar rate per ounce) without returning gold to circulation, will not change the present world depressed state of economy.

The bullion and coinage value of gold must be the same. The bullion price of silver must be a floating price susceptible to price change and adjustment; it must be the result of the transactions of the world-wide buyers and sellers of the metal. The bullion price of silver should be the resultant of open and unrestricted transactions, regardless of coinage rate. The coinage price of silver must remain constant at some point above a normal world price for silver bullion.

With gold at $35 per ounce the coinage price of silver should be adjusted to the average rate of the world's 10 leading countries, at $2.58 per ounce. At this level silver coinages are secure against rises in the price of silver bullion to levels to which it may ascend at any time in the near future when the people of the world realize that gold has been, and may continue to be, removed as a free circulating monetary metal.

People ask, "If gold is not the money, what else?" The answer is, "Silver will become the world's exclusive metallic money until it, too, is hoarded." But hoarding of silver will embrace populations of millions in competition with government treasuries and central banks. After that there can be no basic money until both gold and silver are again monetized and afforded free circulation.

If gold is to be given a free world market, it could be revalued to the limit of present authority, $41.34 per ounce. The price would confer to business otherwise unattainable benefits in contrast to a gold price of $35 per ounce with no gold circulation.

Thirty-five dollars an ounce for gold, or any other price, without circulation is an abortion. Any price for gold without gold circulation is suffocating the world business, peace, and normality.

"The purchasing power of gold varies inversely as the world price of silver, and the purchasing power of silver is its world price multiplied by the rate of purchasing power of the gold dollar" (PITTMAN).

Tables IV and IV–a, entitled "Silver Production Ratios" and "Gold Production Ratios," are tables which give the ounces of silver and gold in terms of the other metals for each year since 1913.

For instance, the silver ounces per ounce of gold for the period 1913–39 are given in terms of silver production of 1939, and the gold ounces per ounce of silver for the period 1913–39 are given in terms of the silver production of 1939.

The silver production has dropped from 13.2 ounces in 1926 to 6.47 ounces in 1939 per ounce of gold. The value of silver, instead of increasing under such circumstances, actually has decreased to the lowest level of all recorded history.

The monetary value of silver relative to gold is 1 to 16. The price ratio today between the two precious metals is 1 to 100. Silver is 35 cents per ounce and gold $35 per ounce.

The United States producers of industrial metals, and all products manufactured therefrom, can observe the growing shortage of silver in terms of its shrinking production compared to copper, lead, zinc, and steel.

Industrial metal producers and manufacturers must naturally understand, when the facts are brought to their attention, that foreign purchasers whose primary money is silver, or when the ultimate customers are silver users, that goods cannot be purchased in the United States because of the abnormally high merchandise prices in terms of devalued silver.

No foreign nation can afford to make external purchases of gold. Britain, France, Russia, Canada, and Australia are now buying externally for gold because of war emergency, but they must suffer later when the time arrives to pay their own mounting internal obligations.

Seventy percent of the world's population have no gold with which to buy. Their silver hoards have been reduced to a starvation level of value. What buying these destitute people are doing is out of pure and unadulterated desperation.

Table VI, entitled "United States Exports and Imports Portrayed as Percentages of National Income," clearly indicates that the value of United States exports varies directly with the world price of silver.

The percentage of exports in 1939 was only 4.56 percent of national income in spite of the large emergency war orders. When silver was at high prices between 1916 and 1920, exports exceeded 10 percent of national income. Because of the production capacity of the United States, its exports now should be of a value at least 15 percent of national income.

A few of the world's most prosperous nations have trafficked in money profits as well as merchandise profits with the result that their international customers were eventually ruined financially. The profits of the exchange profiteers then disappeared because of having been invested abroad in the countries which had become victims of distorted monetary exchanges.

Germany, who inaugurated the plan of devaluing the world's monetary silver, now has neither gold nor silver. She has no financial, social, or political conditions of peace and tranquillity.

Germany and Britain are now victims of a world-wide monetary collapse which was originated by them under theories of national advantage at the expense of other nations. Neither Germany nor Britain, or for that matter no other country, can reestablish itself as a prosperous and self-respecting nation until money is recreated with an international standard of value. The nations of the world have been ruined both financially and politically by those who used their superior positions to force exchange profits on the relatively weaker nations in addition to normal commercial profits.

Table VI, entitled, "Dollars Per Capita—United States," indicates that the United States has $122.82 per capita of gold, all of it being withheld from the use of its citizens. The country has $16.44 per capita in silver money in use and $12.56 per capita withheld from use.

The United States has produced $34.40 per capita of gold and $34 of silver. The United States has an excess of imports of gold of $98.80, but still an excess of export of silver amounting to $2.20. The excess of merchandise exports are $313.06 per person since 1873. The gold imports represent less than 30 percent payment for same. Considering the drain of merchandise the people of the United States should realize the necessity of getting all of its gold and silver money into circulation. The public debt is now $308.30 per capita, and still growing with intensity.

RE PITTMAN ACT OF APRIL 23, 1918

The bill, after being prepared by Senator PITTMAN, in collaboration with the Federal Reserve System and the Treasury Department, was introduced in the Senate by him April 9, 1918. The bill was passed by the Senate on April 18, by the House without change on April 22, and was signed by President Wilson on April 23, 1918.

The price of $1 per fine ounce was fixed as the repurchase price of the silver, and the sales price was fixed at $1.015 per fine ounce, the $1.015 including the allowance for expenses of melting and recoining. The selling price was arrived at after giving consideration to what this reserve silver had cost the Government.

The silver stock consisted of metal purchased under the Bland-Allison Act of 1878, and the Sherman Act of 1890. The net cost, reported by the Director of the Mint, 1894, page 17, was $464,210,262.96 for 459,946,701.09 ounces of silver, the average price being $1.0093. The average price of the bullion value of a silver dollar was $1.07806.

April 1, 1918, was a holiday, but the New York price of silver, 999 fine, was 96.05 cents, bid, and the selling offer was 97.05. On April 2 the buying bid was 96.25 cents, and the selling offer was 97.25 cents, with sales between the two figures.

On April 2 the London price for 925 silver was 45.625 pence, equivalent to 98.6 cents per ounce with the sterling and dollar at parity.

On April 9 the New York silver market for 999 fine silver was 95 cents, and the selling offer was 96 cents. The London price of 925 fine silver was 45.25 pence, equivalent to 97.8 cents per ounce with the sterling and dollar at parity.

On April 24, 1918, the day after President Wilson signed the Pittman Act, silver sold in New York at $1 per ounce for the first time during the period, and the market offer at the close was $1.0075.

The New York market price for silver averaged $1 an ounce for the months of May, June, July, and August. The average price for September was $1.014. The average price in New York during September, October, and November and December 1918 was $1.015. The same figure prevailed for January, February, March, and April of 1919. During May the price averaged $1.08 per ounce. The price then gradually rose to $1.33 for the month of December 1919.

Silver reached its highest average monthly price for the period during January 1920, at $1.338, after which there was a rapid decline to an average of $1.034 for the month of May, with a further steady decline to an average of 65.5 cents per ounce during December 1920.

Prior to January 1918, when legislation was under consideration to fix the price of newly mined silver in the United States at $1 per ounce, the proposal was submitted to the silver producers in the West for their consideration and was formally approved at the January 1918 convention of the Colorado Chapter of the American Mining Congress.

The following is an editorial which appeared in the Mining Congress Journal of April 18, volume 4, page 120:

"Senator PITTMAN'S bill proposes that the silver thus released shall be replaced by the Government by contract for future delivery of silver at $1 per ounce, a tacit agreement having been secured from the silver producers to contract on this basis. Silver producers generally believe that the law of supply and demand will stimulate the price to a point largely in excess of $1 per ounce, but as a patriotic duty under present conditions have been willing to consent to a fixed price in order that the Government's needs may be cared for.

"This plan was endorsed by a resolution adopted by the conference of delegates from various countries in attendance at the January 1918 convention of the Colorado Chapter of the American Mining Congress and also was approved by the Wyoming chapter at a later convention held at Casper. It seems very important that this legislation shall receive prompt consideration, and it is believed that the bill will be favorably considered."

Let it be remembered that the miner got the world price while silver was above $1 an ounce.

NOMINATION OF SENATOR SCHWELLENBACH TO BE UNITED STATES DISTRICT JUDGE

Mr. ASHURST. Mr. President, I purpose, with the indulgence of the Senate, to ask that the Senate as in executive session consider a nomination. The President has honored the Senate by nominating one of its Members, Senator LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington, vice J. Stanley Webster, retired.

If I may secure unanimous consent, as in executive session, to have the nomination laid before the Senate, I wish then to speak for a moment.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The Chair will lay the nomination before the Senate.

Mr. McNARY. Mr. President, that can be done only by unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McNARY. I do not intend to interpose an objection. The courtesy requested is usually extended to members of this body. However, it is an unusual privilege to be granted. In cases other than one such as is now before us, I always favor reference to a committee of a nomination as the best practice to follow. But in view of the service of the distinguished Senator from Washington, and the position to

which he has been appointed, I shall interpose no objection, nor will any Member of the Senate on the Republican side, to immediate consideration of the nomination as in executive session.

Mr. ASHURST. Mr. President, language would easily run to superlatives in endeavoring to describe the services Senator CHARLES MCNARY, of Oregon, has rendered to his country, but amongst the greatest has been his steadfast insistence that all nominations should go to the appropriate committees. I am indebted to him for the observance of that rule. But, he chivalrously says, he knows this nominee well, and I am sure he feels with me and others that a reference to the Committee on the Judiciary would disclose no new facts regarding Senator SCHWELLENBACH. I therefore ask that the nomination be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington.

Mr. ASHURST. Mr. President, the Senate of the United States judges recruits fairly but critically. From the judgment of the Senate as to its Members there is no review and no appeal, and usually that judgment is correct.

Senator SCHWELLENBACH came to the Senate 5½ years ago. We knew, by report, that he was a good soldier, a sound lawyer. He has proved himself to be industrious and fair, of high character, patriotic, and worthy to sit on the district bench of the United States, and I shall ask the confirmation of his nomination.

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

Mr. ASHURST. I yield the floor to the Senator from Nebraska.

Mr. BURKE. Mr. President, I am one of those Members of this body whose opinion it has been that there is great merit in the rule of having reference made to the appropriate committee in all cases of this kind, and on some occasions in the past I have been glad to join with others in refusing to give unanimous consent to such requests. It happens in this case, however, that, so far as I am concerned, I am perfectly willing to make an exception.

I have known the junior Senator from Washington [Mr. SCHWELLENBACH] very intimately, as Senators all have, during the past 5 years. We have served on committees together. I think his appointment is one which should have, as I am very sure it will have, the unanimous approval of this body. I am certain that it would be a mere matter of formality if we referred the nomination to the Committee on the Judiciary. For that reason I join with the distinguished Chairman of the Committee on the Judiciary and urge that action may be taken by the Senate at this time without the customary reference.

Mr. ASHURST. Mr. President, if I may be indulged another word? I have been seeking for some proper opportunity to say what I am now going to say. The last attitude I wish to occupy is that of suggesting to any State what it ought to do. I do not know who may succeed the Senator from Nebraska [Mr. BURKE], but, after associating with him on the Senate Committee on the Judiciary for 5½ years, I do know that I have learned to depend upon his sagacity and judgment. Again, without the slightest reference to anyone who may succeed him, I assure my colleagues that the Senate is losing an able and patriotic Member when Senator BURKE passes out of these doors.

If there be nothing further to be said, I ask that the Senate now take action on the nomination.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination as in executive session?

The Chair hears none. Without objection, the nomination is confirmed.

Mr. ASHURST. Mr. President, there is another rule of the Senate, a good rule; and the Senator from Oregon [Mr. MCNARY] and the Senator from Nebraska [Mr. BURKE] along with others have insisted upon its observance. I believe for the public good, and that is that the President shall not be notified on the same day that a judicial nomination is confirmed. I am going to presume further upon the graciousness of Senators and ask that that rule be waived, and that the President be immediately notified of the confirmation of this nomination.

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

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. DAVIS. Mr. President, air-line pilots and their employers have demonstrated the great possibilities of collective bargaining. Their ability to get around the council table and iron out their differences peaceably without loss of worktime has been a matter of public record and praise. They have shown along with many other notable industrial groups that collective bargaining is here to stay. Both pilots and air-line operators believe in the Civil Aeronautics Authority and believe that it should be continued in the way it has carried on so well. The no-accident record of the last 18 months compared with the many disasters previously sustained has upheld this point of view.

I believe we should heartily encourage this triumvirate of economic advancement, the cooperation of labor, management, and the Government in the development of safe air travel. We should rejoice that lives have been saved, that flying has for the first time in this country made an enviable record of efficiency and safety, that millions of dollars have been saved because of the acceptance of the principles of collective bargaining in the aviation industry, and that new fields of manufacturing have been stimulated because of peaceful negotiations that have been established.

I have prepared an article for the Trades Union News on the Civil Aeronautics Authority, published May 3, 1940. I ask unanimous consent to have this brief article, which sets forth my views, printed in the RECORD as a part of my remarks.

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

THE CIVIL AERONAUTICS AUTHORITY

(By Senator James J. Davis)

The President's fourth reorganization plan is before Congress. It contains a proposal to abolish the new Civil Aeronautics Authority and Air Safety Board. Their air regulatory and investigation duties would be put back under the Department of Commerce.

After much confusion and loss of life the Civil Aeronautics was instituted in 1938. Its work has been highly efficient. There have been no air passenger fatalities in this country for 12 months, and no pilots killed for 16 months. In a little more than a year and one-half the record shows that the Board has investigated 2,947 air crashes, the large majority of which occurred in so-called miscellaneous flying not on the air lines. As a result of these investigations, the Air Safety Board has transmitted 115 air-safety recommendations to the Authority pointing out what should be done to prevent recurrences.

The Authority, under the Civil Aeronautics Act, is a quasi-judicial, quasi-legislative agency of Congress vested with functions covering economic and safety regulation. The Administrator is an independent executive official responsible to the President. He exercises no quasi-judicial or quasi-legislative powers. His functions are the purely executive powers involved in the construction, maintenance, and operation of air-navigational facilities, and in the conduct of developmental and promotional work. The Air Safety Board is an independent accident investigatory body specifically charged with definite duties. Both the Administrator and the Air Safety Board appoint and control their own officers and employees, and in the exercise of their statutory powers act independently of the Authority. Both, however, are specifically required by the act to cooperate with the Authority in the administration of the act.

During the period that the Department of Commerce regulated the country's air-transportation network, 473 persons lost their lives in air crashes, of whom 146 were air-line pilots. The ranks of the pilots were being thinned at the startling rate averaging one every 28 days. Passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride. This resulted in large losses of revenue to the industry. Progress was halted.

Safety is the axis around which everything vital to the success of air travel revolves. To get people to rely on air travel requires the development of public confidence in all that relates to safety. The question of safety must be answered conclusively and permanently if air travel is to succeed.

When Congress created the Air Safety Board and the new Air Authority it had a twofold effect. First, it destroyed the psychol-

ogy of fear of air travel on the part of the public. It also replaced this fear with confidence in the safety of air travel.

Real air safety has been established by the Air Safety Board with the cooperation of the new Authority. This combination is paying dividends in lives saved and millions of dollars saved because the no-fatality safety record has built up patronage.

In view of these facts I am opposed to the proposal to abolish the Air Safety Board and to strip the new Air Authority of its identity and independence.

The air-safety record must be increased. The real measures taken to increase safety in private flying have not yet even begun to be felt. This is the time to take a step forward for air safety. The blow at the Civil Aeronautics Authority would be a step backward.

Mr. DAVIS. Mr. President, the Trade Union News is one of labor's newspapers. Its purpose is to promote industrial prosperity through the principle of cooperation between employer and employee, which has been so well demonstrated in the aviation industry. I do not know any Member of the Senate who is opposed to the philosophy of cooperation which this paper seeks to encourage. Now is the time to talk about the good which has already been established and to rejoice in the benefits which have come to labor, management, and the public through the spirit of cooperation shown in the Civil Aeronautics Authority.

Mr. McCARRAN obtained the floor.

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

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

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

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, the Reorganization Act provides that the President of the United States may prepare and submit to the Congress for its action plans to reorganize certain agencies.

On April 3 the President submitted plan III, section 7 of which proposes a redistribution of functions under the Civil Aeronautics Act as between the Authority and the Administrator. On April 11 the President submitted plan IV, section 7 of which contains a further redistribution of functions, and transfers the Authority and Administrator and their respective functions to the Department of Commerce.

These plans met with instant protest and criticism. The criticism was based both upon the principles followed and upon the language used. In principle, the plans were wrong because they destroyed the Air Safety Board, and fundamentally impaired the independence of the Civil Aeronautics Authority. The language used was wrong because it was vague and ambiguous, created an artificial division of powers, and would promote friction.

As these plans were more closely studied, the evils in them became more apparent.

Finally the President issued a statement, accompanying it with a heated attack upon his critics, in which he announced that the independence of the Authority would not be impaired by his reorganization.

Nonetheless, the criticism of his proposals continued to grow.

Then the President called to the White House members of the House Committee on Government Organization, and after that conference it was announced that the reorganization was based on the fact that the Authority supervises the expenditure of $108,000,000 a year, and that such functions should be in an executive department.

Still the criticism grew. Indeed, fuel was added to the fire, since the Authority's budget, including that of the Administrator, is considerably less than one-third of this fantastic $108,000,000 figure. The $108,000,000 was computed by adding more than $40,000,000 spent by the Work Projects Administration for airports, more than $3,000,000 spent by the Weather Bureau under the jurisdiction of the Secretary of Agriculture, and the millions spent by the Post Office Department as payments for transporting the mail.

As the next move, Mr. J. Monroe Johnson, an Assistant Secretary of Commerce and formerly the Assistant Secretary charged with responsibility for the Bureau of Air Commerce, was promoted to membership on the Interstate Commerce Commission. In view of the notorious record of the old Bureau of Air Commerce, and of the general feeling that Mr. J. Monroe Johnson could not escape responsibility for the record of the old Bureau, his removal from the Department of Commerce was widely interpreted as a bid for the support of the reorganization plan.

Still the criticism grew. The shift of Mr. J. Monroe Johnson emphasized the fact that the real issue in the case was one not of personalities but of principle.

Finally another White House conference was held, this time with the Chairman of the Civil Aeronautics Authority. After that conference, inspired stories appeared in the press to the effect that certain questions had been submitted to the Attorney General regarding the meaning of the proposed reorganization.

It was obvious that a hastily worded plan, full of ambiguous phrases and based upon the advice of persons unfamiliar with the Civil Aeronautics Act and its operation, was not satisfactory on its face, and was in dire need of a gloss.

The next maneuver was the issuance in mimeographed form on Friday afternoon of a copy of a letter from the Bureau of the Budget to the Chairman of the Civil Aeronautics Authority setting forth at great length "interpretative statements" regarding the proposed reorganization. This euphemism cloaks an elaborate revision of the entire plan, and is over the name of the Director of the Budget.

Released with the letter of the Budget Director was a copy of a letter over the signature of the Attorney General addressed to the Director which in one sentence cryptically states that he agrees with the conclusions reached by the Director.

At the same time there appeared stories to the effect that the Chairman of the Civil Aeronautics Authority would be appointed to the post vacated by Mr. J. Monroe Johnson but would at the same time retain his position as Chairman of the Authority.

We have always regarded Mr. Hinckley, the Chairman of the Authority, as an honorable man, and it would be inconceivable that he could lend himself to any such move.

These stories do not, however, diminish in importance the position which Mr. J. Monroe Johnson is about to vacate. They confirm the significance which an Assistant Secretary of Commerce will have in the future regulation and development of civil aeronautics if the proposed reorganization is permitted by Congress.

This series of maneuvers, with the Director of the Budget presenting an entirely revised plan, confirms every doubt entertained concerning the ill-conceived character of the plans which have been presented to Congress.

While the Director's letter is, of course, not before the Congress, and while the President is the only person vested with power under the Reorganization Act to prepare a reorganization plan, this letter from the Director merits analysis and comparison with the terms of the plans before Congress, because it clearly shows how seriously defective are the terms of the plan which Congress must act upon.

The letter itself begins with a self-conscious statement of the reasons for sending it. It is stated that it has been sent

in order to establish a basis for the disposition of the available appropriation balances of the Authority in the event Congress takes no adverse action on the reorganization plan. But the contents of the letter show that it goes far beyond an effort to establish a basis for distributing available appropriation balances. What, for example, does paragraph 6 of the letter, explaining that the new Board and the Administrator will be called "the Authority," have to do with a basis for distributing appropriation balances?

Actually, the letter is a desperate effort to set forth another plan of reorganization, a gloss upon the plans pending before Congress, and to draw a red herring across the path of Congress in an effort to distract attention from the faults and ambiguities of the confused plans pending for action.

The letter consists of 16 numbered paragraphs, each dealing with a separate phase of the reorganization problem.

The first paragraph states that under plan III the Administrator will have those functions which are "essentially of an administrative character" as distinguished from the functions of economic regulations, of providing safety rules, and of suspending and revoking certificates after a hearing. Under plan III it was provided that the Administrator would have the functions of aircraft registration and of safety regulation in titles 5 and 6 of the act, except for the function of providing safety rules and of suspending and revoking certificates after hearing.

We now find that the Director of the Budget proposes to give to the Administrator not only the power of handling aircraft registration under section 501 of the act but also the power of handling the recording of conveyances under section 503 of the act, a matter not mentioned in plan III. Likewise unmentioned in plan III, and again overlooked by the Director of the Budget, is the function of registering engines, propellers, and appliances under section 502 of the act, a function different from that of registering aircraft under section 501. This function will go, it seems, to the new Civil Aeronautics Board, although there is obviously no reason why one agency should handle registration of aircraft and another agency should handle registration of engines, propellers, and appliances. This anomaly is due to the fact that even after further study the Director of the Budget is unfamiliar with the details of the Civil Aeronautics Act.

The Director likewise states in his letter that the Administrator will have charge of the enforcement of safety rules. What this means is not clear.

One of the powers of enforcement granted by the act to the administrative agency is found in section 1002C, which gives the present Authority the power, after notice and hearing, to enter orders requiring compliance with the act or any requirement thereunder. Apparently the Director means that the Administrator will now enter such orders with respect to safety rules. But in paragraph 3 of his letter he quite definitely states that the functions vested in the Authority by section 205A of the act, which gives the general power to enter orders, and by title 10 of the act, in which appears section 1002C, just referred to, will remain in the Civil Aeronautics Board and are not conferred upon the Administrator.

Another function conferred by the act which may possibly be construed as that of enforcement of safety rules is the function specified in section 605B, giving to the present Authority power to employ inspectors who shall make inspections of aircraft and equipment. Under plan III it was stated that the Administrator would receive the functions of safety regulation set forth in title 6. The power of inspection would appear to be the power not of regulation but of investigation; but now we find another general term used in the Director's letter; that is the function of "enforcement," which the Administrator is to exercise. So in determining who is to exercise the power of inspection, we are still left in doubt.

If in the reorganization plan the President had come out clearly and stated what he meant, Congress might know what will happen. But even the letter of the Director of the Budget Bureau, despite its greater pains to spell out his conception of what should be done in a reorganization, leaves uncertain very vital functions.

We also find in the Director's letter that the Administrator is to be charged with the issuance and amendment of airmen, aircraft, and air-carrier certificates. Apparently the Director concludes that this will be true because of his statement that functions of an "administrative character" are to be transferred to the Administrator.

Before an air carrier may operate to any particular point, it must secure a safety operating certificate as well as a certificate of convenience and necessity. Under the reorganization, the new Board will issue certificates of convenience and necessity, but the Administrator will issue safety operating certificates. This will mean that both the new Board and the Administrator will have to pass upon the fitness of an air carrier to operate, and the possibility of conflict between them is obvious. The granting of an operating certificate is a vitally important function, quasi-legislative in nature. The Director of the Bureau of the Budget, by calling it a mere administrative function, seeks to disguise the importance of the power conferred upon this single official.

Paragraph 2 of the Director's letter states that plan III divests the Authority of all control over the personnel and expenditures of the Administrator. This is true. Under section 204A of the present act, the present Authority is empowered to make such expenditures as may be necessary in the exercise of its powers as well as the powers of the Administrator. By thus centering in the Authority control over all expenditures, the present act assures coherence of administration and furnishes a check upon the Administrator. Plan III, as the Director's letter points out, will completely divorce the Administrator from the new Board. Hereafter, if the Administrator desires to erect air-navigation facilities at points where the new Board finds it unsafe to use such facilities, it will have no power to veto the expenditure. It will only be able, by regulation, to prevent those operating aircraft from using such facilities.

Paragraph 3 of the Director's letter states that under plan III the new Board will have such of those functions described in title 5 of the act as relate to the prescribing of safety rules and the suspension and revocation of certificates after hearing. It contains the gratuitous statement that a waiver of a hearing would not operate to deprive the new Board of its jurisdiction. This is a helpful explanation, not included in the terms of the plan, and it is to be hoped, if the plan shall be adopted, that the Director is correct. But it is a poor plan which leaves to the gratuitous explanation of a Director of the Bureau of the Budget a point of such importance.

This paragraph of the Director's letter likewise states that plan III leaves the Authority with all the functions vested in it by section 205A and title 10. Included in title 10 are the functions of issuing subpenas, taking evidence through examiners and through depositions, requesting district attorneys to institute proceedings to enforce the act, participating in proceedings under the act upon request of the Attorney General, applying to the courts for process to compel obedience to the act or any of its provisions, and numerous other functions and provisions relating to the administration of the law. The plans presented to Congress by the President leave the status of title 10 entirely uncertain. However, we are now informed in the letter of the Director of the Budget Bureau that all these matters will be vested in the new Board.

Thus we find, according to the Director of the Bureau of the Budget, that although the Administrator will have very important powers to hold hearings concerning the granting of airman, aircraft, and air-carrier certificates, the Board will have the various powers under title 10 to compel testimony, hear cases through examiners, and so forth. Likewise, although paragraph 1 of the letter of the Director of the Bureau states that the Administrator will have the power of enforcing safety rules, paragraph 3 of the letter states that all functions under title 10 will be in the new Board, includ-

ing the power of applying to a court for mandatory process to compel compliance with the act.

Thus, in his gloss upon the reorganization plan submitted to Congress, the Director of the Bureau still has not cleared up an absolutely fundamental question. He has created a further division of power. Under paragraph 1 of his letter he gives the Administrator the power to enforce the safety rules adopted by the new Board. But we find under paragraph 3 of his letter that the numerous powers of enforcement conferred by title 10 of the act will be possessed by the new Board. Of the several possible interpretations of this confusing treatment, one of the more reasonable is that the Administrator will have the power to enforce the safety rules promulgated by the Board, but that the Board will have the power to enforce compliance with the certificates issued by the Administrator.

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

Mr. McCARRAN. I yield.

Mr. CLARK of Missouri. Does it not follow, from the very confused letter of the Director of the Budget, that in all probability we would have such a situation that the enforcement of the safety rules for aviation would be in the hands of the Administrator, without the Administrator having any process, or any legal method whatever, by which to enforce his own decisions?

Mr. McCARRAN. The Senator is entirely correct; but even worse than that, the Administrator would find himself with rules promulgated by a different body and a different board, without power to enforce what they had promulgated. Thus bad begins and worse remains behind, and thus confusion follows confusion. That is all we can find in this set-up.

Mr. President, coming to paragraph 4 of the Director's letter we find a most amazing statement. It is that in performing his air-safety work the Administrator will be bound by the rules of the Authority—or the new Board—and the extent of his administrative discretion will be entirely dependent upon these rules. Again what we have is a very interesting gloss by the Director of the Bureau of the Budget upon the plans submitted to Congress. Does the Director mean that the Administrator will be subordinate to the new Board, and will have to perform all his air-safety work in accordance with any directions which the Board may issue in the form of rules? If so, neither plan III nor plan IV means what it says.

In the first place, plan III states that the Administrator shall exercise all functions of safety regulation except those of making rules and suspending and revoking certificates after a hearing. Included in these functions are those of granting safety certificates and prescribing terms and conditions therein. If the Administrator has this power, then obviously he can prescribe terms inconsistent with rules adopted by the new Board. But the Director informs us that his discretion will be limited by these rules.

Then, turning to plan IV, we find that the Administrator is to be subject to the direction and supervision of the Secretary of Commerce with respect to all his functions. This means, according to the interpretation of this language given by the Supreme Court of the United States, that the Secretary of Commerce has the power to annul or revise or review all action which he takes. *Knight* v. *United States Land Association* (142 U. S. 161, 178). But we are now told by the Director that the Administrator will be subordinate, not to the Secretary of Commerce, but to the Authority, in performing his safety work.

In addition, the power to prescribe procedures, the very general power conferred in section 205A of the act upon the present Authority, is said by the Director in paragraph 3 of his letter to be retained by the new Board, although the reorganization plan itself does not mention the subject. This statement of the Director, coupled with his statement in paragraph 4 that the Administrator will be entirely dependent upon the Authority, is open to the possible interpretation that the Administrator, even in the procedure he follows in his own hearings, will have to follow the directions of the Board, despite the provision in plan IV that the Administrator will be subject to the direction of the Secretary of Commerce.

In any case, if we are to believe the director, the Administrator will be serving two masters, and if we are to believe the terms of the plan itself, he will simply be serving the Secretary of Commerce. If the reorganization plan itself were less confusing, perhaps the Director of the Budget Bureau could make his own plan clearer.

Paragraph 5 of the Director's letter gives us a hint of what we may expect under the reorganization. It starts out by recognizing that the Administrator will submit recommendations to the Board as to safety rules. It then hastily adds that it is anticipated that the Board will have adequate technical facilities for arriving at its own determination as to the soundness of the Administrator's recommendations, and also for developing "such material" upon its own initiative. It will be recalled that the Brownlow report recommended that regulatory agencies be divided into two sections, one a judicial section and one an administrative section. The administrative section was to have responsibility for preparing records and also for submitting findings, and the committee recommended that the judicial section would simply sit in judgment upon matters presented by the administrative section. Of the two sections only the judicial section would be independent.

The fundamental danger in this recommendation of the Brownlow committee was that the administrative section, by controlling the records made up and recommendations made, is, in effect, to be able to guide decisions reached by the allegedly independent judicial section.

The Director's letter in the paragraph just referred to indicates that he anticipates that plan III will in effect make of the Administrator what the Brownlow committee called an administrative section, and will leave the Board in a position corresponding to the judicial section. This impression is confirmed by the statement in the first paragraph of the Director's letter that the Administrator will have all functions of an administrative character.

In his letter the Director states that it is anticipated that the Board will have adequate facilities for arriving at its own determinations and for developing material on its own initiative. The Administrator is likewise to have the functions of submitting and supporting recommendations for action by the Board. And there is nothing either in the reorganization plan or in the Director's gloss to prevent budgetary control over the Board from being so exercised as to limit its personnel and technical facilities in a manner which will prevent it from being more than the Brownlow Committee's judicial section. It will be remembered that the study of independent regulatory agencies made for the Brownlow Committee suggested that a judicial section need have no attorneys or examiners of its own.

If this reorganization is permitted we may expect that a President impressed with the recommendation of the Brownlow report, and those exercising direct budgetary control over the Board will soon be paring the Board's appropriations on the plea that the Administrator, with his extensive duties of an administrative character, is able quite adequately to handle the function of gathering and presenting the data necessary for the Board to determine what regulatory action it should take and when that day arrives the Administrator, under the direction and supervision of the Secretary of Commerce, will be in the driver's seat.

Under the present act any such eventuality is out of the question because under section 204A the Authority has the ultimate power to make expenditures. Under the reorganization, both as set forth by the President and as glossed by the Director of the Bureau of the Budget, such an eventuality would be virtually upon us.

In paragraph 6 of the Director's letter he explains that the present Authority shall be known as Board, and the term Authority shall be employed to designate both the

Administrator and the Board. This contribution to reorganization is explained on the ground that there is an existing confusion in terminology.

Paragraph 7 simply states that the Board will receive the functions of the present Air Safety Board, which means of course that we are once more to have a system of accident investigation where the investigator investigates himself.

Paragraphs 8, 9, and 10 of the letter argue that the Board will be independent of the Department of Commerce and of the Secretary of Commerce. The Director states that plan IV will make available to the Board departmental services in connection with budgeting, personnel, and other functions. This is an ingenuous explanation of the provision of plan IV, which states that budgeting and personnel functions must be performed under the direction and supervision of the Secretary of Commerce, through facilities he designates. In other words, not only is it true that these departmental facilities will be available to the Board, but it is also true under the terms of the plan that they must be used for all budgeting and personnel functions, and that those functions must be performed under the direction and supervision of the Secretary.

The Director seeks to explain away these plain terms of the plan by stating that the Board will have the power to appoint and control all its personnel. Doubtless it will, but this power must, under the plan, be exercised under the direction and supervision of the Secretary of Commerce. The Director does not have the temerity to say that the power to appoint and control personnel will be independent of the Secretary of Commerce or of the Department of Commerce. The Director merely states, after discussing the various regulatory functions which the Board will have, that these functions will be independent of the Secretary and the Department. But when the Director proceeds to discuss the power to appoint and control personnel his letter carefully refrains from a statement that that power is to be exercised independently of the Secretary and the Department. Obviously he can make no such statement because the very words of plan IV preclude him. The Board must exercise its function of appointment and control of personnel, subject to the direction and supervision of the Secretary of Commerce.

The same conclusion must be reached with regard to authorization of expenditures.

As to the budgetary matters, the Director states that the Board will have authority to determine and support Budget estimates that are submitted to the Bureau, but once more the terms of the plan are clear that budgeting functions are to be exercised under the direction and supervision of the Secretary, and the Director carefully refrains from making the statement in his letter that in exercising its power respecting Budget estimates the Board is to be independent of the Secretary.

Paragraph 10 of the letter states that the Board's personnel will be relatively small in number. Again the recommendation of the Brownlow committee must be borne in mind. The Director is preparing the way for making of this new Civil Aeronautics Board a judicial section of the Civil Aeronautics Authority without the personnel adequate to perform an independent and aggressive regulatory job. If the reorganization succeeds the next step will be simple enough. It will be the determination by the Secretary of Commerce, the President, and the Bureau of the Budget, that the Board's personnel can be cut to a minimum, and that the personnel of the Administrator who, according to the Director, is to exercise functions of an administrative character, can be availed of for the purpose of doing all the work which the Brownlow committee recommended should be vested in an administrative section.

Paragraph 11 states that the Board shall have full authority to make contracts with other agencies of the Government and with State governments and foreign governments. Again, however, there is a significant foreshadowing of events to come, for the Director states that it is reasonable to assume that the Board will make the necessary arrangements with the Secretary of Commerce so as to coordinate its contacts with those made by the Administrator, and thereby minimize duplication of effort. Euphemism once more is employed in a broad hint that the Board will be expected to remain passive, humbly to work through the Secretary of Commerce and facilities designated by him, to secure clearances and approvals from Assistant Secretaries and other functionaries, and to leave to the Administrator, admittedly an officer completely subordinate to the Secretary of Commerce, the performance of more and more of the duties of the Authority.

In paragraph 12 the Director states that the maintenance of dockets and the keeping of minutes cannot be regarded as routine management functions, and will therefore remain under the Board. Otherwise it seems the Secretary of the present Authority will have no functions whatever.

Of course a future Director of the Bureau of the Budget may take the view that the keeping of minutes likewise is a routine management function.

Paragraph 13 states that the Board will have its own legal and other technical facilities and that any other interpretation would directly conflict with the asserted independence of the Board's power to reach determinations. Since the Board in exercising its budgetary and personnel functions will be under the direction and supervision of the Secretary of Commerce, this power to assemble and to continue to maintain an adequate staff will be entirely dependent upon him. The Director admits that without a staff the Board could not independently exercise its regulatory functions, which means simply that the Secretary of Commerce will have the power to direct and supervise the function which is basic to the Board's regulatory work.

Paragraph 14 provides that in connection with accident investigation the Board will furnish the Administrator with copies of any reports or recommendations relating to the Administrator's functions. Again the impression is confirmed that the Administrator and not the Board is to become the important agency in the new Civil Aeronautics Authority.

In paragraph 15 there is a further confirmation of the Director's view of the importance of the Administrator because here he states that the Administrator will have the power to compromise civil penalties involving violations of safety rules adopted by the Board, or violations of certificates issued by the Administrator. This is a matter covered by title 9 of the act concerning which there is no mention whatever in the plan submitted to Congress. The Director's contribution is another illustration of the inadequacy of the plans themselves. Those plans say nothing whatsoever about the function of enforcement of safety regulations, yet the Director by main force has conferred another function upon the Administrator, that of safety enforcement, and then reaches into a portion of the act not even mentioned in the President's plans, in order to find that still further functions have been conferred upon the Administrator.

Paragraph 16 of the letter states that the Administrator will be under the direction and supervision of the Secretary of Commerce.

Mr. President, I have brought this entire matter in a detailed form to the attention of the Senate, not so much with the thought that the Senate is to consider these small matters of detail, but to show that after a symmetrical and uniform system has been worked out by the Congress, after 5 years of study, we now find about to be torn down and destroyed that entire system which brought about greater safety in air transportation than was ever brought about in any form of transportation known to humanity, whereby 86,000,000 plane-miles and 821,000,000 passenger-miles were flown during the past year without a single fatality of any nature, either to pilots or to the traveling public. After a uniform system has brought about a record such as that, we are now confronted with a plan submitted to Congress whereby that symmetrical working system is to be torn down and destroyed, and not only does the President fail to find a reason for the new system suggested, but the Bureau of the Budget itself cannot find a reason for it, and cannot explain it. So we find confusion piling upon confusion.

I ask the Senate of the United States, after its study extending over 5 years, involving a most important matter of

government, and after providing a system which is workable and effective, which is economical, and which the country reveres and respects, after having accomplished that result, are we now going to tear it down for a system that cannot even be explained by those who advocate it?

When did the Bureau of the Budget become the legislative agent of this Government? When did the Bureau of the Budget attain the authority to say what the law is, and make the law by its own dictates? If the Bureau of the Budget is to create the law of the land, would it not be more economical and better to abolish the constitutional provision for making law, set Congress aside once and forever, and let the Bureau of the Budget make the law? Such a plan would be much cheaper. It would not be as plain. It would not speak as much for the will of the people; but it would speak for a dictatorial form of government, which is rapidly approaching. I hope some Congress in the not far distant future will so repudiate such a suggestion that it will never again be offered to a free people.

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to have inserted in the body of the RECORD in connection with and immediately following the remarks which I made earlier this afternoon an editorial from the Washington Post of May 3 in reference to the transfer of the Civil Aeronautics Authority. The editorial is entitled "A Weak Defense."

I also ask unanimous consent to insert in the RECORD a very able comment on the proposed transfer of the Civil Aeronautics Authority by Mr. Frank C. Waldrop, published in the Washington Times-Herald of May 6, 1940.

I further ask to have inserted in the RECORD a statement of the National Aeronautic Association, as expressed through its executive committee in session at Tulsa, Okla., April 25, 1940. In this connection I desire to say that the National Aeronautic Association is the largest and most far-reaching group of American citizens who are interested in the welfare of civil aviation.

I also ask unanimous consent to have inserted in the RECORD—all these matters to be placed in the body of the RECORD, to follow my remarks—an editorial from the Washington Star of May 2, 1940, entitled "A Poor Solution."

The PRESIDING OFFICER. Is there objection to the several unanimous-consent requests submitted by the Senator from Nevada?

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[Editorial from the Washington Post of May 3, 1940]

A WEAK DEFENSE

President Roosevelt's defense of his plan to abolish the Air Safety Board and shift the Civil Aeronautics Authority to the Department of Commerce is exceedingly weak. He does not strengthen his case by intimating that opposition to this proposal comes either from uninformed sources or from persons selfishly interested in preservation of the status quo.

Since the air-line pilots and air-line managements are leading the fight against the reorganization order, the opposition is certainly not ignorant. But, it undoubtedly has a very immediate interest in the maintenance of a regulatory system that has made an admirable record for prevention of air accidents.

Senator McCARRAN, who is leading the fight in the Senate for rejection of the proposed changes, effectually demolishes the President's argument that it is essential to give the Civil Aeronautics Authority representation at the Cabinet table. Mr. McCARRAN points out that the old Bureau of Air Commerce had more than enough of such direct representation. It had so much, indeed, that Congress passed legislation establishing an independent agency which would no longer be "noticed only at the pleasure of a busy Secretary of Commerce."

The President's suggestion that the C. A. A. needs to be brought into closer relationship with the Weather Bureau and the Coast and Geodetic Survey is hardly a valid excuse for making that agency a subordinate unit of the Department of Commerce. There are many agencies outside of Secretary Hopkins' domain with which the C. A. A. needs close contacts.

It is true that the C. A. A. would continue to exercise its functions of rule making, adjudication, and investigation independently of the Secretary of Commerce. But, otherwise it would be subject to his control. For the reorganization order states that "the budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish." It seems impossible to reconcile the terms of the order with the President's assurance that the Board would continue to appoint and control its own personnel and submit its own budget.

The strongest objection to merging the functions of the C. A. A. and the Air Safety Board has been entirely ignored in the President's formal statement. That is the danger of making the agency which promulgates rules for air safety the official investigator of the causes of air accidents. The new set-up, instead of preserving the present independence of accident investigation, would restore the conditions that prevailed under the old Bureau of Air Commerce.

It is reported that one of the major reasons for the proposed changes was a Budget Bureau indictment of "structural inadequacies of the C. A. A." Rumored friction and jealousy among Board members may call for some sort of remedial action. But, it certainly would not warrant abandoning an arrangement which has produced excellent results from the viewpoint of the public.

[From Washington Times-Herald of May 6, 1940]

THE PRESIDENT FOXES HIMSELF—WHY SHIFT HINCKLEY FROM C. A. A. IF AVIATION CONTROL IS TO STAY INDEPENDENT?

(By Frank C. Waldrop)

Mr. Roosevelt is undoubtedly the artful algazel in any encounter on public issues. He delights to leap and cavort before his plodding adversaries, confuse them, make them accuse him falsely, and finally fox them into batting their heads against the wall of truth so hard they let him lead them into his corral while they catch their breath.

But sometimes, as in the Supreme Court fight, he has shown that he can be too artful for his own good.

He becomes so foxy he outfoxes himself because he overestimates the foxiness of his foxing and underestimates the solid common sense of the foxed.

Consider, for instance, this matter of his proposal to abolish the Air Safety Board, put the personnel of the Civil Aeronautics Authority back under control of the Secretary of Commerce, and convert the C. A. A. into a Civil Aeronautics Board to execute functions of the C. A. A. and A. S. B.

The C. A. A. and A. S. B. were established in 1938 by Congress as independent agencies responsible solely to it and the President, who had authority to appoint the members.

The reason for all this independence was that sad experience had shown aviation to be a complex, dangerous, expensive system of travel needing complete freedom from political termites, yet needing also a strict hand of government.

And it was shown that the only way to get government that would be strict, sound, and free of termites was to make a regulatory agency, the C. A. A., utterly free to hire its own personnel, make and enforce its own rules. And as a counterbalance another independent agency, the A. S. B., was authorized to investigate any airplane crashes to see whether the pilots, plane makers, plane operators, or the C. A. A. were to blame.

This system has proved itself by the end product of 12 months' air-line flying on the heaviest schedules in the country's history absolutely free of fatalities. That had never happened before.

And the public wants the system which has proved itself to stand. But Mr. Roosevelt, in his plans III and IV for reorganization of the executive, proposed to abolish the Air Safety Board, telescope its duties with those of the Authority, and put the whole personnel for executing and reporting on the Authority's regulations under the Secretary of Commerce.

When challenged on the ground that this was reversion to the old system of the Bureau of Air Commerce which was so deadly and disgraceful, Mr. Roosevelt began to fox.

First, he said the criticism was all "spinach." But that didn't work. So he denounced the critics as ignorant, political, or gullible, or all three. But that didn't work, either.

So he trotted his tame Budget Director, Harold D. Smith, out with a letter to Chairman Hinckley, of the C. A. A., purporting to show there is no loss of independence to the C. A. A. in this change. He had his Attorney General, Robert H. Jackson, to say that whatever Mr. Smith said in the letter was so.

Then he shifted Assistant Secretary of Commerce, "Rowboat" Johnson, over to the Interstate Commerce Commission, and let it be known that he intended to put Chairman Hinckley into the Department of Commerce in his place just as soon as Congress realizes the changes in the Aeronautics Authority are all to the good.

This appointment, he intimated, ought to quiet all fears, for Hinckley has been going a good job on the C. A. A., and obviously will continue the same way as an Assistant Secretary of Commerce.

And there, ladies and gentlemen, our distinguished fox foxed himself. By his own strategy he has shown his critics to have read him right the first time. He does want to subjugate the C. A. A.

For the criticism all this time has been that the changes proposed in plans III and IV would destroy the independent character of the C. A. A. and put it under the Department of Commerce, where it has been shown that the control of aviation should not be.

And all the arguments the President and supporters have offered, up to the point of proposing Hinckley for Assistant Secretary of Commerce, have been that the independence would not be lost.

But at last the Presidential argument has come out to read not that the independence will be preserved but that with Hinckley in charge everything will be all right, regardless.

It won't be all right at all, Mr. President. Those who oppose the change do not believe the present system has worked just because

Mr. Hinckley is a good man but because the system is a good system.

Mr. Eugene Vidal, the former Chief of the Bureau of Air Commerce, was a good man. He tried hard. But his administration failed because the system was bad.

Under the system you propose, Mr. President, it is true the members of the rule-making Civil Aeronautics Board would be independent of the Assistant Secretary of Commerce. But personnel and finances would all be under an administrator, and the letter your Budget Director wrote to Mr. Hinckley plainly says:

"As contrasted with the Civil Aeronautics Board, the Administrator will be under the direction and supervision of the Secretary of Commerce."

So that the Board would be a mere dependency, unable to investigate to see whether its rules were countermanded elsewhere or its personnel up to a standard satisfactory for efficient enforcement of the rules.

Would the regulation of aviation continue its present independence and high standard in such a case?

Surely, Mr. President, you don't think people are going to believe that? This proposal to shift Hinckley gives the whole play away. This reorganization plan would wreck an independent system of aviation control built on experience and wisdom. Let's have none of it.

STATEMENT OF THE NATIONAL AERONAUTIC ASSOCIATION AS EXPRESSED THROUGH ITS EXECUTIVE COMMITTEE IN SESSION IN TULSA, OKLA., APRIL 25, 1940

The formation of the Civil Aeronautics Authority came as a result of deep study by the Congress of the United States in an effort to correct past weaknesses in the governmental aid to aeronautical development and to foster and develop civil aeronautics. It is the belief of the National Aeronautic Association that the Congress evolved legislation which provided adequate ways and means of correcting past deficiencies and providing for efficient future development of aviation in this country. The National Aeronautic Association further believes that the Civil Aeronautics Authority has gone far, during its short existence, to justify the faith placed in it by the people of the United States through its representatives in Congress. Therefore, the National Aeronautic Association, in reiteration of its historic position in support of an independent agency to handle all civil aeronautical matters, regards the proposed Reorganization Order No. 4 as detrimental to the continued safe and efficient development of aviation in the United States.

[Editorial from the Washington Star of May 2, 1940]

A POOR SOLUTION

President Roosevelt has stated that one of the purposes of his reorganization plan shifting the Civil Aeronautics Authority to the Commerce Department was to cut down the burden of work laid upon his shoulders.

The proposed transfer would result in the C. A. A. submitting its reports through the Secretary of Commerce rather than directly to the President, he pointed out. Mr. Roosevelt said that he already receives reports from about 45 Federal agencies and that a reduction of this burden was one of the motivating reasons behind the C. A. A. transfer.

An inspection of the Aeronautics Act of 1938, creating the Authority, however, reveals that the agency is required by law to make an annual report "to the Congress" and, in addition, that it also may transmit recommendations as to legislation to the Congress—not to the President. In accordance with the law, the Authority does submit its reports directly to Congress and they constitute no burden on the President.

There are certain types of reports, however, which the C. A. A. does make to the President. These reports deal with such matters as international air-line service, national defense, or the need for coordination of work of two or more Government departments—matters which inevitably would go to the President or his Cabinet regardless of whether the C. A. A. is an independent agency or a dependency of the Commerce Department.

It does not appear, therefore, that the proposed transfer of the C. A. A. to the Commerce Department would in any way lessen the amount of work required of the President. In fact, it would increase his work, since under the new set-up the annual and special legislative reports of the Authority no longer would go directly to Congress but would go to the Secretary of Commerce and from him to the White House for transmittal by the President to Congress. In this connection there is a further consideration.

If the President is overburdened and it should become necessary to lighten his load, it would not seem sensible or necessary to sacrifice the independence of so essential an agency as the Civil Aeronautics Authority merely to save the handling of reports. Certainly some other means can be found to lessen the President's paper work. Reorganization Plan No. IV is not a good solution for this problem. And if economy was the primary reason for proposing the change, the $22,500 which it is said would be saved by the plan, as Senator McCARRAN stated in the Senate yesterday, is a "paltry sum" to weigh against the possible risks to air safety and progress involved in the shift.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial from the Baltimore Sun of May 3, 1940, entitled "Time To Halt the Absurdity of the Silver-Purchase Plan."

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

[From the Baltimore Sun of May 3, 1940]

TIME TO HALT THE ABSURDITY OF THE SILVER-PURCHASE PLAN

The report of the Senate Banking and Currency Committee on the Townsend bill to suspend purchases of foreign silver was devastating in its analysis of the purchase program. It gave the Senate a chance to take the first long step toward the suspension of that program, and the chance is still available, despite the expostulations of the silver-bloc Senators.

For, as the committee suggested, it is easier now for Members of Congress to see the flaws in the silver arguments. During the original debate on the bill which became the Silver Purchase Act of 1934 these arguments achieved plausibility in the minds of the men who passed the act.

Led, as usual, by the representatives of domestic silver producers, the silver blocs were able to mask their direct and commercial stake in silver programs behind a variety of more theoretical propositions. On general principles, they argued that a little inflation wouldn't do any harm. It was easy to persuade those who hold that high prices in themselves are a panacea, regardless of the economic relationships which those prices represent.

Nor were the silver cohorts insensitive to the possibilities of topical variation on their basic theme. China was still on the silver standard; they argued that a great new market for American goods could be opened if China's money standard could be increased in value. China's money standard was increased in value, true enough. But the increase was so great and so explosive that China straightway went off the silver standard. In other countries where silver was used heavily in the coinage it became profitable to melt the coins down for sale to the United States as bullion.

These damaging impacts of the silver-purchase policy led to immediate shifts in the strategy of those who want the Treasury to buy silver. It next became fashionable to argue that the silver purchased abroad gave foreign peoples producing silver (as against foreign peoples using the silver standard) buying power with which to enter American markets. The foreign-purchase program was nourished on this argument through an almost successful attempt to suspend it a year ago; and that is the argument now being offered in opposition to the Townsend bill.

The Senate committee makes the obvious response to this argument when it suggests that, if the argument is good, then we ought to increase such foreign purchasing power still further by increasing our price for foreign silver, say 5 or 10 times. The friends of silver do not make such a suggestion; they do not dare to, more than 2,200,000,000 ounces of silver having been purchased since 1934 without appreciable benefit to the American taxpayers who ultimately pay the bill. What the case for the silver purchases now boils down to is the bald assertion that Americans ought to supply money to foreigners to buy American goods.

It is now obvious, in brief, that the silver-purchase plan hasn't a reasonable leg to stand on. Senator THOMAS' threat that a complete suspension might precipitate a revolution in Mexico is countered by the Banking Committee's reminder that our silver purchases in Mexico have brought us little good-neighborliness to date. Domestic producers are against the suspension of foreign purchases because they fear (a) that such suspension might further widen the gap between the market price and the arbitrary price of 71.11 cents an ounce which the Treasury now pays for silver; and (b) that it would thus wedge open the path toward suspension of the domestic purchase program as well. But most observers will feel that these are arguments, not against, but in favor of the Townsend bill.

Mr. TOWNSEND. I call attention to one sentence in the editorial:

What the case for the silver purchases now boils down to is the bald assertion that Americans ought to supply money to foreigners to buy American goods.

I ask also that an editorial from the Reno Evening Gazette of May 2, 1940, entitled "The Townsend Silver Bill," and an editorial from the Wilmington Morning News of May 2, 1940, entitled "The Silver Folly," be printed in the RECORD as a part of my remarks.

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

[From the Reno (Nev.) Evening Gazette of May 2, 1940]

THE TOWNSEND SILVER BILL

Now the supporters of the Foreign Silver Purchase Act, principally Senators PITTMAN, THOMAS of Utah, and THOMAS of Oklahoma, want the farmers of the country to come to its rescue. Through an amendment requiring foreign nations to spend for American agricultural products the money which we pay them for foreign silver, which we do not need, they would have the country's agricultural interests save the act, and thus continue to have this Nation subsidize foreign countries and foreign silver traders and producers at the expense of the American people.

This is far from the reason which the advocates of such foreign purchases first put forward. Then they represented to the country and to the silver-purchasing States that if this country would go into the world markets and buy up virtually all of their silver, its price in the world markets would take a very high level and remain there. Nothing of the kind has happened. Instead this country has bought 1,000,000,000 ounces of the foreign metal, and still the world price is but 38 to 39 cents an ounce. And in this absurd enterprise this country has piled up in its vaults almost 2,000,000 ounces of this foreign silver, which will stand for years as a menace to the silver produced in this country.

The Nation and the silver producers of the West have nothing to gain from the purchases of foreign silver, which would be stopped by the Townsend bill. The price of domestic silver is fixed by act of Congress, and the pending Townsend bill does not propose to change it. Not a single domestic producer would be injured by its enactment. Instead they would be helped by stopping the accumulation of this vast hoard of foreign silver in this country.

Nor have the farmers of America anything to gain in the long run from subsidizing alien purchases of American farm products. If these alien peoples want our farm products, they will buy them. And even if this foreign silver buying should stimulate for a time the purchase of American farm products, this country cannot forever keep up this stimulation by the unsound method of taking in exchange a commodity which it does not need and which eventually will injure its own silver-producing industry.

[From the Wilmington (Del.) Morning News of May 2, 1940]

THE SILVER FOLLY

There is every reason in the world why the Senate should approve promptly and decisively the bill which Senator TOWNSEND, of Delaware, has placed before it to end the foreign silver buying farce.

As Senator TOWNSEND reiterated in the opening debate, the 7-year-old program has been a costly mistake without a shadow of excuse. It is wasteful and unnecessary; it pours American dollars into foreign pockets without any appreciable return to us. We have no conceivable use for the vast stock of monetary silver the Government already owns, let alone the new supplies of the white metal which are constantly flowing in.

The provisions of the measure are perfectly simple and absolutely clear. It was approved by the Senate once before last June and it requires no extended debate. It has the endorsement of the great majority of financial experts, of the general public, and, finally, of the Federal Advisory Council of the Federal Reserve Board, representing all 12 Federal Reserve districts.

If the foreign silver buying powers are repealed as they should be, the largest share of the credit for this highly constructive action will belong to the Senator from Delaware. He has fought, in season and out, to put an end to this financial folly. Year after year he has battled in committee, on the Senate floor, and in public speeches against the program. His one-man crusade has been more responsible than anything else for bringing the matter to public attention and in arousing public sentiment against a senseless and costly procedure. Congressional approval of his bill will be a personal triumph for Senator TOWNSEND and one that he richly deserves.

Mr. TOWNSEND subsequently said: Mr. President, this morning it was stated on the floor of the Senate that there was gold back of the pound sterling. I wish to say that the pound sterling actually has no gold behind it today. The Bank of England has turned over all its gold to the equalization fund, and Canada has done the same thing.

FOREIGN INSULAR POSSESSIONS

Mr. REYNOLDS obtained the floor.

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

Mr. REYNOLDS. I yield.

Mr. AUSTIN. On May 2, 1940, the Senator who now occupies the floor had inserted in the RECORD—and it appears at page 5407 of the RECORD—what purported to be a dispatch from Amsterdam, Holland, which included, among other things, the following:

AMSTERDAM, April 22.—A high Government official has completely punctured for me the bubble of possible Japanese intervention in the Dutch East Indies.

"We are victims of our own busybody friends," he told me. "England would like nothing better than to drag America into war through the back door."

Again:

With astonishing candor this important official also restated the Netherlands' determination to run her own affairs. He said:

"Even if we are invaded by Germany, and Britain and France were to become our allies, we would not permit them to have anything to do with our islands."

At another point—

Then he slyly added:

"Of course, if the situation regarding Japan should be dangerous—which we do not look for at present—then America by a total two-way embargo alone could bring tremendous pressure against Japan.

"We are not telling America her business. She is quite able to take care of herself, but she must understand how much the Allies would like to involve her in a Japanese war and thus into the European war by way of the back door."

That is the end of what I intend to quote. I should like to add that I am entirely satisfied that the distinguished Senator from North Carolina knew nothing about the facts respecting the source of that information.

As an evidence of good will toward a treaty power which is a friend of the United States, and with which the United States is on peaceful terms, and as an evidence of our confidence in that great country, the Netherlands, I ask unanimous consent to have printed in the RECORD an article published in the Washington Post of April 25, 1940, entitled "Holland Denies Story of British Agitation on Indies."

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

[From the Washington Post of April 25, 1940]

HOLLAND DENIES STORY OF BRITISH AGITATION ON INDIES

Dr. A. Loudon, Minister from the Netherlands, last night issued the following statement in connection with a story by Frazier Hunt which appeared in Monday's issue of the Washington Post:

"The Netherlands Minister has been authorized to state that Mr. Frazier Hunt had no interview with any high responsible Netherlands official, and that his statement to the effect that the Netherlands blamed the Indies issue on the British and called the agitation over Japan an attempt to get the United States into war in no way represents the views of the Netherlands Government."

Mr. REYNOLDS. Mr. President, I am very happy indeed to have the opportunity of yielding to my distinguished friend and colleague. I assume that he has reference to an article which was printed in the RECORD several days ago, from a newspaper correspondent in Amsterdam, Holland.

M. AUSTIN. Yes. I thank the Senator for his courtesy.

Mr. REYNOLDS. I may add that the clipping was supplied to me, and after having read it I had it inserted in the RECORD at the point mentioned by my colleague.

Mr. TOWNSEND. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Delaware for the purpose of suggesting the absence of a quorum?

Mr. REYNOLDS. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

The PRESIDING OFFICER (Mr. BARBOUR in the chair) Eighty Senators have answered to their names. A quorum is present.

At this point Mr. REYNOLDS yielded to Mr. BONE, who asked and obtained leave to have printed in the Appendix of the RECORD an article by the Carnegie Peace Library on the cost of war in general, which article appears in the Appendix.

COST OF WAR

Mr. REYNOLDS. Mr. President, I am particularly happy to have had the opportunity of yielding to my distinguished colleague the senior Senator from the State of Washington [Mr. BONE] to enable him to ask unanimous consent—which was given—to have published in the Appendix of the CONGRESSIONAL RECORD an article in reference to the cost of war,

for I am of the opinion that the more thoroughly the American people are advised and convinced of the cost of war, and particularly of their participation in the last World War, in which we unfortunately had a part, the less will be our chances of entering the present world war. I feel it the duty of every American citizen, when the opportunity is presented, to take advantage of that opportunity to advise his listeners, or to advise his constituents if he happens to be a Member of the Congress of the United States, relative to the enormous cost of war.

In that connection I may add that we all recall that a number of years ago, when Mr. Calvin Coolidge was in the White House, he predicted that before we should have finally liquidated the obligations resulting from our brief participation in the World War from April 6, 1917, to November 11, 1918, we should have paid out $100,000,000,000. I understand that to date the taxpayers of this country have been occasioned to pay the sum of approximately $68,000,000,000 as a result of that participation, and no doubt before we shall have liquidated all the debts incurred by us in the last war we shall have paid out not less than $100,000,000,000. I may add that at this time, 22 years after the end of the last war, we have not sufficient hospitals to provide hospitalization for the veterants of that war who are entitled to hospitalization. As the distinguished senior Senator from the State of Washington knows, right now—at least, that has been my experience after handling many veterans' claims, as I have done in the past and do now daily—it is almost impossible, in many instances, to find facilities sufficient to provide treatment, care, and hospitalization for the men who are entitled to it even 22 years after the end of the World War.

As I said, I believe that the more thoroughly we can impress upon our respective constituents—the American people—the cost of war, the less likelihood there is that we shall become involved in it; and when I speak of cost I have in mind not only the cost in dollars and cents, the destruction wrought, but I have particularly in mind—and this observation I direct to my colleague from Washington, who is here—the fact that the real cost of American participation in a war is paid by the mothers of America. They pay in misery, in unhappiness, and in tears.

So I say I am very happy indeed to have been provided the opportunity of yielding to my colleague from Washington, who has always evinced a great interest in the mothers of America and in their flesh and blood, their sons, who would be called upon to serve in case we should unfortunately be sucked into the present wars that are raging in Europe and in Asia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 258) to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

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. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message further announced that the House had passed a bill (H. R. 9381) to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 62) to provide for printing additional copies of hearings held by the Committee on Appropriations, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 8475. An act to limit the interpretation of the term "products of American fisheries"; to the Committee on Commerce.

H. R. 9381. An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; to the Committee on Interstate Commerce.

PRINTING ADDITONAL COPIES OF HOUSE APPROPRIATIONS HEARINGS ON WORK RELIEF AND RELIEF

Mr. HAYDEN. Mr. President, by direction of the Committe on Printing, I ask unanimous consent that the Senate consider and concur in House Concurrent Resolution 62, just messaged over from the House of Representatives.

There being no objection, the concurrent resolution (H. Con. Res. 62) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives is hereby authorized and empowered to have printed, with illustrations, for its use 2,000 additional copies of each part of the hearings held before a subcommittee of such committee, during the current session, pursuant to the resolution (H. Res. 130) directing the Committee on Appropriations to make an investigation and study of the Work Projects Administration as a basis for legislation, and 1,000 additional copies of the hearing held before a subcommittee of such committee during the current session on the estimates of appropriations for work relief and relief for the fiscal year ending June 30, 1941.

PROHIBITION OF FOREIGN SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. REYNOLDS. Mr. President, I turn to the pending subject, which interests itself in Mexico and silver, which interests itself in the purchase of silver throughout the silver-producing countries of the world, but I believe particularly in our sister Republic to the south of us, Mexico, for it is my recollection that this country annually purchases approximately $30,000,000 worth of silver from Mexico. My recollection further is that we are buying annually about $70,000,000 worth of silver from Mexico and Peru and China and Canada and other silver-producting sections of the hemisphere. Frankly, I cannot understand why we are desirous of continuing to buy silver from other countries of the world, in view of the fact that I am informed that we have now 1,000,000,000 ounces of silver buried near West Point in the State of New York.

In this connection, I understand that we have issued certificates upon about 2,000,000,000 ounces of silver, making a total of 3,000,000,000 ounces. The first billion ounces I mentioned is sterile, according to my information. Therefore, when we have silver mines and facilities for mining and unemployed miners in this country looking for work, I cannot understand why we do not mine our own silver in quantities sufficient to meet our demands, instead of providing employment for the nationals of other countries of the world. I think we should utilize every possible opportunity and means to give work to the unemployed in this country, and, in addition thereto, to make use of the available silver mines in this country, rather than buy silver from Mexico, Peru, China, Canada, and other silver-producing countries.

Mr. KING and Mr. LUNDEEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina yield, and if so to whom?

Mr. REYNOLDS. I yield first to the Senator from Utah, then I shall be glad to yield to the Senator from Minnesota.

Mr. KING. If the Senator will visit the Western States, where minerals are found—gold, silver, copper, lead, and other precious and semiprecious minerals—he will find that there is the utmost earnestness upon the part of the citizens of the Western States to discover the minerals hidden in the ground. There is no lack of interest or zeal in mining silver. The only difficulty is that we cannot find as much as we would like.

I may say further that it is important to mine silver because, to use a common expression, it "sweetens" other

minerals which are mined, and which, standing alone, perhaps would not pay for the cost of extracting and processing them. So I assure the Senator that if he can find any way by which we can get more silver out of the mines in the West, we shall be very happy to discover the method to be employed. We are employing all the men in the mines who are justified by the situation, and we are extracting all the mineral we can get at the prices which are paid at the present time.

The Senator will recall that a number of years ago the price of copper fell to 4 cents a pound. It is impossible to mine it at that price. I was the one who cast the deciding vote in the effort to impose an excise tax on copper, which enabled us to continue the operation of some of the copper mines, as well as the silver mines, which "sweeten" the cost in the development of the copper mines.

I assure the Senator that we are very anxious to get all the silver we can; yet some of us are not averse to getting silver from other countries. I am one who has never abandoned his belief in bimetallism. I have believed, and history has demonstrated that I was correct in my belief, that nature planted in the ground gold and silver in about the proportion of approximately 16 to 1, and whenever gold and silver have been employed as the monetary base in the countries of the world, there has been a measurable degree of prosperity. When silver was demonetized there was a very great injury done the American people, as well as the people in other sections of the world. I hope that the day will come when we will have a dual base, if I may use that expression, gold and silver, upon which will rest our paper money, and our whole financial system.

Mr. REYNOLDS. Does not the Senator think that first we should mine to the limit those available spaces of the United States subject to the production of silver, with its alloyed metals?

Mr. KING. If I interpret the Senator's interrogatory correctly, I answer "yes." We are doing all we can to develop copper, lead, zinc, and silver to meet the monetary and industrial demands of the people of the United States. We have not, of course, reached the limit of production, but mines do not last forever. If the Senator should visit the West, he would find many ghost cities, many places where the minerals have been exhausted in various mines, and the miners have moved away, trying to find other places where they could extract from the ground minerals for the benefit of the people.

Mr. REYNOLDS. In reference to the Senator's employment of the words "limit of production," I am very happy indeed to find that we are in accord with one another on that point, and I hope that we may go to the full limit of production not only of silver but of copper and other metals, some of which we find in abundance in the United States, before we make purchases from other countries of the world.

Mr. President, I may add at this juncture that I know that the people of the Senator's great State of Utah are daily busily engaged in the operation of some of their great mines. The Senator a moment ago spoke of the development of the copper mines in his State. I recall that on several occasions when I have had the pleasure to visit the beautiful capital city of Salt Lake, in his Commonwealth, I have gone out to one of the large mines near the city and viewed the great amphitheaters that have been established by the hands of men in the side of the mountains there.

What I am interested in is to see that all our resources, from the standpoint of the production of metals, precious metals and otherwise, in whose utilization we in the United States are interested, shall be developed to the limit before we go to foreign fields to make purchases of minerals of any description, because by so doing we shall provide employment for our own people, whereas now we are neglecting our own laborers in the United States. We recall in that connection that unfortunately we have more unemployed employables than are to be found elsewhere throughout the entire world.

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

Mr. REYNOLDS. I gladly yield to my colleague from Minnesota.

Mr. LUNDEEN. I have been very much interested in the remarks of the able Senator from North Carolina, and I wish to say that it is generally understood that we are paying a premium of $12 or $13 an ounce on the gold that is being purchased. I am wondering if there is not a similar premium on silver, and how much that premium is? I am also wondering how much of a total premium on each metal has been paid to foreign countries, and what the total of both gold and silver premiums might be? I wonder if the able Senator from North Carolina has information on that subject?

