

structing a military road from Nashville, Tenn., to New Orleans, La.; to the Committee on Military Affairs.

By Mr. ASHBROOK: A bill (H. R. 8790) to amend section 6 of the act of February 28, 1925; to the Committee on the Post Office and Post Roads.

By Mr. MAHON: A bill (H. R. 8791) to amend section 108 of the Judicial Code to provide for a new division of the northern district of Texas; to the Committee on the Judiciary.

By Mr. HOOK: Resolution (H. Res. 290) requesting the President of the United States to direct the Administrator of the Federal Emergency Relief Administration to transmit certain information to the House of Representatives; to the Committee on Ways and Means.

By Mr. RAMSPECK: Resolution (H. Res. 291) for consideration of H. R. 8458; to the Committee on Rules.

Also, resolution (H. Res. 292) for the consideration of H. R. 8459; to the Committee on Rules.

By Mr. HAINES: Joint resolution (H. J. Res. 343) making an appropriation of \$5,000 as a contribution of the United States to the expenses of the encampment of the Grand Army of the Republic and United Confederate Veterans on the seventy-fifth anniversary of the Battle of Gettysburg in 1938; to the Committee on Appropriations.

By Mr. MAAS: Joint resolution (H. J. Res. 344) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ASHBROOK: A bill (H. R. 8792) granting an increase of pension to Viola S. Whitten; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 8793) to provide for the bestowal of the Congressional Medal of Honor upon Louis S. Waldman; to the Committee on Military Affairs.

By Mr. BURNHAM: A bill (H. R. 8794) granting a pension to Rosetta Laws; to the Committee on Invalid Pensions.

By Mr. COLE of New York: A bill (H. R. 8795) granting an increase of pension to Emma J. Campbell; to the Committee on Pensions.

By Mr. GWYNNE: A bill (H. R. 8796) for the relief of Fred W. Trefgar; to the Committee on Military Affairs.

By Mr. HANCOCK of New York: A bill (H. R. 8797) to provide a preliminary examination of Onondaga Creek in Onondaga County, State of New York, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. LARRABEE: A bill (H. R. 8798) granting a pension to David H. Lambert; to the Committee on Pensions.

By Mr. PETTENGILL: A bill (H. R. 8799) for the relief of John N. Hunter, postmaster at South Bend, Ind.; Edmund D. Cook, acting postmaster at Allegan, Mich.; Fred C. Putman, postmaster at Kalamazoo, Mich.; and Merchants National Bank of South Bend, South Bend, Ind.; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8800) granting a pension to Vada Cross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8801) for the relief of Mrs. Avery McDaniel; to the Committee on Claims.

By Mr. THOMPSON: A bill (H. R. 8802) granting a pension to Sarah Gardner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8803) granting a pension to Minnie F. Claspill; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9107. By Mr. DARROW: Resolution of the Philadelphia Board of Trade, protesting against imposing excessive taxes on inheritances and corporation net incomes; to the Committee on Ways and Means.

9108. By Mr. KRAMER: Resolution of the Senate and Assembly of the State of California, relative to extending an invitation to the peoples of the world to participate in the Pacific Exposition; to the Committee on Foreign Affairs.

9109. Also, resolution of the California oil producers' mass meeting, passed on June 7, 1935, relative to the continuance of Federal sales taxes on gasoline and lubricating oils, etc.; to the Committee on Ways and Means.

9110. By Mr. RAMSPECK: Petition of R. E. Hodgson and numerous other citizens of the Fifth Congressional District of Georgia, requesting the repeal of the Federal gasoline tax; to the Committee on Ways and Means.

9111. By Mr. TRUAX: Petition of the employees of the Ohio Match Co., of Wadsworth, Ohio, and citizens of the State of Ohio, requesting the prevention of any further influx of foreign matches into the markets of the United States; to the Committee on Ways and Means.

9112. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local Union No. 29, by its recording secretary, L. W. Cole, Cincinnati, Ohio, asking support of the security bill, the Wagner-Connery labor-disputes bill, and the Guffey coal bill; to the Committee on Labor.

9113. Also, petition of the Brotherhood of Maintenance of Way, Lodge 1900, by the secretary-treasurer, Noah Carpenter, Marion, Ohio, soliciting support of House bills 8651 and 8652, concerning labor and labor conditions and relating to railroad retirement; to the Committee on Labor.

9114. Also, petition of the Buckeye Club, by its president, Frank J. Klady, Lorain, Ohio, favoring all legislation so amending our immigration laws that it may be provided that all aliens who have not and who in the future will not at the earliest time permissible by law make application for citizenship and similarly pursue such efforts shall on such failure or on rejection become immediately deportable; to the Committee on Immigration and Naturalization.

9115. Also, petition of the National Association of Letter Carriers, Branch No. 100, by their secretary, V. M. Hoeffel, urging support of House bills 5450, 6124, 6368, and 6672, which support a graduated tax on cigarettes; to the Committee on Ways and Means.

9116. By the SPEAKER: Petition of the Board of Commissioners of the City of San Juan, P. R.; to the Committee on the Public Lands.

SENATE

WEDNESDAY, JULY 10, 1935

(Legislative day of Monday, May 13, 1935)

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

THE JOURNAL

On motion of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 9, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes.

The message also announced that the House had passed a bill (H. R. 8270) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Reynolds
Bailey	Davis	Lewis	Robinson
Bankhead	Dickinson	Logan	Russell
Barbour	Dieterich	Loneragan	Schall
Barkley	Donahay	McAdoo	Schwellenbach
Bilbo	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Smith
Borah	George	Maloney	Steiwer
Brown	Gerry	Metcalf	Thomas, Okla.
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hastings	Norris	Wagner
Carey	Hatch	Nye	Walsh
Chavez	Hayden	O'Mahoney	Wheeler
Clark	Holt	Overton	White

Mr. VANDENBERG. I again announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

Mr. LEWIS. I announce that the Senator from Nevada [Mr. McCARRAN] is absent because of a death in his family, and that the Senator from Louisiana [Mr. LONG] and the Senator from Utah [Mr. THOMAS] are detained from the Senate on important public business.

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

MESSAGES FROM THE PRESIDENT

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

SUPPLEMENTAL ESTIMATE, OFFICE OF EDUCATION, INTERIOR DEPARTMENT (S. DOC. NO. 112)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1936, for further endowment of colleges of agriculture and the mechanic arts, Office of Education, amounting to \$980,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, BUILDINGS AND EQUIPMENT, PENAL INSTITUTIONS (S. DOC. NO. 113)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice—buildings and equipment, penal institutions—to remain available until expended, amounting to \$4,500,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 114)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment—contingent expenses, Senate, expenses of inquiries and investigations—fiscal year 1936, in the sum of \$150,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SERVICE RENDERED BY T. V. A. TO ATHENS, ALA.

Mr. BLACK. Mr. President, I ask unanimous consent to insert in the RECORD a resolution adopted by the mayor and city council of the city of Athens, Ala.

I do this at the request of the mayor of Athens. In a letter to me he states that they have found it necessary to adopt this resolution on account of an article which appeared in the Red Book Magazine for August. The citizens of Athens believe that an erroneous reference has been made to the city of Athens and its connection with the Tennessee Valley Authority. They are of the impression that the article left the idea that the people of Athens are not satisfied with the serv-

ice received by them from the Tennessee Valley Authority. On the contrary, they are fully satisfied. It has been of immense benefit to them.

I therefore ask that the resolution may be inserted in the RECORD.

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

Resolution

Whereas the people of the city of Athens, Ala., have been greatly benefited by the contract of the city of Athens with Tennessee Valley Authority for furnishing electricity to the city of Athens; and

Whereas the people of the city and the city government appreciate the generous provision thereby made for their comfort and happiness; and

Whereas in an article in the last issue of the Red Book Magazine a letter was quoted purporting to have been written by a chief official of some city in Alabama under contract with Tennessee Valley Authority for electricity in the city; and

Whereas the import of this quotation was that the city implied was not benefited by its contract; and

Whereas this in no means true of the situation in Athens, and the letter might be taken to refer to the city of Athens: Therefore be it

Resolved by the City Council of the City of Athens, Ala., That expression be made of the appreciation of the governing body of the city of Athens, Ala., for the many and substantial benefits received from its contract with Tennessee Valley Authority, and the fact that the quotation from the letter mentioned does not state the true condition existing in Athens under its contract with Tennessee Valley Authority.

R. H. RICHARDSON, Jr., Mayor.

Attest:

R. A. SMITH, Clerk.

REPORTS OF COMMITTEES

Mr. KING, from the Committee on Finance, to which was referred the bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, reported it without amendment and submitted a report (No. 1036) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 423) for the relief of Lynn Brothers' Benevolent Hospital, reported it with amendments and submitted a report (No. 1037) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 3612) to provide for adjusting the compensation of post-office inspectors and inspectors in charge to correspond to the rates established by the Classification Act of 1923, as amended, reported it without amendment and submitted a report (No. 1038) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted a report thereon:

H. R. 5159. A bill to authorize the Postmaster General to contract for air mail service in Alaska (Rept. No. 1039); and

H. R. 6990. A bill to fix the hours of duty of postal employees, and for other purposes (Rept. No. 1040).

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 3204) to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes, reported it without amendment and submitted a report (No. 1041) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 2297) to amend section 17, as amended, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it without amendment and submitted a report (No. 1042) thereon.

BILLS INTRODUCED

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

By Mr. SCHWELLENBACH:

A bill (S. 3222) to amend the Filled Milk Act; to the Committee on Agriculture and Forestry.

A bill (S. 3223) for the relief of Joe Reno; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 3224) to amend subsection (e) of section 24 of the Trading with the Enemy Act, as amended; to the Committee on Commerce.

By Mr. TRUMAN:

A bill (S. 3225) to provide for the erection of a building to be used exclusively for the recorder of deeds; to the Committee on the District of Columbia.

A bill (S. 3226) for the relief of Gertrude Hunter (with accompanying papers); to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 3228) for the relief of W. E. Reynolds; to the Committee on Military Affairs.

By Mr. BYRD:

A bill (S. 3229) for the relief of the estate of Hattie M. Dunford; and

A bill (S. 3230) for the reimbursement of R. H. Quynn, lieutenant, United States Navy, for loss of property by fire at the naval operating base, Hampton Roads, Va.; to the Committee on Claims.

By Mr. GORE (by request):

A bill (S. 3231) for the relief of S. A. Rourke; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 3232) granting a pension to Ellen Morris Mc-Clain (with accompanying papers); to the Committee on Pensions.

By Mr. VAN NUYS:

A bill (S. 3233) granting a pension to Earl Dudley; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 3234) to provide for the payment of certain indebtedness on lands acquired by the United States; to the Committee on Public Lands and Surveys.

By Mr. RUSSELL:

A bill (S. 3235) to authorize Federal land banks to accept veterans' adjusted-service certificates in payment for farm land; to the Committee on Banking and Currency.

A bill (S. 3236) to provide for the waiving of interest on loans made on veterans' adjusted-service certificates; to the Committee on Finance.

A bill (S. 3237) to provide for the establishment in the Department of Agriculture of an experiment station for the development of tung trees; to the Committee on Agriculture and Forestry.

HOUSE BILL REFERRED

The bill (H. R. 8270) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes, was read twice by its title and referred to the Committee on Territories and Insular Affairs.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (H. R. 1470) for the relief of Carl A. Butler, and it was referred to the Committee on Naval Affairs.

MOUNT RUSHMORE NATIONAL MEMORIAL, S. DAK.—AMENDMENT

Mr. NORBECK submitted an amendment intended to be proposed by him to the bill (S. 3204) to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes, which was ordered to lie on the table and to be printed.

REGULATION OF AIR TRAFFIC—AMENDMENT

Mr. REYNOLDS (for Mr. McCARRAN) submitted an amendment in the nature of a substitute intended to be proposed by Mr. McCARRAN to the bill (S. 3027) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by

aircraft in interstate and foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce and ordered to be printed.