Mr. REYNOLDS. Mr. President, I am exceedingly regretful that I cannot answer the Senator's question. I have understood that we are now paying about $38 an ounce for gold, and I know that we are buying a great deal of gold from countries outside of the United States, and that a great portion of those purchases are made from the Soviet Union. From time to time when visiting in various portions of Russia, I have been told by those who live there, and who are conversant with this particular subject, that the Russians can mine gold at a cost of from $3.50 to $10 an ounce. I have understood that the profit upon gold mining in Soviet Russia is so tremendous that the present Soviet Government has encouraged many of those from the western portion of the Soviet Union to proceed westward to the gold fields, and in order to encourage such movement, the Stalin Government has been providing its miners with a premium.

As to the profits derived by the various countries or their nationals from the production of silver or gold, I will very frankly and without hesitation state that I am not an expert upon that subject or thoroughly familiar with it. But I see on his feet now my distinguished colleague, the Senator from Oklahoma [Mr. THOMAS], whom I consider the finest authority upon those matters in the Senate, without casting reflections upon my other colleagues, and in order that he may be provided with the opportunity to answer the inquiry directed by the Senator from Minnesota. I am delighted to yield to the Senator from Oklahoma, because I should like to have that information myself.

Mr. THOMAS of Oklahoma. Mr. President, I desire to ask a question, but first I wish to suggest that the price of gold is $35 per ounce. The reason the price of gold is $35 per ounce is as follows: By law we have fixed the gold content of the dollar at $15\frac{5}{21}$ grains of gold nine-tenths fine. The weight of an ounce of gold is divided by $15\frac{5}{21}$, nine-tenths fine, which means it is necessary to add 10 points of alloy to the ounce to get the total. When the amount of gold in the ounce is divided by the amount that is in the dollar we get a quotient of 35. That is how we find the price of gold to be $35 per ounce, because an ounce of gold will coin 35 gold dollars. So we are not paying $35 an ounce for gold. We have fixed the content of the dollar at such a weight that an ounce of gold will make $35 in coin.

It is obvious to all who try to understand this question that gold is worth just as much by weight as it is by being stamped. The stamp adds nothing to the value of the gold coin. The only thing the stamp does add is to certify that a certain sized coin contains so much gold, and that the gold is 0.9 fine. So we are not paying $35 an ounce for gold. We are exchanging our commodities for gold on the basis of its weight.

Mr. President, if the Senator will yield still further, I will say that gold is the one thing that is the basic primary money of the world. Until a few years ago the moneys of all nations were based upon gold and redeemed in gold. Of course, that is not true today, for the reason that other nations do not have the gold on which to base and with which to redeem their money. We have ample gold upon which to base our money, and our money is based on so much gold to the dollar.

When we come to discussing gold, it would be well if those who want to pay a less price for gold than $35 per ounce, understood what that meant. It would mean that their constituents back home would receive less money for the things they produce. The Senator from a farm State who wants to pay less for gold than we are paying would

be asking his farmers to produce wheat for less than they are getting for it today. He would want his farmers to produce cattle and hogs for less money than they are getting for those products today. The same thing is true of all domestic production, especially of raw materials. If you cheapen the price of gold it means that you put more gold in the dollar, you make the dollar larger, and as the dollar becomes larger in gold content it is worth more, and it buys more as prices fall.

I am sorry that this question is not understood by Senators. If it were, we would do nothing until we had solved the money problem. But the money of America, along with the money of the world, is in a chaotic condition today. Yet we are doing nothing about it. A year ago the Senate authorized the Committee on Banking and Currency to make a study of the question and, after a year, all I can learn that has been done is that a questionnaire has been submitted, and to whom I do not know. It occurs to me that the importance of this question is such that the committee, after having been granted the authority to do so should have made the study. No doubt good reasons exist for not having made it to date. I hope the study will be made and that we shall have a report submitted to the Senate for our consideration at the earliest possible date.

Mr. REYNOLDS. In other words, as I understand the Senator's explanation, when we pay, so to speak, $35 or $36 or $37 or $38 per ounce for gold we are giving that much for commodities that we exchange, and if the price were reduced our producers in this country would receive less for their labors?

Mr. THOMAS of Oklahoma. There is no doubt about that. On the suggestion made by one Senator that some nations are producing gold at a lower price, so-called, than $35 per ounce, let me say that that may be true in some places, but one must take into consideration the place where the gold is being produced. In Russia there is no standard. The Russians do not work for wages. They work as they are directed. In Russia there is a sort of prescribed economy. Even the officials of Russia do not receive very much. I cannot say how much they receive today, but a few years ago, I think they received only 250 rubles a month. At that time the ruble was worth 51 cents. So, 10 years ago, the highest officials in Russia received only about $125 a month, in terms of our money, or in terms of gold.

Mr. REYNOLDS. In that connection, I may say that I have read, and have likewise been told, that when the present Government of Russia decided to endeavor to mine more gold, it put on a campaign to send miners into the gold-producing regions of Russia, and the miners were offered premiums, which, of course, is a very rare thing in that country.

Mr. THOMAS of Oklahoma. If the Senator will further yield, under the Russian system it would be possible for the Russian dictator to send an army of men into the gold fields and have them produce gold. If they were given a place to live and subsistence, that would be about all they could expect to receive. Under those circumstances it might be true that they could produce gold for a fraction of the price which we pay for it.

However, the price of gold, throughout the world, is not determined by the cost of mining the gold in some areas, because in some new fields a vast amount of gold might be found, and possibly it could be produced with a small amount of labor. In other sections gold is very expensive to produce. I can illustrate that point in a sentence or two. In my section of the country when oil fields are first discovered, sometimes the wells produce 10,000, 20,000, or even 40,000 barrels a day. That is called flush production. With such wells the owners could produce oil at 3, 5, or 10 cents a barrel, and make money. However, that is not the rule. Sooner or later the flush wells cease to be flush, which means they cease to flow, and they have to be pumped. After the production of the well goes down to a very few barrels per day, the oil is very expensive to produce. So the history of gold production is like that of oil. More money has been spent in trying to produce gold than the value of the gold produced.

Mr. REYNOLDS. I have frequently heard that statement.

Mr. THOMAS of Oklahoma. Flush production of gold here and there should not be taken as a criterion of the value of the yellow metal.

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

Mr. REYNOLDS. I yield.

Mr. BARKLEY. I wish merely to correct what seems to be a misunderstanding with respect to the purchase of silver and gold. Many persons use the term "buying gold" or the term "buying silver" on the part of the United States, under the impression that the United States goes over the world in search of gold to buy, and pays money for it. That is not what happens. What is true of gold is also true of silver. Take silver as an example. The silver comes to us in payment for goods. It first goes to an assay office or to a mint, and finally reaches the Treasury. The Treasury does not pay for the silver in tax money, or money which has gone into the Treasury as the result of tax laws, except that in some instances the Treasury may give a check on a deposit which the Government has in some Federal Reserve bank. The amount is reimbursed by the issue of silver certificates, so the silver which our Government takes over in this process is paid for, not in money, not in Treasury receipts, not in revenues of the Government, but by the exchange of a silver certificate for each dollar's worth of silver. The silver certificate becomes a part of the money used by the people.

With respect to gold, the Government does not own all the gold it holds. It does not own even the larger portion of it. Most of the $18,000,000,000 in gold at Fort Knox belongs to the Federal Reserve banks. Some of it is earmarked as the property of foreign governments and foreign interests. I am not sure what that amount is. It fluctuates. The great bulk of the gold has come in in exchange for our goods. The gold has likewise found its way into the Federal Reserve banks; and under the law the Federal Reserve banks turn it over to the Government, and the Treasury issues gold certificates, or certificates of ownership on the part of the Federal Reserve banks. Those gold certificates, or certificates of ownership, unlike the silver certificates, do not become a part of the circulating medium. The paper money issued on the basis of a dollar's worth of silver becomes a part of the circulating money of the country; but the certificates of ownership on the part of the Federal Reserve banks in the gold do not. They go back to the Federal Reserve banks and are held by the Federal Reserve banks as evidence of their ownership in the gold which is being held by the Government. In some circumstances the gold may be used interchangeably among the Federal Reserve banks, but it does not get out among the people to circulate as money.

There is much misinformation about the process through which the Government obtains possession of silver and gold. It is not true, as many persons believe, that the Government buys gold and silver as we buy groceries or clothes, or something of that sort. The gold comes to us in exchange for trade, and if either silver or gold were cut off so that it could not come into the United States, to that extent not only our trade, but the economy of the entire world, would be crippled.

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

Mr. REYNOLDS. I yield.

Mr. BONE. By what process does the Government acquire ownership in gold which comes into the United States? I am referring to a case in which the Government itself takes the gold.

Mr. BARKLEY. Under the law the Government may, and does, purchase a certain amount. Of the $18,000,000,000 worth of gold held in the United States at Fort Knox, I think a little more than $2,000,000,000 is owned by the Government. I may be mistaken; if so, the Senator from Oklahoma can correct me. The rest of it is owned principally by the Federal Reserve banks, and some of it by foreign interests. The Senator from Oklahoma can correct the figures if I have not stated them accurately.

Mr. THOMAS of Oklahoma. Practically every day a sheet entitled "Daily Statement of the United States Treasury" is laid on our desks. I have the one for April 30, 1940, which is the latest one I find on my desk. This sheet shows that on that day we had in this country monetary gold to the value of $18,769,874,616.49. That is the amount of gold in the country. The ownership of this gold is prorated as follows:

Gold certificates outstanding, outside the Treasury, $2,000,000,000 plus. That means that when we called in the gold 7 or 8 years ago it did not all come in. Many certificates are still in circulation somewhere. Some are in foreign countries; some have been hoarded; some have been lost; and some have been destroyed. Certificates in the amount stated have not been delivered to the Treasury.

The next item is "Gold certificates fund, Board of Governors, Federal Reserve System," which is the gold about which the Senator from Kentucky [Mr. BARKLEY] was speaking. It is the gold which has been delivered to the Federal Reserve banks and by them sent to the Treasury, and for which the Treasury has issued gold certificates. The gold certificates are held as evidence that, under the law, the Federal Reserve banks may obtain that gold if they need it. The amount of the gold thus held is $13,602,000,000 plus. That is the gold which the Federal Reserve System claims it owns; and as evidence of its alleged ownership it has gold certificates delivered to it by the Treasury Department.

The next item is "Redemption fund, Federal Reserve notes," in the sum of $9,640,951.14.

The gold reserve item is $156,000,000 plus. That is the gold reserve back of the United States notes. We have in circulation some $346,000,000 United States notes, and both gold and silver are back of those notes. There is $156,000,000 plus of gold directly back of those notes.

The exchange stabilization fund is $1,800,000,000. Originally that fund was $2,000,000,000, but $200,000,000 has been taken from the fund and set over as an active working account for the Treasury Department, leaving $1,800,000,000 intact in the fund.

Then we have the gold in the general fund, which belongs without obligation to the United States. Gold comes in from day to day. Some gold is sold, and gold goes out from day to day. The fund is a general revolving fund. The total amount on the date mentioned was $318,000,000 plus.

All these sums to which I have referred make up the total to which I referred in the first instance.

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

Mr. REYNOLDS. I yield.

Mr. BONE. I am still not advised how the United States, if it acquires gold, pays for it. Has the United States gone into debt to pay for it? If not, how has it acquired the gold?

Mr. THOMAS of Oklahoma. Mr. President, years ago some people paid their taxes in gold, and the Government acquired a considerable amount of gold through that means. We had something like $5,000,000,000 in gold when we went off the gold standard in 1933. Since that time we have acquired $2,800,000,000 through devaluation; and, as I said, we still have a good part of that in the stabilization fund. The only way the Government can acquire gold is through the purchase of gold in the open market with funds in the General Treasury, or through the delivery of gold to the Treasury in payment for taxes. The gold would then be set aside in the Treasury as unobligated United States property.

Mr. BONE. My question was asked primarily because I was curious to know whether or not we purchased the gold with tax funds, funds of the Treasury created through taxation, or whether in any instance we went into debt and issued bonds to acquire the gold.

Mr. THOMAS of Oklahoma. If the Senator from North Carolina [Mr. REYNOLDS] will further yield, let me say it is not now the policy of the Government to spend a single dollar of its money for gold. All the gold which comes to the United States comes in settlement of balances or is sent here for safety. When the gold arrives it is turned over to the Treasury, and in turn the Treasury gives gold certificates to the Federal Reserve banks to the value of the gold.

Mr. REYNOLDS. How much gold is there in the United States which unquestionably belongs to the Treasury of the United States, and upon which certificates have not been issued?

Mr. THOMAS of Oklahoma. I can furnish the Senator with that figure.

Mr. REYNOLDS. I should like to know approximately. I know that the Senator is thoroughly familiar with the subject, and I wanted merely an approximate idea, upon which to base a statement.

Mr. THOMAS of Oklahoma. We own the stabilization fund. That is $2,000,000,000 in gold. There are no certificates against that gold. It is unquestionably the property of the United States, and no certificates are issued against it.

Mr. REYNOLDS. How much gold is buried in Kentucky upon which the Treasury of the United States is not issuing any certificates?

Mr. THOMAS of Oklahoma. That is a financial secret. I was in Kentucky and had the privilege of going through the vault, but I saw no gold. I believe there is gold there, but I did not see it. With guards on all sides one can go down into the ground and walk around a corridor, in which there is a large square or vault, and it is presumed that the vault inside the corridor underground contains the gold. How much I cannot say. The authorities know, but that is not information that the public should have.

Mr. REYNOLDS. Then we do not know whether we have a billion dollars or $10,000,000,000.

Mr. THOMAS of Oklahoma. I do not know.

Mr. BANKHEAD. Mr. President, the Senator stated that the gold that unquestionably belongs to the United States is $1,800,000,000 in the stabilization fund. Is that in gold bullion?

Mr. THOMAS of Oklahoma. Yes; it is in gold bullion. All our gold is in bullion form.

Mr. BANKHEAD. Where does that go?

Mr. THOMAS of Oklahoma. The Treasury Department could tell where it is located. Information about the location of our gold is not given to the public. Obviously a large percentage of it is in Kentucky; other gold is in the mint in Philadelphia; still additional gold is in the Federal Reserve bank at New York; more gold is in the mint at Denver; and still other gold is in the mint at San Francisco; but the mints and the Federal Reserve banks are merely depositories of our Treasury.

Mr. BANKHEAD. How did the United States acquire that $2,000,000,000 of gold?

Mr. THOMAS of Oklahoma. I thought I had heretofore made that plain.

Mr. BANKHEAD. I understand about the reserve certificates, but I assume that this was a different kind of gold.

Mr. THOMAS of Oklahoma. When we devalued the gold dollar in 1933–34 the effect of the revaluation was like this: The President called in all the gold, and, in effect, under the law, he took 40 percent of the weight of each gold dollar from the gold dollar.

The President called in the gold before he devalued it, but after he got the gold in the possession of the Treasury, then the President's order was issued, which had the effect of taking each gold dollar and chipping out of that dollar 40 percent of its weight.

Mr. BANKHEAD. When that gold came in, did the Treasury issue certificates?

Mr. THOMAS of Oklahoma. It issued only paper money to the value of the gold under the old order.

Mr. BANKHEAD. And not gold certificates?

Mr. THOMAS of Oklahoma. No; they called in the gold certificates and new money was issued, namely, Federal Reserve notes. Then, when the gold was in the strong box of the Treasury, we, in effect, took 40 percent of the weight of

each gold dollar, leaving 60 percent which was to be the weight of the new dollar. The 40 percent chipped out of the dollar was then placed in the profit pile, and when this profit pile came to be valued the 40 percent taken from the old dollar became 69 percent of the new dollar, because, under the new valuation, 40 percent of the old dollar became 69 cents of the new dollar. In other words, the 40 percent chipped out of the old gold dollar became, under revaluation, sixty-nine one-hundredths by weight of the new smaller dollar. So these chips, taken from the clipping of each gold dollar in the profit pile, when revalued on that basis made a profit of $2,800,000,000 for the Federal Treasury; and that, unquestionably, is the property of the United States.

Mr. BONE. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. I yield.

Mr. BONE. I should like to ask the Senator from Oklahoma whether any of the gold that was turned in by the private banks to the Federal Reserve System of this country and thereafter devalued as indicated in the Senator's statement, resulted in the profit accruing to the Federal Government or did it reflect itself in a profit to the banks? Did they keep it or did the Federal Government get it?

Let us take a definite amount of money value and follow it through. Here is a bank in New York which turns in, let us say, $1,000,000 in gold. What is the status of that bank? It has gold certificates. I turned in some gold—I had a little of it—but I did not get gold certificates. The New York bank got certificates. Nothing happened to the small amount of gold which I, as a private citizen, turned in; it was not worth sufficient to talk about it. Nevertheless I got some paper bills for it, and was satisfied. The New York bank, we will say, has a million dollars in gold; an order comes to turn it in. How was the New York bank treated? That being merely a corporate entity and I a citizen of the Republic, what was the difference between the treatment of the two?

Mr. THOMAS of Oklahoma. The matter is very simple. If the Senator from Washington turned in, say, for illustration, a thousand dollars of gold, he got a thousand dollars in credit or checks or a thousand dollars in paper money. That is what he received. If a bank, not a Reserve bank, in New York or any other place turned into a thousand dollars, such bank received the same kind of payment. Federal Reserve banks, however, received gold certificates for their gold, but on the same basis as to value. The Senator received money that he could spend with his friends or in the market place, but the Federal Reserve banks that turned in gold, received gold certificates which are nothing more nor less than receipts for the gold delivered.

Mr. BONE. What I am getting at is, if there was any increased value accruing, the Federal Government, then, was the beneficiary of that?

Mr. THOMAS of Oklahoma. The Federal Government was the only beneficiary.

Mr. BONE. That is what I want to know. If we make plain that the Federal Government was the only beneficiary, then, in effect, every citizen and every corporation was placed in the same status. That has been so shrouded in obscurity because of the legal principle involved, as all my brethren will agree, that many questions have been asked—if I remember correctly they were asked in the last session—indicating an absence of knowledge by the Senate as to how much gold there was in Kentucky, and I believe that millions of Americans think the United States Government owns all this gold; they are not aware that it is privately owned. They think the gold in Kentucky is owned by the United States Government.

Mr. THOMAS of Oklahoma. It is unfortunate that this matter is not better understood. The facts are that under the law the Federal Government owns every ounce of this gold. The law is plain and under it the title of all this gold is vested in the Government of the United States, but, as a practical proposition, the Government has issued gold certificates, which are a sort of receipt. The banks can only get this gold by making application to the Treasury and showing that they have a demand for the gold to settle international balances, and that they must get gold or else the public credit might suffer. That is the exact situation.

One further statement, if I may make it. No one has profited by this gold policy save the Government of the United States unless it be persons or corporations that took their gold, melted such gold into bullion, and later surreptitiously brought the gold into the United States as melted gold or as newly mined gold and exchanged it on the new basis of $15\frac{5}{21}$ grains to the dollar. If people have been honest and turned in their gold as provided by the law, then no one has profited save the Treasury of the United States.

Mr. BONE. I should like to ask one more question, if I may. When this transaction occurred in 1933 the United States Government was not possessed of a great amount of gold. Therefore, we may assume that the present ownership of approximately $2,000,000,000 of gold, free of encumbrance, which is vested in the United States Government, is the result of financial operations under the Gold Act. Am I correct in that assumption?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. HOLMAN. Mr. President——

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

Mr. REYNOLDS. I yield.

Mr. HOLMAN. If the Senator will permit me, I desire to put into the RECORD a few very elementary questions on the subject of buying gold and silver. I am asking the questions in good faith, because I do not know the answers. I have an idea that perhaps I am not the only man in the Congress who does not know the answers to these questions. If that be so, I think there are 129,999,570 people in the United States who do not know the answers to these very elementary questions. I wish some of the authorities on the money question would prepare answers so simple that he who runs may read.

The first question is: What is the justification for the present policy of buying the gold and silver of the world at the prices now fixed, as advanced by its proponents?

Second. Why do we buy both or either from foreign nations?

Third. Why is the present price paid for each metal?

Fourth. Why do we bury both metals after we have obtained possession of either or both of them?

Fifth. Are we going to leave either or both metals buried forever?

Sixth. Are we going to use part or any of our hoards of either gold or silver for coin or for any other purpose?

Seventh. What is the planned ultimate disposition of the buried metals?

Mr. REYNOLDS. Mr. President, I am indebted to the Senator from Oregon for having propounded those questions. I, too, shall be very much interested in reading the written answers thereto.

Mr. TOWNSEND. President——

Mr. REYNOLDS. I will yield to the Senator from Delaware in a moment. It is my understanding that we have buried in the State of New York, near West Point, about 1,000,000,000 ounces of silver upon which certificates have not been issued. I also understand that the Treasury of the United States has buried in Kentucky several billion dollars worth of gold upon which certificates have not been issued. I have been told this afternoon that we do not buy any silver; that we do not buy any gold; but that we merely make an exchange of our manufactured goods and other products for the minerals of the other countries.

In other words, when we pay so many cents per ounce for silver we do not purchase the silver in the direct sense of exchanging for it the money of our country, but we give to the country producing the silver and shipping it here an equal value of the goods and the products of the United States. Likewise, when we get gold, which is valued at $35 an ounce, the present rate at which we are making payment therefor, we do not purchase the gold in the direct sense of exchanging for it the money of the country, but we give to the country producing the gold and shipping it here $35 worth of our goods. In other words, we in this

country are giving to the countries of the world from which we are buying their gold and silver our products in exchange therefor, and the gold and the silver which we get from them we are burying in Kentucky and New York.

If that process continues, I argue that it will not be long before we shall have all the gold and all the silver of the world buried in New York and in Kentucky, and the peoples of the world will have all the results of the labors of our people in the form of manufactured products.

I now yield to the Senator from Delaware.

Mr. TOWNSEND. I thank the Senator; and I agree with him that that is just exactly what will happen if we continue to buy silver with our goods.

Mr. REYNOLDS. Mr. President, I desire to say to the Senator from Delaware that, so far as I am concerned, I would it were possible that all the goods we are sending to Mexico and Peru and China and Canada we might be able to keep here and distribute to the millions of undernourished and needy and those in want in this country. I would rather have the stomachs of American citizens filled with food, and their backs covered with raiment, than to have the bowels of the earth filled with the gold and the silver we are purchasing from foreign countries.

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

Mr. REYNOLDS. I am glad to yield.

Mr. BARKLEY. The Senator suggests that if this process is kept up we shall have all the gold in the world, and all the rest of the world will have everything else we produce. The Senator hardly meant that. Of course, we are selling to other nations only what we ourselves do not use or need. We are selling them our surplus products.

It is all very well to say that we wish all the hungry could be fed and all the naked could be clothed; but the Government of the United States does not own the goods which we are exchanging for gold and silver. The only way in which it could own them would be to pay money for them and then distribute them among the people, which is not being done. Besides that, the exchange of gold and silver for our products is not taking away from us anything that the people have the means to purchase unless the Government itself is going into the business of taking money out of its Treasury to buy these things and distribute them among the people. In that case, of course, we might be able to absorb all our surplus products, although we could not absorb all the cotton we produce. We might absorb more wheat. We could not absorb all the tobacco we produce, certainly of the types which find their market in other nations.

So it is impossible to bring about a situation in which our surplus products would be used in the United States unless the Government itself is going into the business of buying up the surplus products and distributing them free among the people, or at less than their cost. Therefore, when we talk about the importation of gold and silver in exchange for our surplus products resulting in hoarding in this country all the gold and silver in the world, with the consequent result of all that we need to eat and wear and use going out of the country and leaving us naked and starving it simply cannot happen. It just cannot be true.

Mr. REYNOLDS. I will say that something is wrong when we are burying silver and gold in the bowels of the earth here in our portion of the Western Hemisphere, when there are millions of men and women in America who are undernourished and are not properly clothed.

Mr. SCHWARTZ. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from North Carolina yield to the Senator from Wyoming?

Mr. REYNOLDS. I gladly yield.

Mr. SCHWARTZ. I am wondering if the Senator will not agree with me that the proposition is not quite so naked as he states it. At a time when we manifestly do not have employment for large numbers of our people, to the extent that we employ the otherwise unemployed to manufacture goods that are sent abroad, we are doing some good to them, are we not? And is it not also true that while the silver we are acquiring may not at all times be worth what we pay for it, still it is a commodity which has always had value and now has some value, and that possibly by reason of furnishing employment at this time, when we are not yet able to learn how we can do it otherwise, to the extent that we employ people to manufacture the goods which we send away and thereby make consumers out of them, and to the extent that the metals we get in exchange have value, to that extent the present program is not wholly unwise?

Mr. REYNOLDS. Not wholly.

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

Mr. REYNOLDS. I yield to the Senator from Delaware.

Mr. TOWNSEND. The gold problem was not included in the silver bill which the Committee on Banking and Currency reported. The Senator from Minnesota [Mr. LUNDEEN] asked how much silver we had bought from foreign countries. We have bought from foreign countries over a billion dollars' worth. We have paid out, in our good money, a billion dollars for it.

Mr. REYNOLDS. Within what period of time?

Mr. TOWNSEND. Since 1934, since the law was passed. We have exchanged for that silver our goods.

The question is a very simple one. We have exchanged our goods to the extent of $1,000,000,000 for silver for which we have no use, and which is largely buried up at West Point; and, at the present rate of $23,000,000 a year, that silver would have paid the cost of Congress for 44 years. Just think of the extravagance of wasting our substance on silver when with the same amount we could pay the expenses of Congress for 44 years!

Mr. REYNOLDS. The Senator will agree that we could very well get along for a while without purchasing any more silver.

Mr. TOWNSEND. I certainly do; and I fully agree with the Senator that if we are going to waste our goods in buying foreign silver I should much prefer to give the goods to our own needy people at home.

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

Mr. REYNOLDS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The process referred to by the Senator from Delaware would require that we pass a law doing what we are not now doing—take money out of the Treasury of the United States, put there by the taxes of the people, in order to buy these goods and give them to the people—or else quit manufacturing.

The Senator states that we have bought a billion dollars' worth of foreign silver since 1934. It is not quite that much. It is about $900,000,000 worth. If it had not been for the importation into this country of that $900,000,000 worth of silver the manufactured products which were exchanged for it would not have been produced, and thousands of American workingmen would have been unemployed, because they would not have had any opportunity to dispose of the $900,000,000 worth of goods that we sent abroad in exchange for silver.

It may be all well and good to say that we ought to have gone down into the Treasury of the United States for $900,000,000 to buy those goods in order to keep our workers employed and then to have given them to the people; but we did not do so, we are not doing so, and nobody now proposes to do so. There is no law that requires it or permits it.

The question that I seem to be bothered about frequently and perpetually is this: Senators talk about this silver not being needed. Of course, we can get along without it for the time being. It is not all being coined into money. There are a number of things that we can do without temporarily that may be useful to us sometime in the future. We shall either have to keep on producing these goods and selling them to other nations and taking silver in payment or we shall have to quit producing; and if we quit producing these goods we shall throw out of employment hundreds of thousands of our employees who will become a burden on the Government of the United States or on local government.

In all the history of the world silver has been regarded as a valuable metal; and as the Senator from Oklahoma [Mr.

THOMAS] and the Senator from Nevada [Mr. PITTMAN] have already explained, more countries are now using silver as money than are using gold as money. But if it be true that for the time being this silver is not needed, and we have to decide which is the more useless—silver, which has always been recognized as a valuable and precious metal, which throughout the world is a medium of exchange, or the surplus products which we are turning out in our factories, which we cannot sell—I think silver will be more useful to us in the future than the unsalable surplus products that are to be turned out, unless we are to close our factories and throw out of employment other thousands of employees.

Mr. REYNOLDS. Mr. President, as I understand the Senator from Kentucky, he agrees that we have a billion ounces of silver in this country buried in New York, against which certificates have not been issued at the present time.

Mr. BARKLEY. I am not sure of the amount.

Mr. REYNOLDS. Approximately that.

Mr. BARKLEY. That does not all represent foreign silver. Every time anyone produces silver in the United States and takes it to the Government, he gets back about 60 percent of it in coin, and the Government keeps about 40 percent.

Mr. REYNOLDS. That is correct.

Mr. BARKLEY. And that 40 percent also goes into the accumulation of the silver bullion. Some of it may be used in the coining of money and some of it may not be. So, when we talk about a billion ounces of silver being buried at West Point, we are not talking about silver which comes here from other countries; we are talking about silver a part of which at least has been produced in the United States and has been brought to the mint and been coined; or a part of it has been coined and the Government keeps a certain percentage as a toll, or, as it is called, seigniorage, for the privilege of having it coined into money.

Mr. REYNOLDS. To use the argument which the Senator employed a moment ago, we have in this country at the present time both silver and gold for which we have no immediate use.

Mr. BARKLEY. That is, we have no immediate need to have it coined into money.

Mr. REYNOLDS. Quite so.

Mr. BARKLEY. I do not say it is of no use. The gold is a basis for our circulating medium, of course, or a part of it is.

Mr. REYNOLDS. I understood the Senator to say in his argument that our supply of silver and gold at the present time is sufficient for us to get along on if we did not make any immediate purchase of gold or silver.

Mr. BARKLEY. Probably so.

Mr. REYNOLDS. I therefore assume, from the Senator's argument, that, in order for us to continue to give employment to our working people, those who turn out the manufactured goods which are exchanged for the silver and gold, we must continue to buy silver and gold from foreign countries.

Mr. BARKLEY. The Senator uses the term "buy." I say we have to continue to exchange our goods for gold and silver, and the contention is that the gold and silver are more useful, even now, than warehouses full of unsalable tobacco, warehouses full of unsalable cotton, warehouses full of unsalable automobiles and machinery of various kinds, as well as textiles, which we cannot sell unless we can take this medium of exchange.

Mr. REYNOLDS. Then, I ask the Senator, what will happen when the day arrives when we have the silver and the gold of the world? What will then become of our workingmen, what will become of our factories?

Mr. BARKLEY. The problem of what we will do with that silver and gold, when the time comes to settle that question, is one about which great economists are now writing pamphlets and books. I am not posing as an expert on money, I am not posing as an economist, and I hope that my pose will be accepted at face value, but if the time ever comes when we have all the silver and gold—and we cannot ever have all the silver, though we may get most of the gold, and we have most of it now—when the war is over, and the world finds itself in economic chaos, the possession of that gold and silver on the part of the United States may be a very powerful lever of influence in the settlement of the economic conditions of mankind, and in settling the terms of peace upon which men may be permitted to transact business throughout the world.

Mr. REYNOLDS. Will we not always keep this gold and always keep this silver?

Mr. BARKLEY. Not necessarily.

Mr. REYNOLDS. Then how will other countries of the world ever get the gold and silver which we have? Today we have seven-tenths of all the gold in the world. Will not the first method they will have to employ in order to get it be by sending us goods?

Mr. BARKLEY. That is the only way.

Mr. REYNOLDS. And will not that put our laboring men out of employment in this country?

Mr. BARKLEY. Not necessarily.

Mr. REYNOLDS. Or at least it will furnish competition for them?

Mr. BARKLEY. There are services nations can render us for which that gold will be used as payment.

Mr. REYNOLDS. What services?

Mr. BARKLEY. Shipping is one service upon which we have always relied. We never have had a sufficient number of merchant vessels to carry our commerce to the world. We have from time to time subsidized shipping, or provided subventions.

Mr. REYNOLDS. If we continue to sell our merchant marine to the foreign nations of the world——

Mr. BARKLEY. We are not selling to the foreign nations of the world any merchant marine that we have been using.

Mr. REYNOLDS. A great many of our companies have transferred title.

Mr. BARKLEY. There have been many old ships tied up in port from the time of the World War, which before the present war were selling for $5 a ton, but are now bringing $35, $40, or as high as $60 a ton because of the scarcity of ships. But they were not ships we were using; they were not ships which were in trade. Some of our active ships have been transferred to other lines, because we have prohibited them going to belligerent ports carrying American commerce or American passengers. Some of them have gone to the Mediterranean. They may be driven out of the Mediterranean if the war extends to that area. This is a subject about which no one can be dogmatic or prophetic. No one knows what the future will bring in the way of economic rearrangement of the commerce and financial situation of the world.

So far as I am personally concerned, I am not afraid that the possession of this gold and silver will be a disadvantage to us when the time comes for the reestablishment of economic and trade relationships among the nations of the world.

Mr. SCHWARTZ. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. I yield.

Mr. SCHWARTZ. The situation is not so dark as many people seem to think. We are increasing our manufactures; we are increasing our national income. Only last year practically a million men went off W. P. A. on their own volition in order to accept private employment. I think conditions will work out so that in a little while we will not have the present great mass of unemployed. While I am not an economist or scientist, I think the situation is working out, and will work out satisfactorily, and I believe that in the end we will come to a time when we will contribute less of our national income and earnings to the value of machinery and more to the value of labor, and thereby add to the shortening of hours of labor, and thereby give permanent work to more of our citizens.

Mr. REYNOLDS. Mr. President, I am very happy to have had that observation from the distinguished Senator from Wyoming, because the subject of unemployment is one in which I am now very much interested.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. THOMAS of Oklahoma. It has been admitted by all that we have paid approximately $900,000,000 for silver during the past 6 years, let us say.

Mr. REYNOLDS. Since 1934.

Mr. THOMAS of Oklahoma. That is in the neighborhood of $200,000,000 a year. It is admitted that this money has been paid for American goods, raw products of the field and farm and factory.

Mr. REYNOLDS. That is, this silver has been paid for by American goods.

Mr. THOMAS of Oklahoma. We have exchanged cotton and wheat and manufactured products for this silver. If that be true, it means that each year $200,000,000 worth of goods have been exchanged for silver, which means that our people have been relieved to the extent of $200,000,000 in labor and in productive enterprise. If I understand the situation, it is the same as if we had appropriated that amount of money from the Federal Treasury and put it out among the people to tide them over. As it is, the people have had the benefit of $200,000,000 and we have the $200,000,000, in silver, in the Treasury. To me, that is a satisfactory method of affording relief. We have the silver in the Treasury. It is admitted that we have approximately 3,000,000,000 ounces of silver. We have issued certificates against that silver on the basis of its cost, and not on the basis of its monetary value. The monetary value of silver is $1.29 an ounce. I will state how that figure is arrived at. We can take an ounce of pure silver and coin one silver dollar and have 29 cents worth of silver left over. So an ounce of silver may be coined into a silver dollar of the kind which I exhibit to the Senator. Then we have 29 cents of silver to go toward the coining of a new dollar. So that if the 3,000,000,000 ounces of silver were coined into silver dollars, they would make 3,870,000,000 silver dollars. The monetary value of that silver is $1.29 an ounce, which would make 3,870,000,000 silver dollars, and we have issued against that silver only $1,800,000,000 in silver certificates, which means that if we need to do so, we can coin silver dollars, or we can issue certificates against the silver at its monetary rate, and put in circulation $2,000,000,000 more of silver certificates, which would be based on silver dollars of the kind I hold in my hand. So that if times should get hard, or if the Government should find itself in need of money, it could issue against the surplus silver approximately $2,000,000,000 in new silver certificates, and have behind each of those new dollars a silver dollar of the kind I now exhibit to the Senator.

Mr. REYNOLDS. Mr. President, after having listened to these gentlemen I am more optimistic than I have been for many years. I admit in perfect candor that these gentlemen are entirely persuasive, and particularly with their very delightful personalities it is almost impossible for one not to listen.

My distinguished friend the Senator from Kentucky tells us that we are burying this gold in Kentucky, that for it we are giving a lot of goods, and that without it the goods manufactured would have to be put in storehouses and warehouses here and would not be of a particle of use.

Mr. President, I am persuaded by the argument of my beloved and distinguished colleague the Senator from Oklahoma [Mr. THOMAS] that if we continue to do as we have been doing it will result in our getting all the gold and all the silver of the world, and we will not be getting a thing in the world for it. If that can be continued to our advantage, of course, I am in favor of it.

But looking at this matter from a layman's standpoint I see it in this way: We are buying gold, we are buying silver, and it is admitted that billions of dollars of that gold and silver are buried in the bowels of the earth, for which no certificates have been issued, and billions of dollars' worth that we have buried in the United States we do not now need, and have no use for. Perhaps we may never have use for it. What are we doing with it? We are burying the gold and the silver of the world here, and we are giving to those countries from which we buy the gold and the silver that which they are desirous of, and which millions of persons in the United States are desirous of. In other words, we are favoring other countries by the continuous purchase of gold and silver. For the life of me I cannot see how we are favoring ourselves by continuing to buy metals for which it has been admitted in this Chamber we now have no earthly use.

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

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. As a matter of fact, through these purchases we are helping pay for all the wars of the world. Did not Russia, a month of two ago, send over here a ship, the *Kim*, which carried to San Francisco nothing except $5,000,000 in gold?

Mr. REYNOLDS. And the ship was in the harbor at San Francisco.

Mr. TOWNSEND. Yes. Immediately after unloading the gold the ship was sent down the coast of Mexico and southern California and loaded with copper and other minerals to be taken back to Russia. And what was to be done with it? Presumably it was used in whipping Finland or in helping Germany.

Mr. REYNOLDS. Mr. President, as a matter of fact, we are not only in part maintaining Russia's war supplies, but right at our own back door we are maintaining the Government of Mexico, which, according to the press, is entirely unfriendly to our country. Why should we continue—I am not going to say "purchase"—but why should we continue to ship $30,000,000 worth of goods to Mexico, which Government is now entirely unfriendly to the United States of America?

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. THOMAS of Oklahoma. Does the Senator not recognize that if we should become involved in an emergency in the nature of war that this gold and silver would constitute a fine war chest?

Mr. REYNOLDS. Mr. President, it would be difficult for me to answer the Senator now because I cannot possibly envision in my mind this country becoming involved in any war across the Atlantic or the Pacific.

Mr. THOMAS of Oklahoma. Mr. President, does not the Senator suppose that Finland and Norway and Sweden 6 months ago held the same opinion?

Mr. REYNOLDS. Finland and Norway and Sweden do not occupy the enviable geographical location which we occupy.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. REYNOLDS. I yield, certainly.

Mr. THOMAS of Oklahoma. The Senator has just stated that we are buying gold and silver that we do not now need. Is it not a fact that we are spending a billion dollars a year for an army, and a billion dollars a year for a navy, a total of two billion dollars for an army and a navy that we do not need now?

Mr. REYNOLDS. I shall be perfectly frank. Do I understand the Senator to infer that he does not believe that we should spend a billion dollars a year for our Army, and that he does not believe that we should spend a billion dollars a year for our Navy?

Mr. THOMAS of Oklahoma. Most certainly not, Mr. President.

Mr. REYNOLDS. I want to answer a question predicated upon the Senator's opinion relative to national defense, as it embodies our Army and Navy.

Mr. THOMAS of Oklahoma. If for no other reason I would put the gold and the silver we have here in the same category as a war chest. I am in favor of spending sufficient money for our Army and for our Navy to protect our interests. But while we are doing that, I also hope we can increase our own production and pay our own people proper

wages for producing and manufacturing. To my mind gold and silver in a war chest is not a bad thing to have.

Mr. REYNOLDS. I wish to say to the Senator that I do not see how we can continue to purchase gold and silver when it is admitted that we have billions of dollars' worth of both precious metals in this country for which we have no immediate use, and I see no immediate emergency requiring its use.

Mr. President, a while ago I made mention of our neighbor, Mexico. I repeat that I am not going to use the word "purchase." As our distinguished leader said, we are not purchasing gold, we are not purchasing silver; we are merely giving to those countries manufactured goods and products developed in this country in exchange for their gold and silver. If we are giving them goods, and all they are giving us is gold and silver, we are favoring them. If we should quit the purchase of gold and silver today in the United States, the world price of both metals no doubt would drop, and when the price dropped we would be disfavoring the nations from which we are buying these precious metals, silver and gold. It has been stated that we are delivering to Mexico $30,000,000 worth of goods every year for the silver they are sending to us, and which we have buried, and for a large portion of which it is stated and admitted we have no immediate use.

Mr. President, I am of the opinion that the continued purchase of these metals should cease. If we were in a sense obligated to buy from the world, the question would be a different proposition; but I cannot envision in my mind any obligation on our part to buy silver from Mexico, to buy silver from Peru, to buy silver from Canada, or to buy silver from China. No country in the world ever contributes anything to us unless such contribution means a favor to them. In other words, they are looking out for their own interests, and the United States never gets a favor from any country unless the country granting the favor is doubly favoring itself.

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

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. Following the suggestion made by the able Senator from Oklahoma and the leader, the Senator from Kentucky, that we build up a war chest of silver and gold, did the war chest of silver and gold help Norway or Finland? They had gold and silver, but war supplies would have been much more helpful to them. If the Senators would instead agree to building up a war chest of strategic and essential foreign war matériels, I would certainly agree.

Mr. REYNOLDS. It does not seem to have aided them materially. I understand that some of the Scandinavian countries were in very much of a hurry to get out their precious metals, and that they sent them immediately to this country for protection and for the sake of safety.

Mr. President, Mexico is very unfriendly to us, as we know. She has treated us very badly. We have endeavored, as best we can, to continue the good-neighbor policy, and Mexico has not a better friend on the face of the earth than we have proved ourselves to be. Despite that fact, Mexico is treating our nationals very badly. She is confiscating farm lands, ranches, mines, and oil fields owned by Americans. For more than 20 years Mexico has carried on as she is carrying on now in the confiscation of our property, and up to this time—20 years since the commission of the first offenses—we have never been able to get a clean, full money settlement from Mexico. So why continue to aid that country in operating its Government for the benefit of the Mexicans at the expense of the people of the United States of America?

I said we have been very friendly to Mexico. Let us see whether we have. First, we buy $30,000,000 worth of silver from Mexico annually. Secondly, we send millions upon millions of American dollars into Mexico annually through the seaports of Tampico and Veracruz and other ports on the east coast, while on the west we send a great many dollars through Acapulco and other seaports similar to those on the Atlantic. Across the border from Laredo, Tex., to Mexico City, on that great highway last year there motored about 400,000 American citizens bent upon visiting the colorful country of Mexico.

In addition, many thousands fly there annually from Cuba, from Florida, from California, and from Texas. Thousands go there by train from the United States. The result is that annually we are sending to our sister republic millions upon millions of American dollars, thereby very pleasingly aiding the Government of Mexico itself.

We were largely responsible for the development of the highway from Laredo, Tex., to Mexico City, a distance of about 700 miles. It will be one of the links in the chain which will constitute the Pan American Highway leading from Seattle, Wash., southward through Mexico, Guatemala, Salvador, Nicaragua, Costa Rica, and Panama, and down the western coast of South America through the Republics of Colombia, Equador, and Peru, turning leftward just north of Chile into Argentina to Buenos Aires.

If we have not been friendly to Mexico, no country in the world has ever been friendly. What do we get as a result thereof? We get a "kick in the pants," and have 1,000,000 Mexicans in the United States to be employed by American industry and individuals in preference to American workingmen. We receive hundreds of thousands of Mexicans to be supported by the citizens of the United States.

That leads me to the subject of stopping Mexican immigration into this country, and stopping it now.

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

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. We have spent approximately $80,000,000 for Mexican silver.

Mr. REYNOLDS. In what period of time?

Mr. TOWNSEND. Since the law was passed in 1934. That amount would have supported 135,000 Americans on relief.

Mr. REYNOLDS. Mr. President, I did not intend to enter into a lengthy argument or debate in regard to this matter. As a matter of fact, to be perfectly honest, I was merely using the subjects of silver and Mexico to discuss the subject of immigration. I have now arrived at that point.

A moment ago I stated that it has been said that there are 1,000,000 Mexicans in this country. They are usurping the jobs of American citizens. Many thousands of them are being supported by the taxpayers of this country.

Only a few days ago I introduced in this body a joint resolution providing that the number of Mexicans gainfully employed in the United States shall not be in excess of the number of Americans likewise employed in Mexico. As a result of introducing the joint resolution I have received innumerable letters from many States of the Union, a large number from the Southwest, from Texas, Arizona, New Mexico, California, Louisiana, Colorado, Utah, Wyoming, and Oklahoma. I have selected from my files one letter which I should like to read in reference to the joint resolution which has to do with deportation and immigration. This letter is dated April 11, 1940. It comes from a gentleman who lives in San Antonio, Tex. In view of the fact that I have not his consent to use the letter I shall not reveal his name. I read:

> DEAR SENATOR REYNOLDS: I am writing you to let you know that a large group of representative citizens of this city are greatly interested in the news dispatches of recent date stating that you proposed legislation toward restriction of the number of Mexicans resident in this country to the number of Americans living in Mexico.
>
> Do you know, Senator REYNOLDS, that there are more alien Mexicans working, on relief, and in business in this city of San Antonio, Tex., than there are Americans in the whole Republic of Mexico? If you doubt this, make arrangements for an honest, impartial census in this district, and it may surprise you at what the Mexicans are getting by with. * * *
>
> Do you know that no American can enter Mexico to work for a salary, even for an American company?

I did not know that Americans could not enter Mexico to work for a salary, even for an American company; but I have heard that Mexican laws prohibit the employment by any individual, association, company, or corporation of more than 10 percent of Americans. In other words, Mexico takes care

of her nationals. She takes care of Mexican citizens. If 10 men are employed, 9 of them must be Mexican citizens. If a corporation employs 100 men, 90 of them must be citizens of Mexico. I am sorry indeed that we have not a law of that sort in this country. If we had such a law, the American laboring man would not now be so unfortunate. I fear that many hotels in the country would have to go out of business if we had a law prohibiting the employment of more than a certain percentage of foreigners in the United States.

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

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. That would never do, because we must save the world.

Mr. REYNOLDS. I thank the Senator.

Continuing to read from the letter from the gentleman in San Antonio, Tex.:

Do you know that in order to engage in business in that country he must prove an investment of from 20,000 pesos outside of the federal district to 100,000 pesos anywhere within the federal district, and that at no time can he draw a salary nor engage in any other business activity, only that specified by his original investment, and that it must be a strictly Mexican company, compelling the investor to waive any and all rights to diplomatic intervention in his behalf?

Yet thousands of Mexicans are all over this country, enjoying all our benefits, while Americans are discriminated against in Mexico, their properties confiscated, and nothing done about it. * * *

Just why the administration is all excited about American interests in China, 5,000 miles away, and at the same time sits around twiddling its thumbs and writing note after note of protest to the Mexican Government, but at the same time gives them the go-ahead signal to continue mistreatment of American resident investors in that country, no one here can understand.

The so-called "good neighbor" policy is all in favor of Mexico. * * * This "good neighbor" is right now trying to organize all Latin-American countries against "Yankee imperialism." They are holding mass meetings all over the country to show their displeasure because Cordell Hull politely begs them to do something about paying for the hundreds of millions of dollars in confiscated American property.

Yet we are buying their silver, paying them a bonus to work up sentiment in Latin-American countries against us. It is indeed a sorry state of affairs.

There are less than 10,000 American citizens resident in Mexico. An American citizen can no longer go into Mexico to work for a salary, in spite of the fact that they would work for American firms and not Mexican.

Yet Mexico allowed over 6,000 Spanish Communists to enter Mexico during the past year, gave them residence status, permitted them to join Mexican labor unions on an equal basis with Mexicans, and even went so far as to obtain employment for them. These facts can easily be verified.

Won't you try and do something about helping American residents in Mexico so they will no longer be considered as men without a country?

I sincerely trust your secretary will permit you to read this letter personally, as the "good neighbor" situation is serious and demands attention.

Mr. President, in reference to the situation in Mexico, I happen to have before me a clipping from the New York Times, dated Washington, April 13, 1940. The headlines are:

DIES SAYS MEXICO IS RED-NAZI TARGET—GERMANY AND RUSSIA PLOT REVOLUTION TO SET UP PUPPET REGIME, HE DECLARES—WARNS OF AID STEPS HERE—CALLS FOR BAN ON RECRUITING AND SUGGESTS REVISION OF THE MONROE DOCTRINE

WASHINGTON, April 13.—Chairman DIES, of the House Committee to Investigate Un-American Activities, stated today that he had received information that Germany and Russia were conspiring to set up, by means of revolution, a puppet government in Mexico.

So I say, let us not contribute to that revolution by continuing to aid them financially by the purchase of $30,000,000 annually of silver from Mexico.

The article continues:

He said that he would ask the State Department to interrogate the Mexican Government regarding Nazi and Communist activities in Mexico and he called on the Department of Justice to prevent "any attempt to recruit for this Mexican campaign."

Asserting that his informants included Mexican elective officers and several United States Senators, Mr. DIES said he had been told that 10,000 Communists had already moved into Mexico from France and Spain.

Communists' organizations in the United States, he added, were preparing to organize for a Mexican coup a force here similar to the Abraham Lincoln Brigade, which fought for the loyalist cause in Spain.

SAYS MOVE HINGES ON VOTE

If they failed to win the national election in Mexico this summer, he declared, Nazi and Communist plotters would move to overthrow President Lazaro Cardenas by force and set up a puppet regime. They wanted Mexico, he said, because it had gold, oil, silver, and other resources and still more because they wanted to build up a force next door to the United States as a threat in case this country should ever contemplate entering the European war.

The situation, Mr. DIES asserted, seemed to call for revision of the Monroe Doctrine, because when that doctrine "was formulated the modern Nazi plan of setting up puppet regimes by means of revolutions was never conceived."

"We may have to inform the world," he added, "that the United States will not tolerate such schemes of circumvention and penetration."

He proposed to ask his committee to approve a resolution requesting Secretary of State Cordell Hull to ask the Mexican Government for detailed information concerning persons who had entered Mexico in the past 6 months. He would also consult the Secretary regarding the possibility of obtaining witnesses from Mexico to testify regarding the alleged plot. Arms and amunition were being smuggled into Mexico from the United States, Germany, and other nations, he charged.

The problem confronting the United States in Mexico, he declared, confronted her potentially in all South America.

Communists to the south of us, Communists in the midst of us, Communists everywhere here. The "reds" are making tremendous headway in the United States. One witness before the Dies committee asserted that so thoroughly organized are the Communists in New York City—with their men in key positions—that the "reds" could control all transportation facilities, black out the metropolis, and wreck other public utilities. The traitors are not merely on their way; they are already here.

That is the end of the article from the New York Times pertaining to the observations made by Hon. MARTIN DIES, chairman of the committee in the House delegated to investigate un-American subversive activities.

Mr. President, in reference to communistic activities in Mexico, we see from the headlines in virtually every newspaper almost daily what is taking place in that country. We learn of the plots and the difficulties in various States of the Mexican Republic; and we have recently heard of many American tourists who have recently returned from that country who, I understand, have advised their neighbors and friends not to venture into Mexico on account of the fact that it is unsafe. It has even been suggested that warning be given to American tourists not to venture into that country at the present time on account of bandits and on account of the ill feeling existing south of the Rio Grande, within the confines of America, against the United States, although this country has proved itself to be the best friend Mexico ever had.

Here is a very interesting article by the United Press, which comes from Santa Barbara, Calif. It is headlined:

California sheriffs warned of border "reds."

The "reds" are not coming; they are already here; but I say that more "reds" from Mexico are bound northward into the United States.

The article is dated April 26, 1940, and reads:

SANTA BARBARA, April 26.—California sheriffs were advised today to be alert to prevent trouble from a "definite Communist-front organization" working assertedly along the Mexican border.

Sheriff Chris Fox, of El Paso County, Tex., told the Forty-sixth Annual California State Sheriffs' Association convention that a "serious condition" exists along the border between Texas and Mexico. He warned California officers to be on the watch.

The organization has paid organizers who are working with Mexican nationals on both sides of the border, Sheriff Fox said.

"Recognize this as a Communist movement of the most vicious kind," he said.

"I am uninformed as to whether the movement has extended to California, but I advise you sheriffs to keep your eyes open. Alertness on your part may save a great deal of trouble, not only for Americans, but for Mexicans who have settled in this country and wish to remain here."

Sheriff Grat Hogin, of Stanislaus County, Calif., president of the association, also spoke on subversive practices. He said "we must recognize that there are groups who have accepted the hospitality of California, yet deliberately are trying to overthrow American ideals and American form of government."

He said the alleged subversive groups were able to work unmolested because of the liberal nature of American laws.

That is what the sheriffs of Texas and California had to say at the sheriffs' convention, Mr. President.

I happened to notice a very timely little letter addressed by Mr. Peter Venos to the New York Daily News public forum column, entitled "Bolster the Border?" which I clipped

for the purpose of bringing it here and reading it to the Members of the Senate. It reads:

Manhattan: How about building a Maginot Line on our Mexican border as a measure of sanity and to round out the good-neighbor policy?

PETER VENOS

Mr. President, thousands of Mexicans, many of whom are Communists, are annually crossing the border from Mexico into the United States; and, as the sheriffs were advised at their convention, they are doing everything they possibly can to destroy the American form of government. We not only should guard the great "melting pot" of the world at its port in New York, where thousands upon thousands of aliens are entering our ports annually, but we must guard every port of the Atlantic and every port of the Pacific; and, in addition thereto, we should particularly give our attention to the Mexican and Canadian borders, and above all to the Mexican border now, because, as the sheriffs of California were told in their annual convention, aliens are pouring into this country, and are preaching un-American doctrines.

The time has come when we should stop by legislative enactment the influx of those who reside in the countries to the south. The time has arrived when we should bring about the enactment of laws applying the quota system to the republics to the south of us. At the present time the quota system has not been applied to the Western Hemisphere. Now, of all times, it should be applied to the West Indies and to the countries of Central and South America. Why? Because the aliens of the world are emigrating from the countries of the world, and particularly Central Europe, to South America, where they can become citizens without great difficulty, and after having obtained their citizenship they can thereafter enter this country without being restrained as a result of the quotas which apply to the countries of Europe.

Mr. LUNDEEN. Mr. President, I wonder if the Senator has any information as to how many aliens from various countries there are in this country at the present time. How many are coming in year by year? I have been inquiring about that matter for some time. I have never received any reliable statistics on that subject.

Mr. REYNOLDS. I only wish I were able to answer the question. No one can answer it.

Mr. LUNDEEN. Why not?

Mr. REYNOLDS. For the reason that in this country we have not a registration and fingerprinting law. We are the only country in all the world which does not know where to find the aliens within its borders. Every other country in the world keeps close track of foreigners who come across its borders, but we do not. We have the weakest and poorest immigration and deportation laws among all the countries upon the face of the earth.

I contend that we should enact legislation which would apply the quota system to the countries of South America, because many foreigners are coming into Mexico. Six thousand aliens from Loyalist Spain, the great majority of whom, I understand, are Communists, have entered Mexico within a very short period. Already we have too many Communists in this country to have added the Communists who come from Spain and Russia and Mexico and all the other parts of the earth. It is an extremely difficult matter to impress that on the American people. The Communists in this country, according to the reports of the investigations of the Dies committee, are getting into key positions.

Speaking of Mexican and American Communists, let me read something which to me seems appalling. I have here an article dated April 23, under the Associated Press byline, which reads as follows:

DIES WITNESS SAYS "REDS" COULD TIE UP NEW YORK TRANSPORTATION

WASHINGTON.—Thomas Humphrey O'Shea, former New York city subway worker, told the Dies committee today that Communists had power at the present time to paralyze the city's transport system. He added that members of the transport union, "dominated" by Communists, had organized gun clubs for target practice.

O'Shea, now a W. P. A. worker, was asked whether the Communists could paralyze the city's transport system under present conditions.

He replied "yes."

"The Communist leadership with its control in the union," he added, "could stampede the men into a strike."

"They have the absolute power, if they see fit to exercise it."

In replying to questions by J. B. Matthews, committee aide, concerning "revolutionary activities in the transport workers' union," O'Shea asserted that gun clubs had been organized by union members for regular target practice.

Here is another newspaper clipping regarding testimony before the Dies committee as to what Communists are planning to do in the United States:

DIES HEARS COMMUNISTS AIM AT GENERAL STRIKE

WASHINGTON, D. C.—Ezra Chase, former Los Angeles Communist organizer, told the Dies committee that the Communist Party is seeking to organize basic industries in the United States so it can start a general strike.

"It is easy to convert a general strike into civil war, and that is but a step to revolution," Mr. Chase testified. "The Communist Party is an organization with revolutionary intent; with the purpose of changing this form of government. If through labor organization they can take over the basic industries at will, they will be in a position to call a general strike throughout the Nation."

A slight bespectacled man, Mr. Chase said that in California, Communists "especially are interested" in aircraft plants and that aircraft workers are a fertile field for Communist activity, because they are not so highly paid as popularly believed.

The C. I. O. gave the Communists a "foothold in the basic industries," Mr. Chase testified. Communists' control of labor groups began to "take hold in a big way" in 1935 when the C. I. O. was opening its organizing campaign, he said without elaborating.

Mr. Chase said the Communist Party urged its members to steal utility services after they were cut off for nonpayment. He said that because he acted under party directions in this respect he spent 6 months in jail in Los Angeles.

"Our purpose was to show that the utilities were the property of the people," he explained.

Mr. President, that information was revealed before the Dies committee here in the Capital of our country. It is appalling to me to learn that the Communists are so thoroughly organized in the largest city in the United States as to have absolute control, at their will, of our transportation facilities. If that be true of transportation, it is true of other public utilities, of the distribution of water through the water works, and of the distribution of light through the wires into the city.

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

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I am not quite so alarmed as is the writer of this article about our transportation system. I believe that the railroad brotherhoods are good American Federation of Labor people, and I do not think anyone can interfere with our transportation system to any great degree.

Mr. REYNOLDS. This article refers to the transportation facilities in the city of New York.

Mr. LUNDEEN. It may be true as to that particular locality. However, the question occurs to me, How many "reds" or Communists would we have in the United States if we gave jobs to our citizens? I believe they would disappear overnight, with the exception of a few paid agents, and I understand we have them card-indexed; we know who and where they are. Their number is not great. The cry about the "reds" and the Communists would disappear if we would furnish jobs and employment to our people. I believe the able Senator agrees with me.

Mr. REYNOLDS. I thank the Senator for his suggestion.

Communism is produced by hardship and disease and sickness and unemployment and lack of educational facilities, and that kind of thing. Wipe those things out, and we will not have any Communists in the country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, 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. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and

for other purposes, and that the House receded from its disagreement to the amendments of the Senate numbered 28 and 29 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

RIVER AND HARBOR AUTHORIZATIONS—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 51, and 100;

That the House recede from its disagreement to the amendments of the Senate numbered 1 to 16, inclusive; 18 to 50, inclusive; 52 to 63, inclusive; 65 to 77, inclusive; 79 to 184, inclusive; 186 to 201, inclusive; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows:

In lieu of the language inserted by the Senate amendment insert the following:

Guadalupe River, Texas: The construction of the 9-foot navigation channel from the Intracoastal Waterway to a point about 3 miles above Victoria as recommended in subparagraph (a) of paragraph 2, page 2, in House Document Numbered 247, Seventy-sixth Congress, first session.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows:

After the word "Harbor", insert the word "California;"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows:

Strike out the word "Michigan" and insert in lieu thereof the word "Wisconsin"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with amendments as follows:

In lieu of the figures "$144,754,450" insert the figures "$109,985,450", and after the word "herein", strike out the words "over the seven-year period beginning July 1, 1941" and insert in lieu thereof the word "adopted"; and the Senate agree to the same.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
CHAS. L. MCNARY,
Managers on the part of the Senate.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

PROPOSED CIRCUIT COURT OF APPEALS FOR PATENTS

Mr. BONE. Mr. President, on the calendar is a bill which was sent to the calendar some time ago, and has been there for a number of months. It is No. 810 on the calendar, Senate bill 2687, to establish a circuit court of appeals for patents. It is one of the conceptions of the patent law which was under discussion by the committee upon which this body had two or three representatives, including the Senator from Utah [Mr. KING].

There has been some discussion among Senators who were interested regarding the desirability of having the Judiciary Committee of the Senate examine the bill. Personally, I have no objection to that course. The bill came to the Committee on Patents, of which I am chairman, and was favorably reported by that committee; but since it involves the creation of a new court, I found in my heart no legitimate objection to having the matter referred to the Judiciary Committee, so that the bill might there be examined. I am going to ask—I hope I shall not embarrass the able chairman of the Judiciary Committee by the request—that the bill be given prompt consideration by his committee, and, in that connection, that a subcommittee be appointed to examine it.

I desire to say to my brethren of the Senate that the bill provides for virtually an orthodox circuit court of appeals. Many features which were originally suggested for the bill, such as a committee of experts to advise with the court, have been deleted from the bill. It differs from the orthodox circuit court of appeals only in two respects: First, the court is ambulatory, and it was regarded as being desirable to make it somewhat ambulatory. Second, it has exclusive appellate jurisdiction in patent cases, because so many cases involving the same patent have resulted differently in different circuits.

Every well-informed lawyer knows that the courts are not to blame for that condition. Perhaps a case is well presented in one court, and goes off on a different state of facts in another; but, nevertheless, we have here the incongruous and inept picture of a man having a patent, or a claim to a patent, and getting three or four conflicting decisions in the United States. So some very able lawyers conceived this bill as one legitimate approach to a solution of the problem.

I do not say that the bill possesses all the virtues which have been claimed for it, but I am also convinced that it does not possess all the evils which a few folks have attributed to it; but I think it is the part of wisdom to have my brethren on the Judiciary Committee examine the bill, and I hope they will be generous enough to dispose of it by making either a favorable or an unfavorable report or giving to all of us of the Senate their best judgment on what should be done.

The patent situation in the country is an unfortunate one. It is horribly complicated by a number of conflicting decisions which I think unjustly have been regarded as a reproach to the courts; and yet every Member of this body knows that the courts are not responsible for some of the mess created by the inability of lawyers to see through the same spectacles regarding the problem.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. BONE. I yield.

Mr. KING. Let me say to my able friend from Washington that this question has received much attention at the hands of the so-called Economy Committee, of which I am a member. The testimony before the committee was not by any means unanimous in favor of the establishment of a court of patent appeals. Personally I have not favored the establishment of such a court, and when the bill came up for consideration, when Senator McAdoo was chairman of that committee, I objected to its consideration. Many persons, lawyers as well as others, interested in obtaining patents, who have spoken to me, have indicated that they were quite satisfied with the present system, and the volume of differences of opinion on the part of the courts is not so great as many think. Some time ago I had my secretary examine the decisions of the circuit courts of appeal to ascertain the frequency with which diverse opinions were brought to the attention of the respective courts, and, in view of the complaints which had come to me, I was amazed to find that such a limited number of appeals had been taken to the circuit courts of appeals based upon different interpretations of the same case or the same facts by various courts of appeal.

However, as a member of the Committee on the Judiciary—and I am sure the chairman of the committee, who is present, will join me—I assure the Senator that the matter will receive very prompt consideration.

Mr. BONE. Mr. President, I should like to add one other statement. It may be that those who favor the approach to this problem sought to be relieved by the bill have been too ardent in their support of the principles embodied in it, but as to that there probably may be a genuine difference of opinion. In the hearings we tried to have presented as complete a presentation of the viewpoints of the various interested parties as possible. A great many lawyers are sympathetic with the proposal, and, as the Senator from Utah has so well pointed out, a great many lawyers are not only doubtful about it but object to it generally. However, it is something which I think we might well consider, and I believe it is entirely proper to have the Committee on the Judiciary consider the bill. It is a simple bill.

Mr. ASHURST. Mr. President, though I listened closely to what the able Senator from Washington stated, my attention was diverted at the beginning of his remarks. I assume he is speaking regarding Senate bill 7424.

Mr. BONE. No; I refer to Senate bill 2687, No. 810 on the calendar, a bill to establish a Circuit Court of Appeals for Patents.

Mr. ASHURST. What was the request of the Senator?

Mr. BONE. I am asking now that the bill, which is on the calendar, be referred to the Committee on the Judiciary. My particular request was that the chairman of the committee and his colleagues give the bill as prompt attention as I hope they will find it in their hearts to do, so that we may have the best judgment of the committee on the bill. It has interested a great many people, and I have had much correspondence about it. My personal thought is that it is a wise piece of legislation, although many have differed with me in that respect.

Mr. ASHURST. While it is true that we have before the Committee on the Judiciary nearly 300 bills, some of which require us to make very fine distinctions and search many pages of the lawbooks, if the bill to which the Senator from Washington refers should be sent to the Committee on the Judiciary the chairman will name a subcommittee to consider it and will take pleasure in conferring with the able Senator from Washington as to whom he would prefer to have on the subcommittee. I shall be very glad to do that. While we are driving ahead with many other bills, I assure the Senator that any request he may make will not be disregarded.

Mr. BONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that Senate bill 2687 be referred to the Committee on the Judiciary. Without objection, it is so ordered.

TELEVISION IN THE UNITED STATES

Mr. LUNDEEN. Mr. President, I should like to protest, in a very few words, against the delay in the matter of the F. C. C. decision on television. We have read much in the press in these last days on that subject. There is much unemployment in the television industry and much idle capital. I do not see why there should be long extensions of time for filing briefs, and why officials who have the power to decide should be absent. Great Britain is progressing after nearly 4 years of television. Germany is in the front ranks of television. We have made considerable progress in this country, and I think we should go ahead with it.

Mr. President, may I at this time draw attention of the Senate and the people of the United States to the apparent unconcern of certain people to the deplorable unemployment situation in this country today. I know there is considerable controversy over just how many unemployed people we have, but the fact that the President asks a tremendous sum for relief is ample evidence that the situation is deplorable. You cannot laugh off 12,000,000 unemployed.

Late in March I was astounded to read that the Federal Communications Commission had far exceeded its authority in arbitrarily stopping the development of the television industry, because some members of the Commission did not like certain advertising copy placed in New York newspapers. I thought it was a very flimsy excuse, and when I read a score or more of editorials condemning this bureaucratic seizure of power, I thought the best way to secure intelligent action was to have the Senate look into the matter. Accordingly, I introduced a resolution April 1 asking that the Senate Committee on Interstate Commerce investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission exceeded its authority and whether it had interfered with the freedom of the public and of private enterprise.

CHAIRMAN FLY AND COMMISSIONER CRAVEN

That same day I learned in the press that the Chairman of the Federal Communications Commission, James Lawrence Fly, was to deliver an address the next night over the National Broadcasting Co. red network and the Mutual Broadcasting System. I listened to that address and, frankly, it did not give me adequate reason for this unusual action by the Commission. I had read in the newspapers where one of the commissioners, the Honorable T. A. M. Craven, had dissented from this action by the Commission, and so I addressed a letter to him and asked him if he would give me his reasons. I considered it an official communication from a United States Senator to a member of a commission the Congress had created.

Commissioner Craven replied to me, and from his communication I was more than ever convinced that the action of the Commission, in stopping the development of television was entirely unjustified.

LUNDEEN RESOLUTION ON TELEVISION AND HEARING

On Monday, April 8, the Interstate Commerce Committee met and spent an entire day considering the resolution. At that hearing the president of one of the manufacturers of television sets said that television would surpass sound broadcasting with a billion-dollar turn-over, as compared to $600,000,000 in present-day radio. He said that television would pave the way for more than 500,000 jobs. A small manufacturer approached me after the hearing and told me that in his case he would put 60 men to work at once if the Commission lifted its ban.

The hearing was adjourned the next day when Commissioner Craven was unable to attend because the Commission had reopened hearings on the television situation, and that afternoon President Roosevelt stated in a press conference, according to the newspapers, that the situation would be adjusted later this spring, or this summer. I have since learned that when the hearings before the Federal Communications Commission were adjourned on Friday, April 12, some of the interested parties asked permission to file briefs and the Commission granted them 2 weeks for this purpose.

HALF A MILLION JOBS IN TELEVISION

Now, here was the situation in brief—

Thousands of men could be taken into private employment at once and eventually a half million men could be given jobs if a bureau here in Washington would abandon an entirely illegal and arbitrary position. So far as legality is concerned, the F. T. C. has the authority to supervise advertising and not the F. C. C. The chairman of the Interstate Commerce Committee said publicly that the various factions involved could get together and give this promising industry the green light.

Now, everyone at all connected with television was here in Washington. They could have prepared their briefs in 48 hours and had intelligent action by the Commission immediately. Instead of that, so as to accommodate a few attorneys and perhaps because the chairman of the Commission was leaving on a vacation trip, all these jobs in private industry were held up for weeks. I think it was ridiculous, for I believe Chairman Fly should have stayed on the job, ordered the attorneys to get their briefs in by the following Monday morning, and have a decision out of the Commission that very day.

FEDERAL TRADE COMMISSION REGULATES ADVERTISING, NOT THE F. C. C.

I know that in trying to get away from the barrage of criticism for its arbitrary action, the administration dragged in a red herring by talking about the delay being necessary to prevent monopoly. I just want to read to you an editorial from the last edition of Broadcasting, the national radio magazine published here in Washington, which is entitled "Locks and Keys, Railroad Tracks and Television." Here it is:

[From Broadcasting, the national radio magazine]

Behind the hue and cry over television, which, despite President Roosevelt's information, cannot possibly become a monopoly unless the Government wills it so, lies a gnawing fear in the broadcasting industry that the F. C. C., far from cooperating with radio progress, is being impelled by a crack-down if not a giant-killer complex. The whole television uproar, the expense of needless hearings, the frayed nerves might have been avoided had the F. C. C. majority shown a keener sense of public as well as industry relations.

Going far out of bounds in basing their suspension order in R. C. A.'s promotional activities, properly a subject for Trade Commission scrutiny, if misleading, they more easily might have called in the principals and, across the table, employed the powers of amicable persuasion. Or they might simply have issued a statement warning the public that television standards are not yet established and that buyers should beware lest sets become obsolete or require later radical changes.

To us the argument falls flat that a few thousand sets, sold in one restricted area between now and the time the F. C. C. might get around to establishing standards, might freeze standards at the R. C. A. (and R. M. A.) levels. R. C. A. was frankly straining at the leash to get started. It had $10,000,000 invested in television; it had the transmitting equipment, the production facilities, and the men. Through R. M. A. some of the best brains in the art had agreed to certain scanning and framing methods, subject to later change at relatively small expense. It quite properly did not want to wait for others not yet ready or not yet authorized to broadcast their own systems before its New York television pictures were made available to a wider audience.

R. C. A. finds itself on the popular side of its issue with the F. C. C. in the preponderant editorial opinion of the press and among subtantial bipartisan congressional elements. Mr. Roosevelt need have no fear of monopoly so long as the F. C. C. has the authority to license competing telecasting stations and systems and exercises the authority to fix standards, which no one disputes. The fact remains, however, that only one system was ready for public introduction; that few other stations are operating; that no standards have been fixed, and the F. C. C. report itself stated they should remain flexible; and that no date for official standards had even been hinted until all this uproar.

The fact also remains that R. C. A.-N. B. C., not to forget C. B. S., Don Lee, Farnsworth, and other responsible elements were willing to go ahead (we think wrongly) with limited commercial operation, whereby the sponsor might pay only program costs, implying the right of the F. C. C. to check income records and perhaps indirectly control rates. The television interests, as did the F. M. advocates, should have demanded full commercial privileges or none.

The whole episode seems to have been born of pique and nurtured by truculence. Yet out of it all we have every hope that good will come. The Commission has disclaimed any authority over marketing and promotion, which is none of its affairs; it has deftly avoided an issue over attempts to exert program control; it has been shown that the industry, though fearful of its very life because of the vast reprisal powers residing in the Commission, can get up on its hind legs and command public and official attention when aroused.

Nevertheless, it is apparent that some sort of check and balance over commissions and commissioners with prejudices and predilections is needed—perhaps the administrative court sitting over independent agencies envisioned in the Logan-Walter bill, slated for action in Congress this session.

I want to tell the Senate that I agree particularly with that observation by the editor of Broadcasting when he said:

The whole episode seems to have been born of pique and nurtured by truculence.

LET TELEVISION ADVANCE

I take the time of the Senate today to demonstrate such tactics, and I do so in behalf of the unemployed men and women who could be working at jobs in private industry today if Chairman Fly had stayed on the job and the wishes of a few attorneys were not respected when it comes to the matter of filing briefs. I am frank to confess that it is very confusing to me that this administration can ask for such a tremendous relief appropriation, while at the same time bureaucrats keep people out of work. I think the unemployed throughout the land should know this, and I am sure that I am speaking for the men and women of America who want jobs, not charity, when I demonstrate it and demand that President Roosevelt communicate with Chairman Fly, get him back on the job where he belongs in this crucial period, and insist that the throttling burden of bureaucratic pettiness be lifted from the back of private industry. Half a million jobs are involved, and it is time for action.

There is a summary of the February 29 order, as well as the March 22 and March 23 orders, which I should like to have placed in the RECORD at this point in my remarks.

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

REPORT OF THE FEDERAL COMMUNICATIONS COMMISSION OF FEBRUARY 29, 1940

By the Commission:

As a result of study of the general problems involved, and after consideration of the record made during the hearing in the above matter, the attached rules governing the television service have been determined upon for substitution in place of the present sections 4.71–4.76 of the Commission's rules and regulations.

It will be noted that the rules being promulgated do not contemplate the issuance at this time of any standards of engineering performance. That research should not halt and that scientific methods should not be frozen in the present state of the art is fairly to be deduced from the engineering testimony of representatives of the companies represented at the hearing. Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advances.

Research in fact does and should continue in significant phases of the field. Some of this experimentation involves changes in both the number of lines and the number of frames per second. In connection with this work consideration is being given to developing the retentive quality of screens. Other research involves improvements in the mechanics of scanning, as well as various methods of propagation and reception. It is certain that improvement in the quality of television will result from these experiments and from other developments. In addition there is considerable experimentation directed toward the possibility of various screen sizes, including some much larger than exist at present. The Commission is of the opinion that the public should have available various sizes of screens. There is an admitted need to increase the size of screens, a goal which will be aided as a greater definition of image is attained and which the Commission regards as essential before widespread public endorsement of television will be realized.

Studies are being made of polarization and the related question of antennas. Various methods of synchronization are likewise being given attention. A generally accepted scheme of adequate synchronization seems essential. At present no system is generally regarded as completely acceptable; further effort is indicated. The hearing also brought into the spotlight the meagerness of data on the usefulness in this field of the higher frequencies. Research in this matter is certainly essential before embarking on any comprehensive television broadcast service. Television consumes broad bands in the ether and there is every reason why research in this field should continually climb into the higher frequencies to make adequate room for itself and to avoid further crowding of the lower-frequency channels. Opinion is quite uniform also that continued experiments in the staging and studio aspects of television performances are necessary.

Enough has been said to indicate the present state of flux of television and the fact that its progress still continues. The issuance or acceptance of transmission standards by the Commission, especially in combination with the more expensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point. Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. The Commission has not overlooked the significant sums invested by pioneers in making possible our present knowledge of television, and it is not unsympathetic with their desire to recoup their investment in the process of bringing television's benefits to the public. It will be realized, however, that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research. Such an economic loss in the long run can rebound only to the harm of the industry. In view of the apparent proximity of improvements and of the resolution of disputed technical questions, these risks should not be taken. The Commission is, therefore, reserving the matter of issuing standards for consideration at some future time.

The same considerations which demonstrate the unwisdom of the Commission's promulgating standards at this time dictate the undesirability of the industry itself attempting to impose such a code on all points. The Commission therefore recommends that no attempt be made by the industry or its members to issue standards in this field for the time being. In view of the possibilities for research, the objectives to be attained, and the dangers involved, it is the judgment of the Commission that the effects of such an industry agreement should be scrupulously avoided for the time being. Agreement upon standards is presently less important than the scientific development of the highest standards within reach of the industry's experts.

Under the rules now being issued class II stations (those authorized to engage in a regularly scheduled program service) will be licensed only upon a showing that the equipment proposed to be employed will be technically adequate to render a service satisfactory for public reception and will conform with good engineering practice in regard to the suppression of spurious emissions, carrier noise, etc. It is recognized as essential that standards of engineering performance ultimately be issued, for without such a foundation of stability the conversion of the art to the public service will most certainly be hindered. At the appropriate time the Commission will endeavor to issue standards promptly. In the interim it is hoped that the members of the industry will make every effort to maintain among themselves a free exchange of ideas and scientific information so that their

now proven valuable assistance may be available to the Commission in serviceable form. In this connection the Commission hopes that attention may be directed toward designing, building, and distributing receivers capable, insofar as is consistent with reasonable cost, of receiving or of being adjusted to receive any reasonable change in methods of synchronization or changes in number of frames or lines which may be found to be practical and licensed in the future in the operation of class II transmitting stations. Such a practice will keep to a minimum the economic loss to those acquiring receivers at this stage of the art and for that reason alone would seem to be required by the public interest. Even more important, however, this method will enable the Commission in ultimately laying down television-transmission standards to have the benefit of an adequate public trial of a variety of technical methods.

It is important that nothing said by the Commission herein be construed as an expression of a lack of confidence in the future of television. It is a mighty achievement. The pioneers in the field have made great advances. We feel that potentially television is of tremendous value to the public generally. Even now, there is no reason apparent why those members of the public to whom regular television programs are available, who are conscious of the fluid state of the art, and who are willing to assume the financial risks involved for the obvious benefits of current programs, should not acquire receivers. Nor is it suggested that television broadcasters should be barred from going forward in program production and sponsorship. The progress made by the industry is worthy of recognition, and the present state of the art renders appropriate the further steps permitted by the rules being established.

In view of the fact that certain groups in the industry wish to stress technical research and others program experimentation, one class of experimental stations is created for each of these problems, being designated as class I and class II stations, respectively. Class I stations will carry forward technical investigations and may be assigned more than one channel, while each class II station is to be designed to experiment in program production and technique and will be permitted to operate on one channel only. A license may incorporate provision for both class I and class II operations in appropriate cases upon a proper showing, particularly where the technical research proposed is to be conducted on the higher frequencies allotted to the television service.

The rules further require that there be added to each station identification announcement the following statement:

"This is a special television broadcast made by authority of the Federal Communications Commission for experimental purposes."

Beginning September 1, 1940, class II stations may begin limited commercial operations under which advertising will be permitted in connection with programs, the cost of which is borne by sponsors. The rules stress, however, that emphasis on the commercial aspects of the operation at the expense of program research is to be avoided.

At this time no change is being made in the channels assigned to television by the present rules and regulations. This general question is being held open until after consideration of the evidence adduced at the hearing on aural broadcasting on frequencies above 25,000 kilocycles.

In other respects the new rules are based substantially on those proposed by the Television Committee but some revisions have been made. Recommendations of the Television Committee which are not reflected in the rules or report now being issued have not been acted upon by the Commission.

FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE, *Secretary*.

PART 4. RULES GOVERING BROADCAST SERVICES OTHER THAN STANDARD BROADCAST—VISUAL BROADCAST SERVICE

TELEVISION BROADCAST STATIONS

Sec. 4.71. Defined: The term "television broadcast station" means a station licensed for the transmission of transient visual images of moving or fixed objects for simultaneous reception and reproduction by the general public. The transmission of synchronized sound (aural broadcast) is considered an essential phase of television broadcast and one license will authorize both visual and aural broadcast as herein set forth.

(a) There shall be two types of experimental television stations, namely, "Experimental research stations" and "Experimental program stations," which shall be known as class I and class II stations, respectively.

Sec. 4.72. Licensing requirements, necessary showing:

(a) A license for a television class I station will be issued only after a satisfactory showing has been made in regard to the following, among others:

1. That the applicant has a program of research and experimentation in the technical phases of television broadcasting, which indicates reasonable promise of substantial contribution to the development of the television art.

2. That the transmission of signals by radio is essential to the proposed program of research and experimentation.

3. That the program of research and experimentation will be conducted by qualified personnel.

4. That the applicant is legally, financially, technically, and otherwise qualified to carry forward the program.

5. That public interest, convenience, or necessity will be served through the operation of the proposed station.

(b) A license for a class II station will be issued only after a satisfactory showing has been made in regard to the following, among others:

1. That the applicant has a definite plan of experimentation in the television broadcast program service which indicates reasonable promise of substantial contribution to the advancement of television broadcasting as a service to the public.

2. That the program of experimentation will be conducted by qualified personnel.

3. That program material is available and will be utilized by the applicant in rendering broadcast service to the public.

4. That a minimum scheduled program service of 10 hours per week will be maintained throughout the license period.[1]

5. That the applicant will install and operate transmitting and studio equipment technically adequate to render a service suitable for reception by the public.

6. That the operation with respect to the suppression of spurious emissions and carrier noise, safety provisions, and so forth, will be in accordance with good engineering practice.

7. That the applicant's technical facilities will be adequate to serve an area appropriate for the program of experimentation.

8. That a competent engineering study has been made of the nature, extent, and effect of interference which may result from the simultaneous operation of the proposed station and other class II television stations.

9. That the applicant is legally, financially, and otherwise qualified to render a satisfactory service to the public.

10. That public interest, conveniences, or necessity will be served through the operation of the proposed station.

SEC. 4.73. Charges:

(a) No charges, either direct or indirect, shall be made by the licensee of a television station for the production or transmission of either aural or visual programs transmitted by such station, except as provided in subsection (b).

(b) Beginning September 1, 1940, class II television licensees may make charges against program sponsors to cover the cost of programs produced for the respective sponsors; and such sponsored programs, including advertising material, may be transmitted as part of the station's experimental program service but without charge for such transmission.

(c) The limited commercialization permitted under subsection (b) above shall not take precedence over the experimental service, but shall be subordinated to it.

SEC. 4.74. Reports by class II stations:

Quarterly reports on forms prescribed by the Commission shall be made by class II television broadcast stations of their charges and costs as well as of other pertinent information which may be of assistance to the Commission in evaluating the economic feasibility of television broadcasting as a regular service to the public on a commercial basis.

SEC. 4.75. Announcements:

At the time station identification announcements are made, there shall be added the following:

"This is a special television broadcast made by authority of the Federal Communications Commission for experimental purposes."

SEC. 4.76. Scope of experimentation, limitations, and restrictions:

(a) Class I stations shall operate to conduct research and experimentation for the development of the television broadcast art in its technical phases but shall not operate to render a regularly scheduled television broadcast service to the public.

(b) No class I station shall operate when objectionable interference would be caused by such operation to the regularly scheduled broadcast service of a class II station.

(c) Class II stations shall operate to conduct television broadcast research and experimentation for the development of the art in its program phases and in connection therewith may carry out experiments with respect to power and antenna requirements for a satisfactory service to the public.

(d) Class II stations shall make all equipment changes necessary for rendering such external transmitter performance as the Commission may at any time require.

(e) Class II stations shall maintain a minimum scheduled program service of 10 hours per week throughout the license period.

SEC. 4.77. Frequency assignment:

(a) The following groups of channels are allocated for assignment to television-broadcast stations licensed experimentally:

Group A: Channel No. 1, 44,000–50,000 kilocycles; channel No. 2, 50,000–56,000 kilocycles; channel No. 3, 66,000–72,000 kilocycles; channel No. 4, 78,000–84,000 kilocycles; channel No. 5, 84,000–90,000 kilocycles; channel No. 6, 96,000–102,000 kilocycles; channel No. 7, 102,000–108,000 kilocycles.

Group B: Channel No. 8, 156,000–162,000 kilocycles; channel No. 9, 162,000–168,000 kilocycles; channel No. 10, 180,000–186,000 kilocycles; channel No. 11, 186,000–192,000 kilocycles; channel No. 12, 204,000–210,000 kilocycles; channel No. 13, 210,000–216,000 kilocycles; channel No. 14, 234,000–240,000 kilocycles; channel No. 15, 240,000–246,000 kilocycles; channel No. 16, 258,000–264,000 kilo-

[1] This provision modifies section 4.4 (d) insofar as that section applies to class II television broadcast stations.

cycles; channel No. 17, 264,000–270,000 kilocycles; channel No. 18, 282,000–288,000 kilocycles; channel No. 19, 288,000–294,000 kilocycles.

Group C: Any 6,000-kilocycle band above 300,000 kilocycles excluding band 400,000 to 410,000 kilocycles.

(b) Each class II television-broadcast station will be assigned only one channel. Class I television stations may be assigned one or more channels as the program of experimentation requires. Both aural and visual carriers with side bands for modulation are authorized for both class I and class II stations but no emission shall result outside the authorized channel. The assignment of a channel to a class II television-broadcast station does not preclude the assignment of that channel for use by class I stations, but such a class II television station shall have priority for the use of the channel for its scheduled program service. Licenses for both a class I and a class II station may be issued to a single licensee only upon a showing that the development of the television art will be assisted thereby, particularly where authority to operate on channels in Group B or C is requested for the class I operations.

(c) Channels in groups B and C may be assigned to television stations to serve auxiliary purposes such as television relay stations. No mobile or portable station will be licensed for the purpose of transmitting television programs to the public directly.

(d) For the present no class II television broadcast station will be assigned a channel for time-sharing operation.[2]

SEC. 4.78. Power: The operating power of a class I station shall not be in excess of that necessary to carry forward the program of research, and in no case in excess of the power specified in its license.

SEC. 4.79. Supplemental report with renewal application: A supplemental report shall be filed with and made a part of each application for renewal of license and shall include comprehensive reports on the following:

(a) For class I television broadcast stations:

1. Number of hours operated.
2. Full data on research and experimentation conducted, including the power employed.
3. Conclusions, tentative and final.
4. Program for further developments of the television broadcast service.
5. All developments and major changes in equipment.
6. Any other pertinent developments.

(b) For class II television broadcast stations:

1. Number of hours operated during which programs were transmitted classified as studio performances, special events (with appropriate description), films, etc.
2. Studio equipment used and any developments made during the license period.
3. Progress made in the advancement of television broadcasting as a service to the public.
4. Financial data on cost of operation during the license period.
5. Power employed, field intensity measurements and visual and aural observations to determine the service area of the station.

ORDER NO. 65 OF MARCH 23, 1940

Whereas the Commission on January 15 to 23, 1940, held extensive public hearings preliminary to the promulgation of rules and regulations governing television-broadcast stations; and

Whereas on February 29, 1940, as a result of study of the general problems involved and after consideration of the record made during said public hearings, the Commission issued a report regarding the present state of the art of television; and

Whereas in said report, the Commission found as follows:

"Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advances. Research in fact does and should continue in significant phases of the field. * * * The issuance or acceptance of transmission standards by the Commission, especially in combination with the more extensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point. Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. * * * It will be realized, * * * that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research."

Whereas on February 29, 1940, accompanying said report, the Commission also issued rules governing television broadcast stations, providing for two types of experimental television stations; and

Whereas since the issuance of said report and rules, certain promotional activities in connection with the sale of television transmission and receiving equipment have been engaged in by the Radio Corporation of America in collaboration with, for, or on behalf of a subsidiary or subsidiaries of said corporation which are licensees of experimental television broadcast stations; and

Whereas said promotional activities may be detrimental to the public interest by unduly retarding research and experimentation and the achievement of higher standards for television transmission; and

Whereas additional rules and regulations or revision or amendments of the rules adopted February 29, 1940, may be necessary in order to promote experimental uses of frequencies for television service and to encourage the larger and more efficient use of radio for television service in the public interest; now, therefore,

It is ordered that a further hearing be held beginning April 8, 1940, to determine whether research and experimentation and the achievement of higher standards for television transmission are being unduly retarded by the action of the Radio Corporation of America or its subsidiaries, or any other licensee, requiring any additions, modifications, revisions, or amendments of the rules adopted February 29, 1940, governing television broadcast stations, or other action by the Commission; and whether the effective date for the beginning of limited commercial operations set forth in section 4.73, subsection (b), of the Commission's Rules and Regulations should be changed from September 1, 1940, to some subsequent date.

It is further ordered that section 4.73, subsection (b), of the Commission's Rules and Regulations be suspended pending further order of the Commission.

Dated March 22, 1940.

By the Commission.

T. J. SLOWIE, *Secretary.*

TELEVISION HEARING REOPENED

Television promotional activities on the part of the Radio Corporation of America has prompted the Federal Communications Commission to order a further hearing, beginning April 8, to determine whether research and experimentation and the achievement of higher standards of television transmission are being unduly retarded by this company, its subsidiaries, or other licensees, and whether the effective date for the beginning of limited commercial operation should be changed from September 1 to some subsequent date. Meanwhile, that section of the new rules permitting restricted commercialization is suspended pending further order.

The current marketing campaign of the Radio Corporation of America is held to be at variance with the intent of the Commission's television report of February 29. Such action is construed as a disregard of the Commission's findings and recommendations for further improvement in the technique and quality of television transmission before sets are widely sold to the public.

The question of the present status of television transmission and the feasibility of its general reception by the public was the subject of the recent extensive hearings before this Commission. Because of the fluid state of the art and the continuance of research and experimentation, the Commission declined, for the time being, to establish television-transmission standards. Authority to issue such standards is of course vested only in the Commission. Recommendations to insure that the standards, when issued, would be based upon a sufficiently advanced technical state of the art were incorporated in the report of February 29.

"Actual demonstration to members of the Commission," the report pointed out, "indicates the need for further improvement in the technical quality of television." The Commission stressed the need of continued research in various significant phases of the field involving the number of lines and the number of frames per second, the retentive quality of screens, the mechanics of scanning, the problem of various screen sizes with particular reference to larger screens, the problem of polarization and the related question of the type of antennas, and various alternative methods of synchronization. Inherently this research and experimentation has potentialities of great value to the public.

The intent of the Commission was to give the industry further opportunity to move forward in an orderly manner and upon a sound scientific basis without causing injury to the public and resultant injury to the new industry itself, particularly to other manufacturers cooperating in seeking to bring about video improvements through experimentation rather than crowding the market with present-day receivers which may soon become obsolete. Economic loss to the public, the report warned, would be occasioned by "premature purchase in a rapidly advancing field."

Not all types of television transmission can be received by any receiver. In the present state of the art it is impossible to decide what type of transmitter will be made standard. More research and experimentation will be necessary, and is being conducted, before any such standardization can be achieved. Receiving sets constructed or on the market today may not be capable of receiving television programs from standardized television transmitters when the art has sufficiently advanced to permit such standardization. Public participation in television experimentation at this time is desirable only if the public understands that it is experimenting in reception and not necessarily investing in receiving equipment with a guaranty of its continued usefulness. Television is here to stay, but conceivably present-day receivers may for practical purposes be gone tomorrow.

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[2] This provision modifies section 4.4 (a) insofar as it applies to television broadcast stations.

Promotional activities directed to the sale of receivers not only intensify the danger of these instruments being left on the hands of the public, but may react in the crystallizing of transmission standards at present levels. Moreover, the possibility of one manufacturer gaining an unfair advantage over competitors may cause them to abandon the further research and experimentation which is in the public interest and may result in crowding them into the market with apparatus at present efficiency levels. Rapid advance is desirable—but television is of great and permanent significance to the public. It is therefore of greater importance that the task be done thoroughly and with an eye to television's potential usefulness to the public. These are the goals which the Commission deems the public interest to require.

[Editorial from Broadcasting of April 15, 1940]

THIRD DEGREE

The F. C. C. has just written a new chapter to a running story that might well be titled "Bureaucracy in Action." Its new application form for standard broadcast stations (covering also modifications of licenses of existing stations) marks a new high in what is viewed in some quarters as an all-front crusade to crack business.

We cannot fathom the F. C. C.'s object in propounding 42 pages of questions, some of which border on the impossible, ridiculous—and possibly unlawful in the light of the Supreme Court opinion in the Sanders case, which seems to have stripped it of authority over business and program operations. Right now we hazard the prediction that the new form requirements, if enforced, will discourage new capital from entering radio and perhaps have the effect of deadlocking development.

No one will protest the right of the licensing authority to ascertain the citizenship, financial responsibility, character, and standing of new station applicants. The law requires that the F. C. C. satisfy itself on these scores. Similarly, the F. C. C.'s apparent aim of eliminating unnecessary hearings is all to the good. But when it essays to eliminate all hearings, which appears its intent, and grant licenses or modifications on a sort of correspondence-school basis (provided the applicant can pass the new I. Q. test), there is room for question.

To answer its multifarious questions would require a composite of Philadelphia lawyer, clairvoyant, genealogist, certified public accountant, and engineer. Some of the questions are literally impossible to answer. Others are utterly improper on their face. All in all, it would take months for a group of men to get together and provide the requested data covering financial and personal matters only. Totally aside from questions relating to earnings of applicants during preceding years, litigation from traffic violations to divorce cases in which they may have been involved, relatives who may have been in radio, conversations they may have had about the radio project, and future arrangements they might make if they get the station—aside from all these, the application form is depressing.

In the Sanders case the Supreme Court said flatly that Congress gives the F. C. C. no supervisory control of programs, business management, or station policy. Yet the new form requests a complete break-down of proposed service, both commercial and sustaining, together with percentages to be devoted to each. And beyond that it wants the names and full particulars about the citizenship, experience, salaries, and duties of each of the station's personnel. It wants to know about all conversations concerning network affiliations, and about recorded programs to be broadcast.

How the F. C. C. can reconcile this all-inclusive fishing spree with the Supreme Court opinion, or with its avowed policy of encouraging competition in broadcasting is beyond us. We thought the F. C. C., in the light of the Sanders case, would really become a supertraffic cop of the ether. Instead, the first shot out of the box following that ruling, it seems to strike at every phase of private industry operation which the Court held was forbidden to it.

[From Radio Week of April 3, 1940]

F. C. C. BUNGLING

The television industry was dealt a severe blow by the drastic order of the Federal Communications Commission suspending its previous decision authorizing the limited sponsorship of television programs after September 1, and announcing that hearings on the video art will be reopened next week. The F. C. C. took this action because it did not approve of a television-set merchandising campaign inaugurated by the Radio Corporation of America, "since television is in a fluid state and present-day receivers might soon become obsolete."

The brief history of radio itself, from the crystal-set days to the present, has been a period of rapid scientific advancement with resultant obsolescence. The crystal set was replaced by the battery model, which, in turn, made way for the $500 deluxe radios with B eliminators. Then followed all-electric receivers, completely housed console radios with dynamic speakers, superheterodyne sets, and now the all-in-one instruments offering complete home entertainment. Still, there has never been a public cry of obsolescence. Both the automobile industry and aviation have passed through similar periods of rapid development, and scientific improvements in these and other fields will continue as long as engineering ingenuity and the desire for new and better things exist.

There will always be obsolescence as long as enterprising pioneers continue their research and as long as the public retains its desire for the latest in engineering development. The wireless machine that Marconi developed and the incandescent lamp invented by Edison are obsolete.

In launching its television campaign, R. C. A. stated that:

"It is now possible for the R. C. A. to announce the extension of its plans, to provide, first, a regular television program service in the New York area; second, the offering to the public of receiving sets at moderate prices within the reach of the average American family; and third, the initial step in the construction of a television radio relay system as a means of inter-connecting television transmitters for simultaneous service to and from other communities."

Not only is the F. C. C. decision unsound, in our opinion, but more important still, it is an abuse of its powers. The F. C. C. was established by Congress to allocate wave lengths for radio and television transmission so as to prevent interference that the public interest might be served. The United States Supreme Court, in an opinion rendered only last week by Justice Owen Roberts, defined clearly the powers of the Commission. The Supreme Court held in discussing the issuance of licenses for broadcasting that:

"The act (Communications Act) does not essay to regulate the business of the licensee. The Commission is given no supervisory control of the programs, of business management, or of policy. In short, the broadcasting field is open to any one provided there is an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment and financial ability to make good use of the assigned channel."

This certainly does not give the F. C. C. the authority to regulate the merchandising of television receivers, radio sets, frequency modulation sets or what have you. Nor does it give the Commission the right to decide whether some sets will become obsolete. Last week's Supreme Court ruling further stated that "the Communications Act recognizes that broadcasters are not common carriers and are not to be dealt with as such. Thus the act recognizes that the field of broadcasting is one of free competition."

This usurpation of power has directly affected the jobs of thousands of workers engaged in manufacturing and merchandising television, and has upset the immediate plans of at least a half-dozen producers of television receivers for the home.

The few thousand owners of television receivers have been more than satisfied with the quality of the pictures available with their sets and with the type of visual programs presented by the New York station. Reports from set owners reveal this. At the reduced prices announced 2 weeks ago, the F. C. C., even if merchandising methods were within the scope of its authority—and it certainly is not—would not have been justified in acting as it did. The average purchaser would be glad to pay a couple of hundred dollars, or perhaps less, even if he knew it might become obsolete later on. One program, such as the Baer-Nova fight, might be worth the price of a set for some owners.

Not only have television manufacturers voiced their protests over the Commission's act, but metropolitan New York dealers who have acquired stocks of merchandise and were beginning to move sets at an excellent pace have denounced the ruling. "The F. C. C. not only wrecked our television campaign but is likely to cut deeply into radio-set sales, which were expected to boom along with television," was the criticism made by the head of the dealers' group of the Electrical & Gas Association of New York, while the comment of an executive of a leading chain of retail stores was that "it killed a good business."

It should not be overlooked that the F. C. C. decision on television issued on February 29, authorizing limited sponsorship of programs but refusing to "freeze" standards, met with the approval of both factions in the television controversy. Advocates of 441-line pictures and proponents of other systems both hailed the February 29 decision as "a forward step in the development of television." This ruling was a compromise decision which met with approval of all sides.

If the F. C. C. is to serve the public welfare, it should first of all rescind its latest order and restrict its activities to its delegated powers.

RESOLUTION INTRODUCED BY SENATOR LUNDEEN APRIL 1, 1940, AND REFERRED TO THE COMMITTEE ON INTERSTATE COMMERCE

Whereas the Federal Communications Commission on February 29, 1940, issued an order permitting limited commercial sponsorship of television beginning September 1, 1940; and

Whereas television interests immediately launched a manufacturing, advertising, and sales-promotion campaign; and

Whereas the Federal Communications Commission on March 22, 1940, rescinded its order of February 29, 1940, with resultant confusion in the minds of the public and causing abandonment of manufacturing, advertising, and sales programs which had, in effect, been authorized by the Commission's earlier ruling: Therefore, be it

Resolved, That the Senate Committee on Interstate Commerce is hereby requested to investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission has exceeded its authority, and whether it has interfered with the freedom of the public and private enterprise.

TELEVISION IN GREAT BRITAIN AND GERMANY

Source: Whitaker's Almanac, London, 1940.

While it has undoubtedly been marking time in the important aspect of its development as a public service, television in Britain has made big strides technically during the past year. So far, only one British Broadcasting Corporation television transmitter has been in operation. The vast proportion of our population have never seen a moving image on the television screen. Only for a relatively small proportion of that population have regular transmissions so far been provided. All the provincial areas of Britain are still patiently expectant, awaiting the long-promised official announcement which will indicate the method of approach to the great task of spreading a television network over Britain when peace comes.

For the past 2 years it has been the proud boast that Britain has led the world in television. At the moment that lead is still maintained. In no other country could one see an exhibition of television receivers, all available for purchase by the public, such as that which created so much interest at Radiolympia in August. This remarkable display of what British manufacturers are already doing in the sphere of television was sufficient proof that they at least are giving a lead to the world. The number of radio manufacturers selling television receivers at Radiolympia in 1939 was at least 50 percent greater than in the previous year. Many of them showed a much wider range of television apparatus. The cheapest television receiver was priced at about 26 guineas. A receiver capable of reproducing the ordinary wireless program on three wave bands, as well as the television program from Alexandra Palace, can now be bought for about 35 pounds. Luxury instruments, incorporating an auto-radio receiver and a television unit, are offered at prices in the region of 130 pounds. Probably it will not be long before an enterprising manufacturer of this type of instrument also incorporates in it means for showing home movies on the television screen, thus embracing in one instrument the four main facilities for home entertainment.

The British radio manufacturers have made considerable efforts during the past year to speed up the development of the British Broadcasting Corporation television service. Realizing the technical and economic problems standing in the way they signed to provide a second transmitter to cover a considerable area in the midlands and the north. A rapid extension to cover these and other thickly populated areas would stimulate the television boom for which the manufacturers were waiting and for which they were obviously well prepared. It is equally clear, on the other hand, that those who control the development of the service have been weighing their decisions well.

Both the theatrical managers and the cinema magnates are divided in their views on what the future of television may mean to them. While the executives of some cinema companies express fear of television, others have announced their intention to adapt themselves to the changing circumstances it will introduce. For instance, Mr. Isidore Ostrer, of the Gaumont British Corporation, has announced that his company will install television receiving apparatus and screens in a large number of cinemas in their extensive circuit. This announcement was a recognition of the success of the first public occasion on which television was actually demonstrated on a cinema screen, when all the details of an important boxing contest were clearly seen by an astonished audience.

In the United States of America television is rapidly being developed with extensive experimental work, in which the results of the pioneer work in British have played a useful part. Public demonstrations have caused much interest.

In Germany it had been planned to begin regular television transmissions similar to those of the British Broadcasting Corporation next year. It had been expected that the first transmitters would be erected in Berlin and on the Brocken. The German wireless industry had been invited to design a standard receiver, which would sell at something over £30. As in Britain, however, the war has put a temporary end to television development in the Reich.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing the nomination of Eli R. Diller, to be postmaster at Paradise, Pa.), which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MILLER, from the Committee on the Judiciary, reported favorably the nomination of Herbert F. Goodrich, of Pennsylvania, to be a judge of the United States Circuit Court of Appeals for the Third Circuit, vice Francis Biddle, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for transfer or promotion in the Regular Army.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Calendar.

POSTMASTERS (NOMINATION REPORTED ADVERSELY)

The legislative clerk read the nomination of Frank K. Barnhart, to be postmaster at Linwood, Pa., which had been reported adversely.

Mr. McKELLAR. I ask that that nomination be rejected.

The PRESIDING OFFICER. Without objection, the nomination is rejected.

POSTMASTERS (NOMINATIONS FAVORABLY REPORTED)

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

Mr. McKELLAR. I ask that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 7, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received May 6 (legislative day of April 24), 1940

WORK PROJECTS ADMINISTRATION

Carl W. Smith, of Washington, to be Work Projects Administrator for Washington.

UNITED STATES DISTRICT JUDGE

Hon. LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. J. Stanley Webster, retired.

JUDGE OF THE JUVENILE COURT FOR THE DISTRICT OF COLUMBIA

Hon. Fay L. Bentley, of the District of Columbia, to be judge of the Juvenile Court for the District of Columbia. Judge Bentley is now serving in this post under an appointment which expired February 23, 1940.

UNITED STATES MARSHALS

Mr. Bernard Fitch to be United States marshal for the district of Connecticut. Mr. Fitch is now serving in this post under an appointment which expired February 12, 1940.

Wayne Bezona, of Washington, to be United States marshal for the eastern district of Washington. Mr. Bezona is now serving in this office under an appointment which expired February 20, 1938.

Artis J. Chitty, of Washington, to be United States marshal for the western district of Washington. Mr. Chitty is now serving in this office under an appointment which expired June 16, 1938.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States:

TO BE LIEUTENANT COMMANDERS, TO RANK AS SUCH FROM MAY 25, 1939

Lt. Philip E. Shaw
Lt. Earle G. Brooks
Lt. Henry T. Jewell
Lt. Gordon A. Littlefield
Lt. Frank Tomkiel

TO BE LIEUTENANTS, TO RANK AS SUCH FROM MAY 25, 1939

Lt. (Jr. Gr.) Reinhold R. Johnson
Lt. (Jr. Gr.) Garland W. Collins
Lt. (Jr. Gr.) John R. Henthorn
Lt. (Jr. Gr.) Emil A. Pearson
Lt. (Jr. Gr.) Hollis M. Warner
Lt. (Jr. Gr.) Walter B. Millington
Lt. (Jr. Gr.) Walter W. Collins
Lt. (Jr. Gr.) John P. German
Lt. (Jr. Gr.) Oscar C. Rohnke
Lt. (Jr. Gr.) Karl O. A. Zittel
Lt. (Jr. Gr.) Gilbert I. Lynch
Lt. (Jr. Gr.) George R. Leslie
Lt. (Jr. Gr.) Joseph A. Bresnan
Lt. (Jr. Gr.) Carl R. Stober
Lt. (Jr. Gr.) John R. Kurcheski

TO BE A LIEUTENANT, TO RANK AS SUCH FROM JULY 1, 1939

Lt. (Jr. Gr.) Frederick C. Wild

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS, WITH RANK FROM APRIL 30, 1940

Lt. Col. John Griffeth Booton, Ordnance Department.
Lt. Col. Frederick Gilbreath, Cavalry.
Lt. Col. George Richmond Hicks, Infantry.
Lt. Col. James Blanchard Crawford, Coast Artillery Corps.
Lt. Col. Haig Shekerjian, Chemical Warfare Service.

TO BE COLONELS, WITH RANK FROM MAY 1, 1940

Lt. Col. Benjamin Curtis Lockwood, Jr., Infantry.
Lt. Col. Harrison Henry Cocke Richards, Air Corps (temporary colonel, Air Corps).
Lt. Col. Carroll Armstrong Bagby, Infantry.
Lt. Col. Arthur Bayard Conard, Cavalry.
Lt. Col. Gregory Hoisington, Infantry.
Lt. Col. Jesse Amos Ladd, Infantry.
Lt. Col. Paul William Baade, Infantry.

TO BE LIEUTENANT COLONEL, WITH RANK FROM APRIL 26, 1940

Maj. Frank Curtis Mellon, Field Artillery.

TO BE LIEUTENANT COLONELS, WITH RANK FROM APRIL 30, 1940

Maj. Donald Wilson, Air Corps (temporary lieutenant colonel, Air Corps).
Maj. John Derby Hood, Cavalry.
Maj. Claude Greene Hammond, Infantry.
Maj. James Patrick Moore, Infantry.
Maj. Dorris Aby Hanes, Quartermaster Corps.
Maj. Frank Austin Heywood, Quartermaster Corps.
Maj. John Jacob Bethurum Williams, Field Artillery.
Maj. William Henry Halstead, Infantry.
Maj. Randolph Gordon, Infantry.
Maj. Charles McDonald Parkin, Infantry.
Maj. Philip Coleman Clayton, Cavalry.
Maj. William Hays Hammond, Infantry.
Maj. Theodore Russell Maul, Quartermaster Corps.

TO BE LIEUTENANT COLONELS, WITH RANK FROM MAY 1, 1940

Maj. John Amos Nelson, Quartermaster Corps.
Maj. Joseph Leonard Tupper, Infantry.
Maj. William Francis Heavey, Corps of Engineers.
Maj. Robert Marks Bathurst, Field Artillery.
Maj. Daniel Noce, Corps of Engineers.
Maj. Willis Edward Teale, Corps of Engineers.
Maj. Clark Kittrell, Corps of Engineers.

TO BE MAJOR, WITH RANK FROM APRIL 26, 1940

Capt. Clarence Page Townsley, Field Artillery.

TO BE MAJORS, WITH RANK FROM APRIL 30, 1940

Capt. Robert Hilton Offley, Infantry.
Capt. John Mesick, Field Artillery.
Capt. Francis Parker Tompkins, Cavalry.
Capt. John Arthur Weeks, Quartermaster Corps.
Capt. Frederick William Gerhard, Chemical Warfare service.
Capt. Cornelius Comegys Jadwin, Cavalry.
Capt. Jacob Gunn Sucher, Ordnance Department.
Capt. Howard Harvey Newman, Coast Artillery Corps.
Capt. Richard Gray McKee, Infantry.
Capt. William Lillard Barriger, Cavalry.
Capt. Frederick Williams Fenn, Cavalry.
Capt. Joseph Charles Kovarik, Infantry.
Capt. Jonathan Lane Holman, Ordnance Department.
Capt. Wynot Rush Irish, Infantry.
Capt. Francis Earle Rundell, Quartermaster Corps.
Capt. Royal Adam Machle, Infantry.
Capt. Leonard Randall Nachman, Infantry.
Capt. Clark Hazen Mitchell, Field Artillery.
Capt. William Maynadier Miley, Infantry.
Capt. George Baird Hudson, Cavalry.
Capt. Harry Clay Mewshaw, Cavalry.
Capt. Alfred Armstrong McNamee, Infantry.
Capt. Francis Joseph Achatz, Field Artillery.
Capt. Leon Calhoun Boineau, Infantry.
Capt. Harold Wilbert Gould, Infantry.
Capt. George Bittmann Barth, Field Artillery.
Capt. Harry Benham Sherman, Infantry.
Capt. Frank Thorpe Turner, Cavalry.
Capt. Thomas Quinton Donaldson, Jr., Cavalry.
Capt. Philip Edward Gallagher, Infantry.
Capt. Carroll Kimball Leeper, Infantry.
Capt. Charlie Quillian Lifsey, Quartermaster Corps.
Capt. Hugh McCalla Wilson, Jr., Quartermaster Corps.
Capt. Robert Trueheart Foster, Infantry.

TO BE MAJORS, WITH RANK FROM MAY 1, 1940

Capt. Frederick von Harten Kimble, Air Corps (temporary Major, Air Corps).
Capt. William Jones Hanlon, Air Corps (temporary Major, Air Corps).
Capt. John Harold McFall, Finance Department.
Capt. Howard Arnold Craig, Air Corps (temporary Major, Air Corps).
Capt. Barney Leland Meeden, Quartermaster Corps.
Capt. David Robert Stinson, Air Corps (temporary Major, Air Corps).
Capt. Joseph Theodore Morris, Air Corps (temporary Major, Air Corps).
Capt. George Wald, Quartermaster Corps.
Capt. Don Elwood Lowry, Quartermaster Corps.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6 (legislative day of April 24), 1940

UNITED STATES DISTRICT JUDGE

LEWIS B. SCHWELLENBACH to be United States district judge for the eastern district of Washington.

PROMOTIONS IN THE NAVY

MARINE CORPS

George T. Hall to be lieutenant colonel.
Howard N. Stent to be lieutenant colonel.
Perry K. Smith to be major.
Walter I. Jordan to be major.
Andy C. Ramsey to be chief quartermaster clerk.

POSTMASTERS

MISSISSIPPI

Joseph L. Brown, Hattiesburg.
Mrs. Willie M. Windham, Lena.
Nannie Stuart, Morton.
Myra P. Varnado, Osyka.

NORTH CAROLINA

Carl V. Bundy, Jamestown.
Woodrow McKay, Lexington.
Fred H. Holcombe, Mars Hill.

James H. McKenzie, Salisbury.
Charles O. Cooper, Saluda.
William H. Shannon, Spencer.

PENNSYLVANIA

Frank K. Myers, Alexandria.
Earl T. Zerby, Bernville.
William C. Storer, Brownsville.
Albert Van Horn, Dawson.
John C. Ellenberger, Dayton.
Frank J. Barrett, Jersey Shore.
Cecil E. Bell, Mapleton Depot.
George C. Dietz, Mechanicsburg.
Howard J. McIntyre, New Cumberland.
Stafford W. Parker, Wallingford.

RHODE ISLAND

Edgar J. Peloquin, Manville.
Ina M. Gwynn, Warwick Neck.

TEXAS

Homer Dewey Thompson, Devine.
Nellie G. Magowan, Mathis.
Frank P. McCabe, Rio Hondo.
John W. Ledbetter, Round Rock.
Grover C. Stephens, Sierra Blanca.
Robert O. Rockwood, Wharton.

VERMONT

Richard Harlie Standish, Montpelier.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 6 (legislative day of April 24), 1940

POSTMASTER

PENNSYLVANIA

Eli R. Diller to be postmaster at Paradise, in the State of Pennsylvania.

REJECTION

Executive nomination rejected by the Senate May 6 (legislative day of April 24), 1940

POSTMASTER

PENNSYLVANIA

Frank K. Barnhart to be postmaster at Linwood in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 6, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, Father of our spirits, we come to Thee in the name of Him who unites our hopes and seals our love; judge us not in Thy displeasure; look upon our infirmities and remember us in mercy. Bear with us in the pity of Thy heart and in the strength of Thy grace. Truly Thou art a sun and a shield, and no good thing dost Thou withhold from Thy children; be pleased to accept the grateful offerings of our hearts. Enable us always, in every situation, to honor ourselves by keeping our tongues from evil and our lips from speaking guile. "Know ye not that ye are the temple of God and that the spirit of God dwelleth in you?" Thou hast revealed Thyself in light and riches of grace; may we listen to the teaching of Thy word: "I beseech you, therefore, brethren, by the mercies of God that ye present your bodies a living sacrifice, holy acceptable unto God, which is your reasonable service, and be not conformed to this world, but be ye transformed by the renewing of your minds that ye may prove what is that good and acceptable and perfect will of God." We praise Thee, gracious Father, that Thy merciful providence has returned to us our beloved Speaker in good health and increased strength. In the holy name of Jesus. Amen.

The Journal of the proceedings of Friday, May 3, 1940, was read and approved.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include four brief addresses I made on agriculture over WMBS.

The SPEAKER. Is there objection?

There was no objection.

KIND TO DUMB ANIMALS WEEK

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks by including two brief letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, I hope that this will be Kind to Dumb Animals Week in the Congress of the United States.

I hope that the joint congressional committee created to investigate the Barlow liquid-oxygen bomb will be touched by the spirit of kindliness and humaneness and will not permit the week to end without rescinding its decision to use live animals in testing that terrible bomb which is heralded as the most deadly instrument of death and destruction ever invented.

Goats, which have been specially singled out for this cruel test, are friends of the human race, just as are horses and dogs. Many a person has been helped through a period of invalidism and convalescence to perfect health on a diet of goat's milk. Why should these poor, dumb creatures be made to suffer the unspeakable agony of being blown to bits or frightfully mangled when such a sacrifice is not at all necessary or desirable, in the opinion of the ordnance experts?

In a letter to Maj. Gen. C. M. Wesson, Chief of Ordnance of the War Department, dated May 1, I told him that, in my opinion, this sort of test would be highly revolting to the people of our country, and I invited him to express his opinion in regard to it. I have just received his reply, which is as follows:

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. LUDLOW: I wish to acknowledge receipt of your letter of May 1, 1940, relative to the use of live animals in connection with the proposed test of the Barlow liquid-oxygen bomb. This procedure was directed by the joint congressional committee created to investigate the bomb, if and when the demonstration is conducted.

Neither the War Department nor the Navy Department considers the use of animals either desirable or necessary, as both of these services feel that the required information can be obtained from instruments which have been developed for the measurement of explosive effect.

Sincerely yours,

C. M. WESSON,
Major General, Chief of Ordnance.

I also wish to make public a letter from Maj. Nevil Monroe Hopkins, an officer on the Reserve list of the United States Ordnance Bureau and an internationally known authority on the use of high explosives. It is addressed to President Coleman, of the American Humane Association, and is as follows:

Mr. SYDNEY H. COLEMAN,
President, American Humane Association, New York, N. Y.

DEAR MR. COLEMAN: I have your letter of April 29, and I am very glad to comply with your request for a statement at this time for use in your campaign for the prevention of cruelty to animals in connection with high-explosive tests.

I am of the opinion, as a result of 35 years' work in both industrial and military explosives, together with all known ways and means of testing them, that the use of live goats or other living animals is wholly unnecessary and scientifically worthless for the purpose.

I was for 20 years assistant and later professional associate of the late Dr. Charles E. Munroe, explosive expert for the United States Bureau of Mines and the Newport Torpedo Station, United States Navy, and I have also been engaged in high-explosive development for the United States Army, Ordnance Department, and have never seen or resorted to, throughout a long term of service, the use of live animals to test or measure the force of explosive blasts.

The United States Bureau of Mines, as well as the United States Army and United States Navy, are all, to my definite knowledge, well equipped to measure and compare high explosives upon a scientific and therefore accurately set quantitative basis.

Blast meters, ballistic mortars, pressure gages, and detonation wave-velocity recorders are all standardized upon an international basis at our proving grounds and arsenals, and I can see no application of live animals to the testing of explosives, old or new, of any class, except for staging a sensational show, without the least scientific value.

Yours sincerely,

NEVIL MONROE HOPKINS.

In the light of these expert opinions, it seems to me the joint congressional committee should give up its intention to use live animals for this experiment. I hope that Senator SHEPPARD, chairman of the joint committee, will reconvene his associates and make this really and truly a Be Kind to Dumb Animals Week. I am sure the entire Nation would applaud the rescinding of this decision. [Applause.]

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, the program for this week was announced to the House on last Friday, but in making up the printed program there was a mistake made by somebody, probably by me, in giving it to the clerk to the whip.

It was announced that the Consent Calendar would be called today and would be followed by the conference report on the river and harbor bill. I notice by this memorandum that the conference report will be taken up on Tuesday. On Tuesday rules for the consideration of the continuation of appropriations for the New York World's Fair and the San Francisco World's Fair, which those people say they must have by the 11th or the Federal buildings will not open. On Wednesday there will be taken up the Department of Agriculture conference report. That is left off of this printed memorandum entirely. On Thursday the conference report on the transportation bill will be taken up. If the conference report on the Department of Agriculture appropriation bill is not completed on Wednesday, it would go over until Friday and be taken up then.

That is the program that was announced, but there was some mistake made in translating it to the sheet.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. MANSFIELD. Then the rivers and harbors conference report will be taken up today?

Mr. RAYBURN. Immediately after the call of the Consent Calendar; yes.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a report and a letter written by the Director of the Budget.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question of sugar refining.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of the business of the day, I may be privileged to address the House for 1 hour.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the special orders heretofore made, I may have permission to address the House for 45 minutes on the subject of unemployment.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by me as chairman of the Democratic State convention at Omaha on May 2, 1940.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an editorial from the St. Louis Post-Dispatch.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by the Postmaster General, Mr. Farley, to the Democratic Women's Club.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include certain telegrams received in connection with the transportation bill.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, are we going to permit the RECORD to contain all the requests that Members of Congress receive in reference to any particular bill? It seems to me if we did, we would have the RECORD full of matter which may be vital to the welfare of individual Members, but I question very much whether we ought to include all such requests.

The SPEAKER. Does the gentleman object?

Mr. RICH. How many letters are we going to have?

Mr. HARRINGTON. These are my own remarks and there are two brief telegrams, not over five or six lines, which I am including in the body of my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address made by Mrs. Emma Louise Warren in Washington on May 1.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. I also ask unanimous consent, Mr. Speaker, to extend my remarks and include an address delivered by Hon. Louis Johnson, Assistant Secretary of War, delivered at Pittsburgh on the same day.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Thomas Jefferson Memorial and to include therein a brief newspaper article descriptive of the monument.

I also request permission to extend my remarks in the RECORD on the bill S. 3509, and to include a brief statement by the Farmers' Union.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. SECCOMBE. 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. SECCOMBE. Mr. Speaker, according to the press, after a White House conference, it was stated that the Civil Aeronautics Authority should be placed in an executive department because it supervises the expenditure of $108,000,000 annually.

In itemizing this sum it was disclosed that it included airport appropriations, Weather Bureau appropriations, and Post Office appropriations.

The W. P. A. controls all airport expenditures. The Department of Agriculture controls all Weather Bureau expenditures. In the case of airports, the Administrator of the Authority has only the power to veto a project which is not needed. In the case of the Weather Bureau the Administrator can only make recommendations to the Secretary of Agriculture.

As to payments for the mail, the Post Office Department has full control over the mail service. The Authority only sets the rate of compensation just as the I. C. C. does in the case of the railroads.

And as everyone in the House knows, for 3 years postage revenue and payments to the domestic air lines have approximately balanced.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of the refunding of invalidated taxes and to include therein a summary of payments that have been made under decisions of the United States Supreme Court.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a radio speech made by Fred Brinkman, the Washington representative of the National Grange, on the subject of our farm credit system.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects: First, the Bonneville project, and to include therein a short editorial; the other on the subject of loans and payments on selected Federal agencies and to include therein a short table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRINTING ADDITIONAL COPIES OF W. P. A. HEARINGS

Mr. CONNERY. Mr. Speaker, from the Committee on Printing, I report back favorably a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 62

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives is hereby authorized and empowered to have printed, with illustrations, for its use 2,000 additional copies of each part of the hearings held before a subcommittee of such committee during the current session pursuant to the resolution (H. Res. 130) directing the Committee on Appropriations to make an investigation and study of the Work Projects Administration as a basis for legislation, and 1,000 additional copies of the hearing held before a subcommittee of such committee during the current session on the estimates of appropriations for work relief and relief for the fiscal year ending June 30, 1941.

Mr. RICH. Mr. Speaker, reserving the right to object, that request was made by the chairman of the Appropriations Committee?

Mr. CONNERY. By the chairman of the Committee on Appropriations, the gentleman from Colorado [Mr. TAYLOR].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE DEMOCRATIC SCHOOL FOR WOMEN

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, last week 4,000 women attended the Democratic School for Women. The net result of their operations was that, after listening to Mrs. Roosevelt tell why we should not have peace or why we might not have peace, they all declared in favor of peace. After observing the absolute failure of the New Deal administration to recommend getting rid of any of those obstructive measures that have prevented the people of this country from being reemployed for the last 7 years, they all decided that the most important thing in the world that they could have was jobs in private industry. These accomplishments of that school make a criterion for the campaign that is coming. [Applause.]

[Here the gavel fell.]

FARM TENANCY

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 258, to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended, with a Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 8, strike out "reduction" and insert "reduction. Such action of local committees shall be subject to approval or disapproval by State committees."

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. JONES of Texas. The gentleman from Kansas understands that the bill itself is intended to protect tenants in connection with the farm program in this way. If the landlord or owner reduces the number of tenants below the average of the last 3-year period, or reduces the number of acres that he operates through tenants, he shall not be entitled to any increase in benefit payments. There was a provision put in the House bill that the reduction should be automatic, that is the prohibition against increased payment should be automatic unless the county committee affirmatively found that the change was justified, such as not being able to secure tenants or for some reason satisfactory to the county committee.

The Senate makes this simple change, that the action of the county committee if taken shall be appealable to the State committee. That is the only change from the House provision; and I will state to the gentleman, and I believe he will agree, that this measure will go far toward protecting the tenants in their rights.

Mr. PATMAN. Mr Speaker, will the gentleman yield?

Mr. JONES of Texas. I yield.

Mr. PATMAN. Does this include the landlord although he may not be a landowner the same as if he were?

Mr. JONES of Texas. Yes. This was worded so as to include any landlord whether he is the owner of the property or not.

I used the word "landowner," but the term "landlord" is used and under the interpretation that would include anyone who is operating the land.

Mr. PATMAN. The gentleman is familiar with the evasion of the law that has been going on?

Mr. JONES of Texas. I understand that and we have tried to word this in such a way that it will take care of the situation.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CREAL. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. CREAL]?

There was no objection.

Mr. CREAL. Mr. Speaker, it is the privilege of any Member to sign a petition to take a bill from a committee. I presume it is unnecessary even to say that a Member in fairness to himself and in fairness to the other Members of the House and to the committee should first read the bill, which is only a small requirement, before they vote to discharge a committee. After having read the bill and learning what is in it, instead of by hearsay, they might perhaps find something in there to change their opinion.

[Here the gavel fell.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I would like to reply in 1 minute to what the gentleman from New York said about the meeting of the 4,500 Democratic women which took place in Washington recently. Of course it is true that those women found that what they wanted more than anything else to accomplish in this country was jobs, but I would like to say that in contrast to some of those who oppose their work they at least got down to business and considered and faced the real problem which confronts the country today. It is a difficult problem and it is not going to be set aside by the wave of a hand. For my part, it seems to me from what I know of the deliberations of this group that they were very much worth while, they were very vital, and a great deal was accomplished by those women. Their work will bear fruit and it will be good fruit, too. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the St. Louis Post-Dispatch on the wage-hour question.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. HENNINGS]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein the opinion of United States District Court Judge George A. Welch, of the eastern district of Pennsylvania, with regard to the activities of the Dies committee.

Th SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution of the Massachusetts Schoolship Club of Washington, D. C.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by J. Francis Smith, chairman of the Democratic Committee of the State of Connecticut.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. SHANLEY]?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution on the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. HARTER]?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

FUNDS FOR COOPERATION WITH WAPATO SCHOOL DISTRICT NO. 54, YAKIMA COUNTY, WASH.

The Clerk called the first bill on the Consent Calendar, H. R. 3824, to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. RANKIN. Mr. Speaker, reserving the right to object, the Consent Calendar is becoming cluttered up with bills that have been passed over without prejudice day after day. I am going to suggest to the gentleman from Michigan if he is going to ask that this bill be passed over without prejudice that it ought to go to the foot of the calendar and not just have it passed over without prejudice from one week to another. If it is passed over without prejudice, it will retain its place on the calendar and take up the time of the House in the future. These bills that have been passed over without prejudice again ought by all means to go to the foot of the calendar.

Mr. WOLCOTT. So far as I am concerned they may be removed from the calendar altogether. The reason I made the request I did was to enable the legislative committee to bring the bill out on the floor again without the stigma of objection being attached to it. The gentleman may object, and I may say that the bill necessarily goes to the foot of the calendar anyway.

Mr. RANKIN. No; I shall not object.

Mr. WOLCOTT. What is at the head of the calendar now will be at the foot of the calendar when we complete it today, because we expect there will be something like 50 or 60 bills passed on the calendar today.

It just so happens that all through this session we have called every bill on the Consent Calendar every time the Consent Calendar has been called, so it would not make much difference.

Mr. RANKIN. All right; then I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request?

There was no objection.

PASSAMAQUODDY BAY

The Clerk called the joint resolution (S. J. Res. 57) authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OSAGE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6314, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATIONAL MISSISSIPPI RIVER PARKWAY

The Clerk called the next bill, H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL LAND POLICY

The Clerk called the next bill, H. R. 1675, to establish a national land policy, and to provide homesteads free of debt for actual farm families.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CLAIMS OF THE KIOWA, COMANCHE, AND APACHE TRIBES OF INDIANS IN OKLAHOMA

The Clerk called the joint resolution (H. J. Res. 290) referring the claims of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma to the Court of Claims for finding of fact and report to Congress.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BRIDGE ACROSS THE MISSOURI RIVER, OMAHA, NEBR.

The Clerk called the next bill, H. R. 7069, authorizing Douglas County, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence Station, in the city of Omaha, Nebr.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OF CROP LOAN LAW

The Clerk called the next bill, H. R. 7878, to amend the crop loan law relating to the lien imposed thereunder, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DELAWARE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6536, authorizing an appropriation for payment to the Delaware Tribe of Indians on account of permanent annuities under treaty provision.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRICES AND GRADES OF COTTONSEED AND COTTONSEED PRODUCTS

The Clerk called the next bill, H. R. 8642, to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I frankly do not know enough about the bill to object to it or let it go over. I do not believe any of the Members of the House know what the bill is about. This is a bill which establishes an entirely new policy. There is an indeterminate amount authorized under the bill. For the reason that so few Members seem to know what the bill is about, I ask unanimous consent that it be passed over without prejudice in the hope that the Committee on Agriculture will bring it in on a calendar Wednesday, if they have the call, or by a rule, so that we may at least find out what the bill is about.

Mr. DOXEY. Mr. Speaker, will the gentleman withhold his request

Mr. WOLCOTT. I withhold the request, Mr. Speaker.

Mr. DOXEY. I may say that, of course, we reported this bill out of the Committee on Agriculture and our committee is in favor of it. I appreciate the fact that what the gentleman from Michigan is objecting to is a general authorization of appropriation. I am prepared to say to the gentleman that we feel this plan will not cost anything and will be self-sustaining. If that is the only objection the gentleman has to the bill, I should be perfectly willing to strike out that section authorizing the appropriation. If the gentleman insists that the Committee on Agriculture bring it up, there is no way to bring it up now except by a rule or under suspension, and that time has not arrived. The Committee on Agriculture has already been called under the calendar. I introduced this bill and reported it to the House.

There is another bill similar to this on the calendar, and I want to see if the gentleman will object to it—putting soybeans under the Standard Grading Act, which I believe is eminently proper. Soybeans and cottonseed are two products that do not have the benefit of a standard grading act. We feel that these two commodities should have the benefit of such an act. I want the best bill possible in the interest of these two commodities.

As far as an explanation is concerned, I should be delighted to make one in detail, but I do not care at this time to take up the time of the House in doing so, because I will agree to strike out the section making the general authorization in my bill, if the gentleman will let the bill pass.

Mr. WOLCOTT. I may say to the gentleman I would not insist upon that because, undoubtedly, there is much merit in the bill and, of course, the situation is controlled by the Appropriations Committee and I have confidence in the Appropriations Committee to check the situation when the proper time comes. My principal reason for reserving the right to object was to call attention to the fact that the Members did not understand this bill any more, perhaps, than I did, and to suggest that some time should be given for its consideration. It is a long bill of 14 pages and establishes a new policy. I notice there is no minority report and there does not seem to be any objection in committee to it and I do not want to assume the responsibility of stopping it because, frankly, I see some merit in it. If the gentleman thinks that the bill is all right and the committee thinks it is all right I certainly am not going to stop it. It is a House bill and must go to the Senate and it is one of those cases where, perhaps, we will let the Senate work on it and I therefore withdraw my reservation of objection.

Mr. DOXEY. I appreciate that and I am sure it can be worked out satisfactorily. The gentleman from Michigan [Mr. WOLCOTT] has shown a fine spirit regarding his attitude on this bill. I thank him.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the Cottonseed Grading Act.

SEC. 2. (a) As used in this act—.

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "cottonseed" means the seed of the cotton plant, untreated by either chemical or mechanical process other than the ordinary processes of cleaning, drying, or ginning, or such sterilization as may be required by the Secretary for quarantine purposes.

(3) The term "cottonseed products" means the primary products processed from cottonseed, namely, crude cottonseed oil, cottonseed cake, cottonseed meal, linters, and hulls.

(4) The term "market" means any place or establishment at which cottonseed or cottonseed products are bought or sold.

(5) The term "person" includes partnerships, associations, and corporations, as well as individuals.

(6) The term "interstate commerce" means commerce between any place in a State, Territory, or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession of the United States, or the District of Columbia, but through any place outside thereof, or within any Territory or possession of the United States, or the District of Columbia.

(b) For the purposes of this act, but not in anywise limiting the foregoing definition of interstate commerce, a transaction in respect to cottonseed or cottonseed products shall be considered to be in interstate commerce if such cottonseed or cottonseed products are part of that current of commerce usual in the cottonseed industry whereby cottonseed or cottonseed products are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State or for manufacture within the State and shipment outside the State of any of the products resulting from such manufacture. Cottonseed normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove such transactions in respect thereto from the provisions of this act. For the purposes of this subsection, the term "State" includes a Territory or possession of the United States, the District of Columbia, or a foreign nation.

SEC. 3. It is hereby declared that transactions in cottonseed and cottonseed products involving the purchase and sale thereof as commonly conducted on markets are affected with a national public

interest; that the analyzing, evaluating, and grading of cottonseed according to its physical condition, the amount of the products which can be manufactured therefrom, and other characteristics affect the prices received therefor by producers; that without uniform standards of classification and the widespread dissemination of market prices, market information, and grade information, the transactions in and prices of cottonseed and cottonseed products are susceptible to speculation, manipulation, and control, and unreasonable fluctuations and variations in prices and in quality determinations occur which are detrimental to producers and consumers generally and to persons engaged in the business of ginning, buying, selling, and processing cottonseed and cottonseed products in interstate commerce; and that such fluctuations and variations constitute a burden upon interstate commerce and make imperative the use of uniform standards of classification and the widespread dissemination of market prices, market information, and grade information for the protection of producers, consumers, and persons engaged in interstate commerce in cottonseed and cottonseed products and the public interest therein.

SEC. 4. The Secretary is hereby authorized and directed to investigate the handling, transportation, and grading of cottonseed; to establish standard specifications or methods for the sampling and grading of cottonseed; and to alter or modify any such standard specifications or methods whenever in his opinion experience indicates the need for such action. The standard specifications or methods so established, and any such alterations and modifications thereof, shall be known as the Official Cottonseed Standards of the United States and shall become effective on a date specified in the order of the Secretary establishing, altering, or modifying the same, but the date so specified shall be not less than 90 days after the date of such order.

SEC. 5. (a) The Secretary is further authorized to issue to competent persons licenses to sample and certify samples of cottonseed, to grade and certify the grades of cottonseed, and he may designate officers and employees of the Department of Agriculture to perform any of such services: *Provided,* That persons licensed under this provision shall not be connected with or employed by cottonseed crushing mills, buyers or sellers of cottonseed.

(b) Any such license may be suspended or revoked by the Secretary whenever he is satisfied that the licensee is incompetent; that he has knowingly or carelessly sampled or graded cottonseed improperly; that he has violated any provisions of this act or of any regulation prescribed thereunder; or that he has used his license or allowed it to be used for any improper purposes; but no such license shall be revoked until the licensee shall have been informed of the charges against him and afforded an opportunity to be heard.

(c) The Secretary may prescribe by regulation the conditions under which such licenses shall be issued and may require any licensee to give bond for the faithful performance of his duties and for the protection of persons affected thereby.

SEC. 6. (a) The Secretary is further authorized to establish sampling and marketing areas within the cotton-growing States.

(b) The Secretary may prescribe by regulation the conditions, standards, and methods under which cottonseed shall be sampled and graded by such licensees and by the officers and employees of the Department of Agriculture designated to perform such services.

(c) Any person who has custody of or a financial interest in any cottonseed may submit the same or samples thereof, in accordance with regulations prescribed by the Secretary, to any such licensee or to any officer or employee of the Department of Agriculture designated for the purpose, for the determination of the true grades of such cottonseed or samples.

(d) The Secretary is further authorized to fix and collect such fees or charges in connection with the issuance of licenses and the sampling and grading of cottonseed pursuant to this section as he may deem reasonable, and all moneys collected from such fees and charges shall be covered into the Treasury as miscellaneous receipts.

(e) Any owner of cottonseed may appeal from any certification made under this section in accordance with such regulations as the Secretary may prescribe.

(f) The Secretary shall provide by regulation for such resampling or regrading of cottonseed as he may deem necessary for the confirmation or invalidation of any certification made by a licensee or an officer or employee of the Department of Agriculture under this section. Any certification which supersedes any certifiation invalidated pursuant to this subsection shall be final.

(g) Each certification made pursuant to this section shall be binding on all officers and employees of the United States and shall be accepted in all courts of the United States as prima facie evidence of the truth of the statements contained therein.

SEC. 7. (a) The Secretary is authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, such timely information, including statistical information and summary reports as he deems necessary with respect to the market prices of cottonseed and cottonseed products, the volume of trading in cottonseed and cottonseed products, and the market supply and demand, location, movement, condition, and other factors affecting the prices of cottonseed and cottonseed products, and with respect to the qualities and grades of cottonseed: *Provided,* That in the collection and dissemination of such information, duplication of the activities of other agencies of the Government shall be avoided so far as possible.

(b) For the purpose of collecting and disseminating accurate information with respect to the qualities and grades of cottonseed, the Secretary is authorized to designate cottonseed-producing areas according to the qualities or grades of cottonseed sold or produced therein and is authorized and directed to provide for collecting and grading samples of cottonseed sold or produced therein.

(c) The Secretary is further authorized to collect and disseminate such quality of grade information as he may deem necessary with respect to individual lots of cottonseed showing point of origin.