THE AGRICULTURAL ADJUSTMENT ACT—AMENDMENTS

Mr. BAILEY, Mr. BANKHEAD, Mr. BILBO, Mr. CAREY, Mr. CONNALLY, Mr. GORE, Mr. LA FOLLETTE, Mr. McADOO, Mr. McKEL-LAR, and Mr. SHIPSTEAD each submitted an amendment, and Mr. BYRD submitted six amendments, intended to be proposed by them, respectively, to the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. GORE also (by request) submitted an amendment intended to be proposed by him to House bill 8492, which was ordered to lie on the table and to be printed.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. FLETCHER submitted an amendment proposing to increase the appropriation for emergency construction of public building projects outside of the District of Columbia, etc., from \$58,000,000 to \$60,000,000, intended to be proposed by him to House bill 8554, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment intended to be proposed by him to House bill 8554, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 40, after line 3, to insert the following:

"Payment to Margaret G. Baldwin: For payment to Margaret G. Baldwin, widow of Frederick W. Baldwin, late American Consul at Habana, Cuba, of 1 year's salary of her deceased husband, who died while in the Foreign Service, as authorized by the act approved June 24, 1935, \$3,500."

AMERICAN IDEALS—ADDRESS BY SENATOR BYRD

Mr. VAN NUYS. Mr. President, on July 4, here in the city of Washington, the junior Senator from Virginia [Mr. BYRD] delivered a very eloquent and persuasive address on the subject of "American Ideals." In the course of the address he said:

Many men believe that this Constitution made possible and promoted and preserved most of the prosperity and happiness that has come, under the kind providence of God, to the American people. And the reasons for this belief are plain to those of us, like myself, who are not lawyers, and who are not concerned by the technicalities of the law. The Constitution, together with the Bill of Rights, protects those rights which Thomas Jefferson called inalienable, and the enjoyment of which is necessary to our pride and self-respect, as well as to our happiness and prosperity.

Further on he said:

And so there must be some agency of the Government to decide between the jurisdiction of the Federal Government and the States. The wise founders created the Supreme Court; and John Marshall, as Chief Justice, speaking for the Court, with irresistible logic, asserted the power of the courts to determine and declare when an act of Congress was contrary to the provisions of the Constitution. If such power did not reside in the courts there would be no effective protection afforded to the rights of minorities which the Constitution was intended to protect, and in fact there would be no Constitution.

I commend this address to my colleagues and to the citizenship of our country in general. I ask that the entire address of Senator HARRY F. BYRD, of Virginia, delivered at Washington's Fourth of July celebration, 1935, Monument Grounds, over Nation-wide network, be printed in the RECORD at this point as part of my remarks.

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

AMERICAN IDEALS

Fifty years ago a Senator from the State of Virginia, the eloquent John W. Daniel, pronounced the words that dedicated this monument to the memory of George Washington. This was an honor to Virginia that is repeated today when I am permitted again to express her veneration for the greatest of Americans.

However incapable I may be of justifying my selection as speaker, I appreciate the compliment paid Virginia through me, because Washington was born and cradled, lived and died within the borders of the Old Dominion. He represented my county of Frederick in the Virginia House of Burgesses. He loved Virginia, but he lived to become the Father of a Nation formed of all the States, and declared that "the name of America must always exalt the just

pride of patriotism." "Washington," says Guizot, the historian, "did the two greatest things which in politics it is permitted man to attempt. He maintained by peace the independence which he had conquered by war. He founded a free government in the name of the principles of order and by reestablishing their sway."

It is a long time since Guizot made this striking declaration; many Americans have achieved greatness by service to country since our first President was entombed on the banks of the Potomac, but Washington remains today, in the words of Henry Lee, "First in peace, first in war, and first in the hearts of his countrymen." Not only was Washington a great man; he was a good man; he was great in achievements and he was also noble in character.

There have, indeed, been those who sought to dim the glory of his name in history, as there were those who traduced him even while he fought to achieve our independence and to cement the Colonies in national strength and security, but in the fiercest critical light that beats upon him his character shines as strong as the granite blocks that compose this monument and as pure as these four white walls that soar to kiss each rising sun in his memory.

Posterity has approved the declaration of Edward Everett that he was "the greatest of good men and the best of great men."

I was announced to speak on American ideals, and I am doing this in recalling the nobility of Washington, for he himself in his life and character is one of the greatest of American ideals. I cannot stand here at the foot of the shaft soaring to his memory in the city that is itself dedicated to his greatness and fail to make him the text of my talk.

Washington for his day was a conservative in thought and judgment. He was a man of sound sense. He had accumulated property, but he did not hesitate to imperil that property, to risk his life, and to incur the stigma of rebellion against his King when the King's government taxed the Colonies without representation and interfered with that degree of individual freedom that was the right of a free-born man. Washington was true to the blood that flowed in his veins from the mother country—true to Anglo-Saxon traditions—when he respected the necessary authority of government, but refused to submit to the misuse of such authority.

In a long war his brave spirit, no less than his accomplished sword, triumphed over enemies without and the faint hearted within our borders; but scarcely had our independence been achieved when the individual Colonies, jealous of their separate rights and interests, refused to unite effectively and drifted toward chaos in the loose bonds of the confederation. Again the prestige and power of example of Washington were drafted by his countrymen in support of a Constitution under which the Colonies could form a more perfect union. Others, indeed, drew the provisions at Philadelphia that formed our fundamental law, but without the support of Washington it is doubtful if a sufficient number of States would have ratified the Constitution to make it effective.

Washington believed that the choice was between the Constitution and utter confusion and although silent as he was as a speaker, his great figure and known opinion stood a tower of strength to guide and support those who battled in debate to lay firm the foundations of an effective union.

Many men believe that this Constitution made possible and promoted and preserved most of the prosperity and happiness that has come, under the kind providence of God, to the American people. And the reasons for this belief are plain to those of us, like myself, who are not lawyers and who are not concerned by the technicalities of the law. The Constitution, together with the Bill of Rights, protects those rights which Thomas Jefferson called inalienable, and the enjoyment of which is necessary to our pride and self-respect, as well as to our happiness and prosperity.

In simple language one may say that the Constitution protects your individual freedom and your individual property and your right to have home tribunals pass upon those matters which most intimately affect you.

The founders of our Republic had learned from history and experience that the rights of the individual are more securely safeguarded if the laws which govern us are made and administered so far as possible by home legislatures and courts. Then, too, in a country so vast and diversified as this, a central Government may not understand and effectively meet all the local problems peculiar to the several sections and whose needs vary greatly one from the other.

Men of equally good intentions cannot always agree upon the proper boundaries of the rights of the States; cannot take a map and mark where the jurisdiction of the Federal Government begins and the jurisdiction of the State government ends. Yet remember that the Constitution provides that the Government has only the powers granted it by the States and that all powers not granted are reserved to the States or the people thereof.

And so there must be some agency of the Government to decide between the jurisdiction of the Federal Government and the States. The wise founders created the Supreme Court, and John Marshall, as Chief Justice, speaking for the Court, with irresistible logic asserted the power of the courts to determine and declare when an act of Congress was contrary to the provisions of the Constitution. If such power did not reside in the courts there would be no effective protection afforded to the rights of minorities which the Constitution was intended to protect, and in fact there would be no Constitution.

In that great document is the heart of the liberty of the individual American, and it is the function of the Supreme Court to protect it.

In a notable address made at Richmond, Va., on the occasion of the unveiling of a marble bust of another great Virginian, James Madison, the Chief Justice of the Supreme Court, Charles Evans Hughes, said in a striking sentence, "Success in solving our problems lies in a wise application of Madison's controlling principle of the maintenance of a strong National Government, together with the essential authority of the States over their local affairs and with constant respect for those individual rights which experience and conscience teach us should be inviolable."

The framers of the Constitution provided wisely a method to amend and change it to meet changing conditions. The Constitution is not sacred—it may be changed—but the fundamental principles sought to be protected by the Constitution are sacred and vital to the life, liberty, and chance of happiness of every American. No one can deny the great difficulty of solving the economic problems that confront our great Nation today. And here at this monument to the man who made possible the constitutional liberty that has made our country great may we hope that the spirit of Washington will give us strength, wisdom, and vision to provide a solution for our present difficulties, and let us pledge ourselves to continue in loyalty and devotion to the faith of Washington that made and will keep us free.

THE DECLARATION OF INDEPENDENCE OF TODAY

Mr. REYNOLDS. Mr. President, on July Fourth, through the press of the Nation and over the air to an estimated radio audience of 15,000,000, a very unusual, timely, and significant document, The Declaration of Independence of Today, was promulgated by the United States Flag Association, a great patriotic society which has the distinction of having been headed, as honorary presidents general, by three Presidents of the United States—Calvin Coolidge, Herbert Hoover, and Franklin D. Roosevelt.

The Declaration of Independence of Today is signed by 56 loyal, law-abiding citizens of the Republic—men and women outstanding in their respective spheres of endeavor, whose names command respect and inspire confidence wherever known. They typify the 56 signers of the Declaration of Independence of 1776, which the Declaration of Independence of Today paraphrases in a clever and ingenious way. Twenty-seven of the signers are the national heads of well-known patriotic, civic, fraternal, and other organizations, with a total membership of 13,000,000.

Not only do I wish to congratulate the United States Flag Association on the originality of the conception and promulgation of the Declaration of Independence of Today but I wish also to take advantage of this opportunity to felicitate the association on the splendid and effective work it has been doing during the last 3 years in fighting crime.

Under the fearless, intelligent, and indefatigable leadership of its president general, Col. James A. Moss, United States Army, retired, who for 11 years has devoted his time and energies to the affairs of the United States Flag Association without salary, the organization has done most effective and far-reaching work in creating and galvanizing into action public sentiment for law enforcement. The association's national anticrime conference, held in Washington in 1933, the first of its kind in the history of the Nation, was the forerunner of the splendid national anticrime conference held under the auspices of the United States Department of Justice in 1934.

Mr. President, the Declaration of Independence of Today is such a timely and significant document, and I feel so sure voices the sentiments of practically all, if not all, the Members of this august body, several of whom have signed it, that I would like to read it for the benefit of those who did not hear it read over the radio by Assistant Secretary of War Harry H. Woodring.

It is as follows:

IN THE UNITED STATES OF AMERICA,
July 4th, 1935.

THE DECLARATION OF INDEPENDENCE OF TODAY BEING A DECLARATION OF FREEDOM FROM CRIME AND COMMUNISM

When in the course of human events subversive and other forces assume proportions that make them a menace to the ideals and institutions of a nation and the happiness of its people, national loyalty and self-preservation demand that all patriotic citizens rally around the flag, waging on such forces relentless war.

We hold these statements to be true:

That under the system of government based on the ideals and institutions embodied in the Declaration of Independence and the Federal Constitution, the United States of America, whose people are normally the most prosperous and happiest on this planet,

has in the short span of a century and a half become a Nation in power and in wealth, in influence, and in character second to none on earth.

That the wages of the American workman are the highest in the world and that the standard of living in this country is far above that of any other, the masses normally enjoying comforts and conveniences of life unknown to even the well-to-do of other lands.

That this great Republic and the blessings of life we are enjoying under its flag have been secured at a tremendous cost of blood and treasure, trial and toil, suffering and sacrifice on the part of our forefathers and others before us.

That the great majority of the American people are loyal and law-abiding, being opposed to communism and other anti-American forces and condemning crime and racketeering.

All experience has shown that mankind are more disposed to suffer while evils are sufferable than to rise and destroy them. But when a long train of occurrences has brought about conditions that threaten the existence of a government and the safety and happiness of its people, preservation from tribulation and misfortune, from suffering and destruction, requires that the evils be annihilated.