SEC. 8. (a) Any information furnished to the Secretary by any person under the provisions of this act, except of section 6 with respect to individual lots of cottonseed quality or grade information furnished under subsection (c) showing point of origin, shall be considered as strictly confidential and shall be used only for the purpose for which it is supplied.

(b) Any officer or employee of the Department of Agriculture who without written authority of the Secretary shall publish or communicate any confidential information given into his possession by reason of his employment under the provisions of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 9. (a) It shall be the duty of every individual and of every owner, operator, director, officer, or agent of any corporation, association, or partnership, operating any cottonseed-crushing mill, cotton gin, or other place or establishment where cottonseed or cottonseed products are bought or sold or held in storage, when requested by the Secretary or by any agent or employee of the Department of Agriculture acting under the instructions of the Secretary, to furnish completely and correctly, to the best of his knowledge, information concerning the prices and the grades of cottonseed and the prices of cottonseed products, owned, held, bought, or sold by such person in connection with transactions in interstate commerce or directly affecting interstate commerce, and, when so requested, to permit such agent or employee of the Department of Agriculture to examine the purchase and sales records of such transactions and to examine, sample, or grade any cottonseed involved in any such transactions.

(b) The request of the Secretary for any such information may be made in writing or by personal call by an agent of the Secretary designated by him and, if made in writing and forwarded by registered mail, the registry receipt of the Post Office Department shall be accepted as evidence of such demand.

(c) Any person who shall refuse or willfully neglect to furnish any information requested under this section, or who shall refuse to permit the examinations of purchase and sales records or the examination, sampling, weighing, or grading of cottonseed, requested under this section, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000.

SEC. 10. (a) It shall be unlawful—

(1) For any person, in or in connection with any transaction or shipment in interstate commerce made on and after the effective date of the Official Cottonseed Standards of the United States promulgated under this act, or in any grading for the purposes of or in connection with a transaction or shipment in interstate commerce, to indicate for any cottonseed a grade which is of or within the Official Cottonseed Standards of the United States in effect under this act, by any name, description, or designation not used in said standards; or to issue any report or invoice, showing the grade of cottonseed except according to an official certificate issued by a grader of cottonseed employed or licensed as such under this act.

(2) For any person falsely to make, issue, alter, forge or counterfeit, or aid, cause, procure, or assist in or be a party to the false making, issuing, altering, forging, or counterfeiting of any certificate, stamp, tag, seal, label, or other writing issued under the authority of this act.

(3) For any person licensed by the Secretary as a sampler or grader of cottonseed under this act knowingly to sample or grade cottonseed improperly, or to make any false certification under this act, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of his duty as a sampler or grader.

(4) For any person improperly to influence, or to attempt improperly to influence, or to forcibly assault, resist, impede, or interfere with, any person licensed by the Secretary as a sampler or grader in the execution of his duties under this act.

(5) For any person falsely to represent or otherwise indicate that he is authorized by the Secretary to sample, weigh, or grade cottonseed under this act.

(6) For any person to substitute or attempt to substitute other cottonseed for cottonseed actually sampled or graded under this act.

(7) For any person falsely to represent that cottonseed has been sampled or graded under this act, or knowingly to make or cause to be made any false representation concerning cottonseed sampled or graded under this act, or knowing that cottonseed is to be offered for sampling or grading under this act, to load, pack, or arrange such cottonseed in such manner as knowingly to conceal foreign matter, or cottonseed of inferior grade, quality, or condition, or, knowing that such cottonseed has been so loaded, packed, or arranged, to offer it for sampling or grading without disclosing such knowledge to the sampler or grader before the sampling or grading takes place.

(b) Whoever violates any provision of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

SEC. 11. The Secretary is authorized to publish the facts regarding any violation of this act.

SEC. 12. In construing and enforcing the provisions of this act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, or corporation, within the scope of his employment, shall be deemed to be the act, omission, or failure of the association, partnership, or corporation as well as that of such officer, agent, or other person.

SEC. 13. The Secretary shall have access to the records of the Bureau of the Census hereafter compiled to the extent necessary to obtain the names and addresses of cotton gins and cottonseed-crushing mills.

SEC. 14. (a) The Secretary is authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this act and for such purposes may cooperate with any other department or agency of the Government, with any State, Territory, or possession of the United States, or any department, agency, or political subdivision thereof.

(b) The Secretary is authorized to appoint and fix the compensation of such officers and employees as may be necessary to carry out this act, but samplers and graders employed under this act on a seasonal basis and working for periods of 6 months or less during any 12-month period may be appointed without regard to the provisions of the Classification Act of 1923, as amended.

(c) The Secretary is authorized to make such expenditures for rent, in the District of Columbia and elsewhere, and for printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, passenger automobiles, cottonseed or cottonseed products for use in preparing methods and standards, and other supplies and expenses, including reporting services, as may be necessary for the administration of this act and as may be appropriated for by Congress.

SEC. 15. (a) In carrying out this act the Secretary, or any officer or employee designated by him for such purpose, is authorized to hold hearings, administer oaths, sign and issue subpenas, and examine witnesses. Upon the refusal by any person to appear and testify in response to a subpena so issued, the proper United States district court shall have power to compel obedience thereto.

(b) Any of the powers and duties of the Secretary under this act may be delegated to and executed by any officer, agent, or employee of the Department of Agriculture designated by the Secretary for the purpose.

SEC. 16. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the administration of this act.

SEC. 17. 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 provision to other persons and circumstances, shall not be affected thereby.

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.

ADMISSION TO CITIZENSHIP OF CERTAIN ALIENS

The Clerk called the next bill, H. R. 6381, for the admission to citizenship of aliens who came into this country prior to February 5, 1917.

The Clerk read the title of the bill.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. LESINSKI. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER, Mr. MOTT, and Mr. KEEFE objected.

AMENDMENT OF MOUNT RUSHMORE MEMORIAL ACT

The Clerk called the next bill, H. R. 8357, to amend the Mount Rushmore Memorial Act of 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Mount Rushmore Memorial Act of 1938, approved June 15, 1938, is amended as follows:

Strike out the words "fifteen hundred acres" and insert in lieu thereof the words "eighteen hundred acres."

Mr. CASE of South Dakota. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. RICH], I offer an amendment, which is at the desk. The amendment was drawn to meet problems created by objections to Rushmore legislation previously expressed by the gentleman, was submitted to him today, and by him was gone over with a member of the committee of objectors on this side, the gentleman from New Jersey [Mr. KEAN], and the author of the bill, the gentleman from Illinois [Mr. KELLER], to whom and to me he stated that the amendment was satisfactory, and with its adoption he would have no objection to the passage of the bill.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Strike out the period and quotation marks and insert the following: "*Provided*, That while appropriations necessary to complete the memorial as authorized by law may be made, no part of any funds appropriated to the Rushmore Memorial Commission may be used for the development of the 300 acres herein proposed to be added to the memorial reserve, and no part of any funds appropriated under any act may be used to pay a royalty or percentage to the sculptor for any work other than that necessarily incident to the sculpturing project."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSION FOR THE CELEBRATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF THOMAS JEFFERSON

The Clerk called the next business, House Joint Resolution 445, to establish a Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jeffereson.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby established a Commission to be known as the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson (hereinafter referred to as the Commission), and to be composed of 19 commissioners, as follows:

The President of the United States; presiding officer of the Senate; and the Speaker of the House of Representatives, ex officio; eight persons to be appointed by the President of the United States; four Senators by the President pro tempore of the Senate; and four Representatives by the Speaker of the House of Representatives. The Commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission in accordance with the provisions of this joint resolution.

SEC. 3. That it shall be the duty of the Commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing of the event, to commemorate which they are brought into being; and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissioners, or by bodies created under appointment by the Governors of the respective States and by representative civic bodies; and if the participation of other nations in the commemoration be deemed advisable, to communicate with governments of such nations.

SEC. 4. That when the Commission shall have approved of a plan of celebration, then it shall submit for their consideration and approval such plan or plans, insofar as it or they may relate to the fine arts, to the Commission of Fine Arts in Washington, for their approval, and in accordance with statutory requirements.

SEC. 5. That the Commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the Commission and may also engage the services of expert advisers; and may fix their respective compensations within the amount appropriated for such purposes.

SEC. 6. The Commissioners shall receive no compensation for their services, but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amount appropriated.

SEC. 7. The Commission shall, on or before the 1st of January 1941, make a report to the Congress in order that enabling legislation may be enacted.

SEC. 8. That the Commission hereby created shall expire within 2 years after the expiration of the celebration, April 13, 1945.

SEC. 9. This joint resolution shall take effect immediately.

With the following committee amendment:

Page 2, line 8, strike out "$10,000" and insert "$5,000."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 3, line 20, after the word "expire", strike out the remainder of the paragraph and insert in lieu thereof the following: "upon the completion of its duties, but not later than April 13, 1945."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT TENURE FOR STAR-ROUTE CARRIERS

The Clerk called the bill (S. 1214) to provide for a more permanent tenure for persons carrying the mail on star routes.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. BURCH. This is the third time, Mr. Speaker, that the gentleman has asked that the bill be passed over without prejudice. This bill comes before the House with the unanimous report and recommendation of the Committee on the Post Office and Post Roads. It is a bill that has been agreed on by the star-route mail carriers and the Post Office Department and there is no contention about it. I hope that the gentleman will not ask that the bill be passed over without prejudice.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield?

Mr. BURCH. Yes.

Mr. SECCOMBE. Being a member of the subcommittee, I call the gentleman's attention to the fact that this bill does not increase the appropriation and there is no expenditure of money.

Mr. BURCH. That is correct.

Mr. TABER. But it gives an opportunity for the Post Office Department to do a lot of manipulating in connection with these contracts.

Mr. BURCH. Oh, I think the gentleman is mistaken there.

Mr. TABER. I shall be obliged to insist upon my objection.

The SPEAKER. Is there objection?

Mr. BURCH. I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TABER. I object.

ADDITIONAL COMPENSATION TO SPECIAL ASSISTANTS TO THE ATTORNEY GENERAL

The Clerk called the bill (H. R. 4366) to authorize the payment of additional compensation to special assistants to the Attorney General in the case of United States against Doheny Executors.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

UNIFORM ADMINISTRATION OF VETERANS' LAWS

The Clerk called the bill (H. R. 8930) to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 484, Seventy-third Congress, approved June 28, 1934, as amended, is hereby amended by adding a new section thereto numbered 6, to read as follows:

"SEC. 6. There shall be no recovery of payments heretofore or hereafter made under the provisions of this act from any person who, in the judgment of the Administrator, is without fault on his part, and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer and no certifying officer shall be held liable for any amount paid to any person where the recovery of such amount from the payee is waived under the provisions of this section. This section shall be deemed to be in effect as of June 28, 1934."

SEC. 2. (a) That paragraphs II, III, and IV of Veterans Regulation No. 9 (a), as amended, be further amended to read as follows:

"II. Where an honorably discharged veteran of any war, or a veteran of any war in receipt of pension or compensation dies after discharge, the Administrator, in his discretion and with due regard to the circumstances in each case, shall pay, for burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding $100 to cover such items and to be paid to such person or persons as may be prescribed by the Administrator. The Administrator may, in his discretion, make contracts for burial and funeral services within the limits of the amount herein allowed without regard to the laws prescribing advertisement for proposals for supplies and services for the Veterans' Administration. No deduction shall be made from the burial allowance because of any contribution from any source toward the burial and funeral (including transportation) unless the amount of expenses incurred is covered by the amount actually paid for burial and funeral (including transportation) purposes by a State, county, or other political subdivision, workmen's compensation commission, State industrial accident board, employer, burial association, or Federal agency: *Provided*, That no claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing agencies or organizations: *Provided further*, That nothing herein shall be construed to cause the denial of or a reduction in the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services: *And provided further*, That nothing herein contained shall be construed so as to cause payment of the burial allowance or any part thereof in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other act.

"III. Where death occurs in a Veterans' Administration facility within the continental limits of the United States, the Veterans' Administration will (a) assume the actual cost (not to exceed $100) of burial and funeral, and (b) transport the body to the place of burial within the continental limits of the United States or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as beneficiary of the Veterans' Administration for hospital or domiciliary care. Where a veteran dies while hospitalized under authority of the Veterans' Administration in a Territory or possession of the United States the Veterans' Administration will (a) assume the actual cost (not to exceed $100) of burial and funeral, and (b) transport the body to the place of burial within the Territory or possession.

"IV. Claims for reimbursement must be filed within 2 years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application and if such evidence is not received within 1 year from the date of the request therefor no allowance may be paid: *Provided*, That the Administrator is authorized and directed to adjudicate any unpaid claim filed within 2 years after the enactment of this act where death occurred on or after March 20, 1933, and claim was not filed within the regulatory period, and to grant burial allowance under the laws and regulations in effect on the date of adjudication after the enactment of this act, if all other requirements are met."

(b) That paragraph III of Veterans Regulation No. 6 (a), as amended, be further amended to read as follows:

"III. To persons unable to defray the cost thereof, transportation and other necessary expenses incidental thereto will be supplied to cover travel to a Veterans' Administration facility for domiciliary or hospital care; to cover return travel to the place from which the person proceeded to the facility, when he is regularly discharged upon completion of such care; and to cover travel involved in a transfer, deemed necessary, from one Veterans' Administration facility to another. All such travel will be subject to grant of prior authorization therefor. In the event of death of any such person within the continental limits of the United States prior to his discharge from such care, transportation expenses (including preparation of the body) for the return of the body to the place of burial within the continental limits of the United States, or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care, may be paid in the discretion of the Administrator of Veterans' Affairs, when deemed necessary and as an administrative necessity. In the event of death of any such person in a Territory or possession of the United States transportation expenses (including preparation of the body) for the return of the body to place of burial within the Territory or possession may be paid."

(c) This section shall be applied to any claim for burial benefits pending in the Veterans' Administration on the date of its enactment.

SEC. 3. Where a disabled person, entitled to pension, compensation, or emergency officers' retirement pay under laws or regulations administered by the Veterans' Administration, and his wife are not living together, or where the child or children are not in the custody of the disabled person; or where, in death cases, the child or children are not in the custody of the widow, the amount of the pension, compensation, or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs.

The act of March 3, 1899 (30 Stat. 1379, ch. 460; U. S. C., title 38, secs. 45, 46, 47, and 49), with the exception of the last proviso (U. S. C., title 38, sec. 192), paragraph VII of the Veterans Regulation No. 6 series (U. S. C., title 38, ch. 12, appendix), and all other provisions of law or regulation in conflict with the foregoing are repealed or modified to conform with the provisions of this section.

SEC. 4. That paragraph IV, Veterans Regulation No. 6 (a), as amended (U. S. C., title 38, ch. 12, appendix), is hereby amended to read as follows:

"IV. No person shall be entitled to receive domiciliary, medical, or hospital care, including treatment, who resides outside of the continental limits of the United States or its Territories or possessions: *Provided*, That in the discretion of the Administrator of Veterans' Affairs necessary hospital care, including medical treatment, may be furnished to veterans who are citizens of the United States and who are temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States."

SEC. 5. That section 3 of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, is hereby amended by adding at the end thereof the following sentence: "From and after the date of approval of this amendatory act this section shall be con-

strued to prohibit the collection by set-off or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (a) any person other than the indebted beneficiary or his estate; or (b) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws relating to veterans, to such beneficiary or his estate or to his dependents as such: *Provided, however,* That if the benefits be insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance issued by the United States, the exemption herein provided shall be inapplicable to liens existing against the particular insurance contract on the maturity of which the claim is based, to secure unpaid premiums or loans on such contract or interest on such premiums or loans: *Provided further,* That nothing in this amendatory act shall be construed to modify or repeal section 7 of Public Law No. 425, Seventy-fourth Congress, enacted January 27, 1936 (38 U. S. C. 687–b; 49 Stat. 1101)."

SEC. 6. That on and after the date of enactment of this act, World War veterans otherwise entitled to the statutory award under the provisions of the last paragraph of section 202 (3), World War Veterans' Act, 1924, as amended, for the loss of the use of one or more feet or hands, shall be paid $35 per month additional compensation in lieu of $25 per month previously authorized.

SEC. 7. Section 1 of Public Law No. 196, Seventy-sixth Congress, July 19, 1939, is hereby amended by striking therefrom the words "and who was in receipt of compensation therefor on March 19, 1933" and by substituting for the second proviso thereof the following: "*Provided further,* That where a World War veteran dies or has died, and service connection for any of the foregoing conditions is or would have been established under the provisions of this amendment, the surviving widow, child, or children, if otherwise eligible thereto, shall be awarded death compensation under Public Law No. 484, Seventy-third Congress, as amended".

SEC. 8. Public Law No. 196, Seventy-sixth Congress, July 19, 1939, is further amended by adding thereto a new section to be known as section 3, as follows:

"SEC. 3. Payments to veterans and their dependents under the provisions of this amendment shall be effective the date of application for benefits thereunder."

SEC. 9. That when disability compensation or pension based upon service-connected disability has been forfeited by a veteran under section 504 of the World War Veterans' Act, 1924, as amended (43 Stat. 1312; U. S. C., title 38, sec. 555), or section 15 of Public Law No. 2, Seventy-third Congress (48 Stat. 11; U. S. C., title 38, sec. 715), compensation or pension payable except for the forfeiture, from and after the date of suspension of payments to the veteran, shall be paid to his wife, child or children, and/or dependent parents, such payments not to exceed the amount payable in case such veteran had died from such service-connected disability: *Provided,* That no compensation or pension shall be paid to any dependent who has participated in the fraud for which the forfeiture was imposed.

The provisions of section 504, World War Veterans' Act, 1924, as amended, or section 15 of Public Law No. 2, Seventy-third Congress, shall not be construed to prohibit reimbursement on account of expenses incurred in the burial of such veteran otherwise authorized by law, or to prohibit payments of death compensation benefits for service-connected death or under Public Law No. 484, Seventy-third Congress, as amended.

Benefits authorized by this section shall not be paid for any period prior to the date of this enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANTIETAM BATTLEFIELD SITE

The Clerk called the bill (S. 1780) to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to acquire in behalf of the United States, through donations or by purchase at prices deemed by him reasonable, or by condemnation in accordance with the act of August 1, 1888 (25 Stat. 357), lands, buildings, structures, and other property, or interests therein, which he may determine to be of historical interest in connection with the Antietam Battlefield site, the title to such property or interests to be satisfactory to the Secretary of the Interior: *Provided,* That payment for such property or interests shall be made solely from donated funds. All such property and interests shall be a part of the Antietam Battlefield site and shall be subject to all laws and regulations applicable thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

UNIFORM RULE FOR NATURALIZATION OF ALIENS

The Clerk called the bill (H. R. 2176) to amend subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377), entitled "An act providing for a uniform rule for the naturalization of aliens throughout the United States, and establishing the Bureau of Naturalization," as amended and supplemented, is further amended to read as follows: "Any person not an alien enemy, who resided uninterruptedly within the United States during the period of 5 years next preceding July 1, 1925, and was on that date otherwise qualified to become a citizen of the United States, except that he had not made a declaration of intention required by law, and who during or prior to that time, because of misinformation regarding his citizenship status, erroneously exercised the rights and performed the duties of a citizen of the United States in good faith, may file the petition for naturalization prescribed by law without making the preliminary declaration of intention required of other aliens, and upon satisfactory proof to the court that he has so acted may be admitted as a citizen of the United States upon complying in all respects with the other requirements of the naturalization law."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RELIEF OF NEEDY INDIANS

The Clerk called the bill (H. R. 8937) to authorize an appropriation for the relief of ill-clothed, ill-fed, and ill-housed needy American Indians through utilization of surplus American agricultural and other commodities.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

Mr. O'CONNOR. Mr. Speaker, will the gentleman withhold that request? It is necessary that this bill be passed because many of these Indians in the western country and in the southern country also are in want. It is more necessary to pass this bill than any other similar bill that we know of. If it is not passed, there will be suffering among the Indians not only in the Northwestern States but in the Southern and Western States. This bill provides for the purchase of livestock, farming equipment for Indians, and building of other necessary improvements, as well as furnishing relief. I hope the gentleman will not object to the bill but will permit it to be passed. I cannot object, however, if the gentleman asks that the bill go over without prejudice, because, of course, he will then object to its passage.

Mr. WOLCOTT. The Department makes no recommendation, and the matter apparently has not been presented to the Bureau of the Budget.

Mr. O'CONNOR. No; it has not.

Mr. WOLCOTT. The Department of the Interior apparently makes no recommendation on it whatsoever.

Mr. O'CONNOR. But the Commissioner of Indian Affairs has approved the bill as being necessary to prevent the condition that I have spoken of.

Mr. WOLCOTT. There is nothing in the report to show that the matter has ever been referred to the Indian Bureau or the Bureau of the Budget.

Mr. O'CONNOR. It is in the nature of an emergency bill.

Mr. WOLCOTT. Let me read the first sentence:

There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $10,000,000, to be immediately available.

Mr. Speaker, over a year ago I announced that the policy of the objectors on this side of the aisle would be that any bill carrying more than a million dollars would be scanned with a great deal of interest, inasmuch as we did not think, as a matter of general policy, that we should pass bills authorizing appropriations of large amounts of money by unanimous consent.

Here we have this situation: This bill authorizes $10,000,000. There is no report from the Indian Bureau and there is no report from the Bureau of the Budget. I think that before we authorize $10,000,000 more out of the Treasury of the

United States we should at least let the people know that we are giving adequate consideration to our action. My principal objection to the bill and my principal reason for wanting it to go over without prejudice, because I do not know that I would vote against the bill if it were considered on the floor, is the amount of money involved. I do not think that we should pass bills by unanimous consent authorizing large amounts of money such as this bill provides for.

Mr. O'CONNOR. I think if the gentleman understood the conditions and had heard the evidence that was offered before the Committee on Indian Affairs he would not oppose this bill.

Mr. WOLCOTT. The reason I am asking that the bill go over is that all Members who have the responsibility of their constituents and taxpayers in their districts should have an opportunity to study those hearings and have them discussed here on the floor, so that we will know what we are doing before we will spend $10,000,000.

Mr. O'CONNOR. This money would be used to purchase surplus commodities such as cotton, grains, and materials of that kind for the use of these people. So it would serve a very good purpose to people who have a surplus of any kind of goods that could be used as well as other materials.

Mr. WOLCOTT. Do the relief acts which we have passed exempt Indians? Cannot the President use the money which we have authorized for relief to feed the ill-fed Indians?

Mr. O'CONNOR. Apparently they are getting very little of it.

Mr. WOLCOTT. Then we are establishing this precedent: We are appropriating $10,000,000 for the relief of a particular class of our citizenry, because they are our citizens, for all practical purposes. Why should I not come here and ask that $10,000,000 be appropriated for the relief of the poor and needy in the Seventh Congressional District of Michigan?

Mr. O'CONNOR. The reason why it is necessary to pass this legislation is because the United States Government, at various times, and the white men at various times during the past 75 years, have taken all of the good lands that the Indians had, and the only thing they have now is what the white man did not want. The only thing the Indians have left is the poor land that is no good.

Mr. WOLCOTT. I may say to the gentleman that because of ill-advised investments on the part of those who were in power, hundreds of my citizens find themselves in very dire circumstances. If we are going to attempt to relieve this situation in respect to the gentleman's Indians, then of course reserve the right to offer an amendment for another ten or twelve million dollars for the relief of my people, and so on ad infinitum all over the United States.

Mr. O'CONNOR. The difference between the gentleman's people and the Indian is that the Indian has already been robbed by the Government and the white man. The only thing he has left is what the white man did not want. That is why he has to come here for relief.

Mr. WOLCOTT. My white and colored citizens have possibly been robbed by other white and colored citizens, so I cannot see the difference.

Mr. O'CONNOR. Well your people have not yet been made wards.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TIME OF APPOINTMENT OF PRESIDENTIAL ELECTORS AND ELECTION OF SENATORS AND REPRESENTATIVES IN CONGRESS

The Clerk called the next bill, H. R. 8700, to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress.

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

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this is probably one of the most important and far-reaching bills which has been on the floor for months, at least, and possibly years. It will necessitate changing the election machinery in all of the States and Territories of the United States. There is a great deal of merit in the bill. I am in sympathy with the objectives of the bill as far as they go, but I wonder if we can justify passing a bill by unanimous consent without giving consideration to the effect of this bill on the election machinery of the 48 States and Territories. Understand that if this bill is enacted it is going to cause the legislatures of the 48 States between now and 1944 to amend their State laws in respect to the date of election. It advances the date of the general election 30 days, so that the general election will come the first Tuesday after the first Monday in October, and that will necessitate changing the primary date in many of the States. For example, in my own State of Michigan, if I may be pardoned for using that as an example, our primary is late. It is in September. If we advance the date of the general election we have to advance the date of the primary election. In our particular case it would bring the primary election into the very hot and sometimes disagreeable month of August. So we have to give consideration to that situation.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. I wish to call the attention of the gentleman from Michigan to the fact that the gentleman from Ohio [Mr. LEWIS] is necessarily absent, and I wish the gentleman would ask that the bill go over until he can be present.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield for me to make that request?

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield to me?

Mr. WOLCOTT. I yield to the gentleman from Texas first.

Mr. SUMNERS of Texas. Mr. Speaker, I would like very much to have the attention of the gentleman and the attention of the committee to what is proposed by this bill. It is something tremendously important, in so far as the responsibility of this House is concerned, and it is not a difficult thing to understand. Otherwise I would not take the time of the House now.

It is not difficult. Here is the proposition, and it is just as plain as it can be. Before we passed the "lame duck" amendment we inaugurated the President in March. When we passed the "lame duck" amendment we moved the time for the inauguration of the President from March up to January and we left the time for the election of the electors exactly as it was before. Prior to the passage of the "lame duck" amendment we had an average of 120 days intervening between the election and the inauguration. By the "lame duck" amendment we cut off something like 47 days from this time and in addition we injected the possibility of another contest, namely, the contest with reference to the organization of the House. I understand there was one time when it took 22 days to organize the House. Before the "lame duck" amendment, the "lame duck" Congress—the old Congress already organized—of course, functioned with regard to counting the vote, and so forth. Since the "lame duck" amendment the new Congress must be organized before there is any Congress to function. We are in the ridiculous position of having injected an additional possibility of contest, which would require time, of course, and at the same time cutting the time from 120 days, where only two contests were possible, to 73 days, when three contests are possible.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield at that particular point?

Mr. SUMNERS of Texas. I yield.

Mr. WOLCOTT. This bill does not correct that evil, because Congress will still meet on the 3d of January.

Mr. SUMNERS of Texas. Why, of course.

Mr. WOLCOTT. And the President will still take his oath of office on the 20th. So there is nothing in this bill to correct that evil.

Mr. SUMNERS of Texas. Oh, the gentleman is wrong.

Mr. WOLCOTT. The only evil this bill will correct, and rightfully so, is in respect to the contests of the Members of the House and the Senate, and the contests in respect to the election of Presidential electors. Congress will still meet on the 3d of January, and the President will still take his office on the 20th. Those dates are established in the Constitution.

Mr. SUMNERS of Texas. That is the very reason for this bill, I suggest to my friend from Michigan.

Mr. WOLCOTT. Let me understand the gentleman. He called attention to, or at least implied, that this bill would correct a situation where the House found itself unable to organize.

Mr. SUMNERS of Texas. No; my friend permitted his attention to wander for a minute; he did not follow me quite fully.

Mr. WOLCOTT. Do I understand, then, that the gentleman does not contend that this bill changes the date for the convening of Congress or the inauguration of the President?

Mr. SUMNERS of Texas. Why, of coure not.

Mr. WOLCOTT. We are to understand that this bill does not cover that situation at all?

Mr. SUMNERS of Texas. No; of course not. I said the gentleman permitted his attention to slip for a moment; I do not like to have to go back over my statements, but I must.

We cannot, of course, change the time for the inauguration of the President; everybody knows that. That is just as fixed as a stake driven in the ground. Two dates are fixed unalterably, and it can be well represented by this lectern in front of me. The left side of this desk, my left hand, represents the time of electing electors. The right side of this lectern, or my right hand, is the time for the inauguration of the President. When we passed the "lame duck" amendment, to continue the metaphor, we moved my right hand over toward my left hand; we cut 47 days off the intervening interval of 120 days. Anybody with sense is bound to know that we did not have any too much time the way it was before the "lame duck" amendment between the election of electors and the inauguration of the President to determine questions of the honesty of the election of electors, for instance. That was 120 days. Now we have only 73 days, with the possibility of another contest over the organization, and we do nothing about it.

We have actually brought about a situation in this country under which it is possible to elect a President by fraud and not one thing could be done about it. Why? Because there is not a State in the Union that can gear up its judicial machinery fast enough to try the question of fraud in an election of Presidential electors in the time now provided. We have resting on our shoulders a pretty big responsibility to the country, as I see it, and I am trying my best to discharge my part of it. I have been introducing this bill for years. Twice this session I have called attention to its necessity. In addition to the cutting off of the 47 days we have injected the necessity of organizing a new House that has to pass on the election of the President. That did not obtain under the old situation.

What do I propose? I propose to do the practical, horse-sense thing, to put back a part of that time which we cut off. I am trying to put back part of it. We cannot disturb the time when the President is inaugurated, because that is fixed in the Constitution. That end is fixed. We can move up the time of the election of the electors by statute. That end is not fixed. This bill will only give us 30 days. I drafted the bill by which we bring these returns here by mail instead of by messenger. Out of an abundance of caution, I overprotected that then. In the light of experience I can rework the bill and give us another week. That would give us about 37 days. Even then we would still be 10 days short of the old time.

We do not propose by this bill to affect the coming elections, but we want to get it through as soon as we can so the legislatures will have plenty of time to change the time of their elections. It provides it shall not go into effect until 1944. I have been 6 years trying to get the House to do something about this thing. One of these days this inexcusable neglect of duty may cause this country to face a mighty dangerous crisis.

Mr. BREWSTER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Maine.

Mr. BREWSTER. I am thoroughly in accord with taking this step back to the first Monday in October. I think it is a long step in the right direction. But I wonder why the gentleman does not complete it and come back to the second Monday in September, to which the State of Maine has always and wisely adhered?

Mr. SUMNERS of Texas. They say that the Nation follows Maine, but I just did not have that in mind. I do not want to take the time of the House further. I know other gentlemen are trying to get their bills through.

Mr. COCHRAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Missouri.

Mr. COCHRAN. We are going to be required in a great many States of the Union to change our State laws in order to comply with this proposal.

Mr. SUMNERS of Texas. This gives you 4 years in which to do that. You are going to have to do it anyway or we will have a situation where you can elect a President by fraud and we can do nothing about it.

Mr. COCHRAN. The gentleman from Texas must remember that we have 48 States in the Union.

Mr. SUMNERS of Texas. Yes; I heard about that.

Mr. COCHRAN. They are going to be required to change their State laws or have two elections.

Mr. SUMNERS of Texas. Yes.

Mr. COCHRAN. What does it cost to have an election in a State?

Mr. SUMNERS of Texas. How much does the gentleman think it would cost the Nation to know that a President had been elected by crookedness and the National Legislature had not provided any way to avoid it?

Mr. COCHRAN. Would it not be better to consider the advisability of amending the Constitution, then when the States ratified it they would automatically take care of the situation in their States?

Mr. SUMNERS of Texas. I am not personally willing to assume the responsibility of sitting in my place in this House and knowing that because of my failure to legislate a President could be elected by fraud and I did nothing about it, and then excuse myself by talking about a constitutional amendment; and I say that in all respect.

Mr. WOLCOTT. It seems to me this debate we have just had proves the importance of this subject. We will have to take into consideration in addition to these statements the fact that some of the State constitutions might have to be changed, because if a State constitution provides that an election shall be held in November, then a constitutional amendment will be necessary to change the date. So we have to proceed with caution or we will find ourselves in a position where many of our States will be holding their elections in October and some of them holding their elections in November. For the reason that I think we should spend a great deal of time to debate this bill so that the delegations representing the several States may be heard on this question, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. SUMNERS of Texas. May I suggest to the gentleman that he object to the bill?

Mr. WOLCOTT. I do not want to object to the bill because I do not know that I am opposed to it.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. SUMNERS of Texas. I object.

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

Mr. WOLCOTT. The gentleman leaves me no other recourse than to object.

Mr. SUMNERS of Texas. Mr. Speaker, I withdraw my objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

There was no objection.

PROCUREMENT WITHOUT ADVERTISING

The Clerk called the next bill, H. R. 8152, providing for procurement without advertising.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

Mr. CASE of South Dakota. Mr. Speaker, I wonder if the gentleman would not withdraw that objection. I have talked this bill over with its author, and I think the amendment which he has pending on the desk and which I have pending on the desk will meet all objections. I think it is time that the bill be considered.

Mr. COSTELLO. I understand those amendments merely refer to the procurement of horses and polo ponies as far as the War Department is concerned. It is my understanding those are only a minor part of the cases in which the War Department makes purchases of amounts up to approximately $500. If this bill goes through requiring the War Department to make those purchases by giving formal notice and taking bids, it is going to offset their established policy, and I may say there are approximately 37,000 cases now pending.

Mr. COCHRAN. I may say to the gentleman from California that this bill is brought about because of the dozens of exemptions that have been placed on appropriation bills in the last few years. The exemptions provide the statute does not apply to the purchase of certain material. For instance, in the Navy and Army you can spend all the money that we appropriate for the medicine, if they desire, without advertising. The Agriculture Department can buy all the poison they need to destroy insects, and so forth, without advertising. Do you say that is sound business?

The businessmen in this country who sell standard supplies have complained that under these exemptions it is possible to give the business to some one firm. I do not say there is anything wrong, but the opportunity is there. If we do ever find that there is something wrong, then the Congress as well as the procurement officer will be to blame for having a statute that will permit them to do something wrong if they desire to do it.

I have gone into this matter with the War Department officials and with the Navy Department and other officials and I know that some of them are not satisfied. They do not want to give up a thing that they have. I believe that this bill in its present form takes care of what the gentleman from Minnesota is interested in, but I am willing to accept his amendment. However, I can tell you there is going to be a day when we shall look into the purchase of stallions, horses, and mules. We have about 700 stallions now and they are buying 50 to 70 more a year. What are they doing with all of them?

This is a bill the Comptroller General says will save money. It liberalizes the situation to some extent when we are making the uniform amount $100. I think it is sound legislation, and I hope the gentleman will not object.

Anything that is fundamentally right, that sets up standard specifications for procurement should not be objected to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama that the bill be passed over without prejudice?

There was no objection.

FILLING OF ALL VACANCIES IN POSITION OF ASSISTANT POSTMASTER IN FIRST- AND SECOND-CLASS POST OFFICES

The Clerk called the next bill, H. R. 8171, to require the filling of all vacancies in the position of assistant postmaster in first- and second-class post offices.

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, this bill is not recommended by the Department. There are 80 vacancies which have not been filled in the office of assistant postmasters. This bill provides for the creation of 2,038 new jobs at an annual cost of $4,627,700.

Mr. BURCH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Virginia.

Mr. BURCH. I am satisfied the gentleman is not correct in his statement. This bill does not provide for 2,038 special or extra jobs, it simply provides that assistant postmasters shall be appointed by the Post Office Department. Quite often, as is now the case, a vacancy occurs and a clerk is named to fill that position and does fill the position, thus not increasing the personnel or reducing the personnel. The bill provides that someone shall be made the assistant postmaster. Often a clerk is named to act in that place. He has to assume the responsibility and he has to give an additional bond, but he is not the assistant postmaster, and if the postmaster should die there is always some trouble and embarrassment.

Mr. WOLCOTT. May I quote to the gentleman and for the RECORD from the letter of the Honorable James A. Farley, Postmaster General:

> There are 4,809 first- and second-class post offices and under present law 8 of the largest first-class post offices are entitled to 2 assistant postmasters. Thus a total of 4,817 assistant postmasters would be required. At the present time, we are carrying on the rolls a total of 2,699 assistant postmasters and there are 80 vacancies where the position has been authorized but at the present time it is not filled. This bill would require that we appoint 2,038 additional assistant postmasters.

There are 80 cases where the position has been authorized but at the present time the vacancy has not been filled. This bill would require that we appoint 2,038 additional assistant postmasters. The difference, as I see it, is that at the present time they may do so but this bill requires that they do so.

Mr. BURCH. The bill does require them to appoint assistant postmasters, but if the gentleman will read a little further he will see that this bill will not increase the personnel. The bill simply provides that assistant postmasters shall be appointed instead of a clerk being substituted as the assistant postmaster.

Mr. WOLCOTT. Let me quote to the gentleman the next paragraph, then. If the gentleman does not believe this bill will create 2,038 additional assistant postmasters, then the Postmaster General must be wrong in his statement when he states:

> This bill would require that we appoint 2,038 additional assistant postmasters.

With reference to the cost, may I call attention to the next paragraph of the Postmaster General's letter:

> If all of these positions were filled; that is, if an assistant postmaster were authorized at each of the first- and second-class offices, it would require an appropriation of $11,769,700. The appropriation bill now before Congress carries an item for assistant postmasters for the fiscal year 1941 of $7,142,000. In filling all of these positions, it would require an addition of $4,627,700 to the amount carried in the bill now pending before Congress. In other words, the increased cost in this particular appropriation would be $4,627,700.

Mr. BURCH. No.

Mr. WOLCOTT. I do not believe that this House or this Congress should force the Postmaster General to appoint over 2,000 assistant postmasters whom he apparently does not need, because he has not fulfilled all the requirements we have provided for at the present time.

Mr. BURCH. If the gentleman will read a little further in the Postmaster General's letter, he will find this:

> The authorization of an assistant postmaster at a second-class office would not necessarily mean any increase in the personnel.

Further, the Postmaster General states that the net cost of this bill would be $347,900. The gentleman will find that about the middle of page 2 of the committee report.

The object of this bill is to have assistant postmasters appointed. The law provides that assistant postmasters shall be appointed. I will be frank with you and say that the Postmaster General and the Post Office Department will be glad to do this. The trouble has been that they have not been

given sufficient appropriations to appoint these assistant postmasters.

Mr. WOLCOTT. In answer to the gentleman, let me quote the last three paragraphs of the Postmaster General's letter, in which he states:

This bill would make the appointments mandatory, which would automatically require a sufficient appropriation.

Mr. BURCH. That is correct.

Mr. WOLCOTT. Continuing:

The bill requires that all vacancies be filled within 60 days after they occur and to this provision the Department must object for the reason that it has long been the policy to require an employee to serve a 90-day probationary period in a supervisory position before he is actually promoted in salary. To make the appointment within 60 days would nullify the 90-day probationary period now required.

Mr. BURCH. The committee amendment provides for 120 days.

Mr. WOLCOTT. The letter concludes:

It has been ascertained from the Bureau of the Budget that the proposed legislation is regarded as unnecessary and that its enactment would not therefore be in accord with the program of the President.

The Department does not want the bill, so why should we force it upon them? For that reason, I object to the consideration of the bill, Mr. Speaker.

AUTHORIZATION OF CONVEYANCE TO COMMONWEALTH OF VIRGINIA OF PORTION OF NAVAL RESERVATION IN PRINCE WILLIAM COUNTY, VA.

The Clerk called the next bill, H. R. 4229, authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and empowered in the name and on behalf of the United States of America to convey to the Commonwealth of Virginia, upon such terms and conditions as he may prescribe, all right, title, and interest of the United States of America in and to that portion of the Quantico Naval Reservation, Prince William County, Va., upon which the State of Virginia has been granted permission to construct and maintain a State highway designated as Route No. 1 by an instrument dated : *Provided*, That the Secretary of the Navy is authorized to make such deviations in the description of the land involved as may be necessary to carry out the purposes and intent of this act.

SEC. 2. This act shall be in force from the date of its passage.

With the following committee amendment:

On page 2, in line 2, after the word "dated", insert "February 10, 1933."

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.

GIFT OF THE YACHT "FREEDOM"

The Clerk called the next bill, H. R. 8983, authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, without expense to the Government, the yacht *Freedom* and her equipment as a gift from her owner, Sterling Morton, to the United States Naval Academy.

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.

GRANT OF CERTAIN REAL ESTATE BY THE CITY OF MIAMI, FLA.

The Clerk called the next bill, H. R. 7543, to authorize the Secretary of the Navy to accept real estate granted to the United States by the city of Miami, Fla., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to accept on behalf of the United States the real estate granted to the United States by the city of Miami, Fla., in manner provided by and in accordance with provisions of resolution No. 15635, adopted by the Commission of the City of Miami, Fla., on September 20, 1939.

With the following committee amendment:

Line 9, strike out the period, insert a comma in lieu thereof, and insert the following: "as amended by resolution No. 16087, adopted by the Commission of the City of Miami, Fla., on April 5, 1940."

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.

ESTABLISHMENT OF HOT SPRINGS DIVISION OF THE WESTERN JUDICIAL DISDRICT OF ARKANSAS

The Clerk called the next bill, H. R. 7811, to establish the Hot Springs division of the western judicial district of Arkansas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsections (a), (b), (c), (d), (e), (f), and (g) of section 71 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 144), are amended to read as follows:

"SEC. 71. (a) The State of Arkansas is divided into two districts, to be known as the western and eastern districts of Arkansas.

"(b) The western district shall include five divisions constituted as follows: The Texarkana division, which shall include the territory embraced on July 1, 1920, in the counties of Sevier, Howard, Little River, Hempstead, Miller, Lafayette, and Nevada; the El Dorado division, which shall include the territory embraced on such date in the counties of Columbia, Ouachita, Union, Ashley, Bradley, and Calhoun; the Fort Smith division, which shall include the territory embraced on such date in the counties of Polk, Scott, Logan, Sebastian, Franklin, Crawford, Washington, Benton, and Johnson; the Harrison division, which shall include the territory embraced on such date in the counties of Baxter, Boone, Carroll, Madison, Marion, Newton, and Searcy; the Hot Springs division, which shall include the territory embraced on such date in the counties of Pike, Clark, Garland, Grant, Hot Springs, Montgomery, and Saline.

"(c) Terms of the district court for the Texarkana division shall be held at Texarkana on the second Mondays in May and November; for the El Dorado division, at El Dorado on the third Mondays in April and October; for the Fort Smith division, at Fort Smith on the second Mondays in January and June; for the Harrison division, at Harrison on the first Mondays in April and October; and for the Hot Springs division, at Hot Springs on .

"(d) The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Texarkana, Fort Smith, El Dorado, Harrison, and Hot Springs. Such offices shall be kept open at all times for the transaction of the business of the court.

"(e) The eastern district shall include four divisions constituted as follows: The eastern division, which shall include the territory embraced on July 1, 1920, in the counties of Desha, Lee, Phillips, St. Francis, Cross, Monrce, and Woodruff; the northern division, which shall include the territory embraced on such date in the counties of Fulton, Independence, Cleburne, Stone, Izard, Sharp, and Jackson; the Jonesboro division, which shall include the territory embraced on such date in the counties of Crittenden, Clay, Craighead, Greene, Mississippi, Poinsett, Randolph, and Lawrence; the western division, which shall include the territory embraced on such date in the counties of Arkansas, Chicot, Cleveland, Conway, Dallas, Drew, Faulkner, Jefferson, Lincoln, Lonoke, Perry, Pope, Prairie, Pulaski, Van Buren, White, and Yell.

"(f) Terms of the district court for the eastern division shall be held at Helena on the second Monday in March and the first Monday in October; for the northern division, at Batesville on the fourth Monday in May and the second Monday in December; for the Jonesboro division, at Jonesboro on the first Monday in May and the fourth Monday in November; and for the western division, at Little Rock on the first Monday in April and the third Monday in October.

"(g) The clerk of the court for the eastern district shall maintain an office in charge of himself or a deputy at Helena, Batesville, Jonesboro, and Little Rock. Such offices shall be kept open at all times for the transaction of the business of the court."

SEC. 2. The act of April 21, 1926 (ch. 168, 44 Stat. 304), is hereby repealed.

With the following committee amendments:

Page 2, line 14, strike all of said line 14 and insert in lieu thereof "Grant, Hot Springs, and Montgomery."

Page 2, line 22, after the word "on", insert "the third Mondays in March and September: *Provided*, That accommodations for holding terms of court at Hot Springs shall be furnished free of cost to the United States."

Pages 2 and 3, subsection (d), strike out the first sentence of said subsection (d) and insert in lieu thereof "The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Texarkana, Fort Smith, El Dorado, and Harrison."

Page 3, line 16, after "Pulaski", insert "Saline."

The committee amendments were agreed to.

Mr. McLAUGHLIN. Mr. Speaker, I offer the following committee amendments:

The Clerk read as follows:

Amendments offered by Mr. McLAUGHLIN:

On page 1, line 10, strike out "five" and insert in lieu thereof "six."

Page 2, line 9, strike out "Washington, Benton,"

Page 2, line 12, strike out "Madison,"

Page 2, line 12, after the semicolon insert "the Fayetteville division, which shall include the territory embraced on such date in the counties of Benton, Madison, and Washington; and"

Page 2, line 23, after the semicolon insert "for the Fayetteville division at Fayetteville on the second Mondays in March and October: *Provided*, That suitable rooms and accommodations for holding court at Fayetteville are furnished without expense to the United States: *And provided further*, That nothing in this section shall be construed to prevent the provision of quarters for the officers of said court and appropriate courtrooms for the holding of the sessions of said court in any new Federal building which may be constructed in Fayetteville;"

The amendments were agreed to.

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

A motion to reconsider was laid on the table.

SALE OF CERTAIN LANDS TO THE CONCONULLY CEMETERY ASSOCIATION

The Clerk called the next bill, H. R. 8316, authorizing the Secretary of the Interior to sell certain land to the Conconcully Cemetery Association.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I would like to have the author of this bill explain the measure.

Mr. LEAVY. Mr. Speaker, this bill involves the acquisition of 30 acres of land at an ancient white cemetery established when that part of the State of Washington was part of the Territory of Oregon. This land is public domain now, but has been withdrawn from acquisition of title by reason of being held for an irrigation reservoir, but this tract of 30 acres lies above any possible flooding and the descendants of the folks who are buried there are still using it as a burial ground and desire to acquire title to it. They will pay the Government the customary price.

Mr. O'CONNOR. It will not cost the Government anything?

Mr. LEAVY. It will bring the Government some money.

Mr. O'CONNOR. I do not object to the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subject to Executive Order No. 1032 of February 25, 1909, withdrawing lot 5, section 7, township 35 north, range 25 east, Willamette meridian, Okanogan County, Wash., and other lands, and setting them apart for the use of the Department of Agriculture as preserves and breeding grounds for native birds, the Secretary of the Interior, upon payment therefor at the rate of $1.25 per acre shall cause a patent to issue to the Conconcully Cemetery Association, for cemetery uses, for all of lot 5, section 7, township 35 north, range 25 east, Willamette meridian, Okanogan County, Wash., except the 300-foot strip along the westerly border of such lot, heretofore determined by the Commissioner of Reclamation to be necessary for reclamation purposes, which shall be reserved from such grant. Except for the uses herein authorized, neither this act nor the patent that may issue thereunder shall be construed as abrogating or in any manner affecting the aforesaid Executive order of February 25, 1909, which order shall otherwise remain in full force unless and until revoked by the President or by act of Congress.

With the following committee amendments:

Page 1, line 9, strike out the word "shall" and insert in lieu thereof the word "may."

Page 1, line 10, strike out the word "Conconcully" and insert in lieu thereof the word "Conconully."

Page 2, line 5, strike out the word "reserved" and insert in lieu thereof the word "excepted."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to sell certain land to the Conconully Cemetery Association."

WITHDRAWAL OF NATIONAL-FOREST LANDS FOR PROTECTION OF WATERSHEDS

The Clerk called the bill (S. 229) to authorize the withdrawal of national-forest lands for the protection of watersheds from which water is obtained for municipalities, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, I reserve the right to object. This bill is a rather sweeping bill. It would authorize the withdrawal of national-forest lands from all forms of location. It authorizes the Secretary of Agriculture to prescribe rules and regulations necessary in his opinion to protect the watersheds, including a regulation forbidding persons other than forest officers and representative of a municipality from even going on the lands. Under the circumstances I think the bill is pretty far reaching. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PENSIONS FOR CHILDREN OF DECEASED VETERANS, SPANISH-AMERICAN WAR

The Clerk called the bill (H. R. 2874) to provide that pensions otherwise payable for a child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall continue until the child reaches the age of 21 where he is attending accredited school, and for other purposes.

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

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. SMITH of Washington. Mr. Speaker, I reserve the right to object. I hope that the gentleman will not ask that the bill be passed over without prejudice, because if it is to be acted on by the Senate after having passed the House, before adjournment, we have not time to lose. The bill changes the eligibility ages of children of veterans of the Spanish-American War from 16 years to 18 years and to 21 years, if the child is attending an accredited school, approved by the Administrator of Veterans' Affairs. That would make the ages correspond with the ages of children of veterans of the World War under existing law. That is all the bill does. It was favored by General Hines when he appeared before the Pensions Committee at the hearings which were held February 8, 1939. General Hines before the committee advocated the passage of this bill to eliminate the inequality now existing, but the Budget has made the usual objection. It will affect 5,900 children of veterans of the Spanish-American War. The President, under paragraph 6 of Veterans Regulation No. 10, provided that the ages should be uniform as applied to children of veterans of the Spanish-American War, the Regular Establishment, and the World War. That regulation, however, was superseded by the passage of the act, Public Law 269, Seventy-fourth Congress, in which we restored the pensions and reenacted the act of 1926. Consequently, we have this existing disparity and inequality in the ages as compared with children of the veterans of the World War and the Regular Establishment.

Mrs. ROGERS of Massachusetts. And this does not involve many children, does it?

Mr. SMITH of Washington. It does not. It is an inequality it seems to me which should be corrected. The following letter sets forth the views of the Veterans of Foreign Wars in support of this legislation:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., May 6, 1940.

Re H. R. 2874.

The Honorable MARTIN F. SMITH,
Chairman, House Committee on Pensions,
House Office Building, Washington, D. C.

MY DEAR MR. SMITH: Very probably, H. R. 2874, "a bill to provide that pensions otherwise payable for a child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall continue until the child reaches the age of 21, where he is attending accredited school, and for other purposes," will be called up for consideration on the House floor from its position on the Consent Calendar this afternoon.

It will be remembered that when hearings were held before your committee about a year ago concerning this bill and others, Gen. Frank T. Hines, Administrator of Veterans' Affairs, during the course of his testimony, stated to the assembled members of the com-

mittee that he was in favor of the provisions of this bill on the ground that it would bring about the same eligibility for the receipt of pensions on the part of children of deceased Spanish-American War veterans up to the age of 18, or up to the age of 21, if attending an accredited school, in the same manner as now payable to the eligible dependent children of deceased World War veterans, and thus to bring about a greater uniformity as between the two groups, so far as eligibility on the basis of age is concerned.

It seems to me that it ought to be emphasized that continued payment of pensions otherwise payable to the child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection, until the child reaches the age of 21, where he is attending an accredited school, thus, in effect, means that such continued pension payments will be used primarily for educational purposes, for the 5,900 children of deceased Spanish-American War veterans who would be affected during the first year after the enactment of such bill. The cost, after the first year, would be a decreasing cost. It will be noted that the formal report of the Administrator of Veterans' Affairs indicates that the estimate of "approximate cost of $794,000 for the fiscal year 1940" to affect 5,900 children, "may be considered the maximum cost." It is altogether probable that a considerably lesser number of children of deceased Spanish War veterans will avail themselves of the opportunity to continue to go to an accredited school and thus to be entitled to the continuance of the pension payable to them under present law, up to the age of 16, rather than to the smaller amounts to which they are entitled after that age, under the provisions of the regulations of Public Law No. 2.

It seems a very unfair proposition that the amount of pension payable to these children of deceased Spanish-American War veterans should be drastically reduced after they have attained the age of 16, because of the fact that they are entitled to pensions thereafter up to the age of 18, or up to the age of 21, if attending an accredited school, on the basis of the lesser amounts of pension payable under the provisions of Public Law No. 2. It would seem to be in the interest of justice that the same amounts of pension payable to them prior to the age of 16 should continue to be paid up to the same ages as if they were the children of deceased World War veterans.

In the interest of greater uniformity and simple justice to those children affected, as well as in the interest of encouraging such children to pursue their educational courses, the Veterans of Foreign Wars earnestly believes that this proposed legislation ought to be enacted into law by this Congress.

With kind regards, I am,

Respectfully yours,

MILLARD W. RICE,
Legislative Representative.

Mr. COSTELLO. Mr. Speaker, does not this bill provide for greater benefits than we now grant to the World War children? Does not the age go on further, from 18 to 21, and is not that a new policy, so far as veterans' legislation is concerned?

Mr. SMITH of Washington. No; not from the ages 18 to 21 it is not a new policy, because the children of veterans of the World War have received benefits between those ages. There is some difference in the rate, but the World War Veterans' Committee has reported out a bill, H. R. 9000, which will come before the House shortly, which provides for the same eligibility benefits for children of veterans of the World War as now received by children of the veterans of the Spanish-American War. By this change in the ages we are merely correcting and equalizing and Congress undoubtedly will correct the inequality in rate as to children of the World War veterans. We can best do one thing at a time. Let us equalize and make uniform the ages under this bill and make the rates uniform later. We will probably accomplish the latter by the passage of H. R. 9000, as I have suggested. It seems to me that that is no reason why we should not act on this bill.

Mr. COSTELLO. That apparently is the difficulty that comes up in all veterans' legislation. As soon as an inequality is created, then legislation has to be passed for some other group in order to eliminate the inequality, and it has been the experience in the House that every time the committee eliminates one inequality they create another, and in their effort to remove one inequality nearly always go beyond the requirements of that inequality by providing additional benefits. That creates a new situation and requires the committee to come in again and pass other legislation to eliminate this new inequality. If an inequality is created as to one group, then another group will come in and try to get extra benefits for itself and use as an excuse for it the fact that some minor inequality does exist.

Mr. SMITH of Washington. Of course, that is not true as far as this particular group of children is concerned, because they would only receive the same consideration, according to age, as the children of veterans of the Regular Establishment and the World War at the present time. That is, we are correcting a present inequality in ages. In view of the fact that the children take benefits which would otherwise go to widows, their deceased mothers, they are certainly a most deserving group, and the money would go to pay for their education. There certainly could not be any more worthy purpose than that.

Mr. COSTELLO. I agree with the gentleman as to the worthy purpose, but we have this very definite statement in the conclusion of the letter of the Administrator of Veterans' Affairs:

> The Director, Bureau of the Budget, has advised "inasmuch as enactment of H. R. 2874 would exaggerate still further the inequalities now existing between the Spanish-American and World War groups, the bill would not be in accord with the program of the President."

In other words, in an attempt to try to eliminate one inequality you are creating a greater inequality between this group and the World War group, which undoubtedly the World War group will demand be eliminated.

I think for the present the bill should be passed over, and we should have further consideration of it and not create these additional inequalities.

The gentleman has referred to the bill H. R. 9000. There, again, is a similar case of trying to eliminate certain inequalities. The World War veterans, in attempting to get equal treatment for widows and orphans in the World War group, are going 'way beyond and bringing in the parents of World War veterans. It has been the experience in all this legislation that we are passing that each time another group of inequalities is created, and I do not think we should do so.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the distinguished gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Of course, the gentleman realizes there is a dependency clause in the so-called Rankin bill for dependent mothers and fathers and also a dependency clause for widows and orphans. That has never been in any Spanish War veteran bill or in any other World War veteran bill. You have a totally new conception there. In this case, however, does not the gentleman feel it is so difficult to secure employment that it is very important to allow these boys and girls to complete their education? It is only a short time longer that they would be on the pay roll anyway.

Mr. COSTELLO. As far as this particular bill is concerned, it is not so much the amount of money that is concerned, but it is the fact we are creating these inequalities.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California that the bill be passed over without prejudice?

Mr. SMITH of Washington. Mr. Speaker, I feel constrained to object.

The SPEAKER pro tempore. Objection is heard. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, under the circumstances, I must object.

WARTIME PENSION RATES FOR SERVICE-CONNECTED DISABILITY FOR SPANISH-AMERICAN WAR VETERANS

The Clerk called the next bill, H. R. 5180, to provide Spanish War veterans wartime pension rates for service-connected disability or death of certain veterans of the Spanish-American War recognized by veterans regulations as "veterans of any war," and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Veterans Regulation No. 1 (a), as amended (U. S. C., 1934 ed., title 38, ch. 12, appendix), is further amended by adding to paragraph 1 of part II the following subparagraph:

"(d) Any veteran or the dependents of any deceased veteran who served in the military or naval service of the United States

between August 13, 1898, and July 4, 1902, both dates inclusive, and who left the continental United States under orders for military or naval service in Guam, Cuba, or Puerto Rico between such dates who is otherwise entitled to pension under the provisions of part II of this regulation, based upon such service shall be entitled to receive the rate of pension provided in part I of this regulation."

With the following committee amendment:

Page 2, line 6, after the word "regulation", insert "and amendments thereto, and subject to the conditions and limitations prescribed therefor."

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.

AUTHORIZED ENLISTED STRENGTH OF MEDICAL DEPARTMENT OF THE REGULAR ARMY

The Clerk called the next bill, S. 3654, to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the National Defense Act, as amended by the act of June 4, 1920 (41 Stat. 766), be, and the same is hereby, amended so as to provide that hereafter the authorized maximum number of enlisted men of the Medical Department of the Regular Army shall be in each fiscal year such number as shall equal 7 percent of the average annual pay strength of the active list of the Regular Army and the average strength of all other military personnel on extended active duty with the Regular Army during such fiscal year: *Provided*, That in event of actual or threatened hostilities involving the United States the President may, within the limit of the total authorized strength of the Regular Army, authorize additional enlistments in the Medical Department to such number as he may deem necessary.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENLISTMENTS IN THE ARMY IN TIME OF WAR, ETC.

The Clerk called the next bill, S. 3470, to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 127a, added to the National Defense Act of June 3, 1916 (39 Stat. 166), by section 51 of the act of June 4, 1920 (41 Stat. 785), as amended, be, and the same is hereby, further amended by inserting after the concluding paragraph thereof a new paragraph to read as follows:

"In time of war or other emergency declared by Congress, all enlistments in the active military service of the United States shall be in the Army of the United States without specification of any particular component or unit thereof and shall be for the duration of the war or other emergency plus 6 months, subject in each case to earlier discharge at the discretion of the President or otherwise according to law. Eligibility for such enlistment shall be limited to persons not less than 18 years of age and otherwise qualified under such regulations as the Secretary of War shall prescribe. The oath or affirmation of enlistment set forth in Article of War 109 shall be used and may be taken before any officer of the Army of the United States. All persons enlisted at any time in the Army of the United States or any component thereof, as long as they continue in the military service, shall, in time of war or other emergency declared by Congress, be available for assignment to duty with any unit of the Army of the United States and may be freely transferred from one unit to another, regardless of the component status of the units involved."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REQUIREMENTS FOR APPOINTMENT IN DENTAL CORPS, UNITED STATES ARMY

The Clerk called the next bill, S. 3633, to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the next to the last sentence of section 24e, of the National Defense Act, as amended by section 7 of the act of April 3, 1939 (Public, No. 18, 76th Cong.), be, and the same is hereby, amended to read as follows: "To be eligible for appointment in the Dental Corps, a candidate must be a graduate of a recognized dental college, and have been engaged in the practice of his profession for at least 2 years subsequent to graduation, or must have, after such graduation, satisfactorily completed a dental internship of not less than 1 year in a hospital or dispensary."

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

ESTABLISHMENT OF BOUNDARY LINES OF WILMINGTON NATIONAL CEMETERY, N. C.

The Clerk called the next bill, H. R. 9121, to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

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

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill S. 3675, a similar bill, be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to enter into and execute an agreement or agreements with the owners or claimants of adjoining land to fix and establish the location of the boundary lines of the Wilmington National Cemetery, N. C., and he may, if he deems it advisable, give to or receive from such owners or claimants appropriate releases, by way of quitclaim deeds or otherwise.

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

A House bill (H. R. 9121) was laid on the table.

AMERICAN NEGRO EXPOSITION

The Clerk called the next bill, H. R. 8826, to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated the sum of $75,000 out of any funds in the United States Treasury not already otherwise appropriated, to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., from July 4, 1940, to September 2, 1940, for the purpose of celebrating the seventy-fifth anniversary of the emancipation of the Negro and of showing the progress, advancement, and achievements of the Negro race during the past 75 years. Such sum shall be expended by an auxiliary commission composed of three persons to be appointed by the President of the United States, one of whom shall be a Member of the House of Representatives, one a Member of the United States Senate, and a third to be selected by the President, which auxiliary commission shall work in conjunction with the Afra-Merican Emancipation Exposition Commission appointed by the Governor of the State of Illinois under the direction and supervision of the Governor of the State of Illinois.

With the following committee amendment:

Page 2, line 2, insert "in the United States."

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.

UNITED STATES GRAIN STANDARDS ACT

The Clerk called the next bill, H. R. 7696, to amend the United States Grain Standards Act, to provide for the grading of soybeans, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Grain Standards Act is amended as follows:

(a) By inserting after "flaxseed", in the first sentence of section 2 thereof, the following: "soybeans."

(b) By striking out in the second sentence of section 7 thereof the following: ": *Provided*, That in any State which has, or which may hereafter have a State grain-inspection department estab-

lished by the laws of such State, the Secretary of Agriculture shall issue licenses to the persons duly authorized and employed to inspect and grade grain under the laws of such State."

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.

DEFINING AND CLASSIFYING INDIAN GRATUITY EXPENDITURES

The Clerk called the next business, Senate Joint Resolution 101, defining and classifying gratuity expenditures allowable as offsets in favor of the United States and against the Five Civilized Nations or Tribes of Indians.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this resolution may be passed over without prejudice.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, this is a bill that defines and classifies the gratuity expenditures allowable as offsets in favor of certain Indians. I have a long report on this bill. I will not take the time of the House now to go into it at length but I merely state that we had better keep our eyes open, for this legislation sets a precedent. While there are many classes of gratuities that are affected by this legislation I will tell you of one only, that is, a class of gratuities that amounts to $12,000,000 with interest for 100 years.

The point I want to impress upon you is that if you pass such a bill for the Five Civilized Tribes you will be required to pass the same kind of a bill for every Indian tribe in the United States, which will result in the provision in the Deficiency Act of 1935 being worthless. That provision is what has saved the taxpayers of this country hundreds of millions of dollars.

Mr. Speaker, I therefore object to this bill going over without prejudice.

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

Mr. COCHRAN. Mr. Speaker, I object to the consideration of the bill. I think it should go off the calendar.

SCHOOL DISTRICT NO. 13, FROID, MONT.

The Clerk called the next bill, S. 1450, to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children.

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

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I want to call the gentleman's attention to the condition which resulted in the bill's passage by the Senate and its being reported out by the Committee on Indian Affairs of the House. The present structure in which the school is housed was built in 1911 with an addition in 1918. It is cold, dreary, and in a deplorably crowded condition. In fact, it is in such condition that it is only a question of time before it must be condemned for use of any kind. Its safety is questionable at the present time. It is an extreme fire hazard in actual danger of collapsing. They are unable to offer either domestic science or agricultural courses on account of lack of space for these courses. This places the school at a disadvantage with the neighboring schools that are able to give these courses, yet the Froid School has always ranked high scholastically.

I call the gentleman's attention to the fact that there are 175 or 176 white children accommodated in this school and 28 Indians. The average cost per child for housing and school facilities in that country is approximately $1,500. If we were to build a separate school for the 28 Indian children it would cost the Government in the neighborhood of $42,000. The expenditure of the $30,000 provided in this bill would complete the job and furnish school facilities not only to the Indian children but to the white children as well.

I call attention to the further fact that the bill provides for repayment over a period of 30 years. Under the present population the income based on what is paid by Indians would amount to $810 per annum. This, of course, would not take care of amortizing the principal but it would take care of nearly all of the interest. We can safely assume, of course, that there will be an increase in the Indian population as well as in the white population, necessitating eventually the construction of a larger building such as is provided by the pending bill.

Before asking the gentleman to withdraw his request, I wish also to call his attention to the fact that nearly one-half of the land in this school-district area is owned by the Indians and is nontaxable. The district therefore is in the position that it is difficult to bond the district; in fact, they cannot bond themselves beyond $11,000, as stated in the report. We are therefore unable to provide the improvements required to take care of these children; and I appeal to the gentleman, in justice to these Indians and in justice to that school district, not to ask that this bill go over but to let the bill be passed by the House as it was passed by the Senate.

Mr. WOLCOTT. I may say to the gentleman that the balance reported on hand at the beginning of the fiscal year was $5,993.22. It is reported that the district had an indebtedness in October 1938 amounting to $6,615.18. In other words, they are within about $700 of being free of debt. It does not seem to me that we should establish a precedent here whereby the Federal Government, under the guise of educating 28 Indian children, should virtually give this district a free school to house 176 white children. I have many school districts in my congressional district which find themselves embarrased because of lack of funds.

We would like to help every school district in the United States if it were possible, but we have on this calendar now three or four bills of this nature. I understand the purpose, of course, and I am in sympathy with giving all the help we can; but when the Secretary of the Interior, who has control over Indian affairs, and who has the responsibility of educating the Indian wards, recommends against the bill, I do not believe we should force on the Department something the Department does not want. For this reason, of course, I shall have to insist on my request that the bill go over without prejudice.

Mr. O'CONNOR. Still reserving the right to object, Mr. Speaker, I call the gentleman's attention to the fact that the local debt limit is $17,000. They cannot, therefore, bond the district for more than $11,000 without exceeding the debt limit. Therefore their hands are tied so far as making this improvement is concerned.

Mr. WOLCOTT. The mere fact there is a debt limit in the State does not justify our passing this bill. That is a State obligation and responsibility and the debt limit could be removed.

Mr. O'CONNOR. But the debt limit is there and they are unable to increase it. There appears in the report the real need of a new school building, and I hope the gentleman will not object.

Mr. CHURCH. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

Mr. O'CONNOR. Mr. Speaker, I object.

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

Mr. WOLCOTT. Mr. Speaker, I object.

COOPERATION WITH PUBLIC SCHOOL DISTRICT NO. 37, M'CURTAIN, OKLA.

The Clerk called the next bill, S. 2523, to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

AMENDING SECTION 301 (A) OF THE SUGAR ACT OF 1937

The Clerk called the next bill, S. 3237, to amend section 301 (a) of the Sugar Act of 1937.

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

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, it seems to me very clear that these farmers have violated the Sugar Act of 1937 regarding child labor, and, therefore, I am constrained to object. Children must be protected.

UNIFORMITY IN PAY OF ALL CIVILIAN EMPLOYEES OF NAVY DEPARTMENT

The Clerk called the next bill, S. 3014, to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in the pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska.

Mr. WOLCOTT. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. Mr. Speaker, I may say that the point of order would also apply to the next two bills on the calendar, Nos. 670 and 671. Those of us who are asked to supervise this calendar, both on the Republican and Democratic sides, of necessity work long hours on these bills. I think the three gentlemen on the Democratic side as well as the three of us on the Republican side are reconciled to the fact that every other Sunday we must put in our time at the office or in our studies at home working on this calendar. We find it very embarrassing, at least inconvenient, when the Ramseyer rule is not complied with.

My point of order is that the Ramseyer rule has not been complied with so far as these three bills are concerned. I do not know that there is any point in striking the bills from the calendar because the rule has not been complied with and I am willing to withhold my point of order and ask unanimous consent that they go over without prejudice, if the gentleman from Georgia [Mr. VINSON] will supply in a supplemental report the information which is required under the Ramseyer rule.

Mr. VINSON of Georgia. I may say to the gentleman that my committee is very punctilious in reference to carrying out the provisions of the Ramseyer rule. I did not know it had not been complied with. Of course, we can ask unanimous consent to pass the bill over without prejudice with permission to file a supplemental report, but as a rule this committee as well as every other committee carries out the Ramseyer rule and points out what the present law is and what change is made.

In view of the fact that nothing will be gained except an additional expense in the Printing Office, I am wondering if the gentleman will not permit the bill to be considered, with the assurance that if any other bills from this committee come in without complying with the Ramseyer rule that it will let the ax fall?

Mr. WOLCOTT. There will be something gained. There will be an assurance to the House at least that we have studied the bill in the light of existing law. I may say to the gentleman that when I did not find the existing law in the report I happened to be out of the office with no opportunity whatsoever to refer to the code. So I have not studied this bill, nor the next two, in the light of existing law.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice and that the committee may have permission to file a supplementary report in compliance with the Ramseyer rule with reference to Calendars Nos. 670 and 671.

The SPEAKER pro tempore. The gentleman's request covers Calendars Nos. 669, 670, and 671?

Mr. VINSON of Georgia. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object in order to clear the RECORD. I withdraw my point of order and I shall not object to the gentleman's request.

There was no objection.

AUTHORIZING SALE OF FUEL, ELECTRIC CURRENT, ICE, AND WATER AT ISOLATED NAVAL STATIONS

The Clerk called the next bill, S. 3065, authorizing the sale of fuel, electric current, ice, and water at isolated naval stations.

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

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

AUTHORIZING SECRETARY OF NAVY TO ACCEPT ON BEHALF OF UNITED STATES A BEQUEST OF THE LATE DUDLEY F. WOLFE

The Clerk called the next bill, S. 3098, authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States the personal property bequeathed to the United States Naval Academy by the terms of the will of the late Dudley F. Wolfe.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to effectuate the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOOKS FOR THE ADULT BLIND

The Clerk called the next bill, H. R. 9236, to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended (U. S. C., 1924 ed., Supp. IV, title 2, sec. 135a), is amended by striking out the figures "$275,000," wherever occurring therein, and inserting in lieu thereof the figures "$350,000," and by striking out the figures "$175,000" and inserting in lieu thereof the figures "$250,000."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON THE STATE OF KANSAS OVER OFFENSES COMMITTED BY OR AGAINST INDIANS ON INDIAN RESERVATIONS

The Clerk called the next bill, H. R. 3048, to relinquish concurrent jurisdiction to the State of Kansas to prosecute Indians or others for offenses committed on Indian reservations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That concurrent jurisdiction is hereby relinquished to the State of Kansas to prosecute Indians and others for offenses by or against Indians or others, committed on Indian reservations in Kansas, including trust or restricted allotments, to the same extent as its courts have jurisdiction for offenses committed elsewhere within the State in accordance with the laws of the State; and section 328 of the act of March 4, 1909 (35 Stat. 1151), as amended by the act of June 28, 1932 (47 Stat. 337), and sections 2145 and 2146 of the United States Revised Statutes (U. S. C., title 18, sec. 548, title 25, secs. 217, 218) are modified accordingly insofar as they apply to Indian reservations or Indian country in the said State of Kansas.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That jurisdiction is hereby conferred on the State of Kansas over offenses committed by or against Indians on Indian reservations, including trust or restricted allotments, within the State of Kansas, to the same extent as its courts have jurisdiction over offenses committed elsewhere within the State in accordance with the laws of the State: *Provided, however*, That nothing herein contained shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations."

RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the next bill, H. R. 8369, authorizing a per capita payment of $12.50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

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

Mr. WOLCOTT. I object, Mr. Speaker.

Mr. BUCKLER of Minnesota. Mr. Speaker, will the gentleman withhold his objection?

Mr. WOLCOTT. I withhold it temporarily, Mr. Speaker.

Mr. BUCKLER of Minnesota. Does not the gentleman know that this bill went through Congress twice? Of course, it was vetoed by the President each time, but I have some pretty good authority to the effect that the President will not veto it this time. In 1935 a bill was passed providing for a per capita payment of $15 for these Indians. There are about 2,000 of them, so the payment would have amounted to $30,000. At that time the Indians had in the United States Treasury $211,000, and this payment would of course have reduced the fund to $181,000. This fund has increased until they now have $405,000.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Is it not a fact that this bill provides for an appropriation of the Indians' own money, and it will reduce the expenditures of the Federal Treasury because when the Indians get this money they will not have to have so much money from W. P. A. and other Federal relief agencies?

Mr. BUCKLER of Minnesota. It is their own money, and they have $405,000 now. I hope the gentleman will not object.

Mr. WOLCOTT. I believe we should at least have the benefit of an opinion by the Bureau of Indian Affairs, in view of the fact that the President has previously vetoed the bill. There is no opinion from the Office of Indian Affairs. We do not know what authority the Secretary of the Interior has now over the payment of these moneys. I surely am not assuming that I, as a Member of Congress, am in a better position to know the needs of these Indians than the Bureau of Indian Affairs or the Secretary of the Interior. At least, until this bill has been referred to the Bureau of Indian Affairs and we have at least their opinion on it, I am not constrained to go along and assume that I know more about it than they do. We created that Bureau down there for the purpose of supervising situations such as this. I believe I know the purpose of the bill and I am in sympathy with the objective of the gentleman, but after all, I have a duty that perhaps the gentleman does not have in respect of these Indians.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCHAFER of Wisconsin. It is true that the Indian Bureau has been created by Congress. The Committee on Indian Affairs has been created by Congress to study legislation which is referred to it by the Congress. I happen to be a humble member of the Republican minority on the Committee on Indian Affairs. I assure the gentleman that this committee has given a great deal of consideration to this bill and has favorably reported it by a unanimous vote. I sincerely hope that the gentleman on my side will not object to these poor Indians getting $12.50 of their own money in their pockets.

Mr. CHURCH. Mr. Speaker, I call for the regular order.

The SPEAKER pro tempore. The regular order is demanded. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. I object, Mr. Speaker.

TRANSFERRING CERTAIN INDIAN LANDS TO THE GRAND RIVER DAM AUTHORITY

The Clerk called the next bill, H. R. 7901, to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the Grand River Dam Authority, a public corporation of the State of Oklahoma, all the right, title, and interest held by the United States and by individual Indians and tribes of Indians in Indian lands located in Ottawa, Delaware, Craig, and Mayes Counties, Okla., lying below an elevation of 750 feet above mean sea level, which may be required for the Grand River Dam Reservoir, subject, however, to the consent of the respective individual Indian owners or tribes as the case may be, the approval of a map of definite location by the Secretary of the Interior, and the payment of such compensation as he may determine: *Provided*, That should any individual owners or tribes refuse their consent, condemnation is hereby authorized, in the appropriate Federal district court, the United States to be made a party defendant with the Indians.

SEC. 2. The Secretary of the Interior is hereby authorized to prescribe necessary rules and regulations for carrying out this act, and in his discretion to utilize the compensation received hereunder in the purchase of lieu lands, to be held in like manner as may be appropriate in each case, subject where applicable to the provisions of the act of June 30, 1932 (47 Stat. 474).

Mr. DISNEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: On page 2, line 8, after the last period, insert the following: *"Provided further*, That the consent of the Cherokee Nation shall be given by and through a principal chief to be appointed under section 6 of the act of April 26, 1906 (34 Stat. 137, 139): *Provided further*, That as to the lands of the Seneca Indian School the interest conveyed hereby shall be a flowage easement only."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 79 OF THE JUDICIAL CODE

The Clerk called the next bill, H. R. 8373, to amend section 79 of the Judicial Code, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the eleventh sentence of section 79 of the Judicial Code, as amended (U. S. C., 1934 ed., Supp. IV, title 28, sec. 152), is amended by striking out the colon after the word "December" and the following: *"Provided*, That facilities for holding court at Benton are furnished free of expense to the United States."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 79 of the Judicial Code, as amended (U. S. C., 1934 edition, Supp. IV, title 28, sec. 152), is amended to read as follows:

" 'The State of Illinois is divided into three districts, to be known as the northern, southern, and eastern districts of Illinois. The northern district shall include the territory embraced on the 1st day of July 1910 in the counties of Cook, De Kalb, Du Page, Grundy, Kane, Kendall, Lake, La Salle, McHenry, and Will, which shall constitute the eastern division; also the territory embraced on the date last mentioned in the counties of Boone, Carroll, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago, which shall constitute the western division. Terms of the district court for the eastern division shall be held at Chicago on the first Mondays in February, March, April, May, June, July, September, October, and November, and the third Monday in December; and for the western division, at Freeport on the third Mondays in April and October. The clerk of the court for the northern district shall maintain an office in charge of himself or a deputy at Chicago and at Freeport, which shall be kept open at all times for the transaction of the business of the court. The marshal for the northern district shall maintain an office in the division in which he himself does not reside and shall appoint at least one deputy who shall reside therein. The southern district shall include the territory embraced on the 1st day of July 1910 in the counties of Bureau, Fulton, Henderson, Henry, Knox, Livingston, McDonough, Marshall, Mercer, Putnam, Peoria, Rock Island, Stark, Tazewell, Warren, and Woodford, which shall constitute the northern division; also the territory embraced on the date last mentioned in the counties of Adams, Bond, Brown, Calhoun, Cass, Christian, De Witt, Greene, Hancock, Jersey, Logan, McLean, Macon, Macoupin, Madison, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott, which shall constitute the southern division. Terms of the district court for the northern division shall be held at Peoria on the third Mondays in April and October; for the southern division, at Springfield on the first Mondays in January and June, and at Quincy the first Mondays in March and September. The clerk of the court for the southern district shall maintain an office

in charge of himself or a deputy at Peoria, at Springfield, and at Quincy, which shall be kept open at all times for the transaction of the business of the court. The marshal for said southern district shall appoint at least one deputy residing in the said northern division, who shall maintain an office at Peoria. The eastern district shall include the territory embraced on the 1st day of July 1910 in the counties of Alexander, Champaign, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Gallatin, Hamilton, Hardin, Iroquois, Jackson, Jasper, Jefferson, Johnson, Kankakee, Lawrence, Marion, Massac, Monroe, Moultrie, Perry, Piatt, Pope, Pulaski, Randolph, Richland, Saint Clair, Saline, Shelby, Union, Vermilion, Wabash, Washington, Wayne, White, and Williamson. Terms of the district court for the eastern district shall be held at Danville on the first Mondays in March and September; at Cairo, on the first Mondays in April and October; at East St. Louis, on the first Mondays in May and November; and at Benton on the first Mondays in June and December. The clerk of the court for the eastern district shall maintain an office in charge of himself or a deputy at Danville, at Cairo, at East St. Louis, and at Benton, which shall be kept open at all times for the transaction of the business of the court, and shall there keep the records, files, and documents pertaining to the court at that place.'"

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.

HARDEMAN COUNTY, TEX.

The Clerk called the next bill, H. R. 9013, to transfer Hardeman County, Tex., from the Fort Worth Division to the Wichita Falls division of the northern judicial district of Texas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective 30 days after the date of the enactment of this act, the territory embraced in Hardeman Couny, Tex., shall be withdrawn from the Fort Worth division of the northern judicial district of Texas and shall constitute a portion of the Wichita Falls division of such district.

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.

ALASKAN INTERNATIONAL HIGHWAY COMMISSION

The Clerk called the next bill, H. R. 9271, to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the terms of the members of the Alaskan International Highway Commission appointed pursuant to the provisions of the act entitled "An act to create a commission to be known as the Alaskan International Highway Commission," approved May 31, 1938, shall be 6 years in lieu of 2 years as provided by such act.

SEC. 2. The last sentence of such act of May 31, 1938, is amended to read as follows: "Said commission shall, within 2 years after their appointment and at such other times as the commission may deem advisable, report to the President the extent and results of their activities and of any conferences, relative to such highway, and the President shall transmit said reports to the Congress."

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.

AMENDMENT OF PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

The Clerk called the next bill, S. 3661, to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 7 of the Perishable Agricultural Commodities Act, 1930 (46 Stat. 531), as amended by section 10 of the act of August 20, 1937 (50 Stat. 725), is hereby amended by striking out the period at the end of the first sentence and by inserting in lieu thereof a colon and the following: "*Provided*, That in cases handled without a hearing in accordance with paragraphs (c) and (d) of section 6 or in which a hearing has been waived by agreement of the parties, appeal shall be to the district court of the United States for the district in which the party complained against is located."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPEECHES AND WRITINGS OF EDMUND BURKE

The Clerk called the next business, House Joint Resolution 307, to provide for the printing of the speeches and writings of Edmund Burke, as a House document.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GRANTING OF RIGHT-OF-WAY TO THE HIGHWAY COMMISSION OF STATE OF MONTANA

The Clerk called the next bill, S. 3262, to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to grant to the Highway Commission of the State of Montana a permanent right to use for highway purposes that part of the property owned by the United States, known as the Bozeman, Mont., fisheries station, in the south half of the northwest quarter of section 34, township 1 south, range 6 east, Montana principal meridian, in Gallatin County, Mont., for which a revocable license, dated December 23, 1938, was granted by the Secretary of Commerce. Such right shall be granted upon condition that a public highway shall be maintained across such property and upon such other conditions as the Secretary of the Interior deems necessary to protect the interest of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING OF EASEMENT TO WAYNE COUNTY, MICH.

The clerk called the next bill, H. R. 8958, to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to grant to the county of Wayne, State of Michigan, an easement over a 20-foot strip of land situated along the Middle Branch of the Rouge River on the southeasterly side thereof across fisheries station property in the east half of the northeast quarter of section 9, township 1 south, range 8 east, Northville Township, Wayne County, Mich., for the purpose of maintaining a sewer and sewage facilities thereon.

With the following committee amendment:

Page 1, line 3, strike out the word "Commerce" and insert in lieu thereof the words "the Interior."

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.

A motion to reconsider was laid on the table.

GRANT OF CERTAIN LAND BY THE STATE OF SOUTH CAROLINA

The Clerk called the next bill, H. R. 9441, to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard.

The being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the right, title, and interest to and in, and jurisdiction over, the following-described lands, situated in the township of Sullivans Island, in the county of Charleston, State of South Carolina, granted and ceded to the United States for the purposes of the United States Government by an act of the General Assembly of the State of South Carolina approved July 1, 1939, be, and the same are hereby, accepted by the United States:

All that tract, piece, or parcel of land situate, lying, and being on the western end of Sullivans Island, in the county of Charleston, State aforesaid, being all the land lying to the northward and westward of the western boundary of the road leading to Cove Inlet Bridge, and to the northward and westward of the west line of Church Street. The above tract of land shall specifically include lots Nos. 1 through 17, inclusive, including the half lots, and also including all that portion of Middle Street which lies to the northward and westward of the west boundary of Church Street extended, together with the water lots and marshes; all of which is shown on map of Sullivans Island Waterworks, made by the John McCrady Co., dated November 1937, and on file in the office of the board of township commissioners for Sullivans Island, S. C.

SEC. 2. That the premises embraced in the foregoing description so granted and ceded by the State of South Carolina and accepted by the United States may be used by the United States Coast Guard for its lawfully authorized purposes.

SEC. 3. That the right, title, or interest of any person in or to any portion of the premises embraced in the foregoing description or any buildings, structures, or improvements thereon may be acquired by the use of funds in any available appropriation of the Coast Guard by the Secretary of the Treasury in behalf of the United States by donation, purchase, condemnation, or otherwise to satisfy the condition of section 2 of the aforesaid act of the State of South Carolina approved July 1, 1939.

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.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

The Clerk called the next business, House Joint Resolution 519, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

Mr. BUCK. I object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. VAN ZANDT. I reserve the right to object, Mr. Speaker.

Mr. BLAND. Mr. Speaker, a very serious situation has developed in the country with respect to this commerce not only in coastal but also foreign trade, and with the present condition of affairs in the world, it is very important that there shall be the right in the Maritime Commission, while Congress is not in session, to meet the condition by using vessels that are now in the laid-up steel fleets to carry the commerce of the world.

Mr. VAN ZANDT. It is my understanding this joint resolution will grant to the Maritime Commission the authority to sell or charter old vessels. I do not object to the sale of the vessels, but I do object to the chartering of vessels for intercoastal trade. The railroads of this country are in a position to carry all the necessary freight from the west coast to the east coast.

Mr. BLAND. There was not any objection interposed by the railroads in the hearings and there were 37 witnesses who came before the committee and presented a most serious situation confronting the country unless this joint resolution should go through.

Mr. VAN ZANDT. I am sorry, but I find it necessary to object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

STOWAWAYS ON VESSELS ENGAGED IN INTERSTATE OR FOREIGN COMMERCE

The Clerk called the next bill, H. R. 9492, making it a misdemeanor to stowaway on vessels engaged in interstate or foreign commerce and providing punishment therefor.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman concerning the amendment on page 2, line 16, why a different penalty is provided for aiding and abetting than for the principal offense?

Mr. BLAND. It was thought by the committee that when a man who served on the ship, in whatever capacity and who himself in many cases, it is believed, received money for aiding and abetting these stowaways, that he is sometimes making that stowaway his victim, and that he ought to be punished a little more severely for his aiding and abetting than the other fellow.

Mr. WOLCOTT. I did not quite catch that point, but it is to apply principally to members of the crew, who aid?

Mr. BLAND. Yes; people who ought to know better. It was suggested in some cases they are paid money to enable these people to be stowed away on the ships, and in this way they get on board the ship. Then they aid them while they are on board.

Mr. DICKSTEIN. Reserving the right to object, will the gentleman explain what he proposes to do with the person smuggled in? Do you charge him with any crime?

Mr. BLAND. Yes, he is punished; but we do not interfere with the immigration laws and expressly provide that nothing herein shall interfere with the immigration laws of the United States.

Mr. DICKSTEIN. Do you not send those men right back, or is it the gentleman's idea to keep them in jail and feed them here and then send them back?

Mr. BLAND. My idea is that the distinguished gentleman, chairman of the Committee on Immigration, has taken care of that in that committee's legislation.

Mr. DICKSTEIN. And you do not keep the person smuggled in here?

Mr. BLAND. Not if it is in violation of the immigration laws.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person, without the consent of the owner, charterer, or master of any vessel and with intent to obtain without paying therefor transportation on such vessel to any place within or without the United States, who shall board, enter, or secrete himself aboard such vessel and shall be thereon at the time of departure of said vessel from a port, harbor, wharf, or other place within the United States, or other place subject to its laws, or who, having boarded, entered, or secreted himself aboard such vessel in any place within or without the jurisdiction of the United States, shall remain aboard any such vessel after such vessel has left such place and who shall be found thereon at or before the time of arrival of such vessel at any other place in the United States, or any place subject to its laws, shall be guilty of a misdemeanor, and shall be liable to a fine not exceeding $500 or imprisonment for a period not exceeding 1 year, or both, in the discretion of the court.

SEC. 2. Whoever shall knowingly aid, abet, or assist any person to violate this act shall be guilty of a misdemeanor and shall be liable to a fine not exceeding $500 or imprisonment for a period not exceeding 1 year, or both, in the discretion of the court.

SEC. 3. Nothing contained in this act shall modify, restrict, alter, or change in any particular any laws of the United States in existence at the date of enactment of this act, or which shall be thereafter enacted either for the purpose of preventing any person from entering the United States in violation of the laws of the United States or for the purpose of securing the deportation from the United States of any person who, under the laws of the United States, shall be subject to deportation.

With the following committee amendments:

Page 1, line 9, after the word "within", insert "the jurisdiction of."

Page 2, line 1, after the word "States", strike out "or other place subject to its laws" and insert "including the Canal Zone."

Page 2, line 7, strike out "other place in" and insert "place within the jurisdiction of."

Page 2, line 8, after the word "States", strike out "or any place subject to its laws" and insert "including the Canal Zone."

Page 2, line 15, after the word "exceeding", strike out "$500" and insert "$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill making it a misdemeanor to stow away on vessels and providing punishment therefor."

CIVILIAN NAUTICAL SCHOOLS

The Clerk called the next bill, H. R. 9262, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That as used in this act the term "civilian nautical school" means any school or branch thereof operated and conducted in the United States which offers to persons quartered on board any vessel instruction for the primary purpose of training for service in the merchant marine.

SEC. 2. Every civilian nautical school shall be subject to examination and inspection by the United States Maritime Commission, and the Commission may, under such rules and regulations as it may prescribe, provide for the rating and certification of such schools as to the adequacy of the course of instruction, the competency of the instructors, and the suitability of equipment used by or in connection with such schools.

SEC. 3. (a) All laws covering the inspection of passenger vessels in effect on the date of enactment of this act are hereby made applicable to all vessels or other floating equipment used by or in connection with any civilian nautical school, whether such vessels or other floating equipment are being navigated or not, to such extent and upon such conditions as may be required by regulations prescribed by the Board of Supervising Inspectors, with the approval of the Secretary of Commerce.

(b) The Bureau of Marine Inspection and Navigation is authorized and directed, through such rules and regulations as the Secretary of Commerce may approve, to prescribe minimum standards for

the size, ventilation, plumbing, and sanitation of quarters assigned to members of the crew, passengers, cadets, students, instructors, or any other persons at any time quartered on board any vessel used by or in connection with any civilian nautical school.

(c) No certificate of inspection shall be issued to any such vessel until and unless a board of local inspectors has found such vessel to be in compliance with all the requirements of this section and the regulations issued thereunder. Such certificates shall be subject to revocation in the manner prescribed by section 4453 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 46, sec. 435).

(d) On and after 90 days from the date of enactment of this act it shall be unlawful for any vessel to which the act applies to be used by or in connection with any civilian nautical school unless it is in possession of a valid, unexpired certificate of inspection or a valid, unexpired temporary certificate of inspection.

(e) In case of the violation of this section or of any of the regulations issued thereunder by any vessel, or any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $1,000, and such owner or officer may be imprisoned for not more than 1 year, or subjected to both fine and imprisonment. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinabove prescribed.

With the following committee amendment:

Page 1, line 5, after the word "States", insert "(except State nautical schools and schools operated by the United States or any agency thereof)."

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.

AMENDING CANAL ZONE CODE

The Clerk called the next bill, H. R. 9383, to amend the Canal Zone Code with respect to the trial of joint defendants, the removal of fugitives from justice, and the regulation of criminal procedure in the Canal Zone.

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

Mr. WALTER. Mr. Speaker, reserving the right to object, I am wondering whether the bill has been properly referred to the gentleman's committee? I notice that it pertains to criminal procedure.

Mr. BLAND. It is properly referred to the committee because it is an amendment of the Canal Zone Code Act, which emanated from the committee.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 365 of title 6 of the Canal Zone Code be, and it is hereby, amended to read as follows:

"365. Trial of defendants jointly charged: When two or more defendants are jointly charged with any offense, they shall be tried jointly, unless the court orders separate trials. The court in its discretion may order a separate trial as to one or more defendents, and a joint trial as to the others, or may order any number of the defendants to be tried at one trial, and any number of the others at different trials, or may order a separate trial for each defendant."

SEC. 2. That title 6 of the Canal Zone Code be, and it is hereby, amended by adding, immediately after section 861, a new section numbered 861a and reading as follows:

"861a. Arrest and removal to or from the Canal Zone: The provisions of section 1014, Revised Statutes of the United States, as amended (U. S. C., title 18, sec. 591), so far as applicable, shall apply throughout the United States for the arrest and removal therefrom to the Canal Zone of any fugitive from justice charged with the commission of any crime or offense against the United States within the Canal Zone, and shall apply within the Canal Zone for the arrest and removal therefrom to the United States of any fugitive from justice charged with the commission of any crime or offense against the United States. Such fugitive may, by any judge or magistrate of the Canal Zone, and agreeably to the usual mode of process against offenders therein, be arrested and imprisoned or bailed, as the case may be, pending the issuance of a warrant for his removal to the United States, which warrant it shall be the duty of a judge of the district court seasonably to issue, and of the officer or agent of the United States designated for the purpose to execute. Such officer or agent, when engaged in executing such a warrant without the Canal Zone, shall have all the powers of a marshal of the United States so far as such powers are requisite for the prisoner's safe-keeping and the execution of the warrant."

SEC. 3. That title 7 of the Canal Zone Code be, and it is hereby, amended by adding, immediately after section 26, a new section numbered 26a and reading as follows:

"26a. Rules of criminal procedure: In respect to matters not covered by this code, the United States District Court for the District of the Canal Zone may adopt rules governing its criminal procedure not inconsistent with the laws of the United States."

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.

RELATING TO SEIZURE OF GEAR FOR VIOLATION OF ALASKA FISHERY LAWS

The Clerk called the next bill, H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes" (43 Stat. 464–467), approved June 6, 1924, is hereby amended by striking the period following the word "admiralty", in the eighteenth line of said section, and inserting a colon in lieu thereof and after the colon the following: *"Provided*, That no boat, net, or seine belonging to any person residing in Alaska shall be summarily seized and held for forfeiture for alleged violation of this section until after the arrest, trial, and conviction in the courts of Alaska of the owner or operator of such boat, net, or seine: *Provided further*, That when any United States marshal, deputy marshal, employee of the Bureau of Fisheries, or other peace officer having authority, so finds any such boat, net, or seine being used or operated in violation of this act, or in violation of said act approved June 26, 1906, it shall be his duty immediately to make a list or inventory of such boat, net, or seine, stating how and in what manner he alleges the same to have been used or operated in violation of either or both of said acts, and cause it to be verified by his oath and forwarded to and filed in the office of the clerk of the district court in the division in which said violation of law is said to have occurred, and it shall be the duty of the clerk of said district court to file said verified statement in his office without making any charge therefor; and in case of the conviction of the owner or operator of such boat, net, or seine so used in violation of either or both of said acts involving the illegal use of such boat, net, or seine, the said list or inventory shall operate as a lien upon such boat, net, or seine so used and such lien may thereupon, at the request of the United States attorney for the judicial division in which such violation occurred, be foreclosed by the district court as of the date when the violation occurred, and the decree of foreclosure may, in the discretion of the court, be incorporated into any judgment given and rendered by the court in the criminal action against such owner or operator; and in the decree of foreclosure, whether incorporated in the judgment given and rendered in the criminal action or given and rendered separately, the court shall determine and state therein the value of such boat, net, or seine as of the date when the violation occurred and shall provide therein for the sale of said boat, net, or seine as is usual in case of foreclosure of liens upon the same: *Provided further*, That in the event the United States attorney shall not request foreclosure of such lien at the time of the rendition of the judgment of conviction of the owner or operator of the property covered by the lien, the lien shall be considered as satisfied and discharged: *And provided further*, That in the event such boat, net, or seine cannot be found after the foreclosure of said lien, the owner or operator thereof who has so been found guilty in the criminal action shall be personally liable for the value thereof as of the date when the violation occurred and as determined in the decree of foreclosure, in a civil suit to be brought for that purpose."

With the following committee amendment:

Page 1, line 9, after the word "seine" strike out "belonging to any person residing in Alaska".

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. A motion to reconsider was laid on the table.

ALASKA SALMON TROLLING INDUSTRY

The Clerk called the next bill, H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act of Congress approved June 26, 1906, entitled "An act for the protection and regulation of the fisheries of Alaska", as amended, is further amended by striking the period at the end of the first sentence of said section and inserting a comma in lieu thereof and after said comma the following: "nor shall such authority be exercised to prohibit any person from fishing for or taking salmon by hook and line, either for personal use or for sale, during any weekly closed period in any of the waters of Alaska where salmon fishing is otherwise permitted by law and the regulations based thereon."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

SLUM CLEARANCE IN TERRITORY OF ALASKA

The Clerk called the next bill, H. R. 8884, to authorize the Legislature of the Territory of Alaska to create a public cor-

porate authority to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority for such purpose, and for other purposes.

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

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

Mr. WOLCOTT. Mr. Speaker, will the gentleman reserve his objection?

Mr. SCHAFER of Wisconsin. I will reserve the objection.

Mr. WOLCOTT. On page 2 of the bill I notice this language:

such bonds and other obligations shall not be a debt of the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory other than such authority.

Of course, the authority refers to the local housing authority set up to participate in the slum-clearance program. I may say to the gentleman that I can see no objection to this bill, and I think if it is not passed we will be in the position of having discriminated against the Territory of Alaska. But I want to bring out this point: If the Territory does not underwrite these bonds, and if there is no political or municipal corporation which can underwrite the bonds, what, then, is the security for the payment of the bonds?

Mr. DIMOND. Mr. Speaker, the security is in the housing which is constructed with the money secured from the sale of the bonds. That is the only security that can be obtained. I thank the gentleman for his observation, but it is in order to say that this language is the same language that was used in the acts with respect to Puerto Rico and Hawaii. It would not be in order to make any of this debt the debt of the Territory of Alaska. Neither would it be in order to make it the debt of a city.

Mr. WOLCOTT. I do not think we should put the Territory of Alaska in any different category than we do the States under the United States Housing Act.

Mr. DIMOND. Quite right.

Mr. WOLCOTT. But the point I want to make is, if the Territory does not pledge its credit, or if the municipality does not pledge its credit, or any other political subdivision other than the authority does not pledge its credit, then what is the assurance that the bonds will be repaid? The gentleman has answered that the building itself is the security.

Mr. DIMOND. Yes, sir.

Mr. WOLCOTT. That is my understanding. So whether the bonds are good or not depends on the action of the Congress in appropriating the money to retire the bonds. Is that right?

Mr. DIMOND. No; I think that has nothing to do with it, but if it has, then I insist that, as the gentleman says, Alaska and the citizens of Alaska should not be the victims of discrimination, and neither the Territory nor the cities of Alaska should underwrite the bonds.

Mr. WOLCOTT. I wish the gentleman would weigh his remarks when he says that would have nothing to do with it, because up to the present time in all of these projects in all of these States, the market for the bonds depends on the fulfillment of the moral obligations of the Congress to appropriate money annually for 60 years to retire them, and there is not 1 cent of the money which comes to the Authority from rent which is used to retire the bonds. These bonds are retired at the present time out of the annual contributions appropriated by Congress, and if the annual contributions are shut off, then the bonds are not retired unless the municipalities are granted authority to pledge their credit against them. I do not think we should object to this bill and cut Alaska off from participation in the slum-clearance program, even though I am opposed to the methods employed by the United States Housing Authority as set up by Congress.

I went over this bill carefully, and it puts Alaska in the same position as the Territory of Hawaii and the States. I think we have created an incongruous situation in respect to the operation of the United States Housing Authority Act, and I think we should give a great deal of consideration to it before we expand the operation of the act.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield to me?

Mr. SCHAFER of Wisconsin. I yield to the distinguished gentlewoman from Illinois.

Miss SUMNER of Illinois. I wonder if the gentleman from Michigan has failed to notice this distinction: That apparently these other Territories were permitted to go ahead and organize housing authorities before the Congress last spring voted down a rule to consider the bill under which we would continue Government subsidies for housing. If we pass this law, would not the Congress, in effect, be saying, you have our consent to issue these bonds? Would we not then be under a moral obligation to go ahead and furnish the subsidy?

Mr. WOLCOTT. I see no connection between this bill and the bill to expand the United States Housing Authority, for the reason that the moneys which we have already set up go into a revolving fund. If the Administrator of the United States Housing Authority has the funds, or will have the funds in years from now, available, then I see no reason why Alaska should not come in and get her share.

I want it distinctly understood, in view of the gentlewoman's remarks, that nothing contained in this bill or the action of the Congress in respect to this bill should be interpreted as continuing, or indicating its willingness to continue, the United States Housing Authority. I think we should make it very clear that by this bill we are merely removing a discrimination which attaches to Alaska and are not expanding or declaring any congressional intent in respect to the continuance or expansion of existing law or methods.

Mr. SCHAFER of Wisconsin. Will the gentleman admit that under this act we are subjecting innocent investors to a stripping by watered stock and worthless stock peddlers?

Mr. WOLCOTT. No; I cannot agree with the gentleman on that. I think the act is bad enough without charging that. I think they are the best bonds that anybody could buy. Congress appropriates the money to repay them. There is a moral, social, and legal obligation on the part of the present Government to retire these bonds. We should stop the program before we commit Congresses for the next 60 years to pay these bonds. I agree with the gentleman in that respect, but these bonds are gilt-edged, because they have the full faith and credit of the United States behind them. They are tax-exempt, and we have signed a solemn pledge to appropriate the money every year to retire them. I would not hesitate to recommend these bonds to anyone.

Mr. SCHAFER of Wisconsin. Is not that a valid reason for killing this bill right now?

Mr. WOLCOTT. No; I don't think it is. I think it is a valid reason for setting up some new plan for doing this job. I would not want to see this bill killed, because I do not think it is fair to the Territory of Alaska to do it, because all the bill seeks to do is to remove a discrimination against Alaska and I hope the gentleman will not object to it and will join with us, if we have to meet the issue, by amending the Housing Act so that private capital may be encouraged to come in and do the job.

Mr. SCHAFER of Wisconsin. If the gentleman will just let me have a minute so I can explain my position on this bill I will be much obliged to him.

This bill involves socialism. In Milwaukee we have the Parklawn Government housing project. Who lives in these tax-exempt apartments? Postal employees with incomes as high as $2,300 a year, city policemen, and walking delegates for labor unions who have an income of $75 a week. The poor and underprivileged cannot and do not live in these Government-subsidized tax-exempt housing projects.

Abraham Lincoln, our Republican leader, said that the country could not exist half slave and half free. I believe that our Republican Party should adhere to the proposition that our country cannot remain half communistic soviet socialism and half a capitalistic American constitutional democracy. I, therefore, object to the consideration of this socialistic bill.

Mr. DIMOND. Mr. Speaker, I am deeply obliged to the gentleman from Michigan [Mr. WOLCOTT] for having stated

the case in favor of this bill more clearly and cogently than I could have stated it. The sole point at issue is whether the citizens of Alaska will receive, by act of Congress, the same benefits and privileges which have already been accorded to the citizens who reside in the 48 States and those who reside in Hawaii and Puerto Rico. Without exception, they have been accorded all of the benefits of the United States Housing Act with respect to slum clearance and low-cost housing. It is true, Mr. Speaker, that the United States Housing Act very properly extends to the territories and insular possessions, as well as to the States. So far as that act is concerned, no distinction is made as to citizens of the United States wherever they may reside under our flag. But Alaska is a Territory, and as a Territory it has only rigidly limited powers of legislation. At the present time the Territory has no authority to engage in slum clearance or to assist its citizens of small income with respect to low-cost housing. Congress has heretofore, under similar circumstances made a grant of the necessary authority to the people of Hawaii and to the people of Puerto Rico, acting through their respective legislatures, to engage in this highly meritorious realm of relief for their citizens of low income. We seek only in this bill to have the same authority granted to the Legislature of Alaska so that the citizens of Alaska too, may, if the Alaska Legislature sees fit to approve the program, enjoy the benefits which have been accorded to all other citizens of the United States with respect to housing and slum clearance. We are not seeking to expand or enlarge the United States Housing Act. We are not asking for a single dollar in additional appropriation. We are not advocating any increase in appropriation for housing, or for any other purpose. We simply say to the Congress that we are citizens of the United States and therefore, upon the plainest principles of justice and equity, entitled to whatever governmental benefits or advantages have been given by Congress to all other citizens of the United States. We are not asking for any special privilege. As the gentleman from Michigan [Mr. WOLCOTT] has so forcefully said, we are simply seeking an end of the discrimination which now exists with respect to Alaska in the application of the United States Housing legislation.

Mr. Speaker, if Alaska were a State, we would not be obliged to apply for any such legislation, because a State would be able, if it chose, either by legislative act, or by constitutional amendment, to enjoy the advantages which may be obtained under the Housing Act. But since Alaska is a Territory with a legislature of limited powers, it is necessary for us to apply to Congress for an enlargement of those powers so that we may be placed in the same position, and no better position, than the States, and the Territory of Hawaii, and Puerto Rico.

It is hard to conceive of any sound objection which can be made to our request. Surely it will not be urged that the citizens of Alaska are in some lower status or category than the citizens of the 48 States and the citizens of Hawaii and the citizens of Puerto Rico, all of whom are citizens of the United States. Lord North had some such idea with respect to colonies and the citizens of colonies, but, as I understand, that idea of offshore or colonial inferiority has generally been abandoned and few indeed are the people in this Nation who now say publicly that because a citizen of the United States lives in Alaska or Hawaii or Puerto Rico, he is not deserving of all of the rights and privileges and immunities which are enjoyed by the citizens of the United States who may happen to reside in the States of Michigan or Wisconsin, or any other of the 48 States.

Mr. Speaker, I am particularly comforted by the fact that the gentleman from Michigan [Mr. WOLCOTT] has forcefully advanced the arguments in favor of the passage of this bill. The more so, because he is opposed, as I understand, to the general policy of the United States housing program. In spite of that opposition he is concerned to see justice and equity given to the citizens of Alaska. Those of us who live in the Territory are his debtors for thus so strongly advancing the cause of fair treatment and equal justice to all citizens of the United States wherever they may reside.

It cannot be fairly argued, Mr. Speaker, that the inclusion of Alaska with the 48 States and the Territories of Hawaii and Puerto Rico within the active scope of the United States housing program will take a single additional dollar out of the United States Treasury. The Delegate from Alaska has no vote in this House; Alaska has no representation whatever in the Senate; and Alaska, like Hawaii and Puerto Rico, is not even eligible for election of Presidential electors. And so it is obvious that the Appropriations Committees of the House and Senate will not increase the appropriations requested for carrying on the program of the United States Housing Authority because Alaska, if this bill be passed, may be eligible to share with the States and with Hawaii and Puerto Rico in the benefits of that program. The passage of this bill will not expand or enlarge the chances for such an increased appropriation for housing, because Alaska may be eligible to share in the housing benefits, by as much as 1 to 1,000,000,000,000,000, and the latter raised to the *n*th power. It would be simply frivolous to say that the passage of this bill will mean larger appropriations for carrying on the work of the United States Housing Authority.

And so, Mr. Speaker, I suggest that no valid argument can be offered in opposition to this bill unless the Members are willing to adopt the views of Lord North and say that because citizens of the United States happen to reside in its Territories they are not entitled to the benefits and rights which are unhesitatingly accorded to the citizens of the several States. Of course, I understand that no Member of this House is even thinking of advocating any such policy, and yet such a policy would constitute the only reasonable and logical justification for opposition to the enactment of this measure.

Before concluding I desire to put in the RECORD at this point the body of House report on the bill favoring its passage:

The Committee on the Territories, to whom was referred the bill (H. R. 8884) to authorize the Legislature of the Territory of Alaska to create a public corporate authority to undertake slum clearance and projects to provide dwelling accommodations for families of low-income and to issue bonds and other obligations of the authority for such purpose, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

The purpose of the bill is to enable the Legislature of the Territory of Alaska, through the creation of suitable public corporate authority, to undertake projects for slum clearance and to provide dwelling accommodations for families of low income.

Congress has heretofore enacted similar measures for the Territory of Hawaii (act, July 10, 1937, 50 Stat. 508) and for Puerto Rico (act, June 25, 1938, 52 Stat. 1203) under which both Hawaii and Puerto Rico have undertaken work similar to that which is contemplated for Alaska.

That there is widespread need for housing aid and slum clearance in Alaska was amply shown at the hearings on the bill. At the present time the work cannot be undertaken because the Legislature of Alaska does not possess sufficient authority, and the object of the bill is to enlarge the legislative authority of the Territory so as to enable the legislature to adopt and undertake such a program if it shall see fit to do so. By the two acts above mentioned, similar authority has already been given to the Legislatures of Hawaii and Puerto Rico.

If the bill is enacted and if the Legislature of Alaska creates the housing authority as outlined in the bill, that authority will be eligible to apply for assistance to the United States Housing Authority to undertake slum clearance and low-cost housing. Thus, the Territory of Alaska will be qualified to share with the States and with Hawaii and Puerto Rico in whatever help may be obtained through the United States Housing Authority.

In essence the bill is designed to give to the citizens of Alaska the same rights and privileges with respect to housing which have already been conferred upon the citizens of the 48 States and upon the citizens of Hawaii and Puerto Rico. Nothing further is designed or intended and nothing further can be done under the bill.

The bill has the approval of the Secretary of the Interior and the Bureau of the Budget as is indicated by a letter dated April 26 addressed to the chairman of the committee by the Secretary of the Interior, which is hereinafter set out. The bill does not call for or authorize or even suggest any appropriation from the United States Treasury.

The letter from the Secretary of the Interior is as follows:

APRIL 26, 1940.

Hon. LEX GREEN,
Chairman, Committee on the Territories, House of Representatives.

MY DEAR MR. GREEN: I have received your letter of March 14 requesting a report on H. R. 8884, a bill to authorize the Legislature of the Territory of Alaska to create a public corporate

authority to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority for such purposes, and for other purposes.

The purpose of this bill is to enable the Legislature of the Territory of Alaska to create a Territorial housing authority, in order that Alaska may participate in the benefits afforded by the United States Housing Act of 1937 (50 Stat. 888). This act authorizes the United States Housing Authority to furnish financial assistance to public housing agencies in States and Territories for undertaking slum clearance and low-rent housing. Alaska is specifically included in the provisions of the Housing Act, but before a public-housing agency may be created in the Territory, the legislature must enact covering legislation.

The legislative powers of the Territorial legislature are limited, however, by section 9 of the organic act of August 24, 1912 (37 Stat. 512), as amended. Although the legislature is permitted to enact legislation governing the creation of corporate bodies for designated purposes, it is not clear from the covering language of the organic act whether or not the legislature has been given the power to provide for a public body to undertake slum clearance and low-cost housing. H. R. 8884 would clearly authorize the legislature to enact such measures and thereby enable the Territory to profit by the United States Housing Act—an act in which Alaska is specifically included.

The provisions of the proposed legislation are similar in effect to those contained in the acts of Congress of 1937 and 1938 enabling the Legislatures of Hawaii (50 Stat. 508) and Puerto Rico (52 Stat. 1203) to create housing authorities:

Section 1 would authorize the creation of a housing authority by the Territorial legislature.

Section 2 would permit Territorial legislation covering the powers of the authority necessary to qualify for assistance under the United States Housing Act, specifying, however, that such powers shall not include the power of taxation nor any power to pledge the faith of the people of the Territory for any loan whatever.

Section 3 would authorize the legislature to provide for the issuance of bonds and other obligations, but would prohibit such authority from issuing any obligations as debts of the Territory or any body other than the Territorial housing authority.

The bill appears to me to be in the interest of Alaska, is in accord with the policy established by existing Federal law on the same subject, and I recommend its passage as written.

I am advised by the Director of the Bureau of the Budget that there is no objection to presenting this report to the Congress.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

CUMBERLAND GAP NATIONAL HISTORICAL PARK

The Clerk called the next bill, H. R. 9394, to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when title to all the lands, structures, and other property in the Cumberland Gap-Cumberland Ford areas, being portions of the Warriors Path of the Indians and Wilderness Road of Daniel Boone, within Bell and Harlan Counties, Ky.; Lee County, Va.; and Claiborne County, Tenn.; as may be determined by the Secretary of the Interior as necessary or desirable for national historical park purposes, shall have been vested in the United States such area or areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and inspiration of the people and shall be known as the "Cumberland Gap National Historical Park": *Provided*, That the United States shall not purchase by appropriation of public moneys any lands within the aforesaid areas: *Provided further*, That such area or areas shall include at least the following features and intervening lands: Cumberland Gap, The Pinnacle, the remaining fortifications of the War between the States, Soldiers Cave, King Solomon's Cave, Devils Garden, Sand Cave, The Doublings, White Rocks, Rocky Face, Moore Knob, and that portion of the Warriors Path and Daniel Boone's Wilderness Road extending from the city of Cumberland Gap, Tenn., to Cumberland Ford, near Pineville, Ky.

SEC. 2. The total area of the Cumberland Gap National Historical Park, as determined pursuant to this act, shall not exceed 50,000 acres, and shall not include any land within the city limits of Middlesboro and Pineville, Ky.; Cumberland Gap, Tenn.; or any lands adjacent thereto which the proper officials thereof shall indicate to the Secretary of the Interior prior to the establishment of said park are required for expansion of said cities.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of the said historical park as determined and fixed hereunder, and donations of funds for the purchase and maintenance thereof: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within said historical park as may be necessary for the completion thereof.

SEC. 4. The administration, protection, and development of the aforesaid national historical park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes," as amended.

With the following committee amendment:

Page 3, at the end of line 10, add the following: "The title to any lands or interests in lands to be acquired pursuant to this act shall be satisfactory to the Secretary of the Interior.

The committee amendment was agreed to.

Mr. REECE of Tennessee. Mr. Speaker, this bill providing for the establishment of Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia is a most meritorious proposal and one which has the approval of the Department of the Interior.

The Committee on the Public Lands recently held a thorough hearing on the bill, at which representatives from the three States appeared in support of it.

The proposal to establish a national historical park in the Cumberland Gap area has attracted favorable comment among historians, naturalists, conservationists, and others interested in preserving the highly interesting historical aspects and the natural beauty of this area.

Cumberland Gap is one of the most historical passes in America and ranks with the most interesting mountain passes in the world. The first white man to pass through this gap, so far as is known, was Dr. Thomas Walker, of Virginia, who, with five companions, passed through this gateway in 1750, going into what is now Kentucky; but the aborigines had been passing through it for ages in their trips to the South and Southeast. George Rogers Clark likewise passed through Cumberland Gap, after which he won his victory at Vincennes, Ind., except for which the western boundary of the United States might well have been the Cumberland Range. Dr. Walker, when he first visited this place, suggested its name in honor of the Duke of Cumberland. There followed Daniel Boone and many other historical characters.

This is veritably a land of beauty as well as history. There is a greater variety of flora in the southern Appalachian Mountains than in any part of the United States. It is a land of magnolias, azaleas, rhododendron, and a hundred other varieties of beautiful shrubbery and flora. It is highly important that this remarkable area be conserved and protected for the benefit of posterity.

In my opinion, it will become one of the most popular small parks in America, and, due to its close proximity to the Great Smoky Mountains, Norris Dam, and Mammoth Cave, it will become immediately accessible to the millions who will visit these areas annually.

This is a proposal in which I have been greatly interested for a number of years, and it gives me a great deal of personal satisfaction to see it coming to a successful conclusion.

I want to express my appreciation to the chairman and members of the Committee on the Public Lands for their careful consideration of the bill, resulting in an unanimous favorable report.

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.

GOVERNMENT PRINTING OFFICE

The Clerk called the next business, Senate Joint Resolution 71, relating to pay to certain employees of the Government Printing Office for uncompensated leave earned during the fiscal year 1932.

Mr. CONNERY. Mr. Speaker, acting on an agreement with the ranking minority member of the Committee on Printing, the gentleman from Pennsylvania [Mr. RICH], who finds it impossible to be in the Chamber at the time this joint resolution is called, I ask that the joint resolution may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BIOGRAPHICAL CONGRESSIONAL DIRECTORY

The Clerk called the next business, House Concurrent Resolution 54.

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

Mr. KEAN. Mr. Speaker, reserving the right to object, there is no money in the Treasury today. This directory is not a necessity. Until the Nation's finances are in better condition I think we should be glad to forego this sort of luxury.

I ask unanimous consent that this joint resolution may be passed over without prejudice.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I hope the gentleman will withhold his request, for to discontinue the continued publication of this biography at the present time—the last compilation was made in 1928—would be practically a waste of the money originally spent on this valuable work.

This work consists of the compilation of biographies of every Member who ever served in this body. Since the 1928 edition was printed, approximately 1,000 Members have served in the House of Representatives whose names are not included in that compilation. The pending bill would provide for a continuation of this work. It is a necessity, not only as a work of reference but it is something that should be handed down to posterity as historical data. I hope the gentleman will not object to the joint resolution. Seventy of the present 96 Members of the Senate do not appear at all in the present compilation, and the names of some 362 Members of the House of the present session of Congress are also without recognition.

When the edition was published in 1928 it was done so only after tremendous research and at considerable expense. With the close of the present session of Congress bringing with it a national election, it seems fitting that if this work is to be continued at all this is the year to do it. This bill will bring these biographies up to date as of December 31, 1940. The biographical matter contained in the present Congressional Directories is entirely inadequate, as many Members of the House and Senate, now as in the past, exemplifying great modesty, have refrained from placing important items concerning their careers within those pages. Their great deeds and the history of their important careers should be handed down to posterity, both for historical preservation as well as reference, hence the need of the revision of the 1928 edition at this time. I hope the gentleman will withdraw his request so that this joint resolution may pass.

Mr. KEAN. May I not say to the gentleman from Massachusetts that this will cost $36,000? It is not a necessity, and I must renew my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey that the joint resolution be passed over without prejudice?

There was no objection.

OFFICERS' RESERVE CORPS OF THE ARMY

The Clerk called the next bill, S. 3198, to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That officers of the Officers' Reserve Corps of the Army shall be entitled to an allowance for uniforms and equipment of $50 per annum upon completion, in separate fiscal years, of each of their first three periods of active-duty training of 3 months or less, following their original appointment, during which periods the uniform is required to be worn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill (H. R. 9394) recently passed, and to insert them in the RECORD at the point where the bill was considered.

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

There was no objection.

GEOLOGICAL SURVEY LIBRARY

The Clerk called the next bill, S. 1542, to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, is authorized to acquire for the United States, by gift or devise, scientific or technical books, manuscripts, maps, and related materials, and to deposit the same in the library of the Geological Survey for reference and use as authorized by law.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOCUMENTATION OF CERTAIN VESSELS

The Clerk called the next bill, H. R. 8283, to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316) is amended to read as follows:

"SEC. 4370. (a) It shall be unlawful for any vessel not wholly owned by a person who is a citizen of the United States within the meaning of the laws respecting the documentation of vessels and not having in force a certificate of registry, a certificate of enrollment, or a license, issued pursuant to title XLVIII or title L of the Revised Statutes, or a certificate of award of number issued pursuant to the act of June 7, 1918, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 288), to tow any vessel other than a vessel of foreign registry, or a vessel in distress, from any port or place in the United States, its Territories or possessions, embraced within the coastwise laws of the United States, to any other port or place within the same, either directly or by way of a foreign port or place, or to do any part of such towing, or to tow any such vessel, from point to point within the harbors of such places. The owner and master of any vessel towing another vessel in violation of the provisions of this section shall each be liable to a fine of not less than $250 nor more than $1,000, which fines shall constitute liens upon the offending vessel enforceable through the district court of the United States for any district in which such vessel may be found, and clearance shall not be granted to such vessel until the fines have been paid. The towing vessel shall also be further liable to a penalty of $50 per ton on the measurement of every vessel towed in violation of this section, which sum may be recovered by way of libel or suit.

"(b) The term 'person' as used in subsection (a) of this section, shall be held to include persons, firms, partnerships, associations, organizations, and corporations, doing business or existing under or by the authority of the laws of the United States, or of any State, Territory, district, or other subdivision thereof.

"(c) Any foreign railroad company or corporation, whose road enters the United States by means of a ferry, tugboat, or towboat, may own such vessel and operate the same in connection with the water transportation of the passenger, freight, express, baggage, and mail cars used by such road, together with the passengers, freight, express matter, baggage, and mails transported in such cars, without being subject to any other or different restrictions than those imposed by law on any vessel of the United States entering ports of the United States from ports in the same foreign country: *Provided*, That except as authorized by section 27 of the Merchant Marine Act, 1920, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 883), such ferry, tugboat, or towboat shall not, under penalty of forfeiture, be used in connection with the transportation of any merchandise shipped from any port or place in the United States, its Territories or possessions, embraced within the coastwise laws of the United States, to any other port or place within the same.

"(d) No foreign vessel shall, under penalty of forfeiture, engage in salvaging operations on the Atlantic or Pacific coast of the United States, in Alaska, in any portion of the Great Lakes or their connecting or tributary waters, including any portion of the Saint Lawrence River through which the international boundary line extends, or in territorial waters of the United States on the Gulf of Mexico, except when authorized by a treaty or in accordance with the provisions of the act of June 19, 1878, as amended (U. S. C., 1934 ed., title 46, sec. 725): *Provided, however*, That if, on investigation, the Secretary of Commerce is satisfied that no suitable vessel wholly owned by a person who is a citizen of the United States and documented under the laws of the United States or numbered pursuant to the act of June 7, 1918, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 288), is available in any particular locality he may authorize the use of a foreign vessel or vessels in salvaging operations in that locality and no penalty shall be incurred for such authorized use.

"(e) Nothing in this section shall be held or construed to prohibit or restrict any assistance to vessels or salvage operations authorized by article II of the treaty between the United States and Great Britain 'concerning reciprocal rights for United States and Canada in the conveyance of prisoners and wrecking and salvage,' signed at Washington, May 18, 1908 (35 Stat. 2036), or by the treaty between the United States and Mexico 'to facilitate assistance to and salvage of vessels in territorial waters,' signed at Mexico City, June 13, 1935 (49 Stat. 3359)."

With the following committee amendment:

Page 3, line 25, strike out the words "in Alaska."

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.

AUTHORIZING TRANSFER OF FUNDS TO COVER ADVANCES FOR CROP INSURANCE

The Clerk called the next bill, H. R. 9594, to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, be amended by adding the following sentence at the end thereof: "In carrying out the provisions of this subsection, the Secretary may transfer to the Federal Crop Insurance Corporation, prior to the execution of applications for insurance or requests for advances by producers, the funds estimated as necessary to cover the advances which will be requested for the payment of premiums under a crop-insurance program, and any portion of such funds not used for advances to producers under such program shall be returned to the Secretary by the Federal Crop Insurance Corporation."

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 lead on the table.

AMENDING THE PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930, AS AMENDED

The Clerk called the next bill, H. R. 8628, to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (4) of section 1 of the Perishable Agricultural Commodities Act, 1930, as amended (relating to the definition of "perishable agricultural commodity"), is amended to read as follows:

"(4) The term 'perishable agricultural commodity'—

"(A) Means any of the following, whether or not frozen or packed in ice: Fresh fruits and fresh vegetables of every kind and character; and

"(B) Includes cherries in brine as defined by the Secretary in accordance with trade usages;".

SEC. 2. Paragraph (6) (C) of section 1 of such act, as amended (relating to the definition of "dealer"), is amended by inserting after the word "ice" a comma and the following: "or consists of cherries in brine,".

SEC. 3. Paragraph (1) of section 2 of such act, as amended (relating to the definition of "unfair conduct"), is amended to read as follows:

"(1) For any commission merchant, dealer, or broker to engage in or use any unfair, unreasonable, discriminatory, or deceptive practice in connection with the weighing, counting, or in any way determining the quantity of any perishable agricultural commodity received, bought, sold, shipped, or handled in interstate or foreign commerce;".

SEC. 4. Paragraph (5) of section 2 of such act, as amended (relating to the definition of "unfair conduct"), is amended by inserting after "quality," the following: "quantity, size, pack, weight,".

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.

ALTERATION OF CERTAIN BRIDGES AND APPORTIONMENT OF COSTS THEREOF

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 9381, to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes, No. 797 on the Union Calendar, which was inadvertently omitted from the Consent Calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. HOBBS. Mr. Speaker, this is a bill which was passed by the Congress last year without an objection or a dissenting vote. The President vetoed the bill after the Congress had adjourned.

A letter written by Senator HARRY S. TRUMAN to the chairman of the Bridge Subcommittee of the Interstate and Foreign Commerce Committee of the House, will explain the amendments which appear on pages 2, 5, and 6 of the new bill, H. R. 9381:

WASHINGTON, D. C., *April 22, 1940.*

Hon. VIRGIL CHAPMAN,
Chairman, Bridge Committee, House Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR MR. CHAPMAN: While I may not, because of the rule of protocol against quoting the President, state exactly what he said to me, yet I may with propriety certify the clear understanding I gained from a personal interview with the President.

Therefore, I certify H. R. 9381 is in complete and perfect accord with my clear understanding, so gained, of the wishes of the President with respect to that legislation.

H. R. 9381 is essentially the same bill passed by the Senate and the House last year in which have been incorporated amendments that I am sure will make it acceptable to the President.

Sincerely yours,

HARRY S. TRUMAN.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

Mr. DARDEN of Virginia. Mr. Speaker, reserving the right to object, I am in accord with the gentleman's bill, but may I inquire if that was not included as a part of the transportation bill?

Mr. HOBBS. No, sir; that is not true.

Mr. DARDEN of Virginia. Was it not a part of the bill when it passed the House last year?

Mr. HOBBS. Yes, sir.

Mr. DARDEN of Virginia. It was stricken out by the conferees?

Mr. HOBBS. Yes, sir; or at least the Senate conferees would not agree to incorporate it in the conference report.

Mr. DARDEN of Virginia. They assigned as their reason the fact it had been vetoed?

Mr. HOBBS. Not exactly, as I understand it. It was not in the Senate version. It was in the House version. The conferees preferred that it be done this way.

There is no objection from any source whatsoever. It comes in here with a unanimous report of the great Interstate Commerce Committee. It has the unanimous support of all 21 of the railroad brotherhoods and of every railroad in the country. It also is recommended in the unanimous report of the President's Committee of Six appointed to study the whole field of railway problems. The President selected and appointed to serve on this Committee of Six representatives of railway management, railway labor, and of the public. It was a group of men of outstanding ability, honesty, and patriotism. They studied the question presented by this bill exhaustively. Their unanimous report advocating the passage of such a bill should be given great weight.

The philosophy of this bill is taken from the decision of the Supreme Court of the United States in the case of *N. C. & St. L. R. R. Co.* v. *Walters* (294 U. S. 405), relating to the analogous problem arising there as to the elimination of grade crossings of railways by highways. The same reasoning applies with equal force to the equities arising when the Army engineers order the remodeling of a railway bridge crossing a navigable stream because of the needs of navigation.

This bill does not seek to diminish the authority nor power of the Army engineers by one iota. It leaves the determination of the equities entirely in their hands. It simply requires them to ascertain the equities and after charging the affected railroad with all the benefits, past, present, and future, accruing to it, if in equity and good conscience they determine that there is a balance which should be paid by the Government for the benefit of navigation, they should so adjudge. In the event of such adjudication it is provided that the Government should make such contribution as may have been held to be equitable in the particular case.

In view of Senator TRUMAN's assurance that the amendments incorporated in the new bill meet the objections of the President, it is confidently expected that the President will approve the pending bill when passed by both Houses of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.

DEFINITIONS

SECTION 1. When used in this act, unless the context indicates otherwise—

The term "alteration" includes changes of any kind, reconstruction, or removal in whole or in part.

The term "bridge" means a lawful bridge over navigable waters of the United States, including approaches, fenders and appurtenances thereto, used and operated for the purpose of carrying railroad traffic, or both railroad and highway traffic.

The term "bridge owner" means any corporation, association, partnership, or individual owning any bridge, and, when any bridge shall be in the possession or under the control of any trustee, receiver, trustee in bankruptcy, or lessee, said term shall include both the owner of the legal title and the person or entity in possession or control of such bridge.

The term "bridge owner" shall also mean and include all joint owners, particularly States, counties, municipalities, or other participants in ownership of bridges for both railroad and highway traffic.

The term "Secretary" means the Secretary of War acting directly or through the Chief of Engineers.

The term "United States", when used in a geographical sense, includes the Territories and possessions of the United States.

OBSTRUCTION OF NAVIGATION

SEC. 2. No bridge shall at any time unreasonably obstruct the free navigation of any navigable waters of the United States.

NOTICE, HEARINGS, AND FINDINGS

SEC. 3. Whenever any bridge shall, in the opinion of the Secretary, at any time unreasonably obstruct such navigation, it shall be the duty of the Secretary, after notice to interested parties, to hold a hearing at which the bridge owner, those interested in water navigation thereunder or therethrough, those interested in either railroad or highway traffic thereover, and any other party or parties in interest shall have full opportunity to offer evidence and be heard as to whether any alteration of such bridge is needed, and if so what alterations are needed, having due regard to the necessity of free and unobstructed water navigation and to the necessities of the rail or highway traffic. If, upon such hearing, the Secretary determines that any alterations of such bridge are necessary in order to render navigation through or under it reasonably free, easy, and unobstructed, having due regard also for the necessities of rail or highway traffic thereover, he shall so find and shall issue and cause to be served upon interested parties an order requiring such alterations of such bridge as he finds to be reasonably necessary for the purposes of navigation.

SUBMISSION AND APPROVAL OF GENERAL PLANS AND SPECIFICATIONS

SEC. 4. It shall be the duty of the bridge owner to prepare and submit to the Secretary, within 90 days after service of his order, general plans and specifications to provide for the alteration of such bridge in accordance with such order, and for such additional alteration of such bridge as the bridge owner may desire to meet the necessities of railroad or highway traffic, or both. The Secretary may approve or reject such general plans and specifications, in whole or in part, and may require the submission of new or additional plans and specifications, but when the Secretary shall have approved general plans and specifications, they shall be final and binding upon all parties unless changes therein be afterward approved by the Secretary and the bridge owner.

CONTRCTS FOR PROJECT; GUARANTY OF COST

SEC. 5. After approval of such general plans and specifications by the Secretary, and within 90 days after notification of such approval, the bridge owner shall, in such manner as the Secretary may prescribe, take bids for the alteration of such bridge in accordance with such general plans and specifications. All bids, including any bid for all or part of the project submitted by the bridge owner, shall be submitted to the Secretary, together with a recommendation by the bridge owner as to the most competent bid or bids, and at the same time the bridge owner shall submit to the Secretary a written guaranty that the total cost of the project, including the cost of such work as is to be performed by the bridge owner and not included in the work to be performed by contract, shall not exceed the sum stated in said guaranty. The Secretary may direct the bridge owner to reject all bids and to take new bids, or may authorize the bridge owner to proceed with the project, by contract, or partly by contract and partly by the bridge owner, or wholly by the bridge owner. Upon such authorization and fixing of the proportionate shares of the cost as provided in section 6, the bridge owner shall, within a reasonable time to be prescribed by the Secretary, proceed with the work of alteration; and the cost thereof shall be borne by the United States and by the bridge owner, as hereinafter provided.

APPORTIONMENT OF COST

SEC. 6. At the time the Secretary shall authorize the bridge owner to proceed with the project, as provided in section 5, and after an opportunity to the bridge owner to be heard thereon, the Secretary shall determine and issue an order specifying the proportionate shares of the total cost of the project to be borne by the United States and by the bridge owner. Such apportionment shall be made on the following basis: The bridge owner shall bear such part of the cost as is attributable to the direct and special benefits which will accrue to the bridge owner as a result of the alteration, including the expectable savings in repair or maintenance costs; and that part of the cost attributable to the requirements of traffic by railroad or highway, or both, including any expenditure for increased carrying capacity of the bridge, and including such proportion of the actual capital cost of the old bridge or of such part of the old bridge as may be altered or changed or rebuilt, as the used service life of the whole or a part, as the case may be, bears to the total estimated service life of the whole or such part: *Provided*, That the part of the cost of alteration of any bridge for both highway and railroad traffic, attributable to the requirements of traffic by highway, shall be borne by the proprietor of the highway: *Provided further*, That in the event the alteration or relocation of any bridge may be desirable for the reason that the bridge unreasonably obstructs navigation, but also for some other reason, the Secretary may require equitable contribution from any interested person, firm, association, corporation, municipality, county, or State desiring such alteration or relocation for such other reason, as a condition precedent to the making of an order for such alteration or relocation. The United States shall bear the balance of the cost, including that part attributable to the necessities of navigation.

PAYMENT OF SHARE OF THE UNITED STATES

SEC. 7. When the Secretary shall have approved the general plans and specifications for the alteration of such bridge and the guaranty with respect to the cost thereof, and shall have fixed the proportionate shares thereof as between the United States and the bridge owner, he shall furnish to the Secretary of the Treasury a certified copy of his approval of such plans and specifications and guaranty, and of his order fixing the proportionate shares of the United States and of the bridge owner, and the Secretary of the Treasury shall thereupon set aside, out of any appropriation available for such purpose, the share of the United States payable under this act on account of the project. When the Secretary finds that such project has been completed in accordance with his order, he shall cause to be paid to the bridge owner, out of the funds so set aside, the proportionate share of the total cost of the project allocated to the United States; or he may, in his discretion, from time to time, cause payments to be made on such construction costs as the work progresses. The total payments out of Federal funds shall not exceed the proportionate share of the United States of the total cost of the project paid or incurred by the bridge owner, and, if such total cost exceeds the cost guaranteed by the bridge owner, shall not exceed the proportionate share of the United States of such guaranteed cost, except that if the cost of the work exceeds the guaranteed cost by reason of emergencies, conditions beyond the control of the owner, or unforeseen or undetermined conditions, the Secretary may, after full review of all the circumstances, provide for additional payments by the United States to help defray such excess cost to the extent he deems to be reasonable and proper, and shall certify such additional payments to the Secretary of the Treasury for payment. All payments to any bridge owner herein provided for shall be made by the Secretary of the Treasury through the Division of Disbursement upon certifications of the Secretary of War.

APPROPRIATION AUTHORIZED

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

FAILURE TO COMPLY WITH ORDERS; PENALTIES; REMOVAL OF BRIDGE

SEC. 9. Any bridge owner who shall willfully fail or refuse to comply with any lawful order of the Secretary, made in accordance with the provisions of this act, shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished in any court of competent jurisdiction by a fine not exceeding $5,000, and every month such bridge owner shall remain in default shall be deemed a new offense and subject such bridge owner to additional penalties therefor. In addition to the penalties above prescribed the Secretary may, upon the failure or refusal of any bridge owner to comply with any lawful order issued by the Secretary in regard thereto, cause the removal of any such bridge and accessory works at the expense of the bridge owner; and suit for such expense may be brought in the name of the United States against such bridge owner and recovery had for such expense in any court of competent jurisdiction. The removal of any bridge erected or maintained in violation of the provisions of this act or the order or direction of the Secretary made in pursuance thereof, and compliance with any order of the Secretary made with respect to any bridge in accordance with the provisions of this act, may be enforced by injunction, mandamus, or other summary process upon application to the district court of any district in which such bridge may, in whole or in part, exist, and proper proceedings to this end may be instituted under the direction of the Attorney General of the United States at the request of the Secretary.

REVIEW OF FINDINGS AND ORDERS

SEC. 10. Any order made or issued under section 6 of this act may be reviewed by the circuit court of appeals for any judicial circuit in which the bridge in question is wholly or partly located if a petition for such review is filed within 3 months after the date such order is issued. The judgment of any such court shall be final except that

it shall be subject to review by the Supreme Court of the United States upon certification or certiorari, in the manner provided in sections 239 and 240 of the Judicial Code, as amended. The review by such Court shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive. Upon such review such Court shall have power to affirm or, if the order is not in accordance with law, to modify or to reverse the order, with or without remanding the case for a rehearing as justice may require. Proceedings under this section shall not operate as a stay of any order of the Secretary issued under provisions of this act other than section 6, or relieve any bridge owner of any liability or penalty under such provisions.

REGULATIONS AND ORDERS

SEC. 11. The Secretary is authorized to prescribe such rules and regulations, and to make and issue such orders, as may be necessary or appropriate for carrying out the provisions of this act.

EXISTING PROVISIONS OF LAW

SEC. 12. (a) The first sentence of section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906 (U. S. C., 1934 ed., title 33, sec. 494), and section 18 of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899 (U. S. C., 1934 edition, title 33, sec. 502), shall be inapplicable with respect to any bridge to which the provisions of this act are applicable, except to the extent provided in this section.