The American people have been most patient in their sufferance of the activities of Communists whose subversive doings have been a menace to our institutions, and of criminals and racketeers whose records are recitals of disgrace, expense, intimidation, and terrorism.

To prove this let the facts be submitted.

Every year several thousand citizens are murdered and many thousands kidnaped, robbed, and assaulted, while thousands of homes and other places are burglarized, or burned by incendiaries at a loss of millions of dollars.

More than a hundred thousand crimson-handed assassins are today roaming at large, and a half a million men and women, constituting the scarlet army of the United States, are making their living through crime.

With larger ones being constantly built, our jails and penitentiaries are filled to overflowing with felons and other violators of the law.

America's annual crime bill amounts to billions while the people are each year paying the racketeers billions more.

Because of this stupendous crime bill the American people are paying higher Federal, State, and municipal taxes, and on account of racketeering we are paying higher prices for the clothes we wear, the food we eat, and other commodities of life we use.

As a result of the large number of arsons, burglaries, and robberies, we are paying higher fire, burglary and theft insurance rates.

Thus do crime and racketeering reach every home and affect every man, woman, and child in the United States.

With crime challenging American civilization and threatening American institutions, so terrible and disgraceful have conditions become that America, our country, is today stigmatized in the eyes of mankind as the most lawless country in the world, in which life, body, and property are less secure than in any other civilized land.

The Communists and other radical forces are spending \$6,000,000 a year in propaganda and other ways to undermine and finally destroy the Republic.

Many Communist aliens who are in this country illegally are agitating and plotting for the overthrow of the Government.

In addition to a number of Communist daily newspapers, there are scores of weekly and semiweekly papers, with many monthlies and semimonthlies and hundreds of shop and other publications.

For the teaching of communism a dozen schools, with several thousand students, have been established in various parts of the country.

Communist indoctrination is taking place in our schools and colleges to an extent undreamed of a few years ago.

Communists are making systematic and continued efforts to sow the seeds of communism among the naval and military forces of the Nation.

Annually a number of Communist summer camps, where the red flag is hoisted daily, are conducted in different sections of the United States and attended by thousands of boys and girls who are taught hatred of God, hatred of the American Government, and hatred of the American flag.

The time is come when every man must declare himself and show his colors, be they red or pink, black or blue, brown or silver, or be they the red, white, and blue. You are either for or against America and Americanism. There can be no compromise. Those who are contented with America and Americanism and who are law-abiding must separate themselves from those who are discontented with our system of government and from those who are violators of the law.

Loyal and law-abiding Americans, let us rise and, joining hands in the great brotherhood of Americanism, with militancy in our hearts and determination in our souls, with vigor in our spirits and strength in our arms, wage relentless war on our country's enemies!

As the patriots of '76, the Americans of yesterday, freed themselves from the oppression and abuses of King George III of Great Britain, let us Americans of today free ourselves from the terrorism and burden of King Crime of America, from the intimidation and extortion of racketeers, and from the propaganda and menace of Communists.

Let us band together in a great, aggressive, invincible army of defenders of the flag—the flag which is the only bond we have that

unites every American to every other regardless of religious creed, racial blood, social standing, or other position in life.

Thus united, with the battle cry, "Crime and communism must perish", neither asking nor giving quarter, let us declare war—relentless, incessant war—on these our country's foes.

And in support of this declaration, with full confidence in American ideals and institutions, and with abiding faith in the destiny of the Nation, we mutually pledge to each other our loyal support, our whole-hearted cooperation, and our unceasing efforts.

C. F. Adams, former Secretary of the Navy and great-grandson of John Adams, second President of the United States and a signer of the Declaration of Independence; William E. Buehler, president Loyal Order of the Moose; R. E. Byrd, famous explorer; Arthur Capper, United States Senator; Emma Hess Carlson, national president American Legion Auxilliary; Lizetta Coady, national president Woman's Relief Corps; Royal S. Copeland, United States Senator; Charles Curtis, former Vice President of the United States; Mary C. Duffy, supreme regent Catholic Daughters of America; William A. Duvall, most worthy grand patron, General Grand Chapter, Order of the Eastern Star; F. H. Ecker, outstanding in life-insurance world; Hamilton Fish, Jr., Member of Congress; James Montgomery Flagg, outstanding artist; Walter E. Frew, outstanding in banking world; A. P. Giannini, outstanding in banking world; William Green, president American Federation of Labor; Solomon R. Guggenheim, outstanding in copper industry; John Hays Hammond, outstanding American; Vincent C. Hascall, president International Association of Lions' Clubs; Frances Haun, most worthy grand matron, Grand Chapter, Order of the Eastern Star; Anne Sarachon Hooley, president National Council of Catholic Women; Patrick J. Hurley, former Secretary of War; E. F. Hutton, national figure in business and leader in social work and philanthropic activities in New York City; George E. Ijams, commander in chief Military Order of the World War; Daniel C. Jackling, outstanding in financial world; Frank Knox, outstanding newspaper publisher; Frank S. Land, secretary general Order of De Molay; Roberta Campbell Lawson, president General Federation of Women's Clubs; Hanford MacNider, past national commander of American Legion; W. G. McAdoo, United States Senator; Leon McCord, commander in chief United Spanish War Veterans; James A. Moss, president general the United States Flag Association; G. M.-P. Murphy, outstanding in financial world; George Nordlin, chairman board of grand trustees, Fraternal Order of Eagles; Estelle Norris Ochiltree, national president American War Mothers; Thomas E. Purcell, president National Council of Catholic Men; R. L. Queisser, national president National Sojourners; John J. Raskob, outstanding in business world; Robert R. Reynolds, United States Senator; Matilda D. Roberts, national president Daughters of Union Veterans of the Civil War; Theodore Roosevelt, outstanding American; Arthur J. Ruland, great incoherence of the Great Council of the United States Improved Order of Red Men; John Morin Scott, general president Sons of the Revolution; Michael F. Shannon, grand exalted ruler Benevolent and Protective Order of Elks; Louisa Swann Sinclair, national president Children of the American Revolution; Alfred E. Smith, outstanding American; Ida B. Wise Smith, president Woman's Christian Temperance Union; Winifred D. Toussaint, national president Veterans of Foreign Wars Auxilliary; A. H. Vandenberg, United States Senator; James E. VanZandt, commander in chief Veterans of Foreign Wars; J. W. Wadsworth, Member of Congress; C. R. Walgreen, outstanding in mercantile world; Harry M. Warner, outstanding moving-picture producer; Jeanne Fox Weimann, national president National Society of the Daughters of 1812; Grover A. Whalen, outstanding New York City civic leader; Harry H. Woodring, Assistant Secretary of War.

Mr. REYNOLDS. Mr. President, I ask leave to have printed in the RECORD an article from the Washington Evening Star of Thursday, July 4, 1935; an extract from an article written by Mr. Brisbane and published in the Washington Herald; and also a radio address delivered by Hon. Patrick J. Hurley, former Secretary of War, as a part of the United States Flag Association program of July 4. The articles and the address by Mr. Hurley relate to the same subject matter which I have just referred to.

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

[From the Washington Star of July 4, 1935]

CRIME AND REDS HIT BY SPEAKERS—HURLEY, WOODRING, AND MOSS
ATTACK COMMUNISM IN JULY 4 BROADCAST

Characterizing crime and communism as two of the most dangerous forces confronting the Nation today, former Secretary of War Patrick J. Hurley and Assistant Secretary of War Harry H. Woodring in a dramatic Fourth of July radio broadcast today

called on the American people to unite in combating these forces and to promote through education in churches, schools, and organized groups a broader understanding and higher regard for the ideals and principles set forth by the patriots of 1776 who signed the Declaration of Independence.

With Col. James A. Moss, president general of the United States Flag Association, presiding, the program was broadcast from Washington over the facilities of the National Broadcasting Co. under the auspices of the flag association, which is headed by President Roosevelt as honorary president general, with Chief Justice of the United States Charles E. Hughes as chairman of its board of founders. The association is conducting an intensive nationwide campaign of patriotic education in an effort to check the spread of crime, communistic teachings, and other un-American influences.

NEW DECLARATION READ

An outstanding feature of the broadcast was the promulgation of the Declaration of Independence of Today, a declaration of freedom from crime and communism, which has been prepared by the Flag Association and which will be read by Assistant Secretary of War Woodring. The document, which paraphrases the original Declaration of Independence, bears the signatures of 56 loyal, law-abiding Americans—men and women outstanding in their respective spheres of human endeavor, whose names wherever known command respect and inspire confidence. They typify the 56 signers of the original Declaration of Independence. Twenty-seven of them are national heads of well-known patriotic, civic, fraternal, and other organizations having a total membership of almost 13,000,000.

Preliminary to reading the Declaration of Independence of Today, Assistant Secretary of War Woodring said: "As I contemplate on this anniversary of the birth of the Nation the acts of abuse and tyranny of King George III of Great Britain, which are cited in the Declaration of Independence, and which constituted the causes of the Revolutionary War, I am impressed with their mildness as compared with the acts of terrorization and exploitation which the American people are today undergoing at the hands of criminals and racketeers.

"Also, as I see in the Declaration of Independence the patience with which our forefathers suffered abuse and tyranny, I think of the patience with which our people have for a long time endured the communistic propaganda that is being carried on in this country, which advocates the destruction of our American system of government by use of force and violence."

COLONEL MOSS MAKES APPEAL

Colonel Moss called on the patriotic, civic, and fraternal organizations of the country to unite in fighting crime and communism. He offered them the cooperation of the United States Flag Association. "The American people have it in their power", he said, "to annihilate crime and communism if they only make up their minds to do so. In every community of any size from Maine to Texas, from New York to California, in the form of patriotic, civic, fraternal, religious, and educational organizations and women's clubs there already exists the machinery necessary to fight successfully crime and communism. The potentialities of the cooperating or united action of these thousands of organizations now in existence in all parts of the country are tremendous beyond conception. The mobilization of their power and influence in the furtherance of Americanism would result in a force that would sweep everything before it. It is only necessary to adjust, oil, and coordinate this magnificent and stupendous machinery and then turn on the power. Crime and communism would be crushed.

"During the 3 years that the United States Flag Association has been making a study of crime and communism we have collected much data that would be most helpful to organizations which, alone or in cooperation with others, would like to fight these two menaces.

"This data we gladly place at the disposal of any and all local and national organizations wishing to combat crime and communism. Also, we will, upon request, gladly give permission to any organization, to use in fighting crime and communism or any other anti-Americanism, any of the text or illustrations in any of the several copyrighted books published by the United States Flag Association. Furthermore, we will gladly cooperate with them in any other way in our power by giving suggestions based on our experience or otherwise. Those organizations wishing our help or cooperation, please write to the United States Flag Association, Washington, D. C."

HURLEY STRESSES THEISM

Colonel Hurley stressed theism as implied in the Declaration of Independence as the basis of Americanism, and atheism as the essence of communism.

[Extract from an article by Arthur Brisbane, in the Washington Herald]

In Washington the United States Flag Association broadcasts a new "declaration of independence against crime and communism." The "declaration" holds these statements to be true:

"United States people are normally the most prosperous and happiest on the planet."

"Wages of the American workman are the highest in the world, and the American standard of living far above any other, the masses normally enjoying comforts and conveniences unknown even to the well-to-do of other lands."

These American blessings in America were acquired "at a tremendous cost in blood and treasure, trial and toll, suffering and sacrifice."

The new declaration goes on:

"Every year several thousand citizens are murdered, and many thousands kidnaped, robbed, and assaulted, * * * more than a hundred thousand crimson-handed assassins are today roaming at large, half a million men and women, constituting the scarlet army of the United States, make their living through crime."

Jails and penitentiaries are filling to overflowing, with newer, bigger jails constantly built. America's annual crime bill amounts to billions.

To make things worse, "Communists and radical forces are spending \$6,000,000 a year in propaganda, to undermine and destroy the Republic." There are "Communist summer camps, where the red flag is hoisted daily."

The declaration calls upon every man to "show his colors, red, or pink, or black, or blue, brown, or silver, or the red, white, and blue."

All law-abiding Americans are urged to "rise and join hands in the great brotherhood of Americanism * * * wage relentless war on our country's enemies."

The declaration adopts for battle cry: "Crime and communism must perish." No definite plan is suggested.

Signatures on the new "declaration of independence" make it interesting; they include Theodore Roosevelt, II, son of the first President Roosevelt; Gene Tunney, retired heavyweight champion; former Governor Al Smith; A. P. Gianini, California banker; Admiral Byrd, who went far South; Arthur Capper, Senator from Kansas; Charles Curtis, formerly Vice President, and William Green, head of the American Federation of Labor.

Such names should make crime, racketeering, and communism tremble in their deepest lair.

REMARKS OF HON. PATRICK J. HURLEY, UNITED STATES FLAG ASSOCIATION PROGRAM, JULY 4, 1935

The United States Flag Association is a nonpartisan, nonprofit, patriotic organization. I congratulate the association on the aggressive leadership of its president general, Colonel Moss, who without salary has for 11 years faithfully, intelligently, and courageously directed its activities. The national anticrime conference held by the United States Flag Association in 1933 was the forerunner of that excellent anticrime conference conducted by the Department of Justice in 1934. The United States Flag Association is endeavoring to focus public attention upon the crime conditions existing in the country, and is helping to create and galvanize into action public sentiment for the enforcement of law and the defeat of communism in the United States.

AMERICANISM V. COMMUNISM

Today we celebrate the one hundred and fifty-ninth anniversary of the signing of the Declaration of Independence. By that document the people of the Colonies declared to the world their right to assume among the powers of the earth the "equal station to which the laws of Nature and of Nature's God entitle them." The Declaration also maintained "that all men are created equal; that they are endowed by their Creator with certain unalienable rights, and among these are life, liberty, and pursuit of happiness." The signers closed the Declaration with this sentence: "And for the support of this Declaration, with a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor." We have quoted these passages from the Declaration of Independence, which is the foundation of Americanism, to emphasize the fact that the basis of Americanism is theism—that is, a belief in the existence of God. The basis of communism is atheism, that is a denial of the existence of God. Belief in God has no sectarian limitations. It includes Protestants, Catholics, Jews, and all others who worship a supreme being.

We are continuously told that communism is merely a theory of economics—a panacea for humanity's present economic troubles. The fact is, however, that economics is only one of the elements of communism. Communism destroys personal liberty. It dictates and controls personal relations, political conduct, and all social relations, including marriage, education, and religion. The people under communism have no choice but to accept the edicts of their dictators. Communists assume that a dictator, or a small group, can think better for the people than they can think for themselves.

The system of laws by which the American people govern themselves, the spiritual, social, and economic objectives to which they aspire, constitute Americanism. Americanism is predicated on liberty with the sovereign power vested in all of the people. Communism and every form of collectivism is predicated on absolute power vested in an individual or a small group. The fundamental purpose of all government should be to assist the people in achieving their national objectives. The objectives of that system of government and economics which we call "Americanism" is to administer justice; to maintain liberty and equality of opportunity; to promote education; to eliminate poverty, intolerance, and crime; to provide a sound economic basis for the equitable distribution of production; to protect everyone in the pursuit of cultural and spiritual, as well as material happiness; and to guarantee to every citizen the enjoyment of the rights of man enumerated in the Constitution of the United States. The golden rule is the true foundation of Americanism. The American sys-

tem has not achieved its ideals, but notwithstanding our present serious difficulties, it has more nearly approached its ideals than has any other nation at any time.

Liberty, of course, must have limitations which should be imposed and enforced by the people themselves. The limitations on liberty are as sacred as liberty itself. It takes an intelligent citizenship to maintain liberty. The lower the degree of intelligence, the more readily the population submits to communism and dictatorship.

We condemn all those among us who have made a license out of liberty, who have been guilty of the twin evils of stupidity and greed. We contend, however, that the overwhelming majority of the American people are honest and are worthy of self-government and that the dishonest minority can be punished and controlled without having to put the honest majority into the straight-jacket of communism and absolutism.

The people of this Nation cannot expect to remain free if they cease to be vigilant. In a democracy good government cannot exist where a majority of the citizens fail to discharge the duties of citizenship. Militant, intelligent citizens can compel the enforcement of all laws. If the laws now in existence were enforced every racketeer in business and in crime could be stopped at the beginning of his career.

Freedom of speech and press are guaranteed by the Constitution. This gives everyone and all the people a right to advocate any form of government and any system of economics they desire, whether it be Americanism, communism, fascism, socialism, or any other "ism." We may disagree with everything—with every word these absolutists and communists say, but as good Americans we must defend their right to say it. The communists have taken advantage of this freedom to advocate the overthrow of our Government by violence. That, of course, is sedition.

Shall we, as Americans, quietly surrender our liberties and our right to self-government and submit to the rule of a collectivist dictator, or do we still possess the intelligence and courage to govern ourselves? The time has come for every American who still believes in liberty and in God to meet both crime and communism in the open and overcome them.

JANESVILLE, WIS., CENTENNIAL CELEBRATION

Mr. DUFFY. Mr. President, yesterday I obtained unanimous consent to have printed in the RECORD an address which has received considerable attention from Members of the Senate, and upon which they have commented favorably. I did so, thinking that it would not exceed 2 pages of the RECORD. I find that it considerably exceeds that amount of space.

I now have an estimate from the Public Printer according to the rule; and at this time I again ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD.

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and unusual address delivered by Mr. Stephen Bolles on July 2 last at the opening of the Janesville, Wis., centennial celebration.

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

[From the Janesville (Wis.) Daily Gazette of July 3, 1935]

Mr. Chairman, ladies, and gentlemen, I would be entirely lacking in a decent respect for the tremendous importance of this occasion, the opening ceremonies of a celebration which, however much may be said or however much may be done, would and will be wholly inadequate to tell the story or recall the past, were I not to acknowledge here that no honor could be conferred upon me by suffrages of the State or my own neighbors equal to this you have done to me.

What we say here today, what we do here today and this week will live long after the poor bodies of the participants have been laid away in the tomb. They may forget the singer, but we hope that they shall not forget the song. Though they may forget the artist we hope they will not forget the painting—that it will live upon walls of memory for that eternity which may come to the land in which we live this day.

History is not a mere listing of chronological events as they passed in years, one after another. It is not the story of wars and intrigue and blood and disaster, of empire living one day and dying tomorrow. It is, in the language of Macaulay, "To make the past present, to bring the distant near, to reveal the patriotism and heroic struggle of yesteryears—there are the duties of the historian."

"The unsolved riddle of mankind has been the reconciliation of liberty with power." The power of tyranny is the power to destroy; the goal of liberty is the aim to live. For centuries the battle, seen and unseen between absolutism and public freedom has been waged. It still goes on with no definite result and no decision. It seemed in 1835 when we laid the paradoxical corner stone of logs for Janesville that the divine right of any ruling class, whether king or satrap, capitalist or proletariat, to determine the destiny of this or any other nation had been defeated forever.

None of us will be here when a second century is celebrated and what we have done, the history and analysis of the people and their

struggle of the first century, will be the landmarks by which another hundred years may be measured. There is no light like that of the lamp of experience. The future is not always judged by the past; it may only be guided.

Ever and ever the setting sun has lured the venturesome and courageous. Westward the star of empire has taken its slow, irresistible way.

Sang Bishop Berkeley:

"Behind the Indian's bark canoe
The steamboat puffs and raves
And city lots are advertised for sale
Above old Indian graves."

Ten thousand years ago the Aryan people, on the trail from Long Ago to Now, swept up out of the valley of the Indus through the narrow Himalaya mountain passes, conquered the Tartar of the high plateau, whelmed the desert dweller, built the cities of the plain, kept on to the Hellespont, overran southern Europe, established new kingdoms, new barbaric villages and principalities until their Caucasian children—Greek and Roman, Slav, Hun, Goth and Visigoth, Gaul, Celt, Teuton, Norseman, Angle and Saxon—mastered Europe.

But he was not contented there. He stood on the shore of a trackless sea. He looked into the imagined terrors of the restless and unconquerable ocean. He marveled at its chainless power. He saw where it carved the images of a thousand gods on the high cliffs along its shores. The Phoenician dared its fearsome mysteries. The Norseman trekked along its pathless waves to find a new world hidden in wilderness, mountain, and plain. An Italian, greedy for gold, and spurred by a thousand fantastic tales of the Asiatic El Dorado, mastered the waste of waters, to die, haunted by visions of India's coral strand and the fabled wealth of Cathay.

The western sun was still the magnet. The explorer came. He found America. He mapped its shores. He threaded its rivers and crossed its lakes. The priest, the preacher, and the teacher came; and then the pioneer, with Bible and rifle, with ax and plow. He built villages—they became cities. He laid out patches of garden—they became farms. He cut crooked trails for his cattle and wagons—they became great traveled highways. He made dugouts to carry his products to market—they grew into transportation lines, with canal boats, sailing vessels, steamboats, and steamships. He dammed the little streams and industry began to mark its place with song of wheel, murmur of grinding grain, and clang of iron and steel.

He landed in the warm and inviting Virginia; he came ashore at the bleak rock at Plymouth; he poled his canoe and flatboat up the Hudson and Mohawk; he stood under the great tree at the City of Brotherly Love; he found asylum in Maryland; he cut back the wilderness a few miles from the shores of the ocean that stood both as a barrier against his return to the homeland and as a bulwark against further tyranny. He sang his old French love songs in Wisconsin forests, trapped its beaver, traversed its pathless woods, told his stories of romance and adventure.

And still the western sun lured him on.

His patient oxen took him on new trails. He crossed mountains, periled by snow and avalanche. He forded rivers, risking death from whirlpool and flood. He dragged on over sodden ground, slowly, painfully, but persistently, chopping new roads, blazing new and hopeful highways that others might follow and be his neighbors. He dared the savage; he challenged Nature; he shook his fist in the face of difficulties; and finally he became the new settler in Wisconsin.

One hundred years ago he came. He hewed a new home from this wilderness. He lived from the forests. His rifle and shotgun were the butcher's check and the market man's delivery cart. He took the stored honey from the trees and traded it for flour and rusty pork. He fought—this settler with his family—the pressing horrors of isolation and starvation. Every farm home in all this great section of the State of Wisconsin is built on a battlefield where man contested with resisting Nature, and he won the final victory of success with a home and a family.

The road from today to yesterday does not seem long, measured in terms of years. The new settler in Janesville became an old settler in a decade. His sons and daughters again took the trail. Some remained, many went on toward the setting sun. There were other wildernesses to conquer, other trails to follow, wide-sweeping plains to cover with bands of railroad steel, another ocean to reach. And, lo, where there had been a wilderness, with its maddening and awful silence, where rivers ran eternally unladen to the sea, where savage reigned supreme, where wild forest denizens held high riotous carnival, there arose an empire of the common people within this century.

Had the commoner in Europe been content this world would still have been a realm of silence. Had the Virginian and the Yankee been content there would have been no Northwest Territory and no Wisconsin, no Rock County, and no village or city here. Had the German, the Irish, the Norwegian been content we should not have had him here as a solid citizen of Wisconsin.

This new Wisconsin was no place for the indolent, the coward, or the shirk. This was no place for the white-collared youth, the dilettante, or the effeminate. This was no place for the evanescent shadow of life, the social butterfly, or the drone. This was no place for the parasite or the aesthete.