(b) Any bridge, the construction, reconstruction, or alteration of which was required by an order of the Secretary issued prior to July 1, 1939, and was not completed on such date, and in the case of which no penalties have accrued at the time of the enactment of this act, shall be constructed, reconstructed, or altered as required by such order, and not in accordance with the provisions of this act. In the case of any such bridge, however, the Secretary shall apportion the cost of the project between the bridge owner and the United States, and payment of the share of the United States shall be made in the same manner as if the provisions of this act applied to such construction, reconstruction, or alteration, subject to the following limitations:

(1) In case such construction, reconstruction, or alteration has not begun on or before April 1, 1940, such apportionment of cost shall be made only if (A) the construction, reconstruction, or alteration is carried out in accordance with plans and specifications, and pursuant to bids, approved by the Secretary, and (B) the bridge owner has submitted to the Secretary a written guaranty of cost as provided for in section 5.

(2) The Secretary's determination as to such apportionment and as to such plans and specifications and bids shall be final.

(3) Such apportionment shall not be made if such construction, reconstruction, or alteration is not completed within the time fixed in such order of the Secretary or within such additional time as the Secretary, for good cause shown, may allow.

(c) Any bridge (except a bridge to which subsection (b) applies) the construction, reconstruction, or alteration of which was required by an order of the Secretary issued prior to July 1, 1939, and was not begun before such date, shall be subject to the provisions of this act as though such order had not been issued, and compliance with the provisions of this act and with such orders as may be issued thereunder shall be considered to constitute compliance with such order issued prior to July 1, 1939, and with the provisions of law under which it was issued.

RELOCATION OF BRIDGES

SEC. 13. If the owner of any bridge used for railroad traffic and the Secretary shall agree that in order to remove an obstruction to navigation, or for any other purpose, a relocation of such bridge or the construction of a new bridge upon a new location would be preferable to an alteration of the existing bridge, such relocation or new construction may be carried out at such new site and upon such terms as may be acceptable to the bridge owner and the Secretary, and the cost of such relocation or new construction, including also any expense of changes in and additions to rights-of-way, stations, tracks, spurs, sidings, switches, signals, and other railroad facilities and property, and relocation of shippers required for railroad connection with the bridge at the new site, shall be apportioned as between the bridge owner and the United States in the manner which is provided for in section 6 hereof in the case of an alteration and the share of the United States paid from the appropriation authorized in section 8 hereof: *Provided*, That nothing in this section shall be construed as requiring the United States to pay any part of the expense of building any bridge across a navigable stream which the Secretary of War shall not find to be, in fact, a relocation of an existing bridge.

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.

RIVER AND HARBOR BILL

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 51, and 100.

That the House recede from its disagreement to the amendments of the Senate numbered 1 to 16, inclusive; 18 to 50, inclusive; 52 to 63, inclusive; 65 to 77, inclusive; 79 to 184, inclusive; 186 to 201, inclusive; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following:

"Guadalupe River, Texas: The construction of the nine-foot navigation channel from the Intracoastal Waterway to a point about three miles above Victoria as recommended in sub-paragraph (a) of paragraph 2, page 2, in House Document Numbered 247, Seventy-sixth Congress, First Session."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: After the word "Harbor" insert the word "California;"; And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows: Strike out the word "Michigan" and insert in lieu thereof the word "Wisconsin"; And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with amendments as follows: In lieu of the figures "$144,754,450" insert the figures "$109,985,450"; and after the word "herein" strike out the words "over the seven-year period beginning July 1, 1941", and insert in lieu thereof the word "adopted"; And the Senate agree to the same.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
CHAS. L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House carried authorizations for the improvement of 69 new projects in the amount of $83,848,100. The Senate by amendment struck from the House bill all but strictly navigation projects, thus eliminating 3 projects amounting to $10,220,000 and added 92 navigation projects to cost $71,184,350, making a grand total of $144,804,450.

As a result of the conference, the following project items of the House bill were eliminated:

East River, N. Y.	$34,509,000
Caloosahatchee and Lake Okeechobee drainage area, Florida	3,960,000
Guadalupe River, Tex. (flood control and power)	8,500,000
Sacramento River flood control, California	1,600,000
Bayocean Peninsula, Oreg.	120,000
Total	45,689,000

Item restored to the bill by the conferees:

Guadalupe River, Tex., navigation improvement	$3,700,000

As the result of the conference the amount authorized to be appropriated has been reduced to $109,985,450.

Projects in detail

An itemized list of the projects with first cost, as the bill passed the House of Representatives, is as follows:

Northeast Harbor, Maine	$94,500
Hendricks Harbor, Maine	6,000
Josias River, Maine	32,000
Boston Harbor, Mass.	103,000
Clinton Harbor, Conn.	21,900
Norwalk Harbor, Conn.	29,500
Greenwich Harbor, Conn.	31,000
Northport Harbor, N. Y.	15,000
Orowoc Creek, N. Y.	15,200
Peconic River, N. Y.	20,000
Shark River, N. J.	118,000

Projects in detail—Continued

New Jersey Intracoastal Waterway	$2,100,000
Mill Creek, Md	4,200
Black Walnut Harbor, Md	21,000
Town Creek, Md	25,000
Lower Thoroughfare, Deals Island, Md	22,000
Duck Point Cove, Md	19,500
Channel to Island Creek, Md	10,000
St. Catherines Sound, Md	10,900
Susquehanna River, above and below Havre de Grace, Md	18,000
Waterway on the coast of Virginia (Inland Waterway from Chesapeake Bay to Chincoteague Bay)	263,000
Appomattox River, Va	110,000
Norfolk Harbor, Va	35,000
Inland Waterway from Norfolk, Va., to Beaufort, N. C	39,000
Chowan River, N. C., and Blackwater River, Va	135,000
Channel from Pamlico Sound to Rodanthe, N. C	5,000
Channel from Edenton Bay into Pembroke Creek, N. C	9,500
Rollinson Channel, N. C	27,000
Swan Quarter Bay, waterway, North Carolina	22,500
Cape Fear River, N. C	675,000
Abbapoola Creek, S. C	10,800
Russell Creek, S. C	15,500
Winyah Bay, S. C	1,260,000
Charleston Harbor, S. C	465,000
Channel from the Intracoastal Waterway to Vero Beach, Fla	7,300
Channel from Apalachicola River to St. Andrews Bay, Fla	81,000
Anclote River, Fla	10,000
Warrior and Tombigbee Rivers, Ala. and Miss	6,750,000
Mobile Harbor, Ala	57,000
Bayou Galere, Miss	6,000
Biloxi Harbor, Miss	4,000
Mississippi River at the mouth, Louisiana	4,200,000
Louisiana-Texas Intracoastal Waterway	5,200,000
Houston Ship Channel, Tex	3,696,300
Guadalupe River, Tex	8,500,000
Ouachita River and Black River, Ark. and La	[1]
Mississippi River between Ohio River and Missouri River	10,290,000
Mississippi River, Red Wing Harbor, Minn	11,500
Mississippi River at Cochrane, Wis	33,000
Calumet-Sag Channel and Indiana Harbor and Canal, Ill. and Ind	25,900,000
Missouri River, Sioux City to the mouth	6,000,000
Baudette Harbor, Minn	15,000
Menominee Harbor and River, Mich. and Wis	[1]
Green Bay Harbor, Wis	56,000
Milwaukee Harbor, Wis	110,000
Calumet Harbor and River, Ill. and Ind	910,000
St. Joseph Harbor, Mich	74,000
Cleveland Harbor, Ohio	191,000
Erie Harbor, Pa	33,000
Rochester Harbor, N. Y	10,000
Oswego Harbor, N. Y	1,000,000
Monterey Harbor, Calif	74,000
Sacramento River flood control, California	1,600,000
Columbia River at Camas, Wash	45,000
Bayocean Peninsula, Oreg	120,000
Columbia River at Arlington, Oreg	39,000
Tacoma Harbor, Wash	160,000
Wrangell Narrows, Alaska	2,731,000
Metlakahtla Harbor, Alaska	120,000
Meyers Chuck Harbor, Alaska	25,000

[1] Modification.

Projects added to the bill by Senate amendments to which the House receded

Amendment No.	House Document No.	Title of report	Estimated cost
2	560	Portland Harbor, Maine	$780,000
3	701	Salem Harbor, Mass	43,000
4	703	Newburyport Harbor, Mass	68,000
5	362	Boston Harbor, Mass	2,300,000
7	568	Nantasket (Hull) Gut and Weymouth Fore River, Mass	141,000
8	425	Cohasset Harbor, Mass	62,000
9	557	Wellfleet Harbor, Mass	64,000
10	365	Menemsha Creek, Mass	37,500
11	368	Connecticut River Below Hartford	72,900
12	367	Thames River, Conn	120,000
13	307	New Haven Harbor, Conn	2,508,000
14	697	Larchmont Harbor, N. Y	52,000
15	700	Jamaica Bay, N. Y	270,000
16	369	Lake Montauk Harbor, N. Y	105,000
18	430	Passaic River, N. J	(1)
19	673	Compton Creek, N. J	16,000
20	580	Delaware River, Philadelphia to Sea	1,036,000
21	658	Wilmington Harbor, Del	(1)
22	330	Indian River, Del	151,000
23	429	Pocomoke River, Md	4,250
24	457	Crisfield Harbor, Md	(1)
25	556	Middle River and Dark Head Creek, Md	54,000
26	465	Cadle Creek, Md	5,500
27	687	Cranes Creek, Va	7,500

[1] Modification of project at no additional cost.

Projects added to the bill by Senate amendments to which the House receded—Continued

Amendment No.	House Document No.	Title of report	Estimated cost
28	285	Urbanna Creek, Va	$9,600
29	686	Totuskey, Va	44,000
30	381	Broad Creek, Va	20,500
31	582	Whitings Creek, Va	11,500
32	671	Pamunkey River, Va	10,000
33	559	Hampton Creek, Va	15,000
34	358	Onancock River, Va	(1)
35	683	Norfolk Harbor, Va	182,000
36	325	Silver Lake Harbor, N. C	60,000
37	316	Pamlico Sound to Avon, N. C	16,500
38	S87	Thoroughfare Bay to Cedar Bay, N. C	20,000
39	334	Beaufort Harbor, N. C	54,000
40	660	Beaufort to Cape Fear River Waterway	24,000
41	313	Manteo to Oregon Inlet, N. C	45,000
42	S83	Cape Fear River Below Wilmington, N. C	790,000
43	S170	Northeast Cape Fear River, N. C	73,000
44	327	Myrtle Beach, S. C., Anchorage Basin	11,000
45	602	Beresford Creek, S. C	21,000
46	283	Savannah Harbor, Ga	281,000
47	603	St. Johns River, Fla., Jacksonville to Lake Harney	290,000
48	336	Sebastian, Fla., to Intracoastal Waterway	19,000
49	553	New River, Fla	60,000
50	470	Miami Harbor, Fla	800,000
52	696	Waterway From Punta Rasa to Stuart and Fort Pierce, Fla	208,000
53	371	Caloosahatchee River to Withlacoochee River Waterway, Fla	3,200,000
54	552	Little Manatee River, Fla	77,000
55	342	Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla	6,500,000
56	442	Apalachicola Bay to St. Marks River Intracoastal Waterway	32,500
57	555	Watson Bayou, Fla	(1)
58	282	Mobile Harbor, Ala., Airport Channel	55,000
59	333	Dauphin Island Bay, Ala	23,000
60	281	Bayou La Batre, Ala	27,500
61	326	Biloxi Harbor, Miss	6,000
62	685	Sabine-Neches Waterway, Tex	10,000
64	247	Guadalupe River, Tex	3,700,000
65	337	Chocolate and Bastrop Bayous and Oyster Creek, Tex	108,000
66	314	Lavaca and Navidad Rivers, Tex	85,000
67	428	Louisiana and Texas Intracoastal Waterway (Barroom Bay), Tex	6,300
68	335	Brazos Island Harbor, Tex	127,500
69	------	Mississippi River, Lock and Dam at Alton, Ill	(1)
70	547	Mississippi River at St. Paul, Minn	88,800
71	137	Modifies Project for Upper Mississippi River, Adopted in 1935, for Liquidating Damages to Drainage Districts	(1)
72	661	Grand Haven Harbor and Grand River, Mich	150,000
73	------	Cleveland Harbor, Ohio, Modification of Existing Project	(1)
74	328	Sandusky Harbor, Ohio	(1)
75	679	Wilson Harbor, N. Y	131,000
76	363	Cape Vincent Harbor, N. Y	59,000
77	682	Noyo River, Calif	600,000
78	688	Crescent City Harbor, Calif	1,610,000
79	672	Coquille River, Oreg	(1)
80	S86	Umpqua River and Harbor, Oreg	55,000
81	551	Salmon River, Oreg	5,000
82	443	Baker Bay, Columbia River, Oreg	170,000
83	544	Willamette River at and Below Willamette Falls, Oreg	3,600,000
84	------	Columbia River at Bonneville Oreg., Indian Fishing Grounds	50,000
85	481	Bay Center Channel, Willapa Harbor	30,000
86	699	Olympia Harbor, Wash	88,000
87	670	Petersburg Harbor, Alaska	80,000
88	578	Port Alexander, Alaska	31,000
89	284	Wrangell Harbor, Alaska	189,000
90	558	Craig Harbor, Alaska	80,000
91	331	Sitka Harbor, Alaska	109,000
92	579	Elfin Cove, Alaska	38,000
93	702	Seldovia Harbor, Alaska	50,000
94	332	Kodiak Harbor, Alaska	70,000
95	329	Keehi Lagoon, Honolulu, T. H	3,300,000
96	280	Fajardo Harbor, P. R	211,000
97	364	San Juan Harbor, P. R	700,000

[1] Modification of project at no additional cost.

This large number of Senate amendments for the improvement of river and harbor projects is due to the long interval between the passage of the bill by the House and action by the Senate, and they represent most of the favorable reports which have been submitted to Congress by the Secretary of War since May 18, 1939.

To the 65 items in the House bill providing for preliminary examinations and surveys of various localities with a view to determinating if improvement in the interest of navigation is warranted, the Senate, by amendments, added 84 items.

Several other minor amendments are described in the explanation of all Senate amendments, as follows:

On amendment No. 1, page 2: Provides that foundations for power installations be incorporated in any dam authorized by this bill for future use if approved by the Secretary of War on the recommendation of the Chief of Engineers and the Federal Power Commission. House conferees recede.

On amendment No. 2, page 2: Portland Harbor, Maine. Item adopts project recommended by the Chief of Engineers to pro-

vide for an anchorage area 35 feet deep and approximately 170 acres in area northwest of House Island at an estimated cost of $780,000. House conferees recede.

On amendment No. 3, page 2: Salem Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for a channel in South River 10 feet deep, approximately 90 feet wide to the bend near Central wharf, thence 50 feet wide to the upstream end of Pickering wharf, and for a branch channel on the east side of Derby wharf 8 feet deep, 100 feet wide, and approximately 700 feet long, widening to a basin of the same depth 500 feet long and 200 feet wide, at an estimated cost of $43,000. House conferees recede.

On amendment No. 4, page 2: Newburyport Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide a continuous channel from the sea to the wharves at Newburyport, 15 feet deep and 400 feet wide through the bar; thence 12 feet deep and 200 feet wide to and including a widened turning basin in front of the wharves, at an estimated first cost of $102,000, of which $34,000 is to be contributed by local interests. House conferees recede.

On amendments 5 and 6, pages 2 and 3: Boston Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for a seaplane channel 12 feet deep and 1,500 feet wide, extending northwesterly from President Roads 17,500 feet to the easterly margin of Boston Airport, and for deposit of excavated material in such places as will permit enlargement of the airport, at an estimated cost of $2,300,000. House conferees recede.

On amendment No. 7, page 3: Nantasket (Hull) Gut and Weymouth Fore River, Mass. Item adopts project recommended by the Chief of Engineers to provide for a channel in Nantasket Gut 27 feet deep and 400 feet wide, extending from deep water in Nantasket Roads to Hingham Bay, a distance of about 2,000 feet; thence through Hingham Bay 27 feet deep and 300 feet wide, for a distance of about 1.4 miles to deep water in Weymouth Fore River west of Sheep Island, at an estimated cost of $141,000. House conferees recede.

On amendment No. 8, page 3: Cohasset Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 8 feet deep and 90 feet wide, with an anchorage area 7 feet deep and 18 acres in extent, at an estimated cost of the United States of $62,000, plus a local contribution of $30,000. House conferees recede.

On amendment No. 9, page 3: Wellfleet Harbor, Mass. Item adopts project recommended by the Chief of Engineers providing for a channel 125 feet wide and 10 feet deep from Deep Hole, to and including an anchorage basin of the same depth, 800 feet long and 500 feet wide, at the town building, at an estimated cost to the United States of $64,000, plus a local contribution of $32,000. House conferees recede.

On amendment No. 10, page 3: Menemsha Creek, Marthas Vineyard, Mass. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 10 feet deep and 80 feet wide between jetties, with anchorage areas varying from 6 to 10 feet in depth, and a channel 8 feet deep and 80 feet wide through Menemsha Creek to deep water in Menemsha Pond, at an estimated cost to the United States of $37,500 with a local contribution of $12,500 in addition. House conferees recede.

On amendment No. 11, page 3: Connecticut River below Hartford, Conn. Item adopts project recommended by the Chief of Engineers to provide for an anchorage in North Cove in the town of Old Saybrook, Conn., connected with deep water in the Connecticut River by a channel 11 feet deep and 100 feet wide, at an estimated cost to the United States of $72,900 and to local interests of $67,500. House conferees recede.

On amendment No. 12, page 3: Thames River, Conn. Item adopts project recommended by the Chief of Engineers to provide for increased width of channel opposite the United States submarine base by an average of 350 feet for three-fourths of a mile and to a depth of 20 feet, at an estimated cost of $120,000. House conferees recede.

On amendment No. 13, page 3: New Haven Harbor, Conn. Item adopts project recommended by the Chief of Engineers providing for a harbor channel 30 feet deep from the sound to Tomlinson Bridge with anchorage basins 30 feet deep and 16 feet deep, and a channel in Quinnipiac River 27 feet deep from Tomlinson Bridge to the Ferry Street Bridge with a turning basin of the same depth at the junction of Mill and Quinnipiac Rivers, at an estimated cost of $2,508,000. House conferees recede.

On amendment No. 14, page 4: Larchmont Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide a channel 8 feet deep and 75 feet wide from deep water to Cedar Island; thence 8 feet deep and generally 60 feet wide to a turning basin and anchorage 8 feet deep and 200 by 400 feet in area, in the vicinity of a proposed public landing at Flint Park; and two anchorages 8 feet deep, one 7 acres in area, and the other 30 acres, in the vicinity of Rock Island, at an estimated cost to the United States of $52,000 and to local interests, $52,000. House conferees recede.

On amendment No. 15, page 4: Jamaica Bay, N. Y. Item adopts project recommended by the Chief of Engineers to provide that in lieu of the existing project for Jamaica Bay, N. Y., there be provided: (a) an interior channel extending from the vicinity of the Marine Parkway Bridge along the west and north shores of the bay, 18 feet deep and 300 feet wide to Mill Basin, with a swinging basin 1,000 feet wide and 1,000 feet long at that point, thence 12 feet deep and 200 feet wide to Fresh Creek Basin; (b) an interior channel extending from the same locality along the south shore to Head of Bay, 15 feet deep and 200 feet wide; and (c) an entrance channel connecting the two interior channels with deep water in the Atlantic Ocean, of suitable hydraulic dimensions to maintain the present tidal prism in the bay, but not less than 18 feet deep and 500 feet wide from opposite Barren Island to Rockaway Point, thence enlarging to not less than 20 feet deep and 1,000 feet wide, protected by one existing riprap jetty; at an estimated cost of $270,000. House conferees recede.

On amendment No. 16, page 4: Lake Montauk Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a channel 12 feet deep and 150 feet wide extending from the 12-foot contour in Block Island Sound to the same depth in the existing yacht basin east of Star Island; for a boat basin 10 feet deep, 400 feet wide, and 900 feet long, located northwest of Star Island; and for repair and extension shoreward of the east and west jetties, at an estimated cost of $105,000. House conferees recede.

On amendment No. 17, page 4: East River, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a channel generally 40 feet deep extending from the upper limit of the existing 40-foot depth at Brooklyn Navy Yard to Throgs Neck, with widening of the bend in the channel south of Belmont Island to a depth of 40 feet, dredging a cross channel 20 feet deep between Belmont and Welfare Islands, dredging East Channel at Welfare Island 25 feet deep, removal of certain portions of Hallets Point, removal of the southern arm of Mill Rock, removal of ledges near Mill Rock and along the east bank of East River in the vicinity of Triborough Bridge, filling an area in the vicinity of Hogs Back Light and constructing a dike from this area to Wards Island, cutting back Negro Point on Wards Island, and dredging a channel 40 feet deep between North and South Brother Islands, at an estimated cost of $34,509,000.

The Secretary of the Navy has stated that the deeper channel would contribute materially to the effectiveness of our naval forces. Senate recedes.

On amendment No. 18, page 4: Passaic River, N. J. Item adopts project recommended by the Chief of Engineers to provide that when spoil-disposal areas are not available for maintenance dredging in the existing project from the Montclair and Greenwood Lake Railroad to the Eighth Street Bridge in Passaic, or when placing spoil ashore is not economical as compared with other methods of disposal, local interests shall not be required to furnish spoil-disposal areas for maintenance dredging. Annual maintenance cost to the United States will be increased when spoil-disposal areas are no longer available. House conferees recede.

On amendment No. 19, page 4: Compton Creek, N. J. Item adopts project recommended by the Chief of Engineers to provide a channel 8 feet deep and 75 feet wide to a point 1,000 feet upsteam from the Main Street Bridge, with widening at the bends, at an estimated cost of $16,000. House conferees recede.

On amendment No. 20, page 4: Delaware River, Philadelphia to the sea. Item adopts project recommended by the Chief of Engineers to provide for a channel depth of 37 feet from Allegheny Avenue to the Philadelphia-Camden Bridge and in Port Richmond anchorage at an estimated cost of $1,036,000. House conferees recede.

On amendment No. 21, page 4: Wilmington Harbor, Del. Item recommended by the Chief of Engineers modifies existing project to permit temporary occupancy by the city of Wilmington of any part of the south jetty for city activities under revocable license issued by the Secretary of War upon recommendation of the Chief of Engineers, and provided that the occupied portion of the jetty is properly maintained without expense to the United States. House conferees recede.

On amendment No. 22, page 5: Indian River, Del. Item adopts project recommended by the Chief of Engineers providing for a channel 9 feet deep to and including the turning basin at Old Landing, thence 4 feet deep to the highway bridge at Millsboro, at an estimated cost to the United States of $151,000 and to local interests of $50,000. House conferees recede.

On amendment No. 23, page 5: Pocomoke River, Md. Item adopts project recommended by the Chief of Engineers to provide for the extension of the navigable channel to above the bridge at Snow Hill, Md., to a depth of 9 feet and widths of from 100 to 150 feet, with a turning basin at the upper end of the channel, all at an estimated cost to the United States of $4,250 and to local interests of $4,250. House conferees recede.

On amendment No. 24, page 5: Crisfield Harbor, Md. Item recommended by the Chief of Engineers modifies the existing project by changing the location of the anchorage basin and connecting channel as authorized in the River and Harbor Act of August 26, 1937, and upon which work has not yet commenced, to a more desirable location. House conferees recede.

On amendment No. 25, page 6: Middle River and Dark Head Creek, Md. Item adopts project recommended by the Chief of Engineers to provide a channel 150 feet wide and 10 feet deep from that depth in Chesapeake Bay to the head of Dark Head Creek at an estimated cost to the United States of $54,000 and to local interests of $54,000. House conferees recede.

On amendment No. 26, page 6: Cadle Creek, Md. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 100 feet wide and 6 feet deep across the bar at the mouth of the creek at an estimated cost of $5,500. House conferees recede.

On amendment No. 27, page 6: Cranes Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 80 feet wide and 6 feet deep across the offshore bar from that depth in Great Wicomico River to deep water in

Cranes Creek, a distance of about 1,500 feet, at an estimated cost of $7,500. House conferees recede.

On amendment No. 28, page 6: Urbanna Creek, Va. Item adopts project recommended by the Chief of Engineers providing for the extension of the westerly limit of the turning basin at Urbanna to the pierhead line at an estimated cost of $9,600. House conferees recede.

On amendment No. 29, page 6: Totuskey Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel of 10 feet deep from that depth in the Rappahannock River to and including a turning basin below Totuskey Bridge, with a width of 150 feet through the bar at the entrance and 100 feet thence upstream. Estimated cost to the United States $44,000 and to local interests $1,000. House conferees recede.

On amendment No. 30, page 6: Broad Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 7 feet deep by 100 feet wide from deep water in the Rappahannock River to deep water in the entrance to Broad Creek at an estimated cost of $20,500. House conferees recede.

On amendment No. 31, page 6: Whitings Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel 4 feet deep and 70 feet wide across the offshore bar at the entrance, from deep water in the Rappahannock River to Snake Point in the entrance to the creek, a distance of approximately 3,100 feet, at an estimated cost to the United States of $11,500 and to local interests of $500. House conferees recede.

On amendment No. 32, page 6: Pamunkey River, Va. Item adopts project in which the Chief of Engineers recommends a channel 5 feet deep and 50 feet wide between Bassett Ferry and Manquin Bridge at an estimated cost of $10,000. House conferees recede.

On amendment No. 33, page 6: Hampton Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel in Herberts Creek having widths of 100 feet and 80 feet and a depth of 12 feet extending from the existing improved channel in Hampton Creek upstream to Jackson Street, Hampton, Va., at an estimated cost of $15,000. House conferees recede.

On amendment No. 34, page 6: Onancock River, Va. Item recommended by the Chief of Engineers modifies the existing project by relieving local interests of the responsibility of providing spoil-disposal areas for subsequent maintenance except when and as required. House conferees recede.

On amendment No. 35, pages 6 and 7: Norfolk Harbor, Va. Item adopts project recommended by the Chief of Engineers to provide for extending the improved anchorage south of Craney Island to the Western Branch Channel affording two anchorage spaces, each 1,200 feet by 1,200 feet by 22 feet deep, and one anchorage space approximately 900 feet by 1,900 feet by 16 feet deep, at an estimated cost of $182,000. House conferees recede.

On amendment No. 36, page 7: Silver Lake Harbor, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 10 feet deep from that depth in Pamlico Sound, with widths of 100 feet and 60 feet, to and including an anchorage basin in Silver Lake Harbor, at an estimated cost of $60,000. House conferees recede.

On amendment No. 37, page 7: Pamlico Sound to Avon, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 6 feet deep from Pamlico Sound to and including a basin at Avon at an estimated cost of $16,500. House conferees recede.

On amendment No. 38, page 7: Thoroughfare Bay-Cedar Bay Channel, N. C. Item adopts project recommended by the Chief of Engineers to provide a channel 7 feet in depth with increased widths at the bends, connecting Thoroughfare and Cedar Bays, at an estimated cost of $20,000. House conferees recede.

On amendment No. 39, page 7: Beaufort Harbor, N. C. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the existing basin at Beaufort at an estimated cost of $54,000. House conferees recede.

On amendment No. 40, pages 7 and 8: Intracoastal Waterway from Beaufort, N. C., to Cape Fear River. Item adopts project recommended by the Chief of Engineers to provide for the construction of six mooring basins along the main channel at points north and south of Morehead City and in the vicinity of Swansboro, Peru, Seabreeze, and Fish Factory, N. C., at an estimated cost of $24,000. House conferees recede.

On amendment No. 41, page 8: Manteo to Oregon Inlet, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 6 feet deep from the existing channel (channel leading from Roanoke Sound into Manteo Bay) south through Roanoke Sound and Pamlico Sound to Oregon Inlet, at an estimated cost of $45,000. House conferees recede.

On amendment No. 42, page 8: Cape Fear River, N. C., at and below Wilmington. Item adopts project recommended by the Chief of Engineers to provide for a depth of 32 feet in the river channel from the ocean to Wilmington, and in the turning basin, including lengthening of the approach to the anchorage basin, at an estimated cost of $790,000. House conferees recede.

On amendment No. 43, page 8: Northeast (Cape Fear) River, N. C. Item adopts project recommended by the Chief of Engineers to provide for a channel 25 feet deep and 200 feet wide, extending from Hilton Bridge to and including a turning basin of the same depth and 600 feet wide at a point 1¼ miles above, and to eliminate the authorization for the 22-foot channel on which no work has been done, at an estimated cost of $73,000. House conferees recede.

On amendment No. 44, page 8: Cape Fear River to St. Johns River intracoastal waterway, anchorage basin near Myrtle Beach, S. C. Item adopts project recommended by the Chief of Engineers to provide for an anchorage basin 125 feet wide, 325 feet long, and 12 feet deep outside of the channel limits of the intracoastal waterway near Myrtle Beach, S. C., at an estimated cost of $11,000. House conferees recede.

On amendment No. 45, page 8: Beresford Creek, S. C. Item adopts project recommended by the Chief of Engineers to provide for a channel 6 feet deep and 60 feet wide continuously from deep water in Cooper River via Clouter Creek to mile 1.83, at an estimated cost of $21,000. House conferees recede.

On amendment No. 46, page 9: Savannah Harbor, Ga. Item adopts project recommended by the Chief of Engineers to provide for widening the present channel in the vicinity of the Atlantic Coast Line Railroad terminals to a maximum of 550 feet over a length of 5,000 feet, and deepening turning basin and authorized channel above Seaboard Air Line Bridge to 30 feet, at an estimated cost of $281,000. House conferees recede.

On amendment No. 47, page 9: St. Johns River, Fla., Jacksonville to Lake Harney. Item adopts project recommended by the Chief of Engineers to provide for a channel 100 feet wide and 10 feet deep from Palatka to Sanford, with a side channel of like dimensions to Enterprise, and for cut-offs and easing of bends, at an estimated cost of $290,000. House conferees recede.

On amendment No. 48, page 9: Sebastian, Fla., to intracoastal waterway. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 8 feet deep and 100 feet wide from the main channel of the intracoastal waterway to and including a turning basin 300 by 600 feet at Sebastian, at an estimated cost of $19,000. House conferees recede.

On amendment No. 49, page 9: New River, Fla. Item adopts project recommended by the Chief of Engineers to provide for a channel 8 feet deep and 100 feet wide through the rock shoal between the intracoastal waterway and Tarpon Bend and for removal of sunken vessels and snags in New River and its south fork to the intersection of the Dania Cut-off canal, all at an estimated cost of $60,000. House conferees recede.

On amendment No. 50, page 9: Miami Harbor, Fla. Item adopts project recommended by the Chief of Engineers providing for the construction of an approach channel and a turning basin as part of a comprehensive development of Virginia Key, at an estimated cost to the United States of $800,000 and to local interests of $2,475,000. House conferees recede.

On amendment No. 51, page 9: Caloosahatchee River and Lake Okeechobee Drainage Areas, Fla. Item would adopt project recommended by the Chief of Engineers to provide for raising existing levees on the east side of Lake Okeechobee to protect against maximum hurricane tides, at an estimated cost of $3,960,000. The Senate recedes in view of the fact that this is not an improvement for the benefit of navigation as will be seen from the following description quoted from the Senate report:

"The levees around Lake Okeechobee were designed and constructed by the Federal Government to protect the communities and farming lands around the lake from floods caused by hurricane tides. The hurricane of 1935 which caused serious damage along the Florida Keys was of greater intensity than the 1928 storm upon which the levee heights were designed. The raising of certain sections of levee is necessary to protect against the possibility of a more intense storm which would cause great damage if the levees were breached or overtopped. The work is needed and warranted for the protection of life and property."

On amendment No. 52, page 9: Waterway from Punta Rasa to Stuart and Fort Pierce, Fla. Item adopts project recommended by the Chief of Engineers to provide for a channel 8 feet deep from Fort Myers to the Intracoastal Waterway near Stuart with widths of 90 feet from Fort Myers to Moore Haven, 80 feet in the existing channel along the southerly shore of the lake to the hurricane gate structure at Clewiston, 100 feet thence along a relocated channel to deep water on the south side of the lake, 100 feet from deep water on the east side of the lake to St. Lucie lock No. 2, and thence 80 feet to the Intracoastal Waterway; all at an estimated first cost of $208,000. House conferees recede.

On amendment No. 53, page 9: Caloosahatchee River to Withlacoochee River, Fla. Item adopts project recommended by the Chief of Engineers to provide for an Intracoastal Waterway from Caloosahatchee River to Withlacoochee River by improvement of the section from the Caloosahatchee River to the Anclote River to a depth of 9 feet and width of 100 feet, to include the existing projects for Sarasota Bay, Caseys Pass, and channel from Clearwater Harbor through Boca Ciega Bay to Tampa Bay, at an estimated cost of $3,200,000. House conferees recede.

On amendment No. 54, page 10: Little Manatee River, Fla. Item adopts project recommended by the Chief of Engineers for a channel 100 feet wide and 6 feet deep from that depth in Tampa Bay to a point 2,700 feet above the railroad bridge at Ruskin and 75 feet wide and 6 feet deep in Marsh Branch to and including a turning basin at the highway bridge at Ruskin, at an estimated cost of $77,000. House conferees recede.

On amendment No. 55, page 10: Appalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla. Item adopts project recommended by the Chief of Engineers for the intitial and partial accomplishment of a comprehensive plan for the development of these rivers by construction of locks and dams at Fort Benning and at the junction for the 9-foot project, supplemented by dredging and contraction works, to provide a navigable depth of 6 feet to Columbus, and to

Bainbridge, Ga., at an estimated cost of $6,500,000. House conferees recede.

On amendment No. 56, page 10: Intracoastal Waterway from Appalachicola Bay to St. Marks River, Fla. Item adopts project recommended by the Chief of Engineers to provide for the construction of a movable span in the Georgia, Florida & Alabama Railroad bridge over the Ocklocknee River near McIntyre, Fla., at an estimated cost of $32,000. House conferees recede.

On amendment No. 57, page 10: Watson Bayou, Fla. Item adopts project recommended by the Chief of Engineers to provide for the maintenance of a channel in Watson Bayou 100 feet wide and 10 feet deep from that depth in St. Andrews Bay to the highway bridge in Panama City. House conferees recede.

On amendment No. 58, page 10: Mobile Harbor, Ala. Item adopts project recommended by the Chief of Engineers to provide, upon establishment by the United States of a depot and air field in the vicinity of Arlington pier, extension of previously recommended channel through Garrows Bend, 27 feet deep and 125 feet wide, to and including a turning basin with the same depth, and 600 by 800 feet in extent, at an estimated cost of $55,000. House conferees recede.

On amendment No. 59, page 10: Dauphin Island Bay Channel, Ala. Item adopts project recommended by the Chief of Engineers to provide for a channel 7 feet deep and 150 feet wide from Mobile Bay to an anchorage 600 by 500 feet in extent and 7 feet deep, located north of Fort Gaines; and a channel 4 feet deep and 40 feet wide from the anchorage into Dauphin Island Bay, with a jetty to protect the entrance if and when necessary to reduce maintenance costs, at an estimated cost of $23,000. House conferees recede.

On amendment No. 60, page 10: Bayou La Batre, Ala. Item adopts project recommended by the Chief of Engineers to provide a channel 9 feet deep and 100 feet wide from Mississippi Sound to the highway bridge at the town of Bayou La Batre to cost $27,500. House conferees recede.

On amendment No. 61, page 11: Biloxi Harbor, Miss. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 8 feet deep and 100 feet wide from Back Bay through Cranes Neck into Bayou Bernard, to cost $6,000. House conferees recede.

On amendment No. 62, page 11: Sabine-Neches Waterway, Tex. Item adopts project recommended by the Chief of Engineers to provide for extension of the Beaumont turning basin upstream 300 feet, thus forming a basin 350 feet by 2,300 feet. Estimated cost, $10,000. House conferees recede.

On amendment No. 63, page 11: Buffalo Bayou and its tributaries, Tex. Stricken from House bill by Senate. This item adopted by Flood Control Act of August 11, 1939. House conferees recede.

On amendment No. 64, page 11: Guadalupe River, Tex. Item stricken from House bill by Senate for the reason that a portion of the improvement is for the development of power.

On this provision the Chief of Engineers recommends: (1) Modification of the existing project for the Guadalupe River to provide a channel 9 feet deep and 100 feet wide extending from the Louisiana-Texas Intracoastal Waterway by way of Seadrift to a point on the Guadalupe River 3 miles above Victoria, at an estimated first cost of $3,700,000, with $82,000 annually for operation and maintenance, subject to the provisions that local interests furnish free of cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas for construction and for subsequent maintenance as required, hold and save the United States free from all claims for damages that may result from the construction and maintenance of the channel, bear all costs of required bridge modification and give assurances satisfactory to the Secretary of War that they will provide adequate terminal facilities, including turning basins at Seadrift and Victoria.

(2) Construction of the Canyon Reservoir for stream-flow regulation in the interests of navigation and power development and for flood control, at an estimated first cost of $4,275,000.

(3) That a power plant be constructed at Canyon Dam at an estimated cost of $525,000 provided further field investigations show such a development to be practicable.

Senate conferees recede with amendment providing that the navigation portion of the recommendation in paragraph (1) only be adopted. House recedes on paragraphs (2) and (3).

On amendment No. 65, page 12: Chocolate Bayou, Bastrop Bayou, and Oyster Creek, Tex. Item adopts project recommended by the Chief of Engineers to provide a channel 6 feet deep and 60 feet wide in Chocolate Bayou from the Intracoastal Waterway to a point near Liverpool, Tex.; and to provide a channel 6 feet deep and 60 feet wide in Bastrop Bayou from the Intracoastal Waterway to a point near the Missouri Pacific Railroad. Estimated cost $108,000. House conferees recede.

On amendment No. 66, page 12: Lavaca and Navidad Rivers, Tex. Item adopts project recommended by the Chief of Engineers to provide a channel 6 feet deep and 100 feet wide from Port Lavaca, by way of Lavaca Bay and River to mile 3 on the Navidad River, a total distance of 20 miles, at an estimated cost of $85,000. House conferees recede.

On amendment No. 67, page 12: Channel from Louisiana and Texas Intracoastal Waterway to Barroom Bay, Tex. Item adopts project recommended by the Chief of Engineers to provide a short branch channel 6 feet deep and 60 feet wide from a point on the intracoastal waterway near Port O'Connor into Barroom Bay to cost $6,300. House conferees recede.

On amendment No. 68, page 12: Brazos Island Harbor, Tex. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the turning basin at Port Isabel to 1,300 feet in length by 1,000 in width, at an estimated cost of $127,500. House conferees recede.

On amendment No. 69, page 12: Mississippi River between Missouri River and Minneapolis. This item declares the construction of lock and dam No. 26 at Alton, Ill., to be in accord with the project authorized by the River and Harbor Act of August 30, 1935.

In view of the fact that the attorneys for landowners involved in condemnation proceedings for lock and dam No. 26, on the upper Mississippi River, have questioned the authority for locating this dam at Alton, Ill., it is felt that the Chief of Engineers, under the authority vested in him to prepare plans for this project, had ample authority to locate the dam at this point, this clarifying provision is deemed advisable in order to avoid needless litigation. House conferees recede.

On amendment No. 70, page 13: Mississippi River between Missouri River and Minneapolis (at St. Paul). Item adopts project recommended by the Chief of Engineers to provide for improvement of the existing navigable channel at St. Paul to provide for a small-boat harbor at the lower end of Harriet Island, for enlargment of the flood capacity of the main channel, and for placing of dredged material so as to form the base for a roadway along the left bank of the river. Estimated cost to the United States $88,800 and to local interests $41,200. House conferees recede.

On amendment No. 71, page 13: Mississippi River between Missouri River and Minneapolis. Item amends provision in House bill to provide for the construction of remedial works or land acquisitions in any levee or drainage district to rectify drainage problems caused by the Federal navigation improvement on the upper Mississippi River as recommended by the United States district engineer. Estimated cost, $25,000. House conferees recede.

On amendment No. 72, page 14: Grand Haven Harbor and Grand River, Mich. Item adopts project recommended by the Chief of Engineers to provide for a channel 300 feet wide and 21 feet deep from the enlargement in the existing channel at the Grand Trunk Western car-ferry slip to and including a turning basin 18 feet deep at the Grand Trunk Western Railroad bridge, at an estimated cost of $150,000. House conferees recede.

On amendment No. 73, page 14: Cleveland Harbor, Ohio. Item modifies the existing project to permit cuts or partial cuts to be made before related railroad bridges are modified or rebuilt when approved by the Chief of Engineers. House conferees recede.

On amendment No. 74, page 15: Sandusky Harbor, Ohio. Item adopts project recommended by the Chief of Engineers to provide for maintenance of the bay channel to a depth of 22 feet, with widths varying from 300 to 400 feet, estimated to cost $12,000 annually. House conferees recede.

On amendment No. 75, page 15: Wilson Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for the restoration of the piers and for an entrance channel 80 feet wide and 8 feet deep, at an estimated cost of $181,000. House conferees recede.

On amendment No. 76, page 15: Cape Vincent Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a depth of 16 feet in an area behind and adjacent to the breakwater, and for a depth of 20 feet in an area downstream from the breakwater and for elimination from the project of the uncompleted portion of the authorized breakwater, at an estimated cost of $59,000. House conferees recede.

On amendment No. 77, page 15: Noyo Harbor, Calif. Item adopts project recommended by the Chief of Engineers to provide for the construction of a rubble-mound breakwater extending northwesterly about 1,100 feet from the south headland of Noyo Harbor, at an estimated cost of $600,000. House conferees recede.

On amendment No. 78, page 15: Crescent City Harbor, Calif. Item adopts project recommended by the Chief of Engineers to provide for the extension of the existing breakwater along its present alinement for approximately 2,700 feet to Round Rock, at an estimated cost of $1,610,000. House conferees recede.

On amendment No. 79, page 15: Coquille River, Oreg. Item adopts project recommended by the Chief of Engineers providing for the maintenance of a channel 13 feet deep and of suitable width from the sea to a point 1 mile above the Coquille River Lighthouse, and for snagging to the State highway bridge at Coquille City, to cost $2,000 annually. House conferees recede.

On amendment No. 80, page 15: Umpqua River and Harbor, Oreg. Item adopts project recommended by the Chief of Engineers to provide for a channel 22 feet deep and 200 feet wide from the main river channel near mile 8 to and including a turning basin of the same depth 500 by 800 feet opposite the mill dock at Gardiner. Estimated cost, $55,000. House conferees recede.

On amendment No. 81, page 15: Salmon River, Oreg. Item adopts project recommended by the Chief of Engineers to provide for the removal of dangerous rocks to natural-bottom depths, not to exceed 5 feet at lower low water, at the entrance to the river, at an estimated cost of $5,000. House conferees recede.

On amendment No. 82, page 16: Baker Bay, Columbia River, Wash. Item adopts project recommended by the Chief of Engineers to provide a depth of 8 feet in the west channel with widths of from 200 to 150 feet from deep water in the Columbia River to Baker Bay. Estimated cost, $170,000. House conferees recede.

On amendment No. 83, page 16: Willamette River, Oreg. Item adopts project recommended by the Chief of Engineers to provide for contractions works to secure with stream-flow regulation controlling depths of 6 feet to the mouth of the Santiam River and 5 feet thence to Albany, and for the reconstruction and enlargement

of the locks at Oregon City (Willamette Falls) at an estimated cost of $3,600,000. House conferees recede.

On amendment No. 84, page 16: Columbia River at Bonneville, Oreg. Item authorizes the Secretary of War to acquire lands and provide facilities to replace Indian fishing grounds submerged or destroyed in the construction of the Bonneville Dam at a cost not to exceed $50,000. Said lands to be transferred to the jurisdiction of the Secretary of the Interior. House conferees recede.

On amendment No. 85, page 16: Bay Center Channel, Willapa Harbor, Wash. Item adopts project recommended by the Chief of Engineers to provide for a channel 10 feet deep and 40 feet wide from deep water in Phalix River to Bay Center, and a mooring basin at the shoreward end of the channel, at an estimated cost of $30,000. House conferees recede.

On amendment No. 86, page 17: Olympia Harbor, Wash. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 500 feet wide to and including a turning basin 3,350 feet long and generally 960 feet wide, suitably flared at the entrance, all at a depth of 30 feet, at an estimated first cost of $88,000. House conferees recede.

On amendment No. 87, page 17: Petersburg Harbor, Alaska. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the present small-boat basin by dredging to a depth of 11 feet an area of about 135,000 square feet adjacent to and shoreward of the existing basin, at an estimated cost of $80,000. House conferees recede.

On amendment No. 88, page 17: Port Alexander, Alaska. Item adopts project recommended by the Chief of Engineers to provide for a channel 40 feet wide and 6 feet deep in the entrance to the inner lagoon. Estimated cost, $31,000. House conferees recede.

On amendment No. 89, page 17: Wrangell Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a breakwater 320 feet long on the reef north of Shakes Island, and inner basin east of Shakes Island, and a channel 10 feet deep connecting with the present basin. Estimated cost, $189,000. House conferees recede.

On amendment No. 90, page 17: Craig Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a mooring basin in South Cove 11 feet deep, 225 feet wide, and approximately 700 feet in length, including an entrance channel of the same depth over a width of 100 feet. Estimated cost, $80,000. House conferees recede.

On amendment No. 91, page 17: Sitka Harbor, Alaska. Item adopts project recommended by the Chief of Engineers to provide for elimination of the present authorized project upon which no work has been done, and substitution therefor of breakwaters to protect Sitka Harbor. Estimated cost, $109,000. House conferees recede.

On amendment No. 92, page 17: Elfin Cove, Alaska. Item adopts project recommended by the Chief of Engineers to provide for an outer entrance channel 10 feet deep and 60 feet wide and an inner entrance channel 8 feet deep and 40 feet wide, at an estimated cost of $38,000. House conferees recede.

On amendment No. 93, page 17: Seldovia Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for removal of obstructions in the entrance channel near Watch Point to a depth of 24 feet, at a total estimated cost of $50,000. House conferees recede.

On amendment No. 94, page 17: Kodiak Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a channel between Near Island and Kodiak Island 22 feet deep and 200 feet wide. Estimated cost, $70,000. House conferees recede.

On amendment No. 95, page 18: Keehi Lagoon, Oahu, Hawaii. Item adopts project recommended by the Chief of Engineers to provide for a trans-Pacific seaplane harbor by dredging 3 intersecting runway channels 3 miles long, 1,000 feet wide, and 10 feet deep, and other facilities, at an estimated cost of $3,300,000. House conferees recede.

On amendment No. 96, page 18: Fajardo Harbor, P. R. Item adopts project recommended by the Chief of Engineers to provide for an approach channel 28 feet deep and 200 feet wide, together with a turning basin of the same depth, and 10½ acres in extent, at an estimated cost to the United States of $211,000, and to local interests of $30,000. House conferees recede.

On amendment No. 97, page 18: San Juan Harbor, P. R. Item adopts project recommended by the Chief of Engineers providing for the removal to a depth of 8 feet of Anegado, Largo, and Capitanejo Shoals, and for construction of a channel 400 feet wide and 30 feet deep from the existing anchorage to and including a turning basin of the same depth 1,000 by 2,200 feet in front of graving dock. Estimated cost, $700,000. House conferees recede.

On amendment No. 98, page 18: Bayocean Peninsula, Oreg. Item providing $120,000 to repair damage and check erosion caused by storm in January 1939 in order to provide adequate protection to nearby areas was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 99, page 18: Sacramento River flood control, California. Item authorizing $1,600,000 for completion of the project authorized in the River and Harbor Act of August 26, 1937, was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 100, page 18: Central Valley project, California. Item amends project previously authorized (River and Harbor Act of August 30, 1935) by providing for the construction of distribution systems. This provision stricken from House bill by the Senate. Senate recedes.

On amendment No. 101, page 19: Changes section number.

On amendment No. 102, page 20: Item amends provision in House bill by providing that the cost of snagging and removal of temporary obstructions from tributaries of waterways under Federal improvement be paid from funds appropriated for the maintenance and improvement of rivers and harbors. House conferees recede.

On amendment No. 103, page 20: Declares the project for the Denison Reservoir, Texas and Oklahoma, heretofore authorized to be for navigation, flow regulation, flood control, and other beneficial uses. House conferees recede.

On amendment No. 104, page 20: Changes section number.

On amendment No. 105, page 23: Corrects error.

On amendment No. 106, page 23: Corrects error.

On amendment No. 107, page 23: Changes section number.

On amendment No. 108, page 23: Language providing that preliminary examinations and surveys shall include all related conservation subjects was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 109, page 24: Item provides that the language in section 5 shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law. House conferees recede.

Preliminary examination and survey items—Locality

On amendment No. 110: Bunganuc Creek, Maquoite Bay, Maine.

On amendment No. 111: Cathance River, Maine.

On amendment No. 112: Winterport Harbor, Maine.

On amendment No. 113: Cundy's Harbor, Maine.

On amendment No. 114: Portland, Maine, to Boston, Mass., a continuous waterway inland where practicable.

On amendment No. 115: Wood Island Harbor and the pool at Biddeford, Maine.

On amendment No. 116: Channel to Hog Island, Hingham Bay, Mass.

On amendment No. 117: Norwalk Harbor, Conn.

On amendment No. 118: Saw Mill River, N. Y.

On amendment No. 119: Bronx River, N. Y.

On amendment No. 120: Hutchinson River, N. Y.

On amendment No. 121: Hackensack River, N. J.

On amendment No. 122: Salem River, Salem County, N. J.

On amendment No. 123: Toms River, N. J., from the bridges at Toms River to a connection with the Intracoastal Waterway.

On amendment No. 124: Channel from Charleston, Northeast River, Md., to Havre de Grace.

On amendment No. 125: Channel from Havre de Grace, Md., to Red Point, Md., via Stump Point and Carpenter Point.

On amendment No. 126: Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md.

On amendment No. 127: Nanticoke River, Del.

On amendment No. 128: Broad Creek, Del.

On amendment No. 129: Channel from Ocean City to Chincoteague Bay and Harbor at Public Landing, Worcester County, Md.

On amendment No. 130: Broadkill River, Del.

On amendment No. 131: Waterway from Indian River Inlet to Rehoboth Bay, Delaware.

On amendment No. 132: Taylors Landing, Worcester County, Md.

On amendment No. 133: Potomac River at and near Washington, D. C.

Amendment No. 134: Potomac and Anacostia Rivers and adjacent waters in and near the District of Columbia, with a view to attaining a comprehensive and coordinated improvement and development of such waters and their shores. In determining the recommendations to be made with respect to such improvement and development, consultations shall be had with, and consideration given to the recommendations of the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

On amendment No. 135: Potomac and Anacostia Rivers at and near Washington, D. C., with a view to providing a municipal sailing base.

On amendment No. 136: Potomac River and tributaries at and below Washington, D. C., with a view to elimination of the water chestnut.

On amendment No. 137: St. Patricks Creek, Md.

On amendment No. 138: Big Kingston Creek, St. Marys County, Md.

On amendment No. 139: Farnham Creek, Richmond County, Va.

On amendment No. 140: Southwest side of Rappahannock River, in vicinity of Bowlers Wharf, Essex County, Va., to secure harbor of refuge and connecting channels.

On amendment No. 141: Bransons Cove, lower Machodock River, Va.

On amendment No. 142: Davis Creek, Mathews County, Va.

On amendment No. 143: Marumsco Creek, lower Somerset County, Md.

On amendment No. 144: Chester River Channel, Md.

On amendment No. 145: Parkers Creek, Calvert County, Md.

On amendment No. 146: Channel from the Thoroughfare to Albemarle Sound, N. C., either by way of lower Cashie River, Middle River, and Bachelors Bay or by any other route.

On amendment No. 147: Bogue Inlet, N. C.

On amendment No. 148: Little Pee Dee River from junction of the Lumber River to the Great Pee Dee River with a view toward removing logs, debris, etc.

On amendment No. 149: Edisto River and tributaries, South Carolina.

On amendment No. 150: Murrell Inlet, S. C.

On amendment No. 151: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., including all appropriate side channels and

spur channels, with a view to increasing the navigable capacity and commercial utility of the existing project.

On amendment No. 152: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to determining whether the existing project should be modified in any way at the present time, including rectification of alinement, increase in width or depth, either or both, and provision of appropriate side channels and spur channels leading to the various communities on or near the banks of said waterway—all with a view to increasing the navigable capacity and commercial utility of the existing project.

On amendment No. 153: Side channel from the Intracoastal Waterway to, and turning basin at, Flagler Beach, Fla.

On amendment No. 154: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through, and easterly of, Merritt Island via Banana Creek and River, to, or near, Eau Gallie, Fla.

On amendment No. 155: Waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the Intracoastal Waterway through the Hillsboro and West Palm Beach Canals.

On amendment No. 156: Kissimmee River, Fla.

On amendment No. 157: Channel, turning basin, and improvements at Horseshoe, Dixie County, Fla.

On amendment No. 158: Canal from St. Marks to Tallahassee, Fla.

On amendment No. 159: Waterway from the Intracoastal Waterway south across Santa Rosa Island, Fla., to a point at or near Deer Point Light.

On amendment No. 160: Intracoastal Waterway from the St. Marks River to the Anclote River, Fla.

On amendment No. 161: Chassahowitzka River, Fla.

On amendment No. 162: Santa Fe River, Fla., from Federal Highway No. 41, High Springs, to the Suwannee River.

On amendment No. 163: Channel from bridge at Bradenton, Fla., to deep water in Gulf of Mexico (Tampa Bay).

On amendment No. 164: Channel from Tampa Bay to Safety Harbor, Fla.

On amendment No. 165: Channel from old Tampa Bay to Oldsmar, Fla.

On amendment No. 166: St. Petersburg (Fla.) Harbor—to provide for a channel up to the depth of 30 feet from the main Tampa Bay ship channel past the port of St. Petersburg in front of the recreation pier.

On amendments Nos. 167 and 168: Oklawaha River, Fla., from Lake Eustis to Lake Griffin, and thence from Lake Griffin to Silver Springs Run.

On amendment No. 169: Oklawaha River, Fla., from Lake Apopka through Lake Dora to Lake Eustis and adjoining waterways.

On amendment No. 170: Entrance to Perdido Bay, Ala. and Fla., from the Gulf of Mexico to deep water in Perdido Bay, via the most practicable route.

On amendment No. 171: Big Sand Creek, Miss., with a view to determining the advisability of undertaking measures for the prevention of bank caving in the vicinity of North Carrollton, Miss.

On amendment No. 172: Grand Bayou Pass, La., from the Gulf of Mexico to Buras and Empire.

On amendment No. 173: Bayou Schofield, La., from the Gulf of Mexico to Buras and Empire.

On amendment No. 174: Bayou Lafourche, La., from the Gulf of Mexico to Leeville or to Golden Meadow.

On amendment No. 175: Bayou Lafourche, La., from Donaldsonville to the Intracoastal Waterway, via Bayou Boeuf, Assumption Parish.

On amendment No. 176: Vermilion Bay and Bayous Petit Anse, Carlin, and Tigre, from the Gulf of Mexico to Erath and to Jefferson Island, La., channels in Louisiana between the Gulf of Mexico and the Intracoastal Waterway.

On amendment No. 177: Mermentau River, La., from the Gulf of Mexico to Grand Chenier.

On amendment No. 178: Bell City Drainage Canal, La.

On amendment No. 179: Pine Island Bayou, Tex.

On amendment No. 180: Cedar Bayou Pass, Corpus Christie Pass, and pass at Murdocks Landing, Tex.

On amendment No. 181: Waterway from Alvin, Tex., to Intracoastal Canal.

On amendment No. 182: In this survey item for the Missouri River in South Dakota the Senate struck from the House bill the following language: "with a view to improvement to make power available to develop deposits of manganese and other strategic minerals, and for pumping and other uses."

On amendment No. 183: In this survey item for the Red River of the North Drainage Basin, Minn., S. Dak., and N. Dak., the Senate struck from the House bill the following language: "with a view to improvement for navigation, flood control, power development, irrigation, conservation of water, and increase of low-water flows for domestic and sanitary purposes."

On amendment No. 184: Tofte Harbor, Minn.

On amendment No. 185: Algoma Harbor, Mich.

On amendment No. 186: Harbor at Ballast Island, Ohio.

On amendment No. 187: Rocky River, Ohio.

On amendment No. 188: At or near North East, Pa., with a view to constructing a harbor of refuge.

On amendment No. 189: Harbor in Hamburg Township, N. Y.,

On amendment No. 190: Port Bay, N. Y.

On amendment No. 191: Mohawk River, N. Y.

On amendment No. 192: Nelscott, Oreg., with a view to protection of the beach.

On amendment No. 193: Channel at Charleston, South Slough, Oreg.

On amendment No. 194: Friday Harbor, Wash.

On amendment No. 195: Sitka Harbor, Alaska.

On amendment No. 196: In this survey item for the Gastineau Channel, Alaska, the following language was stricken from the House bill by the Senate: "and flood control, both tidal and run-off."

On amendment No. 197: Kodiak Harbor, Alaska.

On amendment No. 198: Skagway Harbor, Alaska.

The House conferees receded on all survey items.

On amendment No. 199: Section 6, recommended by the War Department, provides that amounts collected from private parties or other agencies for services rendered, for the use of any facility or property, for the sale of any property, or for the exchange value of any property traded in on new property, when the cost of such services, facilities, and property is borne by funds appropriated for rivers and harbors or flood-control work, shall be deposited in the Treasury to the appropriation to which the cost of such services, facilities, and property has been charged. House conferees recede.

On amendment No. 200: Section 7, recommended by the War Department, authorizes the Chief of Engineers, with the approval of the Secretary of War, to provide such facilities as are necessary for the health and welfare of employees engaged in the prosecution of river-and-harbor, flood-control, or other civil works under his jurisdiction, which are located at isolated points where such facilities are not available. Such facilities to be paid for from funds appropriated for the projects at these localities. House conferees recede.

On amendment No. 201: Section 8, approved by the War Department, reenacts the provisions of section 9 of the River and Harbor Act approved June 20, 1938 (Public, 685, 75th Cong.), and extends the time for commencing and completing the construction of a dam and dike for preventing the flow of tidal water in North Slough, in Coos County, Oreg., authorized to be constructed by the State of Oregon, acting through its highway department, the North Slough drainage district, and the North Slough diking district. House conferees recede.

On amendment No. 202: Section 9 authorizes that the sum of $144,754,450 be appropriated over a period of 7 years, beginning July 1, 1941.

House conferees recede with an amendment, which makes this item read as follows: "The sum of $109,985,450 is hereby authorized to be appropriated for carrying out the improvements herein."

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SUSPENSION OF SECTION 510 (G) OF THE MERCHANT MARINE ACT, 1936

Mr. BUCK. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H. J. Res. 519) to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 519

Resolved, etc., That section 510 (g) of the Merchant Marine Act, 1936, as amended (restricting the use of vessels in the laid-up fleet of the Maritime Commission), is hereby suspended until the proclamation heretofore issued by the President under section 1 (a) of the Neutrality Act of 1939 is revoked.

SEC. 2. At any time prior to revocation of the proclamation heretofore issued by the President under section 1 (a) of the Neutrality Act of 1939 all vessels transferred to the Maritime Commission by the Merchant Marine Act, 1936, or otherwise acquired by the Commission (other than vessels constructed under the Merchant Marine Act, 1936), may, notwithstanding any provision of law contrary hereto or inconsistent herewith, be sold or chartered by the Commission, upon competitive bids and after due advertisement, upon such terms and conditions (including with respect to charters the charter period) and subject to such restrictions (including restrictions affecting the use or disposition of the vessel by the purchaser or charterer) as the Commission may deem necessary or desirable for the protection of the public interest.

The SPEAKER. Is a second demanded?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand a second.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

The SPEAKER. The gentleman from California [Mr. BUCK] is recognized for 20 minutes, and the gentleman from Wisconsin [Mr. SCHAFER] is recognized for 20 minutes.

Mr. BUCK. Mr. Speaker, an emergency, while it cannot be called a national emergency, certainly exists in certain United States maritime circles today as a result of the war. On September 1, 1939, there were 135 ships engaged in the Atlantic-Pacific intercoastal trade, exclusive of oil tankers, which have, generally speaking, not been affected by the war. Forty-nine of those have been removed by sale abroad or by transfer to other routes since that time. The loss of deadweight tonnage has been 34 percent, a total of 455,994 tons. The loss, however, is not confined to intercoastal trade.

A great many Norwegian ships were engaged in carrying products, tramp service, you may call it, to the United States from foreign ports on what are known as nonessential trade routes. I give you one example, that from Newfoundland and Nova Scotia, where wood pulp is carried into the United States on those ships. Those ships have been for the most part interned by the British Government, and they are not now available.

Mr. Speaker, I believe if I explain this bill there will be no real objection to it. I know that sometimes resolutions and bills on the Consent Calendar are objected to because Members do not understand what the purpose is. Let me say for the information of the Members that this bill has been considered in hearings and reported favorably by the Committee on Merchant Marine and Fisheries of the House, and a companion resolution introduced by Senator JOHNSON, of California, has been reported favorably by the Commerce Committee of the Senate.

The sole purpose of the bill is to suspend section 510 (g) of the Merchant Marine Act of 1936, which requires that the fleet of ships which the United States Government owns that are over 20 years of age and which are controlled by the Maritime Commission be sterilized—in other words, not put into use. All we propose to do is to let the Maritime Commission, under certain conditions which it will require from the purchasers or charterers, to make use of these ships, and only for the period of the war. In other words, we propose to give some relief to shippers and consignors—I am talking now for my west-coast shippers primarily who want to send lumber, who want to send wool, who want to send canned goods, and so forth, through the Panama Canal, but cannot get bookings even 6 to 8 weeks ahead, although at the present time there is this sterilized tonnage that could be utilized.

There was no opposition to this bill before the Committee on Merchant Marine and Fisheries. I had anticipated that no objection would be made today by anyone. This is an emergent proposition.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I understand that a certain number of ships will be sterilized.

Mr. BUCK. No. All of the fleet that is owned by the United States Government and which is over 20 years of age is now sterilized. There are 116 of these ships, and some 92 of them can be utilized in freight service if released from the provisions of section 510 (g). Not all of them can be used.

Mr. AUGUST H. ANDRESEN. They are not in use now?

Mr. BUCK. They are not in use now.

Mr. AUGUST H. ANDRESEN. Will they have to be reconditioned?

Mr. BUCK. Their machinery is in pretty good condition. It has been kept up, but they will have to be reconditioned, yes.

Mr. AUGUST H. ANDRESEN. So they will be put back in active service?

Mr. BUCK. Of course, this is an authorization bill, I may say to the gentleman from Minnesota. It does not assure me or anybody else that somebody will come in and bid for the ships, either for sale or charter. If bids are made and accepted by the Maritime Commission the ships will be put in service.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Virginia, and I wish to say in yielding that I apologize to him for having had to make the motion while he was off the floor.

Mr. BLAND. I am delighted that the gentleman has brought the matter up. I thought it was coming up after the conference report, and went from the floor for a few moments.

Mr. BUCK. It did, but they adopted the conference report in a hurry.

Mr. BLAND. There are 116 ships involved. What is meant by the sterilization is that in this Congress we passed a bill that those ships, over 20 years of age, in what is known as the laid-up steel fleet, should not be sold or used except under a proclamation of an emergency by the President, which would be very unwise at this time. At the ports of the country, west coast as well as east coast, goods are piling up now, and people are unable to make contracts for the delivery of those goods. The railroads are being affected because many of the goods have come from the interior to the seaboard for shipment. The condition has been aggravated within the last few days by the Norwegian-Danish situation, and our own people are seriously affected.

Mr. BUCK. I should like to ask the distinguished chairman of the Committee on Merchant Marine and Fisheries if he anticipates that any damage whatever can be done to the railroads by the passage of this resolution.

Mr. BLAND. It is absolutely beneficial to them. They will be carrying the commerce from the interior of the country to the seaboard, leaving out of the picture the intercoastal shipments that they will be carrying to the seaboard. If there are no ships there, shall we allow the ports to be congested and have a repetition of the conditions that existed in 1914, although now we have 116 ships that can be used to relieve that condition? In other words, we have the ships now, and should use them for the benefit of our people.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Maine.

Mr. BREWSTER. There was a great deal of concern at the time of the consideration of the legislation embargoing our ships going to belligerent ports that it would adversely affect our merchant marine. As a matter of fact, the effect has been exactly the reverse, has it not? The ships are now enjoying an unprecedented demand and are going at a favorable price.

Mr. BUCK. There is no question about it.

Mr. BREWSTER. We very much need this safety valve to care for the additional shipments that are demanding service.

Mr. BUCK. There is no question about that, either.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Virginia.

Mr. BLAND. May I add that Great Britain and the other maritime nations are now, of course, putting their ships into the necessary work in the blocked-out area, and our ships are needed to carry commerce to other parts of the world, or we will stop the shipment of goods much needed by the American people.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania so he may explain his objection to the measure.

Mr. VAN ZANDT. I wish to inform the gentleman I do not object to the reconditioning of these vessels for the purpose of trans-Pacific or trans-Atlantic trade, but if used in intercoastal trade you do compete with the railroads of our country and this is what I object to. The gentleman knows Government-subsidized ships carrying freight from the west coast through the Canal to the east coast, much of which can be carried by the transcontinental railroads, has destroyed the jobs of railroad men.

Mr. BUCK. I take it the gentleman simply feels that the railroads ought to have the advantage of the 34-percent decrease in the intercoastal tonnage.

Mr. BLAND. May I correct one statement of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

Mr. BUCK. Certainly.

Mr. BLAND. They are not subsidized carriers when engaged in domestic commerce.

Mr. BUCK. That is correct.

Mr. BALL. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield.

Mr. BALL. I would simply like to reenforce what the gentleman from Virginia has stated. There are two ports in Connecticut, New London and Bridgeport, that are tremendously affected by this bill, and I sincerely hope it will go through.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. CULKIN. May I make this observation to the gentleman from California? In the first instance, I was not strongly for this bill, especially in the sale phase of it, but upon getting the explanation that these ships are needed to carry the manufactured products of the country, and also the agricultural products of the country into the belligerent territory, not under our flag, but after sale they may go under a foreign flag and may be useful for that purpose; after I had learned this, then I became favorable to this bill and very strongly favorable to it. I cannot conceive of any objection to this bill from the standpoint of any patriotic American.

Mr. BUCK. I thank the gentleman for his contribution.

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. The gentleman from California will state to the House that the merchants, manufacturers, and laboring groups of both the Pacific and Atlantic coasts are tremendously concerned in the passage of the bill, and there is a grave emergency confronting these interests and they are hoping and praying that Congress will pass the measure expeditiously. Is not that correct?

Mr. BUCK. I have stated already it is an emergency proposition and I can confirm what the gentleman from Washington has said.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Missouri.

Mr. SHORT. In answer to our friend from Pennsylvania [Mr. VAN ZANDT] I may say that intercoastal shipping on waterways helps rather than injures the railroads of the country, and many farm commodities in the interior, particularly the Middle West, because of discriminatory freight rates—we do not enjoy, of course, the cheap transportation through the Panama Canal—would find it impossible, of course, to ship clear across the country.

Mr. BUCK. I thank the gentleman.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Kansas.

Mr. CARLSON. I want to inform the gentleman from California that I have no objection to transferring these ships for the foreign trade, but I question seriously their need for intercoastal trade, and I call attention to a letter, written as late as April 19, 1940, to Mr. BLAND, the chairman of the Merchant Marine Committee.

Mr. BUCK. Let me say to the gentleman that the letter to the gentleman from Virginia [Mr. BLAND] was a report of the Maritime Commission on the original resolution introduced by me, in which letter the Commission suggested an additional amendment, which is section 2 of the present resolution and their report on House Joint Resolution 519 is favorable.

Mr. SHORT. And the whole world situation has changed vastly since that time.

Mr. BUCK. We have the Norwegian-Danish situation on our hands or in our laps, just as you want to express it.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I attended the meeting of the Commission, which was attended by a number of interests from the Pacific coast having this matter in hand, and it was there stated by the Commission itself that this legislation was necessary if any relief was to be given. It merely releases these old vessels, 116 of them, which are now sterilized and out of use, so that a very serious condition, in our district particularly, may be relieved, and otherwise there will be no transportation available.

Mr. Speaker, the contention made by the gentleman from Wisconsin [Mr. SCHAFER] that these ships will be sold by the Maritime Commission to foreign operators and the ships will find their way into the war trade is wholly untenable. I personally appeared before the Maritime Commission in connection with this matter, to ascertain the purpose of this legislation and the position the Maritime Commission would take in selling or chartering these sterilized vessels. It was definitely stated at that meeting and understood by all that the Maritime Commission would impose conditions in the sale or charter of these vessels, which it is permitted to do under the law, insuring that these vessels would be used in the intercoastal trade and also that they would not be used to replace vessels owned or operated by the purchaser, which would thereby be released or sold to foreign owners. In other words, it is the plan of the Maritime Commission to utilize these vessels in providing additional bottoms to take care of intercoastal trade.

At the present time it is impossible to obtain shipping space short of 30 or 60 days in intercoastal shipments and in many cases impossible to obtain any space. It is particularly damaging to the Pacific coast in that we have large quantities of lumber, grain, canned goods, fruits, fish, and other products which move through the Panama Canal and can only be handled through the intercoastal service. Over 30 percent of the vessels heretofore in this service have been moved out and many more are being transferred to other service. The foreign war has absorbed many of the vessels suitable as cargo carriers which are available for intercoastal trade. The selling price is so attractive that it has caused all of the older vessels to be taken from the usual channels of trade. It has been particularly damaging to the Pacific coast. The Maritime Commission has signified its willingness to cooperate in every way in this emergency if this law is enacted.

The district which I represent, the third district of Oregon, has within it the port of Portland, which is the outlet for intercoastal and foreign shipping from all of the Columbia River territory.

This legislation has for its purpose the suspension of section 510–g of the Merchant Marine Act of 1936 during the present European war, which section restricted the use of vessels in the laid-up fleet of the Maritime Commission. It has particular reference to intercoastal shipping from the Pacific coast.

A very serious condition has arisen there by reason of the sale and charter of many vessels which formerly were used in intercoastal trade. The demand for these ships by foreign shippers, growing out of the needs of the European war, has practically robbed the west coast of its shipping facilities. At the present time it takes from 3 to 4 weeks for west-coast shippers to secure shipping space either for east-bound or west-bound cargoes.

One-fifth of the lumber produced in the Northwest goes through the Panama Canal, and averages one and one-half million tons annually. Forty-six percent of the softwoods used in lumber production originates in Oregon and Washington for eastern consumption. Federal records show that one-third of the ships formerly used in this intercoastal industry have either been sold or chartered out of this traffic. As a result, curtailment of production on tidewater mills in the Pacific Northwest has been reduced over one-third, owing to lack of bottoms for handling the intercoastal trade. As a result, it is curtailing production. Indications are that this summer during the building period there will be a very marked advance in building operations, not only in carrying forward the Federal-housing program but also in various other industrial activities which require considerable quantities of lumber products. The war trade has developed a considerable demand also for lumber. Low-cost housing requires large quantities of lumber products as low-cost building utilizes

lumber largely for construction. Unless shipping facilities for intercoastal trade are made available, there will be a critical shortage of lumber production, with the failure of quantities with which to carry forward these programs. As a result, not only will mills in the Pacific Northwest be shut down and large numbers of laborers thrown out of employment but various allied industries will be curtailed and building operations generally slowed up, resulting in increasing the unemployment rolls. The use of these old ships in this trade instead of working a hardship on railroads will help them. It will increase rail tonnage going to and from the terminal points. This cargo is not such that it may be carried by rail. The cost is prohibitive.

One of the large forest-product industries in the Pacific Northwest is the chemical pulp industry, which manufactures pulp material used in various types of high-grade paper, rayon, plastics, and other similar products. This pulp is made largely from hemlock and waste material from lumber operations, much of which would be entirely lost unless devoted to this or a similar use. From sixty to seventy million dollars are invested in this industry alone in the Pacific Northwest. It manufactures some 800,000 tons per annum, requiring 780,000 man-hours alone to produce the logs. Thirty-five percent of the cargoes originating in this industry are water-borne. Twenty-five thousand tons of shipping space are needed but only 10,000 tons are available under existing conditions. These cargoes all go to the eastern seaboard.

The purpose of this legislation is to lodge in the Maritime Commission sufficient power to make available vessels which under existing law are now tied up. They are old, outmoded ships, but could be utilized in this emergency to prevent serious interruption of an essential industry in the Pacific Northwest. Shippers have entire confidence in the effectiveness of the Maritime Commission to meet and solve this situation, if power is given them under proper legislation.

The situation is so critical that it is most essential that immediate action be had so that the Senate may pass the necessary legislation without delay before Congress adjourns.

Mr. BUCK. I am very glad to have the gentleman make that statement, because he attended that meeting, when I could not, with others, who had come here from a long distance; and there were also, I believe, some New England people there at the same time.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. ANDERSON of California. Is it not true that as a result of the effect of the Neutrality Act on maritime shipping we have put a lot of American seamen on the beach without jobs, and if this bill passes it will give us an excellent opportunity to reemploy a great many of these American seamen?

Mr. BUCK. There is no doubt about that.

The gentleman from Virginia [Mr. BLAND] has just called my attention to an article which appeared in the Journal of Commerce today, which I shall read:

BUCK BILL BACKED BY SHIP OFFICERS

Prompt passage of the Buck resolution or similar legislation which would permit the Maritime Commission to sell all the war-time-built laid-up fleet for further operations was recommended in telegrams sent to many prominent Congressmen last night by the United Licensed Officers of the United States of America.

Bert L. Todd, general secretary of the organization, said that sale and operation of the Commission's laid-up fleet would alleviate unemployment of ship officers and seamen. Owing to transfer of a large number of American tankers and freighters to foreign flags, and disruption of normal American line services on account of restrictions imposed by the Neutrality Act, many ship officers are ashore at this time, he said.

Under the Merchant Marine Act of 1936, the Maritime Commission is not permitted to sell any vessel more than 20 years old for further operation. The proposed joint resolution now before Congress would change this section of the law.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield.

Mr. BLAND. And at least 75 percent of the crews of the nonsubsidized vessels must be American citizens.

Mr. BUCK. Yes.

Mr. Speaker, for the moment, I reserve the balance of my time.

Mr. BUCK asked and was given permission to extend his remarks and to include therein the newspaper article referred to by him.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demanded a second in order that we might have an opportunity to look into this bill and see what it proposes to do. I believe that the gentleman from New York [Mr. CULKIN] let the cat out of the bag when he indicated that he was supporting the passage of this bill because it would permit the sale or chartering of the 116 laid-up vessels of our United States merchant marine to foreign countries to carry supplies, munitions, implements of war, and so forth, to belligerents in the new unpleasantness in Europe.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. CULKIN. The gentleman is overemphatic in his statement, and that is a polite way of putting it. I did not say 116 ships. I said a few ships, some ships, would be available after transfer to a foreign flag to carry American agricultural products and American-manufactured products into the combat areas. If that is letting the "cat out of the bag," the gentleman may make the most of it.

Mr. SCHAFER of Wisconsin. Certainly; and I am glad that the gentleman admits that he has let the "cat out of the bag." I know now that I am one Member of Congress who is not going to vote for this bill, which violates the neutrality of the United States. The taxpayers of America have expended hundreds of millions of dollars in subsidies to build up our American merchant marine as an essential part of our national defense. We know that it is just as essential to have an adequate merchant marine, from a national-defense standpoint, as it is to have cruisers, torpedo boats, battleships, airplanes, and so forth.

Congress passes a neutrality act, and the President of the United States and Members of Congress belonging to both parties proclaim to the world that they are neutral and want to keep the United States neutral and out of the new European war which is now raging. We now find Members of the House who talked and voted for the Bloom Neutrality Act and boasted about their desire to keep America out of the war and preserve our neutrality asking us to vote for this bill to sell or charter hundreds of vessels of our American merchant marine to foreign interests so that they can be used to carry supplies, munitions, and implements of war to belligerents in the existing European war. If that is neutrality, then I am a Chinaman. This bill reminds me of our New Deal brethren spending many billion dollars of the taxpayers' money in the name of national defense, and then giving the latest secrets regarding our national defense in respect to airplanes to potential enemies in foreign lands.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes. I yield with pleasure.

Mr. HAWKS. Is it not a fact that because of the activities of a fellow like Harry Bridges, we cannot even begin to man our own merchant marine anyway?

Mr. SCHAFER of Wisconsin. The gentleman is correct. Let me suggest to our New Deal brethren who are supporting this bill in the name of American shipping interests and American seamen that they better get busy and have their administration turn the "heat" on the alien British subject, Harry Bridges, who has been trying to destroy our American merchant marine and the jobs of American seamen in order to promote the welfare of British shipping interests and furnish jobs for seamen who, like himself, are British subjects.

This New Deal administration is certainly carrying on the interrupted march of the Wilson administration, as promised in President Roosevelt's 1932 acceptance speech. It is following the same path while promising to keep us out of war, as Wilson promised.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. BLAND. I call the attention of the gentleman to the fact that he is mistaken about carrying in belligerent zones.

Mr. SCHAFER of Wisconsin. A gentleman from the gentleman's committee admitted that.

Mr. BLAND. Belligerent countries are withdrawing their ships from other sections, and we cannot get enough ships to carry American goods to Africa, South America, and various other sections that are completely neutral, with which we have a right to trade, and consequently the producers in America are having their goods left on the shelves.

Mr. SCHAFER of Wisconsin. Then why does not the gentleman offer an amendment to this legislation and provide that these ships of our American merchant marine can only be sold or chartered to American citizens or to American corporations. That would keep them out of belligerent zones under the Neutrality Act. This bill permits the sale and charter to foreign interests and, therefore, their use in belligerent zones.

Mr. BLAND. If the gentleman asks me, the conditions are changing so rapidly every day and every minute in the day that I wish to place the authority to handle this in the best interests of America, and I believe that has been done by this resolution.

Mr. SCHAFER of Wisconsin. Mr. Speaker, we are now told that we must pass this bill because we do not have enough vessels in operation to take care of our shipping requirements although American shipowners and operators who have received millions of dollars in subsidies from the taxpayers' Treasury have been transferring the registry of many of their ships to foreign countries in order to violate the spirit, if not the letter, of the Bloom Neutrality Act.

Mr. BLAND. The trouble about it is the gentleman is mistaken. None of these has been transferred.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. VAN ZANDT. My opposition to the bill is based on the fact that intercoastal steamship trade competes with the private carriers or railroads of our country. At this time I want to put in the RECORD a paragraph from Admiral Land's letter dated April 19 and addressed to Chairman BLAND, in which he "lets the cat out of the bag":

> While the net diversion of tonnage from intercoastal trade is considerable on the basis of tonnage figures alone, it must be remembered that up to the beginning of the war the tonnage was definitely in excess of needs. From the available data it does not appear that any emergency exists in the intercoastal trade as far as available space is concerned at this time.

Mr. SCHAFER of Wisconsin. That is a fact and the real purpose of this bill, as stated by the gentleman from New York [Mr. CULKIN], is to sell or charter vessels of our American merchant marine, to weaken our own national defense, transfer those ships to foreign registry so that they can be used as war-supply ships in violation of true American neutrality. This bill is another step taken by our New Deal brethren along the pathway which leads to the new European war. President Roosevelt and his New Deal tribe of internationalists and interventionists are heading for war while talking for peace before election. President Wilson promised to keep us out of war before election, and you and I went overseas to help him make the world safe for democracy and end all wars after his election. Remember that this bill, if enacted, will be in effect after this November election.

Mr. VAN ZANDT. Is it not true if a few of the transcontinental railroads, especially the Milwaukee Railroad, which passes through the gentleman's district, carried just a portion of the freight these ships carry, hundreds of railroad workers in your district would have jobs?

Mr. SCHAFER of Wisconsin. The gentleman is correct. This bill should be defeated from an American national-defense standpoint. Let us keep the ships of our American merchant marine an important arm of our national defense under the American flag and not permit their sale and charter to foreign interests and their operation under foreign flags. Let us furnish jobs to Americans by keeping these ships under the American flag. Let us not permit these American merchant marine ships to be used by either side in the European conflict which is now raging for the purpose of carrying arms, munitions, implements of war, and war supplies to belligerent countries, as the gentleman from New York [Mr. CULKIN] correctly stated, might be done under the bill.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. CULKIN. May I say to the gentleman that what I said was exactly true?

Mr. SCHAFER of Wisconsin. The bill will permit that, will it not?

Mr. CULKIN. Just a minute. It seems to me the gentleman leans so far backward on this question that he is almost in the other camp.

Mr. SCHAFER of Wisconsin. No; I am in the American camp; I want to maintain American neutrality and preserve our American national defense. [Applause.] I do not want my children, and other World War veterans do not want their children, slaughtered on battlefields in Europe in order to pull foreign countries' chestnuts out of the fire. Our New Deal fuehrer in the White House is following in the footsteps of Woodrow Wilson, who talked peace before election and plunged our country into war after election in the name of "making the world safe for democracy." It now seems that our Democratic brethren who "made the world safe for democracy" in 1917, 1918, and 1919 are not satisfied with their work and now want us to swallow more foreign propaganda and "save world democracy."

Mr. CULKIN. May I commend the gentleman for his patriotism and his vigorous patriotism? I want to say this—that the gentleman is seeing ghosts on this question, despite the statement that I made which seemed to set him on fire.

Mr. SCHAFER of Wisconsin. You trotted out the ghost and perhaps that is the ghost I see. [Laughter and applause.]

Mr. CULKIN. May I say to the gentleman it is impossible to get coal from the State of Pennsylvania, if you please, to South American countries by reason of the lack of ships?

Mr. SCHAFER of Wisconsin. All right. If that be so it is not necessary to permit the selling and chartering of these American Merchant Marine vessels to foreign interests as this bill does.

Mr. CULKIN. No American ship, no American sailor, under the provisions of this bill—I have been very frank about it thus far, and I am yet—can go into the war zone on any ship. It does provide for sale, and that is the thing I originally objected to.

Mr. SCHAFER of Wisconsin. How are you going to furnish jobs for those American seamen, whom the proponents of this bill wept crocodile tears over, if they cannot go on these ships in the war zones, and if the ships can be sold or chartered to foreign interests, who can send them into the war zones?

Mr. CULKIN. The world is greater than the combat zone. There is Africa and South America. South America has no coal now. The gentleman is going to send coal to South America.

Mr. SCHAFER of Wisconsin. Then does not the gentleman believe we should amend this bill and provide that these ships can only be sold to or chartered by American corporations or American citizens?

Mr. CULKIN. I do not think so.

Mr. SCHAFER of Wisconsin. So that we do not leave the door wide open so that hundreds of ships of our subsidized American merchant marine can be sold to or chartered by foreign interests and used to carry arms, munitions, implements of war, and war supplies to belligerent nations as the bill does now provide?

Mr. CULKIN. No American ship can do that under this act.

Mr. SCHAFER of Wisconsin. But under this act the Maritime Commission can sell or charter any or all of the ships to foreign interests or American interests for foreign registry and the ships can then be used in war zones as war supply

vessels to carry troops, munitions of war, war supplies, or implements of war. Such use of our subsidized American merchant marine will not maintain the neutrality of our country.

Mr. CULKIN. That is all quite true. The gentleman can make the most of that argument, but despite that I say that this bill is sound in principle and is sound Americanism and does not violate the Neutrality Act.

Mr. SCHAFER of Wisconsin. Would the gentleman favor taking an arm of our national defense, these ships of our American merchant marine, and selling or chartering them to Germany and Russia, on one side, or England and France, on the other side, for use in the war zone to carry implements and munitions of war and war supplies? Would the gentleman approve of that?

Mr. CULKIN. The gentleman must know that cannot be done under the Neutrality Act.

Mr. SCHAFER of Wisconsin. Why, this bill is to circumvent the Neutrality Act. Of course, it can be done under this act and the cash-and-carry provisions of the Bloom so-called Neutrality Act.

Mr. CULKIN. No; it cannot be done.

Mr. SCHAFER of Wisconsin. Any American ship which is sold to or leased to foreign purchasers and transferred to a foreign registry does not come under the provisions of the Neutrality Act. This bill is clearly designed to permit the use of many ships of our American merchant marine in European war service to get around the provisions of the Neutrality Act, weaken our national defense, and take sides in the new European war. The Congress should not abdicate and vest the New Deal bureaucrats with the unlimited authority carried in this bill. Mr. Speaker, this bill is not limited to the 116 ships in the laid-up or sterilized fleet, but includes "all vessels transferred to the Maritime Commission by the Merchant Marine Act, 1936, or otherwise acquired by the Commission, other than vessels constructed under the Merchant Marine Act, 1936." Mr. Speaker, page 2 of the committee report reads as follows:

Section 1 of the joint resolution (H. J. Res. 519) would suspend, during the European war, section 510 (g) of the Merchant Marine Act, 1936, as amended (Public, No. 259, 76th Cong., approved August 4, 1939). Section 510 (g), which is a part of the "turn-in-and-build" amendment to the 1936 act, prohibits the use for commercial operation (except in certain limited cases) of vessels over 20 years old, which were in the Commission's laid-up fleet on August 4, 1939, or are turned in under the "turn-in-and-build" provisions (sec. 510). Section 1 of the joint resolution would lift such prohibition on the use of such vessels, and would permit the Commission to sell, charter, or use vessels in the laid-up fleet or the turned-in vessels, pursuant to the merchant marine acts in force prior to August 4, 1939.

Section 2 of the joint resolution would permit the Maritime Commission to sell or charter its vessels (other than those constructed under the Merchant Marine Act, 1936), including those in the laid-up fleet, upon such terms and conditions and subject to such limitations as the Commission may deem necessary or desirable in the furtherance of the public interest. The authority to sell or charter old vessels under the merchant marine acts is somewhat restricted, and not suited to flexible temporary or emergency use.

Mr. Speaker, page 2 of the committee report also states:

The Commission has a laid-up fleet of 116 vessels, about 1,000,000 tons, which have been deemed to be of sufficient value to warrant preservation for a national or commercial emergency. While the vital machinery of these vessels has been preserved, the vessels will require reconditioning before they can be put into service in any trade.

It appears that to enable the Government to be in a position to make effective disposition of its old vessels in any shipping emergency in foreign or domestic trade, it would be desirable to lift the restrictions of section 510 (g), and to vest in the Commission broad and flexible authority to sell or charter its vessels, including those in the laid-up fleet, for use in the coastwise or intercoastal trades, as well as to sell or charter for use in the foreign trade.

The committee reporting this bill states:

The Commission has a laid-up fleet of 116 vessels, about 1,000,000 tons, which have been deemed to be of sufficient value to warrant preservation for a national or commercial emergency.

Mr. Speaker, if these 116 vessels and many other vessels of our American merchant marine are sold to or chartered for the use of foreign interests, as they can be under this bill, how can they be preserved for a national emergency? The Chairman of the Maritime Commission, E. S. Land, in a letter of April 19, 1940, to the chairman of the Committee on Merchant Marine and Fisheries, which appears in the committee report, states:

The Commission consequently favors the enactment of the joint resolution to suspend, during the European war, the restrictions of section 510 (g) on the use or disposition of vessels in the Commission's laid-up fleet, together with an amendment which would vest in the Commission complete authority to make effective disposition of its vessels as needs therefor may arise during the continuance of the war.

Such amendment should vest in the Commission general authority, during the European war, to sell or charter its vessels, including those in the laid-up fleet, under such terms and conditions and subject to such limitations as the Commission deems necessary or desirable. It is impossible to foresee just what emergent conditions may require use of the Commission's vessels in commercial operation, and a broad flexibility of authority to meet such conditions promptly in the national interest is necessary to make really effective use of such vessels.

To attain such flexibility, it is desirable that the Commission have certain authority in addition to and in modification of existing law. For example, it would be desirable that the Commission have authority to charter vessels for use in the coastwise or intercoastal trades, as well as to charter vessels for operation in foreign trades other than in lines or on essential routes in the foreign trade of the United States. It would also be desirable in attaining the objectives of the joint resolution to broaden the Commission's authority to sell vessels individually for operation in other than lines or essential trade routes.

Mr. Speaker, in view of the facts, I cannot vote for this bill, which is designed to weaken our national defense, violate the neutrality of the United States, and permit the use of ships of our American merchant marine in service for the benefit of belligerents in the European war which is now raging.

Mr. Speaker, I reserve the balance of my time.

Mr. BUCK. Mr. Speaker, will the gentleman use some more of his time?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I voted and spoke against the Bloom neutrality bill, and I have not changed my mind one bit on that subject. The resolution before us does not involve the Neutrality Act.

I am just as anxious for this country to keep out of war as my friend from Wisconsin [Mr. SCHAFER]. This Nation must not become involved in another European war. Our boys must not again be sent to fight and die on foreign seas and in foreign lands in fruitless efforts to settle the age-old quarrels of European and Asiatic nations.

The resolution before us will not involve us in any foreign war. My good friend the gentleman from Pennsylvania [Mr. VAN ZANDT] is fearful that this resolution, if adopted, will hurt the railroads, and my friend from Wisconsin [Mr. SCHAFER] fears that this resolution might involve us in war. I desire to take up both of these contentions briefly.

About 12 or 15 years ago we were confronted with almost this same situation. There was a demand for American coal in the Mediterranean countries, the West Indies, and South America. At that time the National Coal Association and the National Coal Exporters Association and the railroads urged Congress to recondition some of these ships which were built during the World War so as to carry American coal to the Mediterranean countries, the West Indies, and South America. We had already reconditioned some of these ships to carry wheat, lumber, meats, foods, and so forth, in our export trade, but we had made no provision for the carrying of export coal. I made a fight for appropriations to recondition these ships and we secured appropriations amounting to somewhere between three and five million dollars for that purpose.

Some of these World War merchant ships were reconditioned and a great lot of coal was exported. This gave work to American miners and business to American coal producers, and it furnished business for the railroads and employment for the railroad workers.

Now, what is the situation confronting our country on this very matter today? Germany produces considerable coal and exported a lot of coal. Great Britain produces more coal

than any other country in the world except the United States. Germany and Great Britain exported a lot of their coal to the Mediterranean countries and South America. They are now engaged in war and cannot supply these markets. They are now charging $20 or more a ton freight to ship coal to certain foreign countries. There is a great market begging for American coal, but we do not have the ships to transport the coal.

Our Government spent hundreds of millions of dollars during the World War building these more than a hundred merchant ships that have been tied up in our harbors and rivers ever since the World War, decaying and going to waste. This resolution provides that the Government may recondition a number of these ships and put them into service to carry coal, farm commodities, lumber, meat, and other products to Africa, the Mediterranean, the West Indies, and Central and South American countries. Other nations have withdrawn a lot of their merchant ships from carrying American products, and our ports are being piled up and congested with these exportable products.

The National Coal Exporters' Association and the National Coal Association and many of our railroads are very anxious to see this resolution adopted and these ships reconditioned to carry coal and other products and to relieve the congestion in our seaports. I am reliably informed that the representatives of the Baltimore & Ohio, Chesapeake & Ohio, Norfolk & Western, and Virginian Railroads were here recently and approved this resolution. It is also approved by the United States Maritime Commission and had the unanimous support of the Merchant Marine Committee of the House—Democrats and Republicans.

HELPFUL TO COAL OPERATORS, RAILROADS, AND WORKERS

I know that the coal operators, miners, railroads, and railroad workers in Kentucky, Pennsylvania, West Virginia, and other coal-producing States of the Union want this legislation so that coal may be produced in the mines and carried by the railroads to the seaports. Why should we sit idly by here and see these ships, costing millions of dollars, rusting and decaying and see hundreds of thousands of miners and railroad workers out of work and their families on relief and in great need of the necessities of life when we have an opportunity to recondition these ships, put them into service and produce millions of tons of coal to be carried by the railroads to the seaports? We need these ships to carry the coal to the markets of the world—markets far removed from the war zone—give business to the coal producers, work for the miners, and provide tonnage for the railroads and employment for the railroad men, and it will also provide employment for thousands of idle seamen. Many of us have been very much interested in this proposal for some time and I am very happy to have an opportunity to support this resolution. [Applause.]

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MAY. It is just plain common sense to pass this bill and open up that great market.

Mr. ROBSION of Kentucky. We have these ships that cost us hundreds of millions of dollars. They are tied up in various harbors of the country and decaying. Why should we refuse to pass this bill and have these ships remain tied up in our harbors rusting away, our miners and railroad people idle and our ports filled up and congested with farm products, lumber, meats, and other exportable products that cannot now be moved? We have nearly 11,000,000 unemployed industrial workers in this country. We have a great surplus on our farms, in our factories, mills, and shops. Why deny opportunities for work to some of these millions of unemployed industrial workers who must have private jobs or go on relief? Why deny this relief to the farmers, lumbermen, and others? Why should we not give this business to the railroads, the coal operators, and shippers?

This is a good American bill backed by the Republicans as well as the Democrats. It is helpful and salutary legislation. It is in the best interests of our country and I strongly favor it and urge its passage. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman from Wisconsin has 2 minutes remaining.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. VAN ZANDT.]

Mr. VAN ZANDT. Mr. Speaker, I repeat that I oppose this legislation because I am deeply concerned with the problem of the employees of the railroads of the United States, many of whom are now on involuntary furlough. I agree with the gentleman from Kentucky that to recondition these ships would open a new field for American-mined coal, but the gentleman refuses to recognize the fact that those who are sponsoring this legislation are using the coal miners of the country as an excuse to open up new intercoastal trade which will take business away from the transcontinental railroads, or in other words, inflicting injury on a natural ally of the coal industry. I am looking at this proposal from the standpoint of the railroad employee. It is true the railroads will get additional employment transporting coal from the mines to the seaports. However, you gentlemen must realize that not all of these ships will carry coal to foreign countries nor will they carry coal from the east coast to the west coast. To the contrary, their principal cargoes will be products other than coal, thereby diverting freight traffic from the already hard-pressed railroads. Keep this in mind each time a ship travels through the Panama Canal carrying freight it takes jobs from the railroad men of this country. If the railroad men of our country had the privilege of standing in the Well of this House and understanding this legislation and its effect on the railroad industry, I dare say that not one railroad man would support this measure.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Kansas.

Mr. CARLSON. In 1930 we passed an act sterilizing 116 ships as a part of our national defense. Now, at a time when the world is at war and when we might be threatened ourselves, it is proposed to transfer these ships to foreign countries.

Mr. VAN ZANDT. I wish someone would answer the question as to why owners of ships flying the American flag transferred the ships to foreign flags immediately after the declaration of war. Nobody has answered that question on the floor as yet. It is difficult for me to understand the practice of certain shipping concerns transferring ships to foreign flags and then expect our Government to replace those ships at the expense of the American taxpayer. This is another Government subsidized threat to private business.

Mr. BUCK. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, this is strictly an American unemployment and reemployment measure, let me say in reply to the gentleman from Wisconsin [Mr. SCHAFER] and other gentlemen who have expressed similar views. No supporter of this bill, and certainly not the Maritime Commission, in my opinion, contemplates for one moment the charter or sale of any of these vessels to anyone except American interests, the vessels to be operated by Americans under the American flag, employing American seamen, shipping American goods, and American products manufactured by American workmen in the factories of America. [Applause.] Under the Neutrality Act our vessels cannot enter the combat zones anywhere in Europe or Asia. I cannot see the slightest danger that this measure will affect our neutrality. If I thought for one moment that it would, I would be strongly opposed to it.

Mr. Speaker, this measure will enable the lumber, plywood, veneer, pulp and paper, fruit and vegetable canning, grain and flour milling industries of the Pacific Northwest, the highly important manufacturing industries on the Atlantic seaboard and in the New England States and in the Gulf and Southern States, as well as the farmers of the Middle West, to ship their products in American bottoms. Thereby

our factories and industries will be enabled to continue to operate and probably increase their operations, and many thousands of workmen will have employment. These vessels, now sterilized, have been paid for by American taxpayers, are the property of the American people, and should be reconditioned and made available to serve American interests. I urge the House to adopt the resolution offered by the gentleman from California [Mr. BUCK]. [Applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Speaker, I yield to the gentleman from California [Mr. WELCH].

Mr. WELCH. Is it not a fact that the lumber interests on both coasts as well as on the Gulf particularly desire this legislation?

Mr. BUCK. Yes.

Mr. WELCH. They cannot transport their lumber or pulp, and as a result nearly all the lumber and pulp mills on both coasts are closed down.

Mr. BUCK. That applies not only to lumber, but also to wool, canned fruit producers, and to people who produce other materials.

Mr. WELCH. The primary purpose of this resolution is to relieve a condition on the Pacific coast brought about by the European war.

The act of August 4, 1939, provided for the removal from service old or obsolete ships and their replacement with modern ships in the interest of national defense and the shipping industry.

The Maritime Commission is authorized under the terms of the resolution to sell or charter its laid-up ships during the continuance of the war. Care will be exercised by the Maritime Commission to see to it that the resale of the ships in question shall not be made to people who might acquire them for speculative purposes.

It is an emergency measure which in turn will bring to the Government a good price for sterilized ships which otherwise will eventually be sold for junk.

Mr. BUCK. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, in view of the remarks made by the gentleman from Wisconsin, I want to call attention of my Republican colleagues to the fact that this bill is a nonpartisan one. The gentleman from Wisconsin was in error, of course, when he said it was a New Deal bill, and when he intimated that Republicans were opposed to it he cast a reflection upon the intelligence of the Republicans. [Laughter and applause.] To my own personal knowledge every Republican on the Pacific coast is in favor of the bill and so far as I know every Republican representing port areas on the Atlantic coast is in favor of it.

Mr. WELCH. And every Republican on the committee voted for the bill.

Mr. MOTT. Certainly, they are all in favor of it. All of our industries on the Pacific coast, and the lumber industry particularly, are being seriously hampered and menaced on account of the shortage of ships. If we do not have the legislation provided in this bill it is possible those industries may be entirely ruined.

[Here the gavel fell.]

Mr. BUCK. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, in concluding this debate I simply want to emphasize the fact this is an absolutely nonpartisan bill, designed for the interest of the United States and designed to reemploy men. Forty-nine ships have already been taken out of the intercoastal service. You are not doing anything to help those sailors who came off those ships and are on the beach today unless you put them back in some other bottoms. I hope the vote on this bill will be unanimous.

The SPEAKER. All time has expired.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to amend the resolution by adding two amendments which strike out the word "heretofore" and insert "on November 4, 1939." The reason for that is that when the report was made there was only one proclamation of neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, will the gentleman perfect the bill so that we can all support it by striking out the provisions which will permit foreign countries to purchase these boats and restrict it only to American corporations and American citizens?

Mr. BLAND. In view of the fact I do not concede the theory of the gentleman, I cannot agree to do that.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 1, line 6, strike out the word "heretofore" and insert, after the word "President", in the same line, the following: "on November 4, 1939."

On page 1, line 10, strike out the word "heretofore" and insert, after the word "President", the following: "on November 4, 1939."

The SPEAKER. The question is, Shall the House suspend the rules and pass the resolution as amended?

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 194, noes 15.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) Two hundred and thirty-one Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

DEPARTMENTS OF STATE, COMMERCE, AND JUSTICE, AND THE JUDICIARY APPROPRIATION BILL—CONFERENCE REPORT

Mr. McANDREWS. Mr. Speaker, I call up the conference report on the bill, H. R. 8319, making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 12, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 8, 9, 10, 13, 14, 15, 16, 17, 23, 25, 26, 27, 30, 31, 32, 33, 34, 36, and 37, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Bureau of Interparliamentary Union for Promotion of International Arbitration, $10,000;"

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$8,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,083,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$110,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$308,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and

agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,325,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment, insert "$7,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment, insert "$7,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$187,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 28 and 29.

JAS. MCANDREWS,
LOUIS C. RABAUT,
MILLARD F. CALDWELL,
JOHN H. KERR,
BUTLER B. HARE,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
PAT MCCARRAN,
J. H. BANKHEAD,
KEY PITTMAN,
STYLES BRIDGES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

State Department

On amendment No. 1: Authorizes the use of the appropriation for contingent expenses for translating services, as proposed by the Senate.

On amendment No. 2: Corrects a citation of law.

On amendment No. 3: Appropriates $10,000 for the expenses of a contribution by the United States to the expenses of the Bureau of Interparliamentary Union for Promotion of International Arbitration instead of eliminating all appropriations for this agency, as proposed by the Senate, or appropriating $20,000, of which $10,000 would be for a contribution and $10,000 for the expense of sending American delegates to a meeting of the Union, as proposed by the House.

On amendment No. 4: Authorizes $8,000 of the appropriation for the International Labor Organization to be used to meet expenses attendant upon participation by the United States in the meetings of the Organization, instead of making $5,901 available for such purpose, as proposed by the House, or $10,000 available for such purpose, as proposed by the Senate.

On amendment No. 5: Makes the appropriation for the International Labor Office available for such expenses as may be authorized by the Secretary of State, as proposed by the Senate, instead of making such appropriation available for necessary expenses, as proposed by the House.

On amendment No. 6: Corrects a total.

On amendment No. 7: Eliminates from the bill an appropriation of $25,000, proposed by the Senate, for fence construction on the international boundary of the United States and Mexico.

On amendment No. 8: Makes available $120,500 for salaries and expenses of the so-called "cultural relations" program with South and Central America, as proposed by the Senate, instead of $155,500, as proposed by the House.

On amendment No. 9: Eliminates from the bill, as proposed by the Senate, the authority to expend $35,000 under the direction of the Department of Agriculture to further the cultural-relations program with South and Central America, instead of sanctioning such expenditure, as provided by the House.

On amendment No. 10: Permits officers of the Federal Works Agency to be assigned for duty as inspectors of Government-owned or occupied buildings in foreign countries, as proposed by the Senate.

Department of Commerce

On amendment No. 11: Appropriates $110,000 for salaries and expenses of the Census Bureau in furnishing information concerning age of applicants for social-security benefits instead of $120,000, as proposed by the House, and $100,000, as provided by the Senate.

On amendment No. 12: Reinstates in the bill language eliminated by the Senate dealing with the right of the Patent Office to investigate certain public use or sale of inventions and conduct other investigations.

Department of Justice

On amendments Nos. 13, 14, 15, 16, 17, 18, 23, 27, 31, 32, 33, and 35: All have to do with the transfer of the appropriations for the Probation Service of the Department of Justice to the office of the Administrator of United States Courts. The Senate had proposed this transfer, and the bill as agreed to contains language and transfers of funds to accomplish this end. The House conferees have receded from all the above-named Senate amendments except Nos. 18 and 35. In the case of these two amendments, the Senate had proposed to transfer $15,000 from the office of the Director of Prisons to the office of the Administrator of United States Courts. The conferees have agreed to the transfer of $10,000 between these appropriations, such sum being approximately the amount expended on employees' salaries engaged in administering the Probation Service.

On amendment No. 19: Appropriates $1,325,000 for salaries and expenses of enforcing the antitrust laws, instead of $1,250,000 as proposed by the House and $1,400,000 as proposed by the Senate.

On amendment No. 20: Prevents the expenditure of any of the appropriation for enforcement of the antitrust laws in the establishment or maintenance of permanent regional offices and requires that all persons appointed to positions under this appropriation paying $7,500 or more per annum must first be confirmed by the Senate.

On amendment No. 21: Appropriates $375,000 for salaries and expenses of the Veterans' Insurance Litigation Division, as proposed by the House, instead of $325,000, as provided by the Senate.

On amendment No. 22: Requires that all attorneys paid from funds appropriated under the paragraph for salaries and expenses of special attorneys shall, if their salary be $7,500 per annum or more, be confirmed by the Senate. The Senate had proposed that this requirement be extended to all persons drawing salaries of $5,000 or more.

On amendment No. 24: Appropriates $1,650,000 for expenses of support of Federal prisoners in State, county, and city jails, instead of $1,750,000 as proposed by the House and $1,550,000 as provided by the Senate.

On amendment No. 25: Inserts a title in the bill as proposed by the Senate.

On amendment No. 26: Appropriates $131,000 for salaries of the Court of Claims, as proposed by the Senate, instead of $127,660, as provided by the House.

On amendment No. 30: Eliminates the surplus word "ten" as proposed by the Senate.

On amendment No. 34: Defines the term "circuit court of appeals" as proposed by the Senate.

On amendment No. 36: Requires the allotment of certain salaries out of appropriations made in the bill as proposed by the Senate.

On amendment No. 37: Prevents the use of any funds appropriated in the bill in paying any person for the filling of any position for which he has been nominated after the Senate has voted not to approve of the nomination of said person, as proposed by the Senate.

On amendments Nos. 28 and 29: Reported as in disagreement.

JAS. MCANDREWS,
LOUIS C. RABAUT,
MILLARD F. CALDWELL,
JOHN H. KERR,
BUTLER B. HARE,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

The conference report was agreed to.

The SPEAKER pro tempore (Mr. COOPER). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 28: On page 78, line 19, after the amount insert: "*Provided*, That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,000 per annum."

Mr. CALDWELL. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 28 and concur in the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CALDWELL moves to recede and concur in Senate amendment No. 28 with an amendment, as follows: In lieu of the matter inserted by said Senate amendment insert the following: "*Provided*, That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,200 per annum."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 29: On page 78, in line 21, after "per annum", insert "*Provided further*, That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts."

Mr. CALDWELL. Mr. Speaker, I move that the house recede from its disagreement to Senate amendment No. 29 and agree to the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CALDWELL moves to recede and concur in Senate amendment No. 29 with an amendment, as follows: In lieu of the matter inserted by said Senate amendment, insert the following: "*Provided further*, That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts: *Provided further*, That no part of this appropriation shall be used to pay the salary or expenses of any probation officer who, in the judgment of the senior or presiding judge certified to the Attorney General, fails to carry out the official orders of the Attorney General with respect to supervising or furnishing information concerning any prisoner released conditionally or on parole from any Federal penal or correctional institution."

The motion was agreed to.

A motion to reconsider the vote by which the motions were agreed to was laid on the table.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, in connection with this bill we wish it to be known that we have great confidence in the administrative ability of Mr. Chandler, who has been selected as the head of the administrative office of the United States courts, but I wish to say at this time that it was with great reluctance that we yielded to the request of the Senate to transfer the probation service to this agency. Because of the fear we have of a great increase in the cost of carrying on this work, which was formerly under the Bureau of Prisons, we hope that Mr. Chandler will find it possible not to make it necessary to set up a new system of parole officers to handle the work that was formerly carried on so efficiently and effectively by the Bureau of Prisons.

It has been estimated that if we should have to set up a new set of parole officers, the annual cost would be upward of $350,000. No necessity for such a new organization can come into being if the probation officers devote their energies to parole activities in the same way that they do probation activities and if the high standards of the past few years that were set by the Attorney General to govern the appointment of probation officers is continued in effect. We have agreed to this change with our tongues in our cheek, so to speak, hopeful that the dual problem of probation and parole can be successfully handled under this new set-up. If proper attention is not given by probation officers to the matter of paroled convicts, however, and because of the lack of proper parole supervision the Parole Board refuses to grant paroles, thus requiring an additional outlay of Federal funds to keep the prisoners incarcerated in Federal institutions, you may expect a move to be made by me and other members of the committee to place this probation service back under the Department of Justice.

PRIVATE CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on tomorrow may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HON. JAMES M'ANDREWS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I wish to say that the appropriation bill we have just been considering, which passed the House so well and the conference report on which has just been unanimously agreed to, was under the leadership of of my old and dear friend, the gentleman from Illinois, JIM MCANDREWS. [Applause.]

Twenty-seven years ago last March I got off a streetcar at Fourteenth and K Streets. Where the Tower Building now stands there was a hotel, and in that hotel as a Member of Congress lived the gentleman from Illinois, JIM MCANDREWS. Twelve years before that, or 39 years ago, he first became a Member of the House of Representatives. I believe he has been elected from every section of the great city of Chicago. [Applause.] When Jim moves into another section of Chicago and they draft him as the nominee all other Democratic candidates in the primary immediately withdraw, and the Republicans know their case is hopeless.

This House has never had in it a grander or a better man than the gentleman from Illinois, JIM MCANDREWS. [Applause.] I simply wished to take this 1 minute to call attention to the fact that 39 years ago he first became a Member of the Congress, and that during the three periods in which he has served here he has carried himself so that every Member of the House on both sides of the aisle during all that time has had a wholesome and a great respect for this fine, upstanding American. [Applause, Members rising.]

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend the remarks I made today with respect to the bill H. R. 8884 and to include therein the House report on the bill.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. BRADLEY] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. ENGEL] may be allowed to address the House for 20 minutes tomorrow at the conclusion of any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that on tomorrow, after the business of the day and any special orders heretofore entered, I may address the House for 30 minutes on the subject of pending amendments to the National Labor Relations Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SAFEGUARDING THE WESTERN HEMISPHERE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HINSHAW. Mr. Speaker, this noon there was held in the city of Washington the annual meeting of the Society of American Military Engineers, of which I have the honor to be a member. The meeting was addressed by Brig. Gen. George V. Strong, Assistant Chief of Staff of the United States Army, on the subject of Safeguarding the Western Hemisphere. The address is of great importance, and I am going to ask permission to place it in the RECORD at this

point, and suggest that every Member of the House read it, as it is important not only to the House itself, but to the people of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to follows:

ADDRESS BY BRIG. GEN. GEORGE V. STRONG, ASSISTANT CHIEF OF STAFF, UNITED STATES ARMY

It is perhaps particularly fitting to discuss before the Society of American Military Engineers the problem of safeguarding the Western Hemisphere, because there is no other profession whose activities play as large a part in the solution of this question as that of the engineer. As a matter of fact, our whole scheme of national defense is based upon the maintenance and the continued operation of that enduring monument to engineering skill that is found in the Panama Canal. It is a fact, as stated by our Secretary of War, that the Panama Canal is the keystone of our national defense, and as such it must be as nearly impregnable as engineering skill and trained soldiers can make it.

In considering broadly the subject of safeguarding the Western Hemisphere, it might be well to consider just what we mean by the Western Hemisphere. From a cartographic standpoint, the Western Hemisphere is somewhat different from the Western Hemisphere that we consider in matters of national policy. The latter, primarily a political matter, has been determined for us:

First. By various statements of the President;

Second. By the attitude of this Government in connection with various international conferences, such as the one held at Buenos Aires and at Lima; and

Third. By the declarations of the Panama Conference which was convened immediately after the outbreak of the European War, and to which we were a party.

The latter, for neutrality purposes, prescribed a zone around the North and South American continents, with their appendant islands, some 300 miles in width. This then represents in general terms the section of the world in which we are primarily interested. Under present conditions, and in view of the present development of weapons, this hemisphere is safe from any aggression from abroad just as long as two conditions maintain:

First. That the Panama Canal is open for the transit of the United States fleet; and

Second. That an aggressor from abroad has no bases in this hemisphere from which to operate.

Our problem then involves the maintenance of these two conditions, that is, keeping the Panama Canal open, and denying an aggressor from abroad bases from which to operate.

As to the first condition, it is generally accepted that the Panama Canal, with its existing seacoast armament, is safe from an attack by surface vessels alone. No power would assume the risk involved in a strictly naval attack upon either entrance of the Canal because the chances of success would not justify the risk of loss of costly matériel. A combination of sea and land attack would have slightly better chances of success, but the difficulties of transporting a landing force overseas, coupled with the danger involved in air attack on transports and the inevitable losses from beach defense combined with the difficulties of an advance through tropical jungles, make the chances of such an attack very small indeed. An air attack offers better chances of success, but an air attack involves the use of at least two carriers or a land base within a radius of approximately a thousand miles of the Canal, and the number of planes involved is not inconsiderable. These three forms of attack—land, sea, or air, or a combination of them—represent the application of military force to put the Canal out of action.

For the protection of the Canal against sea attack, we have installed harbor-defense armament adequate to meet and vanquish any naval force that is rash enough to attempt an attack upon the Canal. To meet a land attack, there is maintained in the Canal Zone a mobile military force deemed adequate to meet any initial raids that may be made by a hostile landing force, and plans are in existence promptly to reinforce this garrison in the event of an emergency. To meet an air attack, there is maintained in the Canal Zone antiaircraft armament which, with augmentations now provided, is adequate, in conjunction with the air garrison of pursuit and bombardment aviation, to cope with an air attack launched against the Canal, provided we have a reasonable warning of such an attack.

We cannot be sure, however, that our planned defense against air attack or against sabotage will be 100 percent efficient. The present Canal, as you know, consists of three double sets of locks. The lock chambers of each set are side by side and, in view of their construction, it is quite possible that one lucky hit of a large bomb or a heavy explosion in one lock chamber would be sufficient to put the Canal out of commission. In addition, the dimensions of these lock chambers limit the size of our naval units. Some of our aircraft carriers are just able to squeeze through the locks and no more. In consequence, in order adequately to meet naval requirements and to further minimize the chances of sabotage, or an air raid putting the Canal out of commission, there has been authorized the construction of an additional set of locks. These locks will be approximately 25 percent larger than the present locks and will be separated from them from a quarter to a half a mile. Appropriations for initiating this work are now pending before the Congress. Under present plans, assuming that work can be initiated this summer, this set of locks would not be open for use until 1945 or 1946. If the present troubled international situation becomes more menacing, we will face an engineering problem which will tax the ingenuity and skill of the engineering profession to speed up the construction of the new set of locks to meet what may be a crucial national-defense requirement. We can rest assured, however, that when the other set of locks is open to the use of our Navy, our national-defense problem, insofar as the Panama Canal is concerned, will be improved 50 percent.

The greatest danger to the Canal lies not in the application of military force but in the possibilities of sabotage. Against this our greatest efforts must be made.

Sabotage may take many forms. A vessel might be blown up in the locks; time bombs might be dropped in the locks; dams might be blown up; vital installations, such as control mechanisms or power sources, might be damaged or destroyed; but these possibilities have all been foreseen and steps have been taken to minimize, or in some cases nullify, efforts along this line. There is always the possibility, however, that a brain bent on destruction may be one jump ahead of measures for protection, and it is in this field that we are constantly striving by means of devices or installations, largely of an engineering character, to render the Canal safe from sabotage.

With the Canal reasonably safe from attack by land, sea, or air, and reasonably protected against attempts at sabotage, we are well assured of our ability to move our fleet from one ocean to the other as circumstances may demand. With the fleet available, the Army and the Navy, acting as a team, are free to perform their function of joint operations to deny an aggressor the seizure and establishment of bases from which he can operate against us or against any other American republic, or against the Canal. In considering these joint operations to deny an aggressor a base from which to operate against us, it might be well to consider from a practical standpoint the general areas in which an aggressor might wish to establish a base. As far as the North American Continent is concerned, Newfoundland offers practicable facilities as an air base from which operations can be launched against vital areas in the United States as far south as the Potomac River; it offers excellent advanced base facilities for naval or military action against the northeastern part of the United States; and a base from which practically to interdict all traffic from the northern part of North America to Europe. An enemy, once established in Newfoundland, would constitute a very serious threat against either Canada or the United States. Dislodging an enemy once established on Newfoundland would involve continued air operations from the northeastern part of the United States, and a joint military and naval expedition from our territories.

Farther south, the Bahamas offer a number of sites from which harassing air operations could be launched, covering generally the Atlantic States as far west as the Alleghenies. Here, too, dislodgment of an enemy once established would involve a joint overseas operation on the part of the Army and the Navy.

Farther south, Puerto Rico, if seized by an enemy, would be an ideal base from which to raid the United States, to interdict our coastwise commerce, and to attack the Panama Canal. If the present garrison were overwhelmed, reconquering Puerto Rico would be a far more difficult and a far costlier operation than when it was originally taken in 1898. The Lesser Antilles, covering the eastern approaches to the Caribbean and extending south from Puerto Rico to Trinidad just off the South American Continent, present a number of places owned by the European powers on which bases for attack against either the United States or the Panama Canal could be established. From a military standpoint, in many respects, the island of Trinidad is the most important. It not only covers the southeastern approaches to the Caribbean but presents extraordinarily favorable features either in the defense of the Caribbean or as a base from which we may be attacked. South of the Caribbean, the great hump of South America jutting out in the Atlantic offers in Natal the nearest approach from the African Continent, and many possibilities for the establishment of an air base from which operations could be directed to the north and west. In the Caribbean itself Cuba, Jamaica, and the countries bordering the Caribbean on the south, have numerous sites from which an attack could be launched against the Canal or against the southern part of the United States. The western coast of South America, with the exception of the Galapagos Islands approximately a thousand miles from the Pacific entrance of the Canal, does not offer a great threat to us except in the event of one or more of the American republics being dominated by a European or Asiatic power and turning against us and our sister republics. The western coast of Central America offers a number of places which could be seized and used as a base for operations against the Panama Canal. This same remark applies to the west coast of Mexico. Some 2,000 miles off our own Pacific coast lie the Hawaiian Islands in which is located our principal naval base in the eastern Pacific. Extending west from the Hawaiian Islands we have Wake, Midway, and Guam which mark the route to our outpost in the Orient, the Philippine Islands, which presumably will achieve its independence in 1946.

North of Hawaii we have our immensely rich Territory of Alaska, in which recently both the Army and the Navy have taken steps to establish bases. From Alaska there juts out to within a few hundred miles of Asia the Aleutian Islands in which it is contemplated to establish an outpost intended primarily for reconnaissance and surveillance of the great circle

routes leading from the Orient to the northwestern part of the continental United States. These Alaskan bases, in spite of the questions which have been raised by the Congress as to the wisdom of their establishment, are of tremendous importance to the United States because, held in reasonable strength, no enemy would initiate operations against the northwestern part of the United States if subject to the possibility of flank attack over a distance of almost 2,000 miles.

This rather hurried sketch of possibilities of problems that may arise in safeguarding the Western Hemisphere quite naturally raises the question as to what means we have of denying an enemy the use of these bases. It is perfectly obvious that initially the protection of the territory of any of the American Republics and Canada lies primarily in the hands of national forces of the country concerned. It is likewise perfectly obvious that in many cases local forces, due to lack of strength or to distribution or location, will not be adequate to prevent a determined aggressor from seizing bases within their territory and it is under these conditions that we, as a Nation, must face as a practical problem the question of furnishing aid in preventing the violation of the territorial integrity of our sister republics. This is not a high-minded Utopian proposition. On the contrary, it is a stark realistic military necessity because the establishment of a base by an aggressor from abroad in the territory of one of the other American republics is just as real and just as dangerous a threat against us as against the country in whose territory the base is seized. As a matter of fact, in many respects it is of greater danger to us than to the country primarily involved, because we have far more to lose in a material way than any other government in this hemisphere.

The present wars in Europe and in Asia differ in only one respect from their predecessors, namely in a keener appreciation and a more effective use of the time element. This, of course, is based primarily upon the development and application of the internal-combustion engine, principally the use of the airplane and the motor vehicle.

This development has increased the difficulty of our problem and indicates very clearly the vital necessity of applying in the safeguarding of the Western Hemisphere that principle of war, translated into homely language by General Forrest as "getting there fustest with the mostest men." This means, when applied to our problem, that we must maintain a small, adequately trained, properly armed, highly mobile, seasoned force, capable of acting instantly in the event of an emergency. Not only must this force have the basic characteristics which I have just indicated, but it must be so organized in units, so equipped with material, and so trained, basically and specially, as to be able to solve satisfactorily and promptly any of the infinite number of problems that may face it under varying circumstances in the Western Hemisphere. We must be prepared to outblitz the blitzkrieg.

This requirement of speed raises two problems for the military engineer. The strategic mobility of the so-called streamlined division, dependent as it is upon the use of motor transportation, and its increased fire power depending upon weapons whose ammunition consumption is far greater than in the past, emphasizes the necessity of the maintenance and construction of roads capable of bearing the strain placed upon them. This, of itself, demands a higher percentage of engineer troops than has been used in the past. In addition, the construction and maintenance of landing fields for the operation of our air forces is an added burden upon the military engineer which calls for a high degree of skill and unremitting work. In this field, time is vital and numbers, equipment, and training of engineering troops assume a degree of importance never attained in the past.

For the first time in 20 years this country is national-defense conscious. For the first time in 20 years has the Congress reflected this attitude of the American people in partially meeting the requirements of the military and naval service. We have spent huge sums in the past year and we are spending them now, but the conversion of this money into material, all of which will not be in the hands of troops for another 18 months, does not fully meet our requirements. Due to the starvation policy forced upon the War Department over a long period of years, we are still short almost half a billion dollars' worth of critical and essential items needed to equip the forces to be raised under our protective mobilization plan. For any other forces that may be required as emergency develops we have but a very small percentage of the arms and equipment that is necessary. We have made our plans and we are in position to take the first step for safeguarding the Western Hemisphere. We are not prepared, and unless the very real problem which may involve our continued national existence is realized, and funds are appropriated for urgent requirements, we will not be in position to take the second step, that is, make a major military effort, at least in time to meet the probable necessities of a situaion which would involve us in a major war on this continent.

To be in position to meet our requirements in the event of an emergency, it is vital to success that we procure, with the least practicable delay, the material necessary to fully arm and equip the forces contemplated in our protective mobilization plan; that we maintain in time of peace war reserves of critical items adequate to keep our forces going under war conditions until industry can produce in quantities sufficient to meet war-time requirements for such a force; and third, that we maintain, in time of peace, a Regular Army and National Guard organized, trained, and equipped to meet M-Day requirements. These three steps will cost money, but that money is the best possible insurance of keeping us out of war. The principal question now before the American people is whether they will insure our country being kept out of war by paying this price of preparedness for national defense, which is essential to the maintenance of peace in the Western Hemisphere.

EXTENSION OF REMARKS

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio address which I made out home and to include as a part of that address an editorial appearing in the New York Herald Tribune.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROPOSED REORGANIZATION OF THE CIVIL AERONAUTICS AUTHORITY

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAWKS. Mr. Speaker, the proposed reorganization of the C. A. A. has required a lot of explaining.

First, there had to be White House conferences and inspired newspaper stories.

Then the Budget Bureau had to write a long, complicated letter trying to explain all that was not said in the plans which have been transmitted to Congress.

Then a Budget Bureau report of many hundred words had to be issued. It was not a report; it was an argument, pure and simple.

Then the Assistant Secretary of Commerce, Mr. J. Monroe Johnson, had to be moved to the I. C. C. and the post offered to the present C. A. A. chairman.

Aviation should be pinned down where it is and left there. We know that the C. A. A. is doing a fine job. We know the Department of Commerce did a terrible job.

LEAVE TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday, following the orders heretofore entered, the gentleman from Minnesota [Mr. ALEXANDER] be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that on Wednesday, after the disposition of other special orders, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CONFISCATION OF AMERICAN PROPERTY IN MEXICO

The SPEAKER pro tempore. Under special order heretofore made the gentleman from Missouri [Mr. SHORT] is recognized for 30 minutes.

Mr. SHORT. Mr. Speaker, on Friday last week in this Chamber my handsome and brilliant young colleague the gentleman from Missouri [Mr. HENNINGS] made a forceful statement in which he clearly pointed out the strained diplomatic relations now existing between the Government of the United States and the Government of Mexico. The entire speech of the honorable gentleman is worth reading, but for fear some Members will be too busy or too lazy to read it, I wish to call to the attention of those Members present two brief excerpts. On page 5505 of the RECORD the gentleman from Missouri [Mr. HENNINGS] stated:

> During the past 20 years the United States has exercised extreme forbearance and patience toward Mexico in the face of frequent or constant provocation arising from her acts of aggression against our citizens and her failure to reciprocate our many favors, such as the purchase of her silver at prices above the world market. We have been long-suffering and kind to Mexico, even while our citizens have been calling for help and for the justice to which they are entitled under our Constitution and under the law of nations.

On the same page the honorable gentleman continued:

Mexico is the first to succumb to the totalitarian and communistic principle that gives to the state absolute powers. Her surrender is the first breach in the dike of democracy. Her laws and conduct are the greatest menace that now confront the peace and security of this hemisphere, because they resist and challenge the laws and justice which govern these sister republics.

Mr. Speaker, under the Constitution of the United States the Government of course can seize the property of private citizens for public use but not without due process of law or without adequate compensation therefor. Under the law of nations any sovereign state can seize the property not only of its own private citizens, but the private property of aliens for public use, but not without prompt, adequate, and effective compensation therefor. Mexico during the past 25 years has violated not only its own constitution, but has violated this fundamental principle of international law that is built upon fair play and fair dealing.

In his note of July 1938 and in the note of April 1940, to Mexico, our Secretary of State reduced the acts of the Government of Mexico, in the taking of property of citizens of the United States, to acts of confiscation. Confiscation is universally recognized, by the law of nations, as a belligerent right against the property of an enemy. Confiscation of property is a proper war measure.

The purpose of confiscating the property of the enemy is to reduce his strength and make him more vulnerable to the attacks of the belligerent confiscating the property.

The Supreme Court of the United States, volume 78, page 306, defines confiscation:

The whole doctrine of confiscation is built upon the foundation that it is an instrument of coercion which, by depriving an enemy of property within reach of his power, whether within his territory or without it, impairs his ability to resist the confiscating government. * * * Hence any property which the enemy can use * * * is a proper subject of confiscation.

The property of our citizens has been systematically confiscated by Mexico while our President calls that Government our good neighbor.

Here is a fair example:

Mexico urged American citizens to take leases on possible oil lands in Mexico and explore and develop oil wherever they could find it. Our citizens took leases or titles offered them by Mexico to search for oil if they could find it. They took the leases in good faith. They used their experience, spent their time and money in finding where the oil was located and taking it out of the ground. They made it useful. It had been in the ground unused for millions of years. It seemed a good thing for Mexico, as well as for those who produced the oil.

But, on the 18th of March 1938 the Government of Mexico, without declaring war on the United States, confiscated all the oil properties and equipment, office furniture, moneys, and everything used in connection with the business. Mexico simply used the force in confiscating the property that an outlaw uses when he takes property away from anyone.

The Government of Mexico has, in this way, confiscated the property of American citizens to an amount near a billion and a half of dollars, in value, and all this in time of peace between our country and Mexico. There have been mild protests, to be sure, of this abuse of a war power by Mexico against citizens of the United States while our President has been calling that government our good neighbor. There has been too much forbearance in the matter.

Mexico justifies, in the mind of that government, the confiscation of property belonging to citizens of our country under a political philosophy that is alien to the Western Hemisphere. It is a philosophy that has been taken from Russia. It is only a few years ago that this Government entered into an agreement with Mexico that if Mexico would not steal property belonging to citizens of the United States that Mexico would be given diplomatic recognition by the United States. But Mexico has kept on stealing property from our citizens. The time for further forbearance in the matter has passed. It is time to call a spade a spade and a thief a thief. The Government of Mexico is as guilty of theft as a plain highwayman.

Merely condemning the confiscation in time of peace of property belonging to citizens of the United States does not appear to have moved the Government of Mexico to cease confiscating the property of the citizens of our country. The confiscated property must be returned. I repeat, Mexico is guilty in confiscating the property of our citizens, of exercising a war power, when the Government of Mexico and the Government of the United States are at peace.

The Government of Mexico cannot plead as a defense that it has been expropriating the property of American citizens. Under the law of Mexico and of the law of nations, the necessity for expropriation would first have to be established under the forms of the law provided. After necessity for the expropriation was established, Mexico would have to arrive at an agreement with the owners of the property of its value, and the price agreed upon would then have to be paid before the right to take the property was established.

But Secretary of State Hull, with the authority and responsibility of his high office, and being fully advised of all the facts, has declared that the Government of Mexico has not been expropriating the property of citizens of the United States according to the laws of Mexico and the law of nations, but has been confiscating it, in time of peace, in violation of the laws of Mexico as well as in violation of the law of nations.

The alien political philosophy adopted by Mexico under which that Government violates its own constitution and laws, as well as the law of nations, cannot be advanced as a defense against its unlawful acts in confiscating the property of citizens of the United States. The Government of the United States was not at war with the Government of Mexico when any of the properties in question were confiscated.

But the amazing thing is that the Secretary of State has asked the Government of Mexico to arbitrate the unlawful confiscation of the property of our citizens.

You cannot arbitrate robbery. But Secretary Hull is trying to argue the Communist-dominated President of Mexico into arbitrating the enormous sums due American citizens for stolen property—it cannot be done. Arbitrators cannot decide a question which cannot be arbitrated. No one arbitrates with a thief. The only award that could be made would be the immediate return of the property confiscated by Mexico, or, full payment now, in cash, not a promise to pay at any time in the future. It is well known that the Mexican Government has neither the ability nor the intent to pay for the confiscated property.

While Mexico calls these confiscations "expropriations," Secretary Hull has a more exact name for them. He has told Cardenas that his seizure of the properties of our citizens—here I quote the Secretary—"without compensation is not expropriation. It is confiscation."

The Secretary also has said this to Mexico. That under international and Mexican laws, and here again I quote the Secretary, "under every rule of law and equity, no government is entitled to expropriate private property, for whatever purpose, without provision for prompt, adequate, and effective payment therefor."

This just standard for judgment, of course, makes the expropriations of American properties by Mexico out-and-out, 100-percent confiscations—a public steal. You cannot get away from that. The facts shout the truth.

More: Cardenas, dominated by a Communist labor agitator, has caused Washington to understand that Mexico will not make "prompt, adequate, and effective payement" requested by the State Department. His contention is that Mexico does not have to pay American citizens until 10 years after the theft of the property.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. SHORT. Not now. I shall later.

He says that he does not have to adjust his dictums, his edicts, his confiscatory acts in taking the property of Americans to the requirements of either international laws or of the laws of Mexico itself. For Mexican, as well as international, laws have been ignored or broken by his notorious steals.

What, then, is there to arbitrate? Robbery cannot be arbitrated. No sane person believes that it can be, even though Cardenas should agree to arbitrate. But Cardenas now intimates he will not arbitrate his thefts of American property. Secretary Hull is waiting for his answer. He now has it. Yesterday the American press made public the note delivered to United States Ambassador Josephus Daniels in Mexico by Gen. Eduardo Hay, Mexican Foreign Minister, in which he states:

> My Government considers that arbitration must not be admitted except when the Nation has put into practice in full its rights of sovereignty through the action of its courts and the existence of a denial of justice can be proved.

Robberies such as those perpetrated by Mexico—robberies in the category of larcenies—committed anywhere or by any power, state, or individual cannot be compromised. If they could be, half of the thief takers, the police, and the criminal courts and the public prosecuting attorneys the world over might shut up shop, go out of business. Their occupation would be gone. Little would remain for them to do. Arbitrators would take over their functions. No; robbery cannot be arbitrated, compromised, or condoned.

What is there to arbitrate, to compromise, about these Mexican confiscations anyway? A horse-high, hog-tight, bull-strong case of robbery is standing against Mexico. Will our Government take the kind of action now that it has been taking for 150 years in similar matters? All of the protestations to the contrary of Cardenas, his officials, and his friends—who call themselves fellow travelers, comrades of similar ideology, and friends of Mexico—fail to weaken a single element in the damning structure of the case.

The record is too clear, too flagrant, too notorious. Remember Mexico invited Americans to invest there. They went there, they spent their time, their energy, and their money; they developed Mexico and advanced her interests and improved the condition of the Mexican people.

Notwithstanding the fact that they went to Mexico on the invitation of Mexico and in good faith spent their time and money, developed agricultural property, built smelters, opened mines, and plantations, built railroads, and did much for the material development of the country, their property, both real and personal, has been stolen by the Government of Mexico. Americans have been driven from Mexico while thousands of Mexicans continue to be gainfully employed in the United States.

As a matter of fact, Americans who went to Mexico in good faith and aided in the development of the country under treaties existing between our country and Mexico, having a right to go there, have been subjected to continued depredations and wrongs. The present Mexican Government has failed and refused to respect American rights, rights secured by treaty in behalf of American citizens as well as the Government of the United States itself.

If we expect American trade and commerce to be extended, American citizens to be secure in their persons and property in other countries, the United States must protect them and see that they are not despoiled of their property.

Suppose we arbitrate the theft of our citizens' property by Mexico. What will they get as an award in their favor? An award for the full value of the property confiscated would not be worth a penny.

Awards against the Mexican Government on account of seizure of farm lands aggregate $200,000,000. The Mexican Government promised to make prompt payment of this award. The only payment made on the $200,000,000 award is one-half of $1,000,000.

Many claimants, each having small amounts, submitted their claims to arbitration. Awards were made in their behalf as far back as 1910 and 1920 for $3,000,000. The awards are not paid.

General claims of American citizens, not involving oil, were long since reduced to the form of a debt from the Mexican Government, in the sum of $80,000,000 which still stands unpaid.

The principal of Mexico's external debt, unpaid, is $243,000,000. The interest on this debt, now due, amounts to $267,000,000, making a total of $510,000,000 with no part of it paid.

The Mexican Government confiscated the railways in Mexico. The confiscation was reduced to the form of a debt from the Mexican Government. The principal amount of the debt is $240,000,000, no part of it paid. The interest now due on the debt is $226,000,000, no part of it paid. Another total of principal and interest in the sum of $466,000,000.

There is a debt of $679,000, and another of $47,000,000, owing to the citizens of another country on account of claims reduced to the form of a debt from the Mexican Government. No part of interest or principal of these debts, amounting to $47,679,000, has been paid.

These total a debt of $1,378,679,000 now due on awards and claims and unpaid by the Mexican Government.

Do these unpaid claims and the unfulfilled promises to pay reveal either Mexico's ability or willingness to discharge its honest obligations?

Now, then, the question. I anticipate what the gentleman from Idaho [Mr. WHITE] will say, "What are we going to do about it," and I crave his careful attention.

Mr. WHITE of Idaho. I think the gentleman has misinterpreted my line of questioning.

Mr. SHORT. If so, I am sorry. If the gentleman will kindly withhold and let me finish this, then I shall gladly yield. About 2 years ago the President of the United States dedicated a bridge in Chicago and spoke about economic sanctions and quarantining aggressor nations. That, of course, was obviously aimed at Japan, and perhaps was all right. In his message to this Congress he told us that this Government of ours could employ methods stronger than words, but just short of war in order to defend the ideals of a democracy. That, no doubt, was aimed at certain European powers. It is all right, of course, to have our bleeding sympathy for peoples in distant quarters of the earth, but I suggest that the Chief Executive of our Nation and the present administration pay a little attention to the rights and interests of American citizens who are nearby and close to home. [Applause.] You ask what are we going to do about it.

The makers of our Constitution so related piracy and the violation of the law of nations, as Mexico is violating it, that they separated the two offenses only by a comma. The Constitution gives Congress the same power, without restrictions, to deal with Mexico that it had to deal with piracy in the early days of our Republic. Congress is given the power to use its discretion in providing means to redress the wrongs done to our citizens, whether they be committed upon the high seas by pirates or by the Government of Mexico within its borders, using a war power to take from American citizens in time of peace properties they lawfully acquired in Mexico.