Beauty was all around the old settler in the Rock River Valley. He had come to a place where every prospect pleases. From the hilltops he could see great waving forests of green. Between were silver sheens of lakes and bounded prairies. There flowers lifted blossoms to the sky in a barbaric riot of color, rivaling the sun in its chromatic display. The breath of spring, the sky of summer, the

glory of the master paintings of the woods in the fall—there were pictures hung here by omnipotence for his delectation. The first settler needed no Louvre and no other gallery of art for his cultural side. Unconsciously his soul responded to this great oratorio without words and perhaps without understanding why.

The first settler got what he gave. He hid no talent lest someone should rob him. His home was his castle, his farm his landed domain, his retainers were all members of his own family. Each home was an industrial plant. Each member of the family had a task to perform. The farm was a way of living in its supremest sense. He had flour if he raised wheat. The packing house might be far away, but he had his own. His shoes were not made in a great factory; the cobbler at the cross roads slowly sewed and tapped them. His grist was ground at the mill close by. The streams were harnessed and the water wheel was a Hercules chained like a slave.

His music was the wind in the forest, the summer rain, the deeper diapason of the threatening storm, the beating of the snow against the glassless windows.

This United States, from the days when God was the pilot, when His stars, burning just as brightly and just as steadily as now, led mankind, with cloud by day and pillar of fire by night, to the rock shores of this woodland world, was settled by poor people. No one gave them anything. They had no subsidy. They were not fed on any appropriation by a prodigal Government. No tax levy was made to present them a log cabin, or to buy a rip saw to make boards for floors, supply tools or equipment.

They did not share wealth; they shared work. They did not share grandeur; they shared simplicity. They acquired riches out of the soil, in trade and commerce, and by working from sunup to sundown.

There isn't a dollar of wealth or value or intrinsic worth here in Janesville, in Wisconsin, or in the world that does not represent labor or services. There was no magic about it. There was no miracle in it. No man's voice said, "Let there be a new world", and behold a new world existed. No; not that way. Rippling muscles, back-breaking toil, made Wisconsin. Liberty is never written by wealth or power. It is written in sweat and blood of the common people.

Liberty is written by men and by women who want freedom of opportunity untrammelled by hampering law that puts incapable, collective authority in charge of daily tasks.

The common people wanted free speech that they might express themselves when oppressed by ill-conceived laws or burdensome taxes. They wanted the right to worship God where and when and how they saw fit. They wanted to be safe in their own homes without search and seizure unless by due trial and examination they had forfeited property. They wanted the right to move from one place to another without restraint. So they wrote these things into a fundamental law, the oldest document of its kind in operative existence, and repeated these principles when they formed a State. It was the first Constitution written with the pen of human rights and conceived in justice. That is why it lived.

Three great documents express American ideals. They are the Declaration of Independence, the Constitution of the United States, and the Ordinance of 1787, creating the Northwest Territory. We are one of the five States erected from that Territory. It was dedicated to freemen and free labor. It was built on a foundation of education and religion.

Here was Wisconsin Territory released from fear of hostile Indians in 1835, with no white men in all that ragged triangle reaching from Green Bay to Chicago, with one trading post at Milwaukee and a trader at what is now Waukesha, then called Prairie Village. West, a little lead mine near New Glarus, held a few white men. North Portage, with its old Fort Winnebago, was the nearest settlement. Near Monroe, Andrew Clarno had a farm.

Here then came the first settler in 1835. We celebrate his coming in this centennial. I have no time to deal with the daily chronology of incidentals. That we leave for the writer of detail. We must look this morning, here in the first day of our celebration of the passing of a century, at the whole picture. History is the story of people.

There will never be another epic like this of ours in western settlement. It can never be written again. There is but one Iliad, but one Odyssey for the West. It is not the story of conquest, or blood and pillage and murder. It had no Joshua leading with armed men to a land flowing with milk and honey, by the route of blood and terror. It is not the story of looting that the looter might be rich. It is the greatest of all romances of peace.

These men, carried by slow oxen, were seeking homes. They wanted property. They wanted their own land. They wanted the right to occupy it for themselves and be free from bond labor. They were not asking for or seeking political liberty. They were not asking a government to loan them or to provide them anything beyond opportunity. They were asking for individual independence and individual rights. They wanted the further right to make a profit. They wanted the right to buy and sell, to raise what they pleased on what land they owned and to sell it where and how and when they pleased. They knew property in itself had no right but that they, as persons, had protected rights in property. They got that in Wisconsin.

One hundred years ago there was no sawmill in Janesville or in all this region; no grist mill, no railroad, no telegraph, no telephone, no sewing machine, no highways, no fences, no board or brick or stone houses, no stores selling other than the simplest things, no farm machinery, no mills for woolsens or cottons, no water power harnessed, no bridges, no theaters or circuses, no musical instruments in homes, no stoves, no steel plows, no

schools, no churches, no steamboats, no lumber jacks, no rafts on the rivers, no wheat fields in southern Wisconsin.

"All this shall be added unto you" was as yet an unfulfilled promise. The first genuine settlement in Wisconsin was here in Janesville. Others who came to the territory had been adventurers. Here to Janesville and the river valley came men and women to make homes, till lands, bear children, rear families, add wealth from the soil, from timber, and what else had been provided them by a generous Creator. Elsewhere were traders with Indians, little outfit-fitters for explorers, nomad miners, ready to leave when ore failed. Here in Janesville, for the first time, there was written in dirt and sweat of toil, over the lintel of the doorpost of every cabin, "permanent."

When the frightened troops of General Atkinson drove the Sac Indians into the Wisconsin River they crashed down the gates that had barred the way of settlement.

The Holmes boys, young and ambitious, John Inman, a little older, George Follmer, still older, found the gate open and in 2 days gave the reason for this centennial celebration in the rude log house on the river bank across from the Big Rock.

Outside, eagerly waiting, were a quarter of million people. They came in droves, herds, armies, swept over whole townships and counties, engulfed great areas, like a tidal wave in the western Pacific, made a town in a week, a city in a month, started governments locally and generally; erected a Territory and then a State. We incorporated this city. We were troubled with growing pains. We put a harness on water power. We began to make brick. We began to grind grain. Golden wheat dictated economic standing. In 20 years this region was the breadbasket of America and Janesville its greatest food market. Storekeepers came. Women began to change from the home-made dress to "boughten" things at stores. Stores were everywhere. The eternal avant-courier of the new world—the blacksmith—was busy shoeing oxen and horses. Trees had been cut away. Trails became highways. Plank roads were laid and the first pavement succeeded the corduroy. Bridges were built. In a decade, 300,000 people came to southern Wisconsin.

Liberty's lamp was brightly burning on Atlantic shores. It was a beacon of invitation. Its beams were lighting the dark shores of Europe. People submerged for centuries, tramped on, dictated to, regimented, and abased were seeing light. The power of the printed word was growing. Newspapers were multiplying; knowledge was spreading. Coals of fire were heaped on breasts of dying despotisms. De Tocqueville had written Democracy in America, and the intelligentsia across the water began to understand the individualistic principles of American government.

So oppressed peoples started westward. The Norsemen came, to be a great power in Wisconsin. They brought the printing press and religious culture. Wherever the Norwegian settled was a church. The tyranny of a vapid and vicious king sent a million Germans to America. One-fourth of them found asylum in southern Wisconsin. They gave to Wisconsin statesmen, writers, newspapermen, sound citizens. From Scotland, seeking homes and lands away from the laws of primogeniture and entailments, came the Scotch, who gave a new meaning to thrift and saving. Came, too, the Irish, seeking some place where landlordism was unknown, and builded a new land of the shamrock and lilting song in a new world.

The logical sequence of settlement was a log house, a plot for crops, a school, a church, better schools, a government locally and general, a market, trade and business. These were as sequential as day follows night. Good times and hard times were met, overcome, and conquered. Living as these men and women did in Janesville, they found no difficulty in supporting the Union in its hour of travail when Lincoln called. They went to war—2,800 from Rock County—fought in its battles, died as soldiers must die, left homes and crops to women and children, and the survivors returned to take their places again in the ranks of those who lived the commonplace lives of an honest people. They have joined the "phantom army"—all but a few—marching to heavenly music of union and harmony and leaving a lesson of devotion to American ideals imperishable as granite.

Woman made Wisconsin possible. There could not then be, cannot be now, a home without the woman. First in the mind of the first settler was his wife. She was a partner in the pioneer task. To me the greatest moment in the history of Janesville was when Mrs. Samuel St. John, in that rude lean-to cabin over there, across from Monterey rock, without physician or midwife, without woman's aid or kindly sympathy and understanding, surrounded only by inexperienced young men and husband, willing but helpless, gave birth to Seth St. John, first white baby born on Rock River in Wisconsin. I ask all you mothers, and you fathers as well, to look within that cabin where nine people ate and slept, upon that rude pallet, in a bed built into the log walls, with nothing but the simplest of accessories upon that hour of the nativity in Janesville. Christ was born in a manger, with lowing kine and hay-crunching asses stabled all about the accouching mother, yet women were with her.

Like Lincoln, born in a cabin without doors or windows, such pioneer babies came into this world. The mother of this first Janesville baby gave her life in this sacrifice, and her grave, marked with a boulder on the wind-swept hill south of the city, should forever remain as a shrine to motherhood.

These pioneer women were full partners in founding Wisconsin. I pluck no laurel wreath from the crown of any early statesmen; I take away no decoration from the breast of a hero who gave his life or made other sacrifice in laying the structure of this Republic or in erecting the facade of the new Temple of Human

Justice for the common people here in Wisconsin; but take the hands of the first settlers' wives and lead them from the self-conscious obscurity in which they have been placed and give them a niche in the American Hall of Fame among the builders of the Nation.

These mothers traveled the same wilderness road into new dangers from Indian and wild beast. They kept the home fires burning, nursed the sick, and lived through unnumbered woes. The story of these early mothers is the glowing, glorious epic of womanhood in the building of this city and county.

I am reluctant to close. There are so many things to say and to tell in such a history of a century. The story of a community is the story of its people. There is no glory like that of the commonplace. The glory of arms, of politics is of individual greatness and is evanescent. Eternity is measured in daily tasks performed and daily work well done. This was a land of commonplaces.

Let me not be misunderstood. There never was perfect content in the majority. Vast property interests and management problems called for practical executive ability, while millions hungry for some mystic bread of life asked for land, roads, freedom, chances, open doors, release somewhere and somehow from the clutches that held them to monotony and toil.

Some obscure historian has said that and more, "On the one hand were those wanting refined mechanics of adjustment and on the other hand those who wanted songs, slogans, words worth dying for; and between was the mass who lived by bread alone. They were the vast, breathing, groaning, snarling, singing, murmuring, irreconcilable instrument through which, and on which, history and destiny and politicians worked—the people—the public that had to be reached for the making of public opinion."

Behind us is a century. It may be divided into three parts; that day of the pioneer of 20 years, the days when the readjustment came from the Civil War and after. What may we learn from that time? Is there anything in the past to guide us for the future? What is written on the tombstones of these pioneers—a pointing finger to a road that we may follow?

This was the manner of men and women who came to Janesville and built a city. This was the manner of men who laid the foundations of this beautiful community where people have been born and lived and died for a century. We are giving it a benediction this day in 1935.

These men were individualists. They held out no tin cup for government alms. They supported government—the government did not support them. They believed that government was made for and by the people, and not the people by the government. No man was regimented in 1835 or thereafter. No man borrowed an ax to hew out his home. They asked no man to do more than they were willing to give. They were ready to share with every task. They divided the labor—their wealth was their own to do with as they pleased. What they got came from their own toil and saving and thrift. All wealth here in Janesville and this valley as elsewhere was created by work and not by legislation.

The first settlers wanted a coherent union. They went forth to bloody battlefields to keep it so. They were the normal American citizens, nurtured in tradition and ancestry from eastern colonial peoples, seekers getting away from oppression, who came here because they wanted freedom from autocratic dictation and confiscation by taxation.

So they erected this city; so they built a State; so they became a part of the Nation. To paraphrase a poet:

"Here in our sight where memory doth enshroud us
Lies that fair city in which our hearts abide,
And in its bliss there is naught more wondrous told
Than those few words, 'Thou shalt be satisfied.'"

CONFIDENCE GAME—EDITORIAL FROM PHILADELPHIA RECORD

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Philadelphia Record of Wednesday, July 10, 1935, dealing with the pending holding-company bill.

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

[From the Philadelphia Record of Wednesday, July 10, 1935]

CONFIDENCE GAME

The holding companies have just sold the American people another gold brick.

The real reason the holding companies forced the House version of the Wheeler-Rayburn bill through the lower Chamber in place of the Senate's version is that the House version seems to them to stand on weaker constitutional grounds.

All the weeping about the "death sentence" against holding companies in the Senate bill, all the support for the "fairer" House version was coverup for a scheme to put through a bill the Supreme Court would be likely to nullify.

What the holding companies were really playing for was not a bill without the "death sentence", but a bill that would fall down in a court test.

This ranks about top in the record of shoddy maneuvers pulled off on the American people.

Proof? Plenty. The Senate bill called for abolition of useless holding companies by 1942, while the House bill leaves it up to the Securities and Exchange Commission to determine whether any holding companies, and which, shall be abolished.

The House bill seems on its face strong enough seriously to worry utility executives, since the administration could be expected to control the S. E. C. Why was it supported?

It was supported because it delegates the life-and-death power to a commission. The Supreme Court has shown in recent decisions its distaste for broad delegation of constitutional power. The mandatory abolition might have survived a court test; the utilities feel the delegated powers cannot survive the test.

For all their pious ejaculations about "protecting the investor" and "regulation, not destruction" the utilities put through the House amendments not to change the bill, but to kill the bill, to kill all Federal regulation.

That explains the mysterious manner in which utility stocks and bonds have been keeping the high levels they reached after the President's defeat by the power lobby. There would be plenty of dumping, and the stocks would be down if the utilities felt that even the House bill would stand. They feel it won't stand.

They think they have fooled the public. That's why the RECORD's average of 20 utility stocks yesterday was 22.83 against a 1935 low of 14.46, and the average for 10 utility bonds was 104.77 against a 1935 low of 99.94.

That is why Associated Gas & Electric, after spending its utility companies' money in a giant campaign against the Senate version of the bill, now spends more funds for advertisements attacking the House version as "tainted with unconstitutionality."

The utilities put over that "tainted" version. They sold the public a leaky boat for a long trip, because they don't want the trip completed.

The only consolation is that the public won't be fooled so easily when next the holding companies put their hands over their hearts and say they are in favor of "regulation, not destruction."

They move too fast to be regulated.

MEMORIAL DAY ADDRESS BY QUIN O'BRIEN

Mr. LEWIS. Mr. President, I tender at this time for publication in the RECORD an address delivered over the radio on May 30, 1935, by one of America's great orators and eminent lawyers, Hon. Quin O'Brien, of Chicago, Ill. I ask that this masterful address be published in the CONGRESSIONAL RECORD, assuring the Senate of literary and historical compensation.

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

Under the free-born flag of our beloved country, amid the fragrance of the flowers of spring, the people of this mighty Republic today pause from their labors to join in prayer and praise for our sacred dead who in war and in peace laid their sacrifices on the altar of devotion. This great memorial holiday is a day of joy and not of sorrow. As Lincoln said, amid the myriad graves of Gettysburg, it is a time when we, the living, should "take increased devotion to that cause for which they gave the last full measure of devotion." It is a time to take our bearings from the sun and stars and our long-traveled course that we may right our ship of state for its future journey with full speed ahead. It is a noble land that God has given us; a land that can feed and clothe; that can comfort, enlighten, and lead the world. It is a mighty people that He has planted on this soil of freedom; a people sprung from the most masterly bloods and the most intrepid souls of history. In three centuries, with banners on which were inscribed "Free Conscience", "Free Speech", "Free Press", "Free Schools", "Free Ballots", our intrepid pioneers marched westward with "the star of empire", from the snows of Plymouth Rock to the Golden Gate of sunset, developing our vast domain, which they dedicated to liberty and law and to—

"One flag, one land, one heart, one hand, one nation evermore."

And all this was done, not by fire and sword, but with plow and press, Bibles and ballot boxes, schoolbooks and scythes, and the arts and crafts of an adventurous people, who reared in this western world a mighty Republic designed to be first in peace, last in war, and first in the hearts of humanity.

The past at least is secure, but what of the future? We are now emerging from a world crisis in a great transition period in the affairs of men. The past 20 years have been the Gethsemane of nations. In the World War bleeding humanity cried out, "O God, let this chalice pass from us!" In the aftermath of depression it has groaned at its betrayal and trembled at the thought of civilization's Calvary. Today, thank God, we are witnessing the Easter dawn of the Resurrection. Out of this is coming a new era and a new order of things. There has been a great moral and social awakening, and the most hopeful sign of the times is that the current of reform is almost world-wide, under the leadership of America. The same challenge of the power of vested interests, the same demand for equality, the same striving to lift the average man and woman up to a wider and fuller participation in the blessings of life and modern society is manifest everywhere. In the past few years kings, kaisers, czars, and barons of wealth have been toppled from their thrones. In the language of blessed Mary's Magnificat, "The proud and mighty have been put down from their seats", and the tide of events has "exalted them of low degree."

This is a time which tries men's souls and many are fearful. Fellow Americans, be not alarmed, this is but the ferment of democracy. There will be no explosion, there will be no revolution, there will be no dictatorship, there will be no atheistic sovietism, there will be no pagan Nazism, no tyrannical Fascism in

free America. We are immune to these heresies. Love of liberty, lust of land, pride of private ownership, craving for individuality, independence of spirit, and faith in God are all too inherent in the American character and American institutions to ever permit cults of tyranny to enslave us.

The main cause of the world's chaos and unrest, and the subject of its chief clamor, is found in the abuses of capitalism. Capitalism, which built up the towering structures of our industrial and financial institutions, sinned grievously and must do penance. In its greed for power and wealth it debauched our public officials, abused its privileges, and oppressed the sons of toll. In an orgy of speculation it brought down its towering structures and almost suffered the fate of blind Samson in the ruins it wrought. The red Communists exaggerate these evils and seek to destroy capitalism utterly, and in doing so would throttle the liberties, civil and religious, of all humankind. The American people will never jump from the frying pan of distorted capitalism to the fire of communism. Rather will it chasten, purify, and salvage capitalism. It will teach it that it holds its wealth as a trust to be administered for the people's welfare and that honesty is ever the best policy.

In the past few years we have done much toward this end, we have stopped the exploitation of unschooled children, we have tapped hoarded wealth to feed and clothe the Nation's unemployed, we have stopped the robbery of natural resources, we have required the guarantee of the people's bank deposits, we have transferred our money control from Wall Street to Washington, we have curbed stock juggling and gambling, we have rescued the farmer and the home owner from the mortgage foreclosure and receivership rackets. In short, we are putting justice in business as well as in the courts. We are putting conscience in commerce as well as in the churches.

The nineteenth century saw the greatest revolution of modern times—that from feudalism to industrialism; from the control of kings to the control of capital. Giant corporations with special privileges assumed the powers of kings and their divine right to rule. The twentieth century will see ever a greater revolution—that from the control of capital to the control of men, not Soviet men but enlightened men, who have not tried to throw off the control of God, and who would die themselves rather than enslave and slaughter their fellow men. Democracy, the child of Christianity, is determined to control capital, its economic brother. And what is more, it is firmly resolved, to moralize the social order. All that Democracy demands is common honesty, an equitable distribution of wealth, just service for a reasonable profit, and a recognition that the people of America are masters and not servants. It is not seeking to destroy the temple of private property but to drive from it the unjust money changers.

American democracy, as interpreted by the statesmen of our two great parties, aims to make every man capable of becoming a capitalist by a more just distribution of wealth. On the other hand, communism, according to its own manifestos, aims, by force, revolution, and bloodshed, if necessary, to confiscate the property and wealth of all the people and consolidate and administer it by a soviet oligarchy which denies God and proscribes all religion as moral and mental poison.

Our people, and especially our high-school and college students, should be taught that communism is a far worse and more cruel slavery than human chattelhood, which lit the fires of civil war and cost the lives of a half million of America's young manhood and that of Lincoln. Communism is a blend of anarchy and atheism. It is repugnant to all that Christianity, democracy, and Americanism stand for, and is the greatest possible treason to our institutions. To paraphrase the words and warning of Abraham Lincoln, "A house divided against itself cannot stand. This Government cannot endure permanently half slave and half free." There is not room enough in this ocean-bound Republic, or its free air, for both communism and democracy.

When the apostles of American liberty met in Independence Hall on our Nation's pentacostal day to draft our charter of government, their leader, George Washington, like the inspired Peter, speaking no less to posterity than to the assembled delegates, solemnly said: "Let us raise a standard to which the wise and honest can repair. The event is in the hands of God." We Americans of today are the trustees of that Constitution and Government for the benefit of our people and unborn millions. This week the most august court in all the world, in three opinions, unanimously vindicated the power and blessings of that historic Constitution. The voices of Washington, Franklin, Jefferson, Madison, Hamilton, Wilson, Elsworth, Randolph, and Rutledge and their compeers seem to call to us this Memorial Day across the chasm of 150 years and bid us keep their beloved America an ideal Republic in which those twin monuments of their joint wisdom, the Declaration of Independence and the Constitution of the United States, shall forever stand, like the last mountain in the deluge, unique, majestic, magnificent. The American people, from our noble President down, answer them and our heroic dead from Bunker Hill to Flanders Fields, "Sleep on, brave souls; rest in peace! God reigns, and our Constitution and our consciences still live!"

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The VICE PRESIDENT. The question is on the motion of the Senator from Illinois [Mr. DIETERICH] that the conferees to be appointed on the part of the Senate be instructed not to insist on section 11 as agreed to by the Senate in the bill (S. 2796) to provide for the control and elim-

ination of public-utility holding companies operating, or marketing securities in interstate and foreign commerce through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. WHEELER. Mr. President, in approaching the question involved in the motion of the Senator from Illinois [Mr. DIETERICH] that the Senate not insist upon section 11 as agreed to by it, I wish to call attention to the fact, and have it clearly in the minds of Senators, that section 11 of the bill as adopted by the Senate deals not only with the elimination of holding companies but likewise deals with the reorganization of holding companies and also with foreign holding companies. Consequently, if the motion instructing the conferees on the part of the Senate not to insist upon section 11 of the Senate bill should be adopted, it would mean that we would have to abandon the position we have taken not only with reference to the elimination but with reference to the reorganization of holding companies, that provision having been put into the bill solely and exclusively for the purpose of protecting the investors of these various companies.

If section 11 of the House bill, in its entirety, should be accepted, there would be no provision, as I see it and as the Securities Commission see it, setting forth a proper method for reorganization or a proper method for the protection of investors in these holding companies.

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

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from South Carolina?

Mr. WHEELER. I yield.

Mr. BYRNES. Yesterday I inquired of the Senator from Montana whether he was correctly or incorrectly quoted in certain newspapers, which represented the Senator as stating that if this bill were sent to conference, and section 11 were not retained, the bill would be permitted to die in conference. The Senator stated that he had made no such statement, and he certainly satisfied me on that point. I wish to ask the Senator from Montana, if this bill should be sent to conference and there should be an agreement between the conferees as to all the amendments in controversy between the two Houses, with the exception of section 11, whether the Senator will state to the Senate that it would be his purpose to report such disagreement to the Senate at this session, so that the Senate would have an opportunity to vote upon the question at issue?

Mr. WHEELER. Let me say to the Senator that there would not be any other intention in my mind, for if I should serve upon the conference committee I should feel that I was not representing my own personal views in the matter but that I was representing the views of the Senate. Consequently, if the conferees could not agree upon section 11, or some other provision in its stead, I would then feel that it was my duty as one of the conferees to bring the disagreement back to the Senate and ask for further instructions with reference to the matter.

Mr. BYRNES. Mr. President, if the Senator from Montana will yield further, I should like to ask the Senator from Illinois [Mr. DIETERICH], in view of the statement of the Senator from Montana that he was incorrectly quoted and that if the bill shall be sent to conference without instructions he will endeavor to adjust the differences between the two Houses and if there should be a disagreement upon section 11 he will report back to the Senate at this session, whether or not the Senator from Illinois will not withdraw his motion to instruct the conferees?

Mr. DIETERICH. Mr. President, the statements now made rather change the position as I understood it to be yesterday. As I now understand the position of the Senator from Montana it would be my purpose to withdraw the motion. I understand his position to be that if the bill goes to conference and the conferees reach an agreement on all other provisions and fail to reach an agreement on section 11, he will bring the bill back to the Senate for the action of the Senate in reference to instructing or otherwise dealing with the subject matter of the disagreement.

Mr. WHEELER. I should feel it to be my duty to do so.
Mr. DIETERICH. Then, if the Senator will yield further, in view of that statement I withdraw my motion.

The VICE PRESIDENT. Without objection, the order heretofore entered providing for a vote at 2 o'clock is rescinded. The Chair appoints the following conferees on Senate bill 2796: The Senator from Montana [Mr. WHEELER], the Senator from Kentucky [Mr. BARKLEY], the Senator from New Hampshire [Mr. BROWN], the Senator from Maine [Mr. WHITE], and the Senator from Minnesota [Mr. SHIPSTEAD].

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. ROBINSON. Mr. President, the Senator from South Carolina [Mr. SMITH], Chairman of the Committee on Agriculture and Forestry, is prepared to move to proceed to the consideration of the bill to amend the Agricultural Adjustment Act. He is now on his way to the Chamber. There is pending before the Senate, however, the water carriers bill. I inquire of the Senator from Montana [Mr. WHEELER], who is in charge of that bill, whether he desires at this time to proceed with that bill or is he willing to have it laid aside?

Mr. WHEELER. Mr. President, as the Senator from Arkansas knows, my time has been taken up for the last 2 or 3 days by the holding-company bill, which has just been disposed of. I should much prefer to let the so-called "A. A. A. bill" be considered at this time, but I should like to have an opportunity to take up the other bill before the session closes.

Mr. ROBINSON. In the absence of the Chairman of the Committee on Agriculture and Forestry [Mr. SMITH], who is on his way to the Chamber, I move that the Senate proceed to the consideration of the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. COPELAND. Mr. President, the water-carrier bill would then go back to the calendar?

Mr. ROBINSON. Yes; it would be displaced.

Mr. McNARY. Mr. President, by unanimous consent a few moments ago disposition was made of the agreement under which a vote was to be taken at 2 o'clock today on the holding-company bill, and the bill has been sent to conference.

The VICE PRESIDENT. That is correct.

Mr. McNARY. The pending measure now before the Senate is the so-called "Wheeler bill", affecting water-borne traffic, and to bring it under the jurisdiction of the Interstate Commerce Commission. Is the Senator from Montana now consenting to a withdrawal of the unfinished business and its restoration to the calendar?

Mr. ROBINSON. Mr. President, if I may answer the inquiry, let me say that, in view of the statement just made by the Senator from Montana, I have moved to proceed to the consideration of another bill, which would have the effect of displacing the unfinished business.

Mr. McNARY. I was not clear whether it was to be a displacement or merely a temporary laying aside during the consideration of the A. A. A. amendments.

Mr. ROBINSON. If my motion shall be agreed to, it would have the effect of displacing the unfinished business.

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

Mr. McNARY. Mr. President, there is some opposition to the bill. I note the absence at the moment of the Senator from Virginia [Mr. BYRD].

Mr. ROBINSON. I shall suggest the absence of a quorum if the Senator desires.

Mr. McNARY. I think that had better be done.

Mr. ROBINSON. Very well. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Billbo	Byrd	Coolidge
Ashurst	Black	Byrnes	Copeland
Austin	Bone	Capper	Costigan
Bachman	Borah	Caraway	Davis
Bailey	Brown	Carey	Dickinson
Bankhead	Bulkley	Chavez	Dieterich
Barbour	Bulow	Clark	Donahay
Barkley	Burke	Connally	Duffy

Fletcher	Keyes
Frazier	King
George	La Follette
Gerry	Lewis
Gibson	Logan
Glass	Loneragan
Gore	McAdoo
Guffey	McGill
Hale	McKellar
Harrison	McNary
Hastings	Maloney
Hatch	Metcalf
Hayden	Minton
Holt	Moore
Johnson	Murphy

Murray	Sheppard
Neely	Shipstead
Norbeck	Smith
Norris	Steiwer
Nye	Thomas, Okla.
O'Mahoney	Townsend
Overton	Trammell
Pittman	Truman
Pope	Tydings
Radcliffe	Vandenberg
Reynolds	Van Nuys
Robinson	Wagner
Russell	Walsh
Schall	Wheeler
Schwellenbach	White

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Arkansas that the Senate proceed to the consideration of House bill 8492.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8492) to amend the Agricultural Adjustment Act, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

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

The VICE PRESIDENT. Without objection, it is so ordered. The clerk will state the first amendment of the Committee on Agriculture and Forestry.

The first amendment of the Committee on Agriculture and Forestry was, on page 3, line 2, after the word "than", to strike out the comma and "or is likely during the current or next succeeding marketing year for such commodity to be less than the fair exchange value thereof, and" and insert "the fair exchange value thereof, or the average farm price of such commodity is likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, and", so as to read:

SEC. 2. Section 8 of the Agricultural Adjustment Act, as amended, is amended by striking out everything preceding subsection (2) and inserting in lieu thereof the following:

"(1) Whenever the Secretary of Agriculture has reason to believe that:

"(a) The current average farm price for any basic agricultural commodity is less than the fair exchange value thereof, or the average farm price of such commodity is likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, and"

The amendment was agreed to.

The next amendment was, on page 3, line 16, after the word "title", to strike out the words "and that the exercise of any one or more of such powers would be administratively practicable"; and in line 21, after the word "shall", to insert the words "proclaim such determination and shall", so as to make the paragraph read:

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that the exercise of any one or more of the powers conferred upon the Secretary under subsections (2) and (3) of this section would tend to effectuate the declared policy of this title,

he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination and shall exercise such one or more of the powers conferred upon him under subsections (2) and (3) of this section as he finds, upon the basis of such investigation, administratively practicable and best calculated to effectuate the declared policy of this title.

The amendment was agreed to.

The next amendment was, on page 4, line 19, before the words "to be made", to insert "subject to the consent of the producer", so as to read:

"(2) Subject to the provisions of subsection (1) of this section, the Secretary of Agriculture shall provide, through agreements with producers or by other voluntary methods—

"(a) For such adjustment in the acreage or in the production for market, or both, of any basic agricultural commodity, as he finds, upon the basis of the investigation made pursuant to subsection (1) of this section, will tend to effectuate the declared policy of this title, and to make such adjustment program practicable to operate and administer, and

"(b) For rental or benefit payments in connection with such agreements or methods in such amounts as he finds, upon the basis

of such investigation, to be fair and reasonable and best calculated to effectuate the declared policy of this title and to make such program practicable to operate and administer, to be paid out of any moneys available for such payments or, subject to the consent of the producer, to be made in quantities of one or more basic agricultural commodities acquired by the Secretary pursuant to this title.

The amendment was agreed to.

The next amendment was, on page 5, line 17, after the word "than", to strike out the comma and "and is not likely during the current or next succeeding marketing year for such commodity to be less than the fair exchange value thereof, or" and insert "the fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or", so as to read:

"(3) Subject to the provisions of subsection (1) of this section, the Secretary of Agriculture shall make payments, out of any moneys available for such payments, in such amounts as he finds, upon the basis of the investigation made pursuant to subsection (1) of this section, to be fair and reasonable and best calculated to effectuate the declared policy of this title:

"(a) To remove from the normal channels of trade and commerce quantities of any basic agricultural commodity or product thereof;

"(b) To expand domestic or foreign markets for any basic agricultural commodity or product thereof;

"(c) In connection with the production of that part of any basic agricultural commodity which is required for domestic consumption.

"(4) Whenever, during a period during which any of the powers conferred in subsection (2) or (3) is being exercised, the Secretary of Agriculture has reason to believe that, with respect to any basic agricultural commodity:

"(a) The current average farm price for such commodity is not less than the fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or."

Mr. McNARY. Mr. President, we are proceeding so rapidly that I cannot turn the pages of the bill with sufficient celerity to keep up. May we have the amendment again reported?

The VICE PRESIDENT. The clerk will again state the amendment.

The Chief Clerk again stated the amendment.

Mr. McNARY. Mr. President, I think the chairman of the committee should explain the reason for the insertion of this language and the elimination of the original language.

Mr. SMITH. Mr. President, as the Senator knows, he being a member of the committee, at every meeting of the committee we had present a majority of the members. After full consideration it was determined that the language proposed to be inserted was more in conformity with the practices of the different departments, the Interstate Commerce Commission, and others, and that the new language would come nearer expressing the purposes and ideas than would the language of the House bill. The new language is:

The fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or.

Then follows the original language of the bill, so that it provides that there may be ascertained just what is the fair exchange value during the current year, as distinguished from the language used by the House. That was unanimously agreed to by the committee.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. BYRD. Mr. President, a parliamentary inquiry. I should like to know what the amendment is.

The VICE PRESIDENT. The clerk will restate the amendment.

The CHIEF CLERK. On page 5, line 17, after the word "than", it is proposed to strike out the comma and all down to and including the word "or", in line 20, and to insert in lieu thereof:

The fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange

value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 6, line 6, after the word "title", to strike out "or that the exercise thereof would not be administratively practicable", so as to make the paragraph read:

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that none of the powers conferred in subsections (2) and (3), and no combination of such powers would, if exercised, tend to effectuate the declared policy of this title.

The amendment was agreed to.

The next amendment was, on page 6, line 10, after the word "he", to insert "shall proclaim such determination, and"; in line 13, after the word "such", to strike out "finding" and insert "proclamation"; in line 14, after the word "new", to strike out "finding" and insert "proclamation"; and in line 15, after the word "section", to insert "except insofar as the exercise of such power is necessary to carry out obligations of the Secretary assumed, prior to the date of such proclamation made pursuant to this subsection, in connection with the exercise of any of the powers conferred upon him under subsections (2) or (3) of this section", so as to make the paragraph read:

he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination, and shall not exercise any of such powers with respect to such commodity after the end of the marketing year current at the time when such proclamation is made and prior to a new proclamation under subsection (1) of this section—

Mr. BYRD. Mr. President, I hope the Senator from South Carolina will explain the purpose and effect of some of these amendments before they are adopted.

Mr. McNARY. Mr. President, I was about to make the same request which has just been made by the Senator from Virginia.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Will the Senator from Virginia state his request?

Mr. BYRD. I should like to ask the Senator from South Carolina to return to the top of page 5, and to explain what is meant there by the words:

To remove from the normal channels of trade and commerce quantities of any basic agricultural commodity or product thereof.

Is the meaning of those words that the particular commodity is going to be destroyed, or how will it be taken out of the normal channels of trade and commerce?

Mr. SMITH. Mr. President, the Senator from Virginia is as familiar as I with the conditions which existed, which brought about an effort to enact legislation of this kind. We were confronted with enormous surpluses. I had the privilege of introducing what was known as the "option plan", which attempted to remove some of the surpluses by substituting them for subsequent production.

The plan worked admirably. Anyone who is at all familiar with farm products knows that very often the price goes below the cost of production; and when our foreign markets were practically destroyed by the cataclysm which occurred in 1929, particularly those farm products which were produced in excess of domestic consumption were piled up in this country. There was no domestic demand for the excess, and no chance to sell it abroad; and the consequence was that the price went down below the cost of production. The common-sense view was that if we had already produced more than could be domestically consumed or sent abroad, and the price was below the cost of production, the Government should assume the ownership of the excess and redistribute it to the producers in lieu of subsequent production.

The result was that through that option plan large quantities of these surpluses were substituted for subsequent production, thereby restoring the action of the law of supply and demand, and giving the producer the benefit of the

subsequent rise in price of the crop he had already produced rather than leaving it in speculative hands for speculators to have the benefit as against the man who would produce another crop.

That is the object of that provision of the bill. I think the Senator from Virginia would be heartily in accord with any plan by which, whenever for any reason a surplus should be accumulated sufficient to force the price of a commodity below the cost of production, an arrangement should be made that the producer might, by reducing his subsequent production, be the beneficiary of the surplus he had already produced.

That is the object of that provision. I hope the explanation is satisfactory to the Senator.

Mr. McNARY. Mr. President, I suggest to the able chairman of the committee this procedure: I think very few Members of the Senate are familiar with these amendments and the reasons why they are recommended. The members of the committee, of course, are very familiar with them. If the Senator from South Carolina would take up the amendments one by one, and explain as we go along their general purpose, stating at the same time what is really wrong with the organic act, I think it would do a great deal to make the various proposals clear to the minds of Senators.

Mr. SMITH. Mr. President, when I planned to ask for the consideration of this bill I intended to address the Senate as to its general purpose, and then, if anyone asked for an explanation, to explain, so far as the chairman was able to do so, the changes made in the House text by the Senate committee. I was busily engaged in preparing myself for that, thinking we would take up the bill at 2 o'clock after the fulfillment of the unanimous-consent agreement. I did not know the unanimous-consent agreement would be withdrawn, and therefore was not present when that action was taken. I desire to take this occasion to explain my attitude, as chairman of the committee, toward these amendments.

Mr. WALSH. Mr. President, would it not be well for the Senator to do that now?

Mr. SMITH. I am going to begin now.

Mr. WALSH. Very well. In other words, the Senator now is going to discuss the bill?

Mr. SMITH. I am going to discuss it as it now stands. That is what I am about to do.

In the first place, Mr. President, I wish all Members of the Senate were present, for I think it is essential in discussing the amendments to this bill to have the Senate become farmer-minded, to consider the farmer in the relation which he now bears and has borne from time immemorial to our organized society. I take it that the bill is an attempt on the part of the Government to set up an organization for the farmer which will stand as a bulwark against the organized processors and distributors.

From time immemorial the farmer has been exploited because he was unorganized. Every Senator who is at all familiar with farming understands that the man who produces the raw material in the field never has had a voice in the price he has received. He pays the freight, he pays all the expenses incidental to production, and the price he receives is what is left after the purchaser has deducted all the expense incidental to the purchase. Then, if anything is left, the producer gets it. If what he receives is less than the cost of production he accepts that, until today more than 50 percent of the farms of America, regardless of their location, are under mortgage.

This is an attempt on the part of the Government to create a line of resistance for the benefit of the farmer. There may be in the bill, and there appear to be from time to time, what seem to be arbitrary provisions; but I desire to have Senators bear in mind that, this being an effort on the part of the Government to recognize the unorganized and helpless condition of the farmer, we are attempting to create an organization which will stand in lieu of the organization with which he has to deal.

In addition to that, there is not a provision in the bill which does not predicate its enactment upon the consent of the producer. That privilege is extended to him in every section of the bill. His majority consent is made the basis of any enactment in the bill. There is presented to him this proposition: How does this seem to you? Is it efficient in enabling you, through the agency of the Government, to receive at least some semblance of return for the wealth you produce?

There are certain features which I have never supported and never can support. One is the high protective tariff. I have never considered that the Congress had any right to impose a protective tariff. We can provide for a tariff for revenue, which may be burdensome at times, but we have no constitutional right to impose a protective tariff. The power is not given in the Constitution. But so far as this bill is concerned, from start to finish it provides for action by and with the consent of the producer.

I am asking Senators, when they come to criticize the bill, to make their criticisms constructive in reference to the unorganized, helpless farmers, and not destructive criticisms, for the benefit of those who have exploited the farmer from time immemorial.

I am no more enthusiastic than are other Senators about dictatorship. There is no place in the United States for the voice of a dictator. It is an alien and obnoxious voice. It ought always to be denounced wherever it shows itself or makes an intimation of its intent. The pending measure is as far removed from the idea of dictatorship in reference to the man who produces as it could be. I hope the Senate will have clearly in mind the distinction between processors and distributors and the man who, in the field, in the sun, in the rain, in the winter, spring, and summer gambles with Nature as to what he will produce—unorganized, incapable of organization—yet the aggregate of whose efforts feeds the Nation and furnishes the material out of which the Nation is clothed. I want Senators in acting on this bill to consider that man, and not the man who processes and distributes. Let us first take care of the man who produces that upon which we live, and the others will be certain to take care of themselves.

I hope that those who come prepared to antagonize the bill on the ground of it being a bill to delegate arbitrary and dictatorial powers will consider the fact that there is not an element in it or a provision in it that is not predicated upon the vote of the man who produces. Let us all consider that fact, and if we have a criticism to make, let us remember those in the field who are producing the foodstuffs, who have asked and voted overwhelmingly for the provisions of this bill.

Mr. President, we talk about the law of supply and demand.

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

Mr. SMITH. Let me finish this thought. We talk about the law of supply and demand. There is another law which is as irrevocable as is the law of supply and demand. I refer to the law by which everything takes the line of least resistance. Everything moves along the line of least resistance. Every element of Nature moves along the line of least resistance, and that law is as potent and deadly in the realm of commerce as it is in the natural world. Consequently, all those who deal in farm products get their profits out of the depression of farm prices, because the farmer offers the line of least resistance.

What business is there in the United States today that pays the freight, except the business of farming, where the producers receive for their goods what is left after those who handle them have deducted every expense incidental to the handling? In the case of one commodity with which I am particularly familiar there is a contract which is an institution, known as the "cif and six" contract, so named because those are the initials of the things which characterize the contract—cost, insurance, freight, and 6 percent for tariff. The man who produces the material does not even get paid for the wrappings in which he is compelled to

package his product. Six percent is deducted before the price is fixed, together with all the costs incident to handling—cost, insurance, freight, "cif and six." If there is anything left, the producer gets it, and if not, he can produce some more.

The pending measure is an attempt on the part of the Government—I take it to be an honest attempt—to set up an organization which will function in some degree for the benefit of the man who is unorganized, but upon whom we are all dependent. Once again let me ask the Members of this body, in considering this bill and asking the meaning of any amendment, to keep in mind that the entire bill is for the purpose of giving to the producer of the raw material at least a partial chance of sharing in the wealth he produces.

This is a producer's bill, and we are attempting to control the processor in the instrument that is invoked here for the purpose of handing back to the producer a part of the profit to which he is entitled.

Mr. BYRD. Mr. President—

Mr. SMITH. I now yield to the Senator from Virginia.

Mr. BYRD. The Senator just stated that no restrictions could be placed on the producer without his consent. I will ask him to refer to page 20, subsection (8)—

Mr. SMITH. I know to what the Senator refers.

Mr. BYRD. Which gives to 50 percent of the handlers of any commodity the right to impose licenses, or orders or whatever they may be called, on the producers, without a vote on the part of the producers.

Mr. SMITH. To what does the Senator refer?

Mr. BYRD. I refer to subsection (8) on page 20.

Mr. SMITH. That is predicated upon the producers agreeing beforehand.

Mr. BYRD. Will the Senator show me where the producers are to agree?

Mr. SMITH. It reads:

The volume of the commodity or product thereof covered by such order which is produced or marketed within the production or marketing area defined in such order have signed a marketing agreement, entered into pursuant to section 8 (b) of this title, which regulates the handling of such commodity.

Mr. BYRD. Is the Senator reading at the bottom of page 20?

Mr. SMITH. At the bottom of the page.

Mr. BYRD. The section reads in this way:

(8) Except as provided in subsection (9) of this section, no order issued pursuant to this section shall become effective until the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of not less than 50 percent of the volume of the commodity or product thereof. * * *

Mr. SMITH. The Senator has mistaken the purpose of this section. This is the provision for the elimination of the licensing feature and is a proposal for the issuance of orders to regulate the commodity in its interstate movement, and it provides that before such an order can issue the designated number of those engaged in the industry shall sign.

Mr. BYRD. Mr. President, the Senator has suggested that no restrictions may be put upon the producers without their consent, and the bill provides that the orders referred to, which, in my judgment, are just the same as licenses, whereby the amount of a commodity to be produced and the markets to which it is to be shipped may be restricted, and even the price fixed, can be imposed by 50 percent of the handlers.

Mr. SMITH. Oh, no; that is based upon the previous consent of the producers.

Mr. BYRD. Will the Senator show me where provision is made for such consent?

Mr. SMITH. It is provided in every section of the bill.

Mr. BYRD. Will the Senator show me one section in which it is provided?

Mr. SMITH. Mr. President, the proportion runs from two-thirds down to 50 percent. The Senator knows it is in practically every paragraph in the bill.

Mr. BYRD. It is only provided in the event that 50 percent of the handlers do not oppose the orders, then 75 percent of the growers may act. My contention is that it should originate with the producers themselves.

Mr. SMITH. It does originate with the producers.

Mr. BYRD. Will the Senator show me the specific provision under which it would originate with the producers?

Mr. SMITH. All the agreements and all the orders issued under the bill are based on the previous marketing agreements of the producers. The Senator knows that to be so. Every single order that is going to be issued to control a handler or a processor is dependent entirely upon whether or not a previous marketing agreement for the particular commodity has been entered into by the producers.

Mr. BYRD. Marketing agreements can be made with the approval of 50 percent of the handlers and without the approval of 75 percent of the producers.

Mr. SMITH. The Senator is entirely mistaken.

Mr. BYRD. Would the Senator mind showing the specific provision where such approval is provided for?

Mr. SMITH. I thought the Senator was sufficiently familiar with the bill and I thought I would be sufficiently familiar with it to give the specific language; but I state here and now that, with one exception, there can be no order issued to any processor, except and unless it is based upon a marketing agreement.

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

Mr. SMITH. I yield.

Mr. BARKLEY. As I understand this bill, it provides for various amendments to the existing law. It is not an original, new bill. It is an amendment of existing law, as I understand, and the existing law provides that all the producers shall enter into a marketing agreement previous to the consummation of any of the provisions in any of the amendments. So, even though the provision is not contained in the amendment now under consideration, my understanding is that the original law makes the provision.

Mr. SMITH. Yes; the original law makes the provision.

Mr. BYRD. Mr. President, I have studied the matter very carefully, and I differ from both the Senator from South Carolina [Mr. SMITH] and the Senator from Kentucky [Mr. BARKLEY]. I ask the Senator from South Carolina to point to a specific provision whereby 75 percent of the producers must agree before the restrictions are placed upon them.

Mr. SMITH. Mr. President, I did not say 75 percent. There are provisions whereby 75 percent are required to agree. There are other provisions where a majority only is required. The proponents of the bill, those who drafted the bill, were so careful that they took into consideration the fact that a majority of the producers might sometimes represent less than a majority of the product provided for in several sections of the bill, and therefore they included both.

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

Mr. SMITH. I yield.

Mr. GORE. The Senator said the proponents of the bill, those who drafted the bill, made that arrangement.

Mr. SMITH. I meant these amendments.

Mr. GORE. Will the Senator indicate who drafted the bill?

Mr. SMITH. I wish I knew.

Mr. GORE. I understand.

Mr. BYRD. Mr. President, I do not wish to insist upon an answer by the Senator from South Carolina—

Mr. SMITH