Congress can direct suitable reprisals against Mexico. Congress can declare a partial or complete embargo against Mexico. Congress can refuse to purchase silver or any other commodity from Mexico. Congress can refuse immigration from Mexico. Congress can put a proviso in the diplomatic and consular appropriation bill that no part of the money appropriated may be used for the maintenance of an Embassy in the city of Mexico. Congress has enacted laws in the past for the redress of such wrongs against citizens of the United States as those of which Mexico is guilty. We can employ economic force. The hour has now struck when the United States Government must cease coddling the Communists. [Applause.]

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein a letter from a former member of the Interstate Commerce Commission.

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

There was no objection.

The SPEAKER pro tempore. Under special order heretofore entered the gentleman from Michigan [Mr. DINGELL] is entitled to be recognized for 15 minutes.

THE W. P. A.

Mr. DINGELL. Mr. Speaker, I have been opposed to unwarranted and hurriedly considered proposals to make cuts in the total number of W. P. A. workers to be employed, and have likewise been opposed to certain oppressive and stringent restrictions which were leveled against unfortunate citizens who, because of no fault of their own, were obliged to seek employment with the W. P. A. I have been particularly opposed to the imposition of restrictions which caused hardship to men of family who are above the age of 45. They were the first to feel the effect of the so-called 18-month employability restriction. I am convinced more than ever that my objections of a year ago have been fully justified. The reduction in the W. P. A. rolls has been more rapid than the ability of private industry to absorb them. I think that the conservatives, as represented by the Republican minority, and certain Members whom I choose to term as "Geographic Democrats," were entirely in error when they combined to reduce W. P. A. expenditures by devious and unjustified restrictions.

The reemployment trend did not in the meantime keep pace with the discharge of large numbers of W. P. A. workers who, since cuts were authorized, have not been able to find employment in private industry. It might be said that the upward trend of employment broke sharply even before it attained a certain calculated peak upon which these cuts were predicated. In fact, following this break in the employment index, there has been a sharp recession, and the result, insofar as the separated employees are concerned, was in many instances almost tragic.

I am just as anxious as any other Member of this House to see the day when the W. P. A. will no longer be necessary and the workers themselves would welcome such a time, for it would reflect real prosperity in the country. It will be a long time before we can hope to see such conditions returned and permanently established. In the meantime, we cannot and we must not be reckless with the unfortunate citizen who finds it necessary to fall back upon the W. P. A. for employment. We must not only cease forthwith any further attempts to reduce the W. P. A. rolls, but we must calculate on the number who must be made eligible by law and promptly reemployed.

I do not say for a certainty that it is essential that 3,000,000 men be employed under the W. P. A., but I assume that that figure is somewhere near correct. I do feel, however, that the cut authorized in the first session of the Seventy-sixth Congress of approximately 700,000 workers was excessive and has caused incalculable hardship to countless thousands of our American citizens.

It is high time that the Congress give heed to the needs of these unfortunate people and immediately take the necessary steps to alleviate their sufferings. I trust that partisanship will be forgotten in the consideration of the problem and that this howl for economy might be applied to outlays less worthy than the W. P. A. expenditure. Pending an accurate survey of actual needs, I must subscribe to the statement that there are approximately 3,000,000 employables who are deserving of W. P. A. employment.

The W. P. A. expenditures for this fiscal year are running low because, in the first place, the amount of the appropriation of a billion and a half was insufficient to cover even the reduced number of employables. Now we face the possibility of a further cut for the ensuing year. The original estimate of $1,300,000,000, states one editorial, "is ludicrously inadequate, barring a pick-up in private employment." Unless the cities, counties, States, and the minor subdivisions of local governments undertake to do a substantial portion of their own public improvements and thereby give employment directly and indirectly to countless thousands of workingmen, this figure will be woefully inadequate and will be exhausted in less than 9 months even with the contemplated cut in the total number of W. P. A. employees.

It seems to me that the fault is not altogether to be attributed to the Federal Government. Part of the blame for the continuance of the depression and the attendant unemployment can be traced directly to and placed upon the shoulders of local governments. It is an undeniable fact that as the Federal Government was willing to assume the financial responsibility for local public improvements and services that the local governmental bodies and the legislatures curtailed or abandoned their expenditures for construction and for maintenance of essential public services. They passed the buck to the Federal Government, balanced their local budgets while building schools, libraries, fire houses, pumping stations, lighting plants, paved their streets, alleys, and park trails with Federal money, after which on more than one occasion leveled a barrage of criticism against the Congress of the United States for reckless spending. References were made by members of State legislatures and by municipal legislators that were quite uncomplimentary and unjustified.

It appears to me that the solution of the unemployment problem is one which must be attacked from all angles and in truly American fashion. The Federal Government must be expected to do its share and more, but the local governments must not shirk their responsibilities. Private industry can and must extend itself to the utmost and I think that essentially there must be a change in the psychology of our people, and I refer solely to those who are regularly and gainfully employed. After all, with these rest the solution of the unemployment problem. To illustrate exactly what I mean, it is not a question of overproduction that ails the United States. It is a question of underconsumption. We have raised the American living standard to a plane not approached by any other people. Our appetites and our desires generally have been whetted and made keen by superior economic conditions until the average American was privileged to enjoy almost without restriction the fruits and the products of the land.

Then suddenly came the depression, panic, chaos, and unemployment which disturbed our mental equilibrium and confidence. I think it is largely a question of restoring public confidence and correcting a depression psychology. About 45,000,000 people, constituting about 82 percent of the employables, are regularly and gainfully employed. Roughly 10,000,000 people, or about 18 percent, are without employment or on the W. P. A. rolls. Whether or not this element included in the 18 percent is ever to enjoy regular employment in private industry, and thus be restored to normalcy and usefulness, depends entirely upon the psychological change and mental outlook on the part of the 82 percent who are regularly and gainfully employed. It is my contention that these more fortunate Americans can and will buy more and better and bigger things—things that they have been used to and which they have previously enjoyed, and such things as they might have desired but never had, if the "calamity howlers" and political fakers are driven to cover and silenced.

This great element which constitutes the overwhelming majority of our people possessed of all of the buying power will do its share toward the restoration of prosperity by relaxing their grip upon the American dollar which has been slowed in circulation by depression mongers. They will buy sufficient of the worldly goods to stimulate production of manufactured and farm products, which will bring about the reemployment of the 18 percent in need and who are classed as unemployed.

Thus I sum up the problem as involving, first and most important, the silencing of the panic monger. Second, the

return to normal functioning and normal spending for essential public services by the States and municipalities and other local government units, and such cooperation and financial assistance as might be necessary to reinforce these activities on the part of the Federal Government. Only by the combination and the coordination of these actions and methods can the depression and unemployment be banished.

While I am a Democrat, steadfast in my loyalty to my party, I can and will cooperate with anybody who will aid me in bringing about a realization of this important objective, which so vitally affects the welfare of our Nation. I am a partisan, of course, but I am an American first, and owe the very first consideration to my country, even ahead of my party. [Applause.]

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Missouri [Mr. ANDERSON] is entitled to recognition for 20 minutes.

THE HATCH BILL

Mr. ANDERSON of Missouri. Mr. Speaker, I do not seek during the course of the remarks I am about to make to disparage in any way the personal opinion of any Member of this honorable body or to impugn his character. The personal equation does not enter into the matter which I propose to discuss. This House, which under our form of government and under our Constitution is the one direct representative agency of the people, stands accused by those people today of failure to carry out the public will. We have it within our power to disprove this charge and to restore this honorable body to the full confidence of those whom we represent throughout our Nation.

It is with sincere hope that the membership of this House will recognize the seriousness of the situation that I address these remarks to you.

I direct your attention to the public reaction which has resulted from the unprecedented procedure by the House Committee on the Judiciary, when on May 1, by a vote of 14 to 10, it tabled S. 3046, the amendments to the Hatch law.

The purpose of this action is apparent. It was intended only to prevent, if possible, full consideration by this body of legislation which already has passed the Senate and has for its sole purpose the reestablishment of decency, common honesty, and true democratic principles in political campaigns and political parties.

From all sides and through virtually every medium of public information—the press, over the radio, and by mail and wire—a storm of protest and condemnation has broken over the head of this House of Representatives, which presages such a revulsion in public opinion as we have not encountered before in many years, despite the fact that the Congress has come in for no small amount of criticism, whether just or unjust, since time immemorial. The full membership of this House is being held responsible for an action by a group of committee members, for which, so far as I know, not one word of approval has been sounded from any quarter since that action was taken. Can we sit supinely by and permit to pass unchallenged an action which has been characterized as unequaled in the annals of this country for its callous and brazen betrayal of public trust, for its utter disregard and frustration of the public will, and for its violation of the public confidence?

If we do not take fitting and proper action to restore this body to full faith and confidence of the public, and render ourselves deserving of that faith and confidence, I am forced reluctantly to state my candid belief that no other House of Representatives in American history will find emblazoned upon the pages it has written so bold an inscription of "Discredited" as will this one.

Are we to permit the secret action of a committee which has cloaked itself in anonymity insofar as the action of its individual members is concerned, to nullify a two-thirds vote of the Senate of the United States and to repudiate the declared approval of the Chief Executive of the Nation of legislation which is intended solely to put an end to those pernicious political practices which have been condemned by the vast majority of the right-thinking people of this Nation?

It is more than passing strange, it seems to me, that what is deemed to be reliable current information points to the fact that the great majority of the members of this committee, despite the vote reported, have let it be known, both here in Washington and through the press back home, that they were not to be included among the 14 whose secret ballots resulted in tabling this legislation in the committee. It would appear that there is a wide discrepancy between this information and the report of the tellers of that vote, and without seeking to question the integrity of anyone it may be that there has been an error in the counting of the vote. On that matter I am not, of course, in the position to advise the membership of this House accurately. Be that as it may, can this honorable body acquiesce in and approve such an action? Is it possible that those who resorted to such an extreme and unprecedented method in an effort to cloak their identity in anonymity foresaw the turbulent tide of condemnation that would rise to engulf not only the committee but the entire membership of this body?

Mr. Speaker, I am not asking these questions or making these statements solely upon a basis of my own opinion, nor am I prompted by any personal feeling. I am forced, as every other Member of this House should be, to take cognizance of the facts, and the facts in this case are not pleasant to contemplate.

I crave your indulgence while I quote briefly from editorials which have appeared in the press since the details of this secret vote have become public information. The St. Louis Globe-Democrat, editorial quotes as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee, Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

Mr. HOFFMAN. Mr. Speaker, I object to that language.

The SPEAKER pro tempore (Mr. COOPER). Does the gentleman make a point of order?

Mr. HOFFMAN. Yes; I do. I do not think that is good language.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. HOFFMAN. May I have it read by unanimous consent?

The SPEAKER pro tempore. Does the gentleman from Missouri yield for that purpose?

Mr. ANDERSON of Missouri. I do not.

Mr. HOFFMAN. Then I ask that the words be taken down, Mr. Speaker.

Mr. ANDERSON of Missouri. That is all right.

The SPEAKER pro tempore. The gentleman from Missouri will take his seat and the words complained of will be taken down.

The Clerk reported the words as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee, Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

The SPEAKER pro tempore. The Chair is prepared to rule.

The words reported do not go to the personal conduct of any Member of the House and are rather a criticism of procedure that may have been employed.

Therefore the point of order is overruled. The gentleman will proceed in order.

Mr. HOFFMAN. May I state something on the RECORD?

The SPEAKER pro tempore. Does the gentleman yield for that purpose?

Mr. ANDERSON of Missouri. I do not.

The SPEAKER pro tempore. The gentleman from Missouri will proceed in order.

Mr. ANDERSON of Missouri. I will read this again:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that those words are not in order. I think they reflect upon members of a committee of this House. It is a direct charge against members of a committee.

The SPEAKER pro tempore. Does the gentleman request that the words be taken down?

Mr. HOFFMAN. I do.

The SPEAKER pro tempore. The gentleman from Missouri will take his seat and the Clerk will again report the words.

Mr. ANDERSON of Missouri. The Chair has already ruled on that. That was passed on by the Chair a moment ago. I am simply reading what was ruled on a moment ago.

The Clerk reported the words as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

The SPEAKER pro tempore. It appears to the Chair that the language complained of now is uttered in repetition and are the same words that were heretofore taken down. Therefore the Chair having ruled, the gentleman from Missouri will proceed in order.

Mr. ANDERSON of Missouri (reading):

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent governmental reform. The only dubiously redeeming feature of the committee's attitude was its refusal to reveal, as is customary, the way each member voted. Obviously they weren't proud of their accomplishment.

The new antipolitics bill would, in effect, amend the 1939 Hatch law to prohibit political activity on the part of State employees, paid in part or entirely by Federal funds. The original Hatch Act applies to all but a few policy-making Federal workers, not already covered by civil-service restrictions. The current measure, passed by the Senate, was voted down by the House committee, 14 to 10.

Intense opposition arose in Congress. One objection was the bill would constitute an invasion of State rights. This argument is altogether specious. Unquestionably the Federal Government has the right to lay down reasonable restrictions under which its moneys can be used. The actual reason is that Congressmen do not want to sap any power from State political machines, when an election is highballing along the way.

Representative DEMPSEY, of New Mexico, who fostered the measure in the House, has not given up the fight. He promises to go the route in attempting to lever the bill from the committee's smothering clutch. Two ways are open: He can by resolution put up to the Rules Committee a decision on whether the House as a whole should vote on considering the bill regardless of the Judiciary Committee action; or he can circulate a petition, which if signed by a majority of House Members, would have the same effect. The first alternative ought to take less time and doubtless will be tried. If this fails the petition will be used.

The new Hatch bill should be revived promptly. It should be passed. The public is surfeited with attempts of its officials and lawmakers to buy career aggrandizement with tax bounties. It was bad enough in the old days. Now, with enormous Federal disbursements through State channels, the distended political power concentrated in Washington grows increasingly dangerous.

The Washington Star, in its issue of May 2, said editorially, under the caption "By Secret Ballot":

Fourteen men, taking shelter behind the uncourageous device of a secret ballot, have succeeded—for the time being at least—in blocking congressional action on the Hatch clean-politics bill. The spectacle is not a pretty one.

Here is a measure which has as its sole objective the removal of one source of corruption in American politics. It passed the Senate by a two-to-one vote. There is good reason to believe that it could command a majority vote in the House, and the country as a whole is strongly behind it. Without a doubt, all of these facts were thoroughly understood by the 14 anonymous members of the House Judiciary Committee who voted yesterday to table the measure, for had it been otherwise they would hardly have insisted upon cloaking their identities by resorting to the undemocratic practice of the secret ballot.

The Washington Post of May 3, under the editorial caption "Aiding Machine Politics," had this, in part, to say:

The attempt of the House Judiciary Committee to bottle up the Hatch bill has aroused resentment in and out of Congress. Coming on the eve of the 1940 political campaigns, that action must be considered a surrender to machine politics.

If the committee found any compelling objection to the bill, it should have reported its conclusions to the House. The proper procedure in that event is to bring in an adverse report on the legislation. But the committee has made no case against the measure. It has simply voted by secret ballot to withhold the bill from consideration by the entire House. To say the least, that is high-handed legislative procedure.

In effect, the House Judiciary Committee has secretly voted for continued use of Federal money to support the machines of State politicians. Surely the House as a body will wish to reverse that action before its Members ask for a vote of confidence in November.

And, on the same date the Washington Daily News, under the editorial caption "Who's Not Afraid to Vote?" stated, in part:

The Judiciary Committee has made a farce of the legislative process—and it has done so in a skulking way, by secret ballot in secret session. Some members of the committee are still showing bad faith. The announced vote by which the Hatch bill was tabled was 14 to 10. Yet in response to questions of newspaper reporters, 13 members have said they voted against the tabling motion—and only 4 have admitted voting for it. You can draw any one of several conclusions—that only 10 out of 13 Congressmen have told the truth to the press; or that the tellers miscounted those slips of paper dropped into Judge SUMNERS' hat; or that some of the members didn't know how they voted. None of these conclusions reflects credit on the Judiciary Committee.

And, Mr. Speaker, I have failed yet to find in the press, over the radio, or through other channels of communication, one word in rebuttal of this arraignment of the House of Representatives. We must, as a matter of self-defense and the preservation of our good name, see that this just and well-based criticism is answered by an action which will remove the cause for that criticism.

Are we performing our obligation to those who have chosen us to represent them here; are we, in fact, living up to the oath which we took in accepting this office of public trust, unless we do bring to the floor of this House for free and open public discussion and consideration this vital and important legislation?

Mr. Speaker, I believe all of us will freely express our admiration for the courage and the sincerity of the Members of the United States Senate, who through 2 long weeks of debate openly and frankly declared themselves either in favor of or against this legislation, and finally by a two-thirds vote approved it.

It is my contention that the Members of the Senate acted in full good faith and with consideration for the will of the public when they went on record, without an attempt on their part to dodge the consequences of their stand, or to engulf themselves in a smoke screen of secrecy. During the course of this extended debate in the Senate the President of the United States let it be known that he believed these amendments to be proper legislation, particularly in view of the fact that the original Hatch law, which he had advocated and approved as desirable, was already on the Federal statute books. The Chief Executive went even further and in his message to the Congress approving the original law, pointed out to the Congress the need for this further legislation as contained in the amendments tabled by the Judiciary Committee. Most certainly, then, by no stretch of the imagination can we construe the action of this committee as being even remotely prompted by consideration of the will of the overwhelming majority of the people, or the announced position of the head of this administration, the President of the United States.

To what, then, can we ascribe their action? Have they, as has been charged in the press of the country, been guided solely by pressure brought upon them from those forces within our political structure which have engaged in the past and wish in the future to engage in those pernicious practices which this legislation seeks to stamp out, practices which have been condemned by the vast majority of our citizens; practices which most certainly cannot be included in a code of honor; and principles befitting to or worthy of either of the great major political parties of this country or their leaders.

The public, Mr. Speaker, is fully aware of the identity of those forces which are opposed to this legislation and are seeking at every step to hamper its program.

The public knows that those same forces have in the past selfishly disregarded the rights of thousands who earn their livelihood as employees of the Federal Government, the various States of the Union and their political subdivisions.

The public is fully aware of the fact that the foes of this legislation are those who have created and fostered an extreme and reprehensible application of political patronage methods until it justly can be termed the loot-and-spoils system. The public is not deluded into the belief that the foes of this legislation are sincere in a contention that it would deprive anyone of his or her rights as a citizen, because the public knows that those who offer this contention are the very ones who have demanded and received financial tribute from protesting and helpless thousands and have cracked the lash of bossism over the heads of those whom this legislation seeks to free from political peonage. Can it be that the membership of this House is not as fully cognizant of those facts as is the public at large? Can we profess ignorance of the pressure that is being exerted to kill this legislation, and can we acquiesce in any action, whether in committee or out, which deprives the membership of this House of full consideration of this bill? We condemn the ruthlessness of dictators in other parts of the world. Are we to allow ourselves to be balked when we attempt to eliminate that sordid type of procedure from our own political picture; when we seek to reassure the people of this Nation of the innate integrity of their political parties and of the sincerity and honesty of their leaders? I do not believe we are; and I cannot conceive, in view of the vote accorded the original Hatch law by this honorable body a year ago, that the membership of this House will permit this legislation to be sunk into oblivion through the dark channels of secrecy.

The price of secrecy always is suspicion. Already the finger of suspicion is directed our way. We cannot and must not sustain any secret action and thereby become parties to it unless we are willing to remain under justified suspicion.

It is my sincere hope that the Members of this House will rise above anything that smacks of political bossism or expediency and bring this legislation to the floor, not only because of the importance of the legislation but because we will then prove the criticisms thus far voiced unfounded and that we are seeking sincerely to serve, rather than to rule, a Nation. [Applause.]

Mr. Speaker, I ask unanimous consent to include in my remarks certain editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Clarksville Leaf-Chronicle.

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

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon on the bill H. R. 2874 and to include therein a letter from the Veterans of Foreign Wars.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the legislative business for the day and such other special orders as may have been entered that I may address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made today on House Joint Resolution 519 and to include therein a few brief excerpts from the committee report.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. NORTON, for 1 week, on account of official business.

To Mr. DUNN, for several days, on account of death in the family.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 431. Joint resolution to extend the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Montana [Mr. THORKELSON] is recognized for 30 minutes.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein letters that have a bearing on the subject on which I am speaking, and other quotations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, in the CONGRESSIONAL RECORD of May 2, 1940, the gentleman from Illinois [Mr. SABATH] inserted a lengthy letter from the Non-Sectarian Anti-Nazi League to Champion Human Rights. In this letter the Non-Sectarian Anti-Nazi League calumniated me.

Among other things, I was asked in this letter to state whether, in using the word "internationalist," I did not mean Jew. My answer is "No," for a Jew who is a nationalist is an American, and an internationalist, whether he be Jew or gentile, is not an American. I realize that there are many Jews in the United States who are not internationalists and are not looked upon as being anything but ordinary, plain American citizens, and it is not with them that I take issue. My contention is with the internationalist, the Jew who is using all the people in the United States to build an international empire for himself at our expense.

In the Anti-Nazi Bulletin, March 1940, myself and others are depicted as "Apes of wrath," and we are included in what this magazine labels, "The American Union of Fascists—an exposé of Italian Fascist activities in the United States, based on findings by the N. S. A. N. L., department of investigation." I am not familiar with any Fascist organization in this country, and I inserted in the RECORD of July 19, 1939, the Department of Justice report of the investigation of the German Bund in order to place such information before the public.

In regard to other organizations I may say that I know nothing about them. I spoke before a group called the Chris-

tian Mobilizers, and shall ask permission to insert that speech in the Appendix of the RECORD.

I now ask permission, Mr. Speaker, to insert that speech in the Appendix of the RECORD so there will be no opportunity for misquotation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I believe it is a duty of all public officials to speak to public audiences, because much good can come from it when the speaker confines himself to discussion of the fundamental principles of the Government.

The exposé in the Anti-Nazi Bulletin issued by the Non-Sectarian Anti-Nazi League, bases its accusations upon the findings of its own investigating department or detective service, which I maintain should not be operated by any private organization. Let us assume that all organizations in the United States operated an intelligence service to spy upon each other. What a frightful mess it would be. It is to avoid such conflict that we maintain the Federal Bureau of Investigation, and if that is sufficient for the majority of the American people, it certainly should be acceptable to a group like the Non-Sectarian Anti-Nazi League.

The Non-Sectarian Anti-Nazi League was organized in 1933 by Samuel Untermyer for the sole purpose to combat Hitlerism by means of a boycott of German goods and services. This league is largely composed of Jews and is financed by themselves. The nonsectarian aspect is furnished by a few professional sponsors, whose names are familiar as fronts for other organizations. Many of them are listed in the CONGRESSIONAL RECORD by committees investigating communism, and others are listed in the Red Network as radicals and Communists. I grant that this list may contain names of persons entirely innocent and unfamiliar with the purposes they serve. Yet the time is at hand when each and all of them should awaken to the dangers which lie in sponsorship.

I do not know of another group that employs its own intelligence service, or that conducts special courts for its own people. Americans are satisfied with our system of courts, so why should not the proponents of the Non-Sectarian Anti-Nazi League be, also?

I often wonder why Jewish organizations rely upon sponsorship of gentiles instead of upon themselves. Surely sponsorship should not be required by anyone unless he is unknown, or unless he is engaged in practices which need to be camouflaged. Why do the Jewish groups use the Catholics and Protestants as a shield to protect themselves? I have never yet heard a Jewish group proclaim its own faith.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. THORKELSON. I yield.

Mr. BLOOM. Did I understand the gentleman to say he never heard of a Jew approving of his own faith?

Mr. THORKELSON. I said I never yet heard a Jewish group proclaim its own faith. I was saying that they always used some other faith, Catholic or Protestant, to protect themselves. That is precisely what they are doing. It can be seen that I am just replying to the letter that was put in the RECORD Friday. I would like to proceed with my remarks. I shall be glad to yield when I have finished my prepared statement.

Mr. BLOOM. But the gentleman is making a statement with which I disagree absolutely. I think the gentleman is entirely mistaken. I do not believe the gentleman should make such statements.

Mr. HOFFMAN. Mr. Speaker, regular order.

Mr. BLOOM. The regular order is that I shall make a point of order that there is not a quorum present.

Mr. THORKELSON. Mr. Speaker, I believe the situation would be clarified if the Jews would stand on their own feet and protect their own beliefs, whatever they may be, and let other faiths alone. Surely everyone knows that Christian faiths are not threatened in the United States, and for that reason need no protection from the Jews or anyone else.

Can it be possible that the Non-Sectarian Anti-Nazi League, which is made up of Jews, will investigate any of its own people? Of course not. The investigation of the league will be directed against all who do not acquiesce to the demands of the internationalistic Jew, or kneel to them in abject submission and fear. The people who object to internationalistic domination are those patriotic Americans who believe in the fundamental principles of this Government, and who will go ahead in spite of international intrigue and general public skepticism and incredulity. It is this group of active objectors that the Non-Sectarian Anti-Nazi League designates Fascist, Nazi, and anti-Semitic.

The internationalist tries to confuse by directing his attack, not against his real object of hate, but instead against those who are neutral or who refuse to join him in hating. The next step is to bring about greater division in our own ranks, and this is done by designating all who do not join the hate parade as pro-Nazi, pro-Hitler, or pro-Fascist, and he finally places all of these "pros" in one group, under the label of anti-Semitic. He does not call them anti-Jew, because that would attract attention to individuals; he calls them instead anti-Semitic, hoping in such designation to confuse us and protect himself. The strange part is that the Jews in Asia Minor are anti-Semitic, for they have been and are now engaged in war with the Arabs, who are the true Semites.

The internationalist builds his power on intrigue and confusion. It is our duty to lift this veil so that we may see him in his true character, a destroyer of peace and proponent for war. It was said in The Conquering Jew:

> The movement of precious metals throughout the world is under the influence of Jews. It is rightly said that no big war can be waged except by the financial assistance of the Jews. No national or international loan can be floated if the Jews care to act together and stop it. To a considerable extent the rate of exchange between countries is regulated by them.

This statement is 25 years old. It was written at a time when the conquering Jews had begun to take charge of our government, and to make this clear, let me quote further:

> Go into the foreign market at Berlin and Frankfort, and you will find that considerably over half the members are Jews. I have mentioned the great international firm of Rothschild. But there are also to be counted the Jewish financial firms of Montagu, Sassoon, Raphael, and Stern, in London; Camondo, Fould, Perier, and Bischoffsheim, in Paris; Gunsberg, in Russia; Bleichroder, Warschauer, and Mendelssohn, in Berlin; Kuhn, Loeb & Co., Lazard Frères, and Seligman, in the United States—to mention a few of the principal firms. The example set by the Rothschilds is followed. Jewish financial concerns do not always lose their identity in joint-stock companies, though they originated joint-stock companies. The Jewish hands retain personal control.
>
> Amongst European banks and firms run by Jewish capital and controlled by Jews are the Dresdner Bank, and the Handels-Gesellschaft, the Credit Mobilier of Paris, Bischoffsheim, and Goldschmidt. The greatest bullion brokers in London are Jews. In the United States, President Wilson nominated a Jew, Mr. Paul Warburg (of Kuhn, Loeb & Co.), to be one of a committee of five to see that the system of banking throughout the United States was carried out according to the decision of Congress. Many Jews are among the bankers of San Francisco. The Nevada National, the Anglo-Californian, are under Jewish control. The Lord Chief Justice of England (Mr. Rufus Isaacs, a stockbroker before he took to the law and became Lord Reading) is a Jew. The president of the British Local Government Board, Mr. Herbert Samuel, and the secretary to the treasury, Mr. Montagu, are Jews and cousins. Mr. David Leventritt, justice of the Supreme Court of New York, was a Jewish shoemaker before he learned law. Many King's Counsel in England are Jews. The greatest international lawyers of modern times—Jellinck in Germany, Lyon-Caen in France, and Asser in Holland—are all Jews.

Do not fail to note:

> It is rightly said that no big war can be waged except by the financial assistance of the Jews. No national or international loan can be floated if the Jews care to act together and stop it.

As you cogitate upon this, remember that they make the loans, but we pay for them. Remember loans made during the World War, by these bankers, are now charged to the people of the United States, and we, like fools, pay and pay to keep the Jewish international financiers in power.

It might appear that I am bitter toward this group of international exploiters, but I am not. I only feel sorry for our own people who have permitted Congress to enact laws which have given complete control of gold and money to these international pirates. I regret that Members of Congress have been so careless as to vote for legislation that has placed this burden, not only upon Members of Congress themselves, but upon all the people who sent them to Congress to protect their rights and provide for the security of our Nation. Congress should, in justice to the American people, repeal all powers given to the President, not only because they are unconstitutional but because they are dangerous powers in the hands of any President, no matter whether he be Republican or Democrat. Congress should then set the gold aside as security for the American people, for it is their property and not the property of any private financial group, no matter whether they are Jews or gentiles. The Nation's gold and money belongs to the United States and to the people of this Nation. It was so ordained and set forth in the Constitution. Let us, therefore, restore these rights, which were taken from the people by obtuse Congressmen enacting unconstitutional legislation that even a child should know would end in the destruction of this Republic.

If you recall the early part of 1939, you will remember that there was much agitation for war or alliance with England. Realizing the source of this agitation, I inserted an article in the CONGRESSIONAL RECORD on May 1, 1939, entitled, "The Invisible Government." In this article, among other things, I quoted some facts and figures about the Jews in Germany. After that information was published, I was called a Fascist, Nazi, and anti-Semite, by the internationalistic and communistic press—which I had expected, for so are all called who tell the truth. However, if we look into the past, we find that the Jews not only controlled the finances of Germany but controlled the civilian and the military governments as well. It is also well to remember that most Jews were pro-German until Hitler became the leading man. They were, as intelligence files will show, pro-German even after we became involved in the World War. Few of the big Jewish bankers were even interned during the World War, because of their aid to Germany. Today, the same group hates the leading man, Mr. Hitler, and is willing and even anxious to destroy the German people and everything German in order to get its man. In their mad race to run Hitler down, they expect all of us to join, and when we show lack of interest or fail to join in their "Leagues of Hate," they get mad as hornets and call us names.

Every one of us should realize that when we join to fight those whom the internationalist designates—the pro-Nazi, pro-Fascist, pro-Hitler, or anti-Semitic—we divide ourselves into two factions, and on the ruins of our mutual downfall the internationalist will dominate the United States. No one should be confused about that, for it is happening, and will go on until the American people stick together to protect their own majority rights as expressed in the Constitution of the United States.

The question may be asked, What right has any organization to maintain and operate an intelligence department to investigate the American people? What right has a purely Jewish organization to maintain an antidefamation league, a bureau of investigation, and a secret-service force to spy upon the American people and report their findings to the F. B. I. or Justice Department? This is an affront and an insult to the American people. It is humiliating, for in our acquiescence we admit cause, and can it be possible that the American people are criminals? We have a Justice Department and a Federal Bureau of Investigation, and we pay both of these departments to protect us against crimes and criminals. Is not it a bit strange that both departments take orders from these Jews and protect the Communists instead of the American people who pay the expenses of the departments? Is not it a bit strange that our courts protect the Communists and prosecute patriotic American citizens? Is not it strange that excessive bail is set on a patriotic American when he is turned over to the Department of Justice by the Jewish intelligence, and that the guilty Jewish Communist is left entirely free as he waves the Bill of Rights and shouts, "Help, I am persecuted"? Is not it strange that we have an administration that appoints judges to our courts who are so indifferent to their obligation that they believe the Bill of Rights and the Constitution are to protect the Communists and those who are engaged in sabotage and destruction of our Government instead of, as it is intended to be, a protection for our own people? Is not it time that the American people set this right and get rid of this horde of aliens who are now employed in our justice departments, intelligence bureaus, and who sit as judges in many of our courts?

I shall now read a letter which the Non-Sectarian Anti-Nazi League did not quote in the CONGRESSIONAL RECORD of May 2, 1940:

MARCH 19, 1940.

DEAR MR. ———: The arrest of 17 members of the Christian Front, and the discovery of weapons which were allegedly prepared in a plot to overthrow the United States Government, should serve to focus our attention to the real danger of which these Nazi-inspired subversive groups are to the peace and security of the United States.

Lurking behind the scene of imported fascism are sinister individuals and subversive groups which must be investigated and exposed. Nazi methods which formerly applied in Germany, Austria, and Czechoslovakia are now rampant in this country. They succeeded in destroying human rights in Europe. These same rights are now being threatened in the United States.

We are sure you agree with us that it is of vital importance to do everything in our power to counteract these organizations which are plotting to undermine our democratic government and all of its liberal principles.

The Non-Sectarian Anti-Nazi League is the American organization concentrating upon the fight against this pro-Hitler movement. Our department of investigation maintains a staff of experienced investigators which uncovers and discloses the activities of the subversive groups in our country. We have been able to aid officials of our Government in prosecuting leading members of these groups.

In order to carry on our Nation-wide activities, we must raise a fund of at least $250,000 this year. For this reason we appeal to you, as one of our supporters, to stand by us again as you did in the past, by contributing generously, and if possible, increasing your former contribution. Your support is needed now more urgently than at any time in the past.

For your convenience we are enclosing a statement and a return envelope. Please mail your contribution today.

Accept our gratitude for your cooperation and support.

Sincerely yours,

JAMES H. SHELDON,
Prof. James H. Sheldon.
Chairman, Board of Directors.

NAZI IDEOLOGY THREATENS ALL CIVILIZATION

After reading this letter, it should be evident that the Jewish intelligence service was out to "get" the Christian front, and is using these 17 men and the Christian Mobilizers in their letter, which the gentleman from Illinois inserted in the RECORD, as a weapon to disparage those who believe in sound government. This procedure is typically communistic, for when he can find no evidence against the individual, when he cannot buy or bribe, he will in desperation throw mud, thereby displaying his true characteristics. In this game of defamation and mud-slinging, I crown him king of kings. It would be interesting to know how many times $250,000 they have raised, to destroy patriotism. I have been informed that there is a fund of over $50,000,000 employed for this purpose, upon which no interest or income tax is paid, and no account given to the Federal Government. This is something that Congress may also investigate, for it is certain that the activities carried on by the internationalists costs money, and it is our business to find out the source of this finance.

It would also be well for Congress to investigate how much property has been acquired and is now owned by banks and other financial houses in the United States and in their interlocking groups abroad. There is a lot of important work that Congress might do for the safety and security of the United States.

The gentleman from Illinois next inserted over two columns of names, of persons who are supposed to represent the sponsors of a paper called The Voice for Human Rights. This appears impressive. The writer, however, forgot to state that many of these sponsors have withdrawn their names because

they found The Voice was edited by Jews who did not express the viewpoints of the sponsors, and for that reason these sponsors compelled the editor to make this retraction in the issue of April 1940:

RETRACTION AND APOLOGIES TO CONGRESSMAN THORKELSON

In the January issue of this paper appeared a special to The Voice, regarding Congressman THORKELSON, of Montana. We have since learned that it contained a number of baseless charges which we hereby retract, and tender our apologies.

Instead of the Congressman's status as an authentic doctor of medicine being doubtful or questionable, it is wholly beyond doubt or question. His standing as a competent and experienced physician and surgeon in Montana is of the best.

There is no basis whatever for the claim or suggestion that the Congressman ever ran a nudist colony or was ever in any way connected with any such affair.

Moreover, the charge that he was born a Catholic and had marital and extra-marital adventures which brought church disapproval was entirely unfounded. In fact, he has never been a Catholic nor ever claimed to be. Instead of turning publicly or violently or otherwise against Catholicism, the Congressman's fair and friendly attitude toward Catholics has been generally recognized in Montana.

Accordingly, we hereby retract everything that we have published against Congressman THORKELSON with respect to these matters.

We also withdraw all suggestion that Congressman THORKELSON has a "mind poisoned against America." Our disagreement with Congressman THORKELSON'S diagnosis of internationalists, or an invisible government, to which he attributed the economic ills of America, is no reason for reflecting upon his character, honesty, and patriotism.

In order to correct the statement of the Non-Sectarian Anti-Nazi League in its attempt to show justification for the letter inserted in the RECORD, let me quote other letters received by my attorney, Mr. George E. Sullivan, Fifteenth and H Streets, Washington, D. C.:

PAULIST FATHERS,
New York City, January 10, 1940.

Mr. GEORGE E. SULLIVAN,
Fifteenth and H Streets, Washington, D. C.

DEAR SIR: I write to acknowledge receipt of a copy of your letter to the editor of The Voice for Human Rights, dated January 6, 1940, and to advise you that I am not now a member of the Committee of Catholics to Fight Anti-Semitism, having withdrawn on August 4, 1939. It is possible you found my name on an earlier list.

I am,
Very truly yours,

JOSEPH MCSORLEY, C. S. P.

AMALGAMATED MEAT CUTTERS AND
BUTCHER WORKMEN OF NORTH AMERICA,
Chicago, Ill., January 10, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: I am in receipt of a copy of the letter you addressed to the editor of The Voice for Human Rights and wish to advise you that on December 19 I sent to Dr. Emmanuel Chapman an excerpt from a letter I received from Mr. Wm. Green, president of the American Federation of Labor, expressing his opinion in the matter of the Committee of Catholics for Human Rights. Mr. Green's letter was as follows:

"I cannot understand how any Catholic committee could invite and accept John Brophy, or men like John Brophy, as members of a Catholic committee. Everybody knows that John Brophy went to Russia as a sympathizer of the Soviet Government. Everybody knows that a responsible person testified before the Dies committee that John Brophy was supported by the Communists when he ran for president of the United Mine Workers some years ago, and that the Communists supplied him the money with which to pay the expenses of said election. I would not accept appointment on such a committee as the Committee of Catholics for Human Rights."

I asked Dr. Chapman on the above date to eliminate my name as one of those serving on the executive board of the committee.

Sincerely,

PATRICK E. GORMAN,
President, Amalgamated Meat Cutters and Butcher Workmen of North America.

ST. MARY'S COLLEGE,
St. Marys, Kans., January 11, 1940.

Mr. GEORGE E. SULLIVAN,
Woodward Building, Washington.

DEAR SIR: For some time I have been intending to withdraw my name from the committee behind The Voice for Human Rights. Your letter has finally prompted that action. I think The Voice is a good instance of how a good cause may be damaged by the wrong sort of defense.

Yours very sincerely,

GERALD ELLARD, S. J.

SURROGATE'S COURT OF THE COUNTY OF NEW YORK,
New York City, January 11, 1940.

GEORGE E. SULLIVAN, Esq.,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR SIR: Your letter of the 6th instant, addressed to me at Fordham University, reached me today. I know nothing about the matters therein discussed respecting Congressman THORKELSON. I am undertaking inquiries at this time of Dr. Chapman. I personally disavow any statement concerning Congressman THORKELSON which is untrue or even discourteous. When I have some information about the subject and when I have had an opportunity to read the article of which you complain, I shall communicate with you further.

If you should have occasion again to write, you might address your letter to this place.

Very truly yours,

JAMES A. VAUGHAN.

THE SODALITY OF OUR LADY,
St. Louis, Mo., January 13, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: A copy of your letter to the editors of The Voice has been received. I have never had any connection with their publication or its policies.

Sincerely yours in Christ,

DANIEL A. LORD, S. J.

BROOKLYN, N. Y., *January 22, 1940.*

Mr. GEORGE E. SULLIVAN,
Washington, D. C.

DEAR SIR: I am in receipt of your correspondence of January 20. In response I am enclosing a letter sent today to Dr. E. Chapman which, I believe, will explain any association of my name with the association referred to.

I wish to further state that I have never met, communicated with, or had any correspondence with any executive, member, or representative of this organization outside of the general public invitation to subscription which I accepted. I feel that the publication of my name was an implication of any acquaintanceship with this organization which is not justified.

Trusting that you will understand that I was just a reader of this publication and therefore hardly responsible for its management, direction, or policies, I am,

Sincerely yours,

REV. CHARLES T. CAROW.

DUNS SCOTUS COLLEGE,
Detroit, Mich., January 22, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: When I sent in a dollar for The Voice for Human Rights, and later added another to help the cause along, I did not intend to become a member of any committee. After I saw my name on the list I simply let it there and did nothing about it.

I do not see how you can hold every member of the Committee of Catholics for Human Rights responsible for what is printed in The Voice. If that is true, I for one would certainly have my name removed from the list of members.

On the other hand, if Mr. THORKELSON has been maligned or slandered, I am very sorry, and would prevail upon the editor to make the necessary apologies and corrections. I shall write to Dr. Chapman on this matter.

Hoping that any wrong done to Mr. THORKELSON will be duly righted, I am,

Sincerely yours in Christ,

SEBASTIAN ERBACHER, O. F. M.

CULL AND FULLER,
Cleveland, January 24, 1940.

Mr. GEORGE E. SULLIVAN,
Washington, D. C.

DEAR SIR: This will acknowledge receipt of mimeographed copy of your letter dated January 6, 1940, addressed to editor, The Voice of Human Rights, at 261 Broadway, New York, N. Y. I have read your communication with great interest.

Permit me to say that some time ago I was appealed to by the Committee of Catholics for Human Rights to consent to join with other members of the Catholic faith in Cleveland to become members of a local committee to oppose the spread of antisemitism and all forms of racial intolerance. I consented to become a member of a local committee for such purposes, but whether one has ever been formed I do not know. If it has been formed, no word of its formation or notice of any of its activities has ever been communicated to me. I have never been notified of any such local committee, nor have I ever received a copy of any publication, or statement either by the general committee or by any local committee, and particularly have not received any copies of the publication to which you refer. The copy of your communication to the editor of The Voice for Human Rights also gives me my first information of the publication of the alleged libelous attack on Congressman

THORKELSON. You may be sure I am deeply concerned over the character of the charges made against the Congressman, since I do not approve that kind of an attack under any circumstances. Permit me also to say that the only communication I ever received from the Committee of Catholics for Human Rights contained this assurance as to its methods:

"Our approach will be positive and dignified and there will be no personal attacks against anyone."

I had no knowledge whatsoever of the history of Dr. THORKELSON in any of the connections referred to in your communication, and I am entirely without opinion as to his character or reputation except to say that I presume them to be good.

In conclusion may I not state also that when I gave assent to become a member of a local committee, which I assumed would be called together from time to time for the purpose of deciding policies, etc., I was influenced by the assurance above referred to and additionally by the fact that there were many distinguished clergymen and laymen of my faith apparently serving as the officers and members of the general committee. In view of your statements contained in your letter to the editor of the publication referred to, I must conclude that the promise made has not been kept and that the other assurances relied on were of doubtful value.

I am sending a copy of this letter to Dr. Emmanuel Chapman, 261 Broadway, New York City, as you suggest, with the request that my name be no longer used even as a member of the local committee.

Respectfully,

DAN B. CULL.

EMPIRE STATE, INC.,
New York, January 25, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Street NW., Washington, D. C.

DEAR MR. SULLIVAN: I am in receipt of your letter. I know absolutely nothing about this matter. I became a member of the committee in August, at which time they issued a statement of purpose which said, among other things, "* * * * and there will be no personal attacks against anyone."

Since my joining the committee I have never heard from them one way or the other until I received your letter. Immediately upon its receipt I sent to Dr. Chapman my resignation, copy of which I enclose.

Sincerely yours,

ALFRED E. SMITH.

aes:mc.

CHURCH OF THE HOLY NAME OF MARY,
Algiers, La., January 26, 1940.

DEAR MR. SULLIVAN: Just received your mimeographed letter of January 6, and its carbon-copy appendage dated January 20. Having been completely out of contact with the organization since my transfer from Brunswick, Ga., last September, these recent developments come as startling news. I have written to Dr. Chapman anent the matter but have not yet received an answer. Needless to say I do not subscribe to maliciously libelous accusations and, pending Dr. Chapman's answer, I accept your version of the affair. I sincerely trust the matter will be settled to the satisfaction of all concerned, especially Congressman THORKELSON, of Montana. While I voluntarily answered Dr. Chapman's letter soliciting membership, I most certainly did not commit myself to malicious libel.

Yours truly,

THOMAS J. ROSHETKO.

BRYN MAWR, PA., *January 26, 1940.*

Mr. GEORGE E. SULLIVAN,
Attorney at Law, Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR SIR: I have received a typewritten memorandum dated January 20, 1940, bearing your typewritten name as the sender, together with copy of letter dated January 6, 1940, likewise bearing your typewritten name, addressed to the editor of The Voice for Human Rights.

I did not know of the article in question and in fact have nothing to do with the publication you mention, nor do I have any knowledge or information about the matters mentioned in your letter.

Accordingly I disclaim any responsibility in connection with the matters mentioned.

Yours truly,

ANGELINE H. LOGRASSO.

NEW ORLEANS, LA., *February 1, 1940.*

Dr. EMMANUEL CHAPMAN,
261 Broadway, New York, N. Y.

DEAR DR. CHAPMAN: I was surprised to receive a copy of a circular memorandum from Mr. George E. Sullivan relative to the responsibility of an article concerning one Congressman JACOB THORKELSON, of Montana, which as alleged appeared in The Voice of Human Rights.

The circular letter, which I endorsed back to you, asked if I would be interested in serving or working on a committee in my city to interest people in the condition of Jews, especially those who were at that time being severely persecuted in certain European countries. This I would have gladly done. However, as no one has ever called me to date regarding this committee, I naturally presumed that it met with failure.

Therefore, if you have me registered as being a sponsor for the publication of The Voice of Human Rights it is most certainly without my authority. Besides, it is not logical that I, who live in New Orleans, would endorse articles unread, unchecked, and which are published in another city besides my own.

If you have my name listed as one being responsible for the publication of your paper, I request that you remove it immediately.

Please advise me accordingly.

Very truly yours,

JOHN W. MCSHANE.

cc
Mr. Geo. E. Sullivan,
226 Woodward Bldg.,
Washington, D. C.

This will answer your circular memo of January 20, 1940.

It should be clear after reading these letters that the persons named as sponsors for this publication are not in accord with the views expressed in it, and this is perfectly proper and right, as there is no relationship between Christianity and Judaism. The rabbi is not, as generally assumed, a minister or preacher. He is, instead, a dispenser of laws and presides over the Jewish courts. I quote from Webster's Dictionary:

Rabbi, master—used as a Jewish title; also, a Jewish teacher or doctor of the law.

For further information, those who are interested may read The Book of the Kehillah, volume II, third edition, St. Petersburg, 1888. Document No. 155, pages 81, 82, 83, and 84:

Points which were worked out and adopted for the protection of the sacred law and of the cause, which, owing to our great sins, has been completely undermined. They (the representatives of the city) were basing themselves on the law according to which it is commanded to exercise efforts and persistency in order to prevent our enemies from becoming our judges (that is to say, that the Jews should refrain from applying to alien courts) and with the object of curbing the rebel and of compelling every son of Israel to obey the law (Jewish law). The regulations mentioned below and all preventative measures were unanimously adopted by the representatives, leaders, and chiefs of the city and by the rightful Bet-Din and by great and prominent rabbi. The undersigned unanimously decided and took oath to support and follow all the decisions contained in these regulations as well as to support and fortify the law by whomever and by whatever means possible. The wise men have considered these regulations and have termed them as follows.

This is of no interest except for its reference to the Jewish people and their courts, and my object in quoting it is to correct the erroneous assumption that a rabbi occupies a position similar to the Christian clergyman. It can be seen from this that he is not a clergyman but is instead a dispenser of law and judge of Jewish courts.

I shall now return to discussion of the Non-Sectarian Anti-Nazi League, and quote from their letter:

Do you know all these facts, Mr. Congressman? Or are you so busy addressing the native Fascist groups that you have no time to catch up with your reading?

Perhaps you are not aware of the fact that our native Fascist groups, masquerading under patriotic or Christian names, are Nazi inspired or Nazi contrived. Permit us to bring to your attention excerpts from reports of their meetings.

In these statements, the Non-Sectarian Anti-Nazi League condemns itself, for no one employs innocent titles more than the internationalist. It is because of such names that communistic and subversive Jewish groups operate so freely, for who would suspect that the Humanity Guild is not what the name implies? The margins of the letterheads of this organization list 120 names as sponsors, and is not the purpose of this organization precisely the same as that of the Anti-Defamation and Non-Sectarian Leagues? This is another trick employed by Jewish organizations to shift responsibility by blaming their own subversive activities on someone else.

The letter then goes on and quotes from reports of the meetings of various organizations in which I nor anyone else has particular interest. The purpose of these quotations, however, is clear, for the writer of the letter by implication attempts to slander me. To this I can only reply that if the writer is no nearer the truth in regard to the gentleman he quotes than he is when he quoted me, he is indeed reck-

less with the truth. I shall insert in the Appendix of the RECORD the speech that I delivered to the Christian Mobilizers on March 4, 1940, with the hope that he will read my speech, for I am sure that he will find nothing controversial therein.

The writer of the letter inserted by the gentleman from Illinois refers to the Declaration of Independence and to the Constitution. I shall ask him to read my remarks on A United America, in the CONGRESSIONAL RECORD, and I shall also ask him to read the Constitution, for it is quite evident that he does not understand it.

The author quotes a resolution of the Non-Sectarian Anti-Nazi League which condemns the Communists as well as the Nazis, and another resolution that praises the work of the Non-Sectarian Anti-Nazi League in investigating and exposing subversive groups and individuals in the United States. These are simply resolutions showing that the Anti-Nazi League is trying to evade the charges it has earned by its activities.

If all Jews are opposed to communism, why is the leadership in socialistic and communistic movements carried on by Jews? One of the outstanding rabbis, Judah Leo Magnes, who is now the president of the University of Jerusalem, boasted of Jewish revolutionaries and troublemakers when, in February 1919, he said:

Jews are closely identified with the beginnings of capitalism in its development from the feudal state. It was Friedrich Julius Stahl, a born Jew, who laid down the classical theory of the German Nationalstaat, based upon the politics of power. It was Benjamin Disraeli who is the father of the latter-day Tory democracy of England. Just so when the Jew gives his thought, his devotion, his spirit, to the cause of the workers and of the dispossessed, of the disinherited of the world, the radical quality within him there, too, goes to the roots of things, and in Germany he becomes a Marx and a Lasalle, a Haase, and an Eduard Bernstein. In Austria he becomes a Victor Adler and a Friedrich Adler; in Russia, a Trotzky.

Just take for the moment the present situation in Russia and in Germany. The revolution set creative forces free, and see what a large company of Jews was available for immediate service. Socialist revolutionaries and Mensheviki and Bolsheviki, majority and minority Socialists—whatever they be called; and I assume that it is not a question at all at this moment of agreeing or disagreeing with any one of them—Jews are to be found among trusted leaders and the routine workers of all those revolutionary parties. There are some among us who say that we ought not to admit this, because it will lead to anti-Semitism. I answer: What if it does? If it leads to anti-Semitism, it will be but another evidence in our long Jewish history of that stupidity, of that brutality, which we want the free men and women of the world to condemn and crush out. In Germany, now that the first free glow of the revolution is passing, the anti-Semites are beginning to talk of the "Judendemokratie." Suppose anti-Semitism does lift its ugly head in Germany and the Jews there and here and everywhere be made to suffer because of the prominence of Jews in the glorious German revolution.

This requires no explanation from me, but if the reader is interested in the leaders of these revolutionary movements, I refer him to a book by A. Cloyd Gill, America's Other Sixty Families, and many other publications written on such issues. I have covered these subjects in the CONGRESSIONAL RECORD since May 1, 1939, to the present time. For my documented information I have been roundly abused by the Communists and internationalists and by the controlled press.

Let us now see how the Non-Sectarian Anti-Nazi League conducts its "championship for human rights." In the February issue of the Anti-Nazi Bulletin a hooded figure rides an ass, which has a label on its right ear inscribed, "American Union of Fascists." Its right front foot is labeled, "Christian Mobilizers," and right hind quarter, "German-American Bund"; it is going past a post marked "Terrorism." The hooded figure is marked "K. K. K." The article is by the Non-Sectarian Anti-Nazi League, department of investigation. What is the purpose of this pamphlet? Its sole purpose is to stir up hatreds and racial antagonisms; and as this happens, the internationalist shifts the blame upon those he designates Fascist, Nazi, and anti-Semitic. In this way he hopes to create sympathy for himself by instilling fear in those who do not understand—fear toward their own people.

The bulletin is filled with part truths and deliberate falsehoods. For example: In an article by Wilhelm Sollman, in which he mentions the Russian revolution in 1905 and 1917, nothing is said about the Jews. The author attempts to shift responsibility to others by studiously avoiding the use of the word Jew by name or implication. What are the facts? The facts are that Jews led the revolution in 1905 and also the revolution in 1917, and this information can be obtained from many sources, including the CONGRESSIONAL RECORD.

Let me now add a bit of information to that, from Senate Document No. 346:

The Hungarian Government frantically appealed to the Allied and associated powers to save Hungary from complete annihilation. There was no response. Then a large number of disciples of Lenin and Trotsky returned to Hungary and held out to the Hungarians the hope that bolshevism can save Hungary. These Bolsheviks seized the Government of Hungary, and bolshevism reigned with all the terror that deteriorated human minds could devise.

For the sake of truth, let it be said that about 95 percent of the Bolsheviks in Hungary were Jews, and the Bolshevik dictator of Hungary, Bela Cohen [Kun] was a Jew. These were augmented by Russian Jewish terrorists. [See Dillon's Inside Story of the Peace Conference, p. 2241.] The outrages and the atrocities these terrorists committed in Hungary are unfit to be printed.

The Hungarians now were in a terrible situation. Stripped of everything they had, tortured by the Bolsheviks, the unoccupied part of Hungary was invaded by a Rumanian army. In the meantime, certain financial interests of the Allied and associated powers seeking economic advantages in Hungary began to parley with Cohen, the Bolshevik dictator. He was offered brilliant advantages, he was assured that he would be honored by an invitation to the Peace Conference of Paris, if he would grant these financial interests certain concessions in the Banat, one of the richest sections of Hungary. The name of this financial group, for obvious reasons, remained unnamed. [Dillon's The Inside Story of the Peace Conference, p. 239.] It was also proposed that the Banat be made an independent republic, for which a protector was required. This humanitarian role of protectress was promised to be assigned to democratic France. French agents were on the spot to provide the arrangements. The actors of this episode were not all officers and civil servants. They included some men in responsible position. [Dillon's The Inside Story of the Peace Conference, pp. 239 and 240.] Unsuccessful in their attempts to obtain concessions in Hungary, those unnamable financiers let the Rumanian Army proceed. What the invaders did in Hungary is graphically described by an American writer, as follows:

"The story of the pillaging by Rumanian Army in Hungary is Homeric. It equals anything of the kind done in the war. The Rumanians took away machines, farm implements, cattle, and even seed grain of the peasants. A member of the English mission, sent to the east of Hungary to investigate the facts, said epigrammatically that the Rumanians had not even left the nails in the boards." [J. J. Bass' The Peace Tangle, p. 193.]

When the Rumanian Army found nothing more to pillage, it proceeded to ransack the Hungarian National Museum, which contained invaluable treasures of art and other collections of national and educational interest. A large truck was backed to the door of the museum, and the Rumanian soldiers were ready to break in the doors. In the meantime, the American military mission stationed at Budapest heard of the intended vandalism. Brigadier General Bandholtz hastened to the museum, placed the United States seal on its door, and informed the Rumanians that the breaking of that seal would result in serious consequences. Thus, thanks to Brigadier General Bandholtz, the Hungarian National Museum was saved.

The writer of the article in the Bulletin did not bring out this fact. Neither did he mention this statement from the book by Ambassador Francis, which I quoted on page 2305 of the Appendix of the CONGRESSIONAL RECORD.

I have just (January 1918) been called to the phone and heard that Smolny Institute, Bolshevik headquarters, has formally announced that a revolution similar to that in Russia has begun in Germany. The Bolshevik leaders here, most of whom are Jews, and 90 percent of whom are returned exiles, care little for Russia or any other country but are internationalists and they are trying to start a world-wide social revolution. If such a revolution can get a foothold in Germany where the people are obsequious to those above them and domineering and tyrannical to those beneath them and where organization and system has obtained such a foothold as it never had in history before, I begin to fear for the institutions not only of England but of the Republic of France, and the thought arises in my mind whether our own institutions are safe.

This should be sufficient evidence to prove who are the Communists and the revolutionaries who are now undermining our Government.

I have in my possession over a dozen items of propaganda issued by the Non-Sectarian Anti-Nazi League and the Jewish Congress, which I shall not quote because it takes too much time and space in the RECORD. All of these sheets reek with hatreds, falsifications, and deliberate prevarications in which the writers actually blame their enemies with

their own shortcomings. It is simply a case in which the communistic Jew, in order to hide his own subversive activities, blames others for the very things that he himself is engaged in doing. In this he has been more than successful, because he has been able to rally to his side many gentile dupes, whom he has used to entrench himself and further his own ends.

In conclusion, it is my desire to inform the gentleman from Illinois [Mr. SABATH] that he need not feel sorry for me, for I am not a tool of anyone, not even the Jew himself. When the gentleman from Illinois attempts to slander me by insinuating that I am a tool in the hands of designing men who have been on trial for subversive activities and who should be charged with treason, he joins others of his people in outright vilification, calumniation, and plain prevarication. I am acquainted with only one of the men whom the gentleman from Illinois mentioned, and that is Mr. Pelley, and I am sure that he is not a criminal but is instead a victim of rabid persecution. However, I realize that is none of my business, but I do resent it when the gentleman from Illinois attempts to involve my reputation by implication.

No one person or organization is engaged in a more vicious propaganda than the groups to which I have referred. My evidence for this statement is lying here on the table, and any Member of Congress may examine this if he is interested in such filth. I challenge anyone to produce examples of equally vicious propaganda from any source before this body or any congressional committee, for in my opinion, it has no equal any place.

My reason for speaking plainly is due to the fact that I know what is going to happen and to save the innocent I want those who are engaged in the sabotage of our industries and Government to stop and cease using American industry and labor as a convenience for international interest.

Mr. BLOOM. Mr. Speaker, if the gentleman is going to make such statements, I must insist on my point of order that there is not a quorum present. The gentleman at least should yield to give me an opportunity to answer. If he will not give me an opportunity to reply, I make the point of order there is not a quorum present.

Mr. SABATH. Mr. Speaker, there are eight Members on the floor.

The SPEAKER pro tempore. The gentleman from New York makes the point of order that a quorum is not present.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman from Texas moves that the House do now adjourn. The motion is not debatable.

The motion was agreed to; accordingly (at 4 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 7, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Tuesday, May 7, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, May 7, 1940, for the consideration of House Joint Resolution 457, entitled "For the Transfer of the Marketing Laws Survey to the Department of Commerce."

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be meetings of the Committee on Immigration and Naturalization Tuesday, May 7, and Wednesday, May 8, 1940, at 10 a. m., for the consideration of: Tuesday, H. R. 6127, Nationality Code; and Wednesday, H. R. 8310, to deport Communists.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Wednesday, May 8, 1940:

H. R. 9581, to amend the Merchant Marine Act, 1936, as amended. (This bill has to do with tax exemption of a construction reserve fund to aid in the construction of new vessels. It is an improved form of H. R. 5883.)

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the Committee rooms in the New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1594. A letter from the Acting Secretary of the Interior, transmitting a report of an investigation made under the act of Congress approved June 22, 1936 (49 Stat. 1803), covering the Uintah Indian Irrigation Project, Utah; to the Committee on Indian Affairs.

1595. A letter from the Architect of the Capitol, transmitting the Annual Report of the Office of the Architect of the Capitol for the fiscal year ended June 30, 1939; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LYNDON B. JOHNSON: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3014. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3016. An act to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for purpose of promotion to chief warrant rank," so as to permit service in the National Naval Volunteers to be counted for purposes of promotion; without amendment (Rept. No.

1981). Referred to the Committee of the Whole House on the state of the Union.

Mr. DREWRY: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3017. An act to amend the act entitled "An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.", approved June 24, 1935 (49 Stat. 395), so as to permit the removal of certain encumbrances on the lands concerned; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON of Florida: Committee on Naval Affairs. H. R. 9140. A bill to authorize the Secretary of the Navy to acquire land at Key West, Fla.; without amendment (Rept. No. 2079). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Printing. House Concurrent Resolution 62. Concurrent resolution to provide for printing additional copies of hearings held by the Committee on Appropriations investigating Work Projects Administration (Rept. No. 2078). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9649) granting a pension to Annie Joyce, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 9663. A bill to authorize the construction of a National Guard Armory at Portland, Oreg.; to the Committee on Military Affairs.

By Mr. DURHAM:

H. R. 9664. A bill to provide for the reappointment and classification without term of incumbent postmasters serving for a term, prior to the expiration of such term; to the Committee on the Civil Service.

By Mr. CLASON:

H. R. 9665. A bill to reduce the amount of damages for infringement of copyright of musical compositions in certain hotels and other places; to the Committee on Patents.

By Mr. LEONARD W. HALL:

H. R. 9666. A bill to extend until January 1, 1941, the time within which payments made into State unemployment compensation funds may be permitted the Federal credit; to the Committee on Ways and Means.

By Mr. KEFAUVER:

H. R. 9667. A bill to provide a larger Federal contribution for old-age assistance; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 9668. A bill to amend the Sugar Act of 1937, and for other purposes; to the Committee on Agriculture.

By Mr. McCORMACK:

H. R. 9669. A bill to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act; to the Committee on the Judiciary.

By Mr. ROMJUE:

H. R. 9670. A bill to provide an 8-hour workday and payment for overtime for dispatchers and mechanics in charge in the Motor Vehicle Service of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. YOUNGDAHL:

H. R. 9671 (by request). A bill for acquiring lands in the Superior National Forest, the Kabetogama and Grant Portage Purchase Units; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. J. Res. 525. Joint resolution authorizing the issuance of a special postage stamp in honor of completion and dedication of Chickamauga Dam; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BATES of Kentucky:

H. R. 9672. A bill granting an increase of pension to James O. Scott; to the Committee on Pensions.

By Mr. DEMPSEY:

H. R. 9673. A bill for the relief of Mr. and Mrs. Glenn A. Hoss; to the Committee on Claims.

By Mr. FITZPATRICK:

H. R. 9674. A bill for the relief of Michael Weiss; to the Committee on Immigration and Naturalization.

By Mr. HALLECK:

H. R. 9675. A bill to authorize the presentation of a medal of honor to Samuel O. Duvall; to the Committee on Military Affairs.

By Mr. RYAN:

H. R. 9676. A bill for the relief of Edmund P. Gould; to the Committee on Claims.

PETITIONS, ETC.

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

8068. By Mr. ANDERSON of California: Petition signed by E. S. Kaffer, of San Jose, Calif., and others, urging Congress to enact House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8069. By Mr. GROSS: Petition of Effie Wallick, of York, Pa., and 30 others, urging Congress to enact House bill 5620, the General Welfare Act, thus relieving the suffering of 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.

8070. By Mr. HINSHAW: Petition of Nona Tubbs, of Pasadena, Calif., containing the signatures of 210 citizens of the Eleventh Congressional District of California, urging the enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8071. By Mr. HOUSTON: Petition of Charles E. Miller and 40 other residents of Newton, Kans., urging the enactment during this session of Congress of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8072. By Mr. JOHNSON of Illinois: Petition of 30 residents of Rock Island County, urging passage of House bill 1; to the Committee on Ways and Means.

8073. By Mr. KEOGH: Petition of Eppinger & Russell Co., New York City, concerning Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

8074. Also, petition of the American Enterprise Association, New York City, concerning Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

8075. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., opposing House bill 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes; to the Committee on Merchant Marine and Fisheries.

8076. By Mr. PFEIFER: Petition of the Department of Public Works, Albany, N. Y., urging favorable consideration of Senate bill 3783 and House bill 8595, the Wagner-Byrne bill, to the Committee on Education.

8077. By Mr. RABAUT: Petition of R. H. Rattray and F. Walker, of Detroit, and A. Robinson, of Rochester, Mich., and others; urging that House bill 1, the Patman chain-store tax bill, be enacted into law; to the Committee on Ways and Means.

8078. By Mr. SCHWERT: Resolution petitioning the enactment into law of the Wagner-Steagall low-cost-housing bill before adjournment of this session of Congress; to the Committee on Banking and Currency.

8079. By the SPEAKER: Petition of the National Maritime Union of America, New York, N. Y., petitioning consideration of their resolution with reference to the Lee E. Geyer of California bill concerning poll tax; to the Committee on the Judiciary.

8080. Also, petition of Union De Mujeres Americanas, Inc., Z. Evangelian A. de Vaughan, president, New York, N. Y., petitioning consideration of their resolution with reference to setting aside August 25 as Mary Ball, Mother of Washington, Day, to be observed annually with proper ceremonies throughout the Nation; also asks the Postmaster General, Hon. James A. Farley, to cause to be prepared in honor of Mary Ball Washington a commemorative postage stamp for use in the mails; to the Committee on the Post Office and Post Roads.

8081. Also, petition of the American Communications Association, New York, petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Labor.

8082. Also, petition of the Bergen County Woman's Republican Club, Hackensack, N. J., petitioning consideration of their resolution with reference to Government agencies, Senate bill 915, and House bill 6324; to the Committee on the Judiciary.

8083. Also, petition of Allan Elliott, president, San Francisco, Calif., petitioning consideration of their resolution with reference to unemployment and House bill 8615; to the Committee on Labor.

8084. Also, petition of the Daughters of the Revolution, Tenafly, N. J., petitioning consideration of their resolution with reference to the American Youth Act; to the Committee on Appropriations.

8085. Also, petition of John Boyle and Eric Mikkola, Hancock, Mich., petitioning consideration of their resolution with reference to House bill 8615, American Standard Work and Assistance Act; to the Committee on Labor.

SENATE

TUESDAY, MAY 7, 1940

(Legislative day of Wednesday, April 24, 1940)

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

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

O Lord of love, in whom alone we live, kindle in our souls Thy fire of love, and, as we bow before Thee, help us to lay aside all thought of self, together with our disappointed hopes, our fruitless efforts, and the vain struggles of a divided mind, that, as we enter upon the duties of another day, we may find ourselves no longer weak and broken but strong and eager with new hope and courage to dedicate each thought and each endeavor to the service of our fellow men.

We pray for all who seem to have forgotten Thee, for all who are turning from the light; do Thou redeem them from every evil way, and grant that in the shining of Thy beauty all the lesser lures of life may cease to charm.

Sanctify Thy gracious gifts, that we may ever use them to Thy honor and Thy glory, and, above all, give to us the mind of Christ, that we may learn to rejoice even in the lowliest place where loving souls may serve. In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Monday, May 6, 1940, 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	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Slattery
Barkley	Gerry	McKellar	Smathers
Bilbo	Gillette	McNary	Stewart
Bone	Glass	Maloney	Taft
Brown	Guffey	Mead	Thomas, Idaho
Bulow	Gurney	Miller	Thomas, Okla.
Burke	Hale	Minton	Thomas, Utah
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Norris	Tydings
Capper	Hayden	Nye	Vandenberg
Caraway	Herring	O'Mahoney	Van Nuys
Chandler	Holman	Overton	Wagner
Chavez	Hughes	Pittman	Walsh
Clark, Idaho	Johnson, Calif.	Radcliffe	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] and the Senator from South Carolina [Mr. SMITH] are unavoidably detained.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. BANKHEAD. I announce that my colleague the junior Senator from Alabama [Mr. HILL] is detained on public business.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

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

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 without amendment the following bills of the Senate:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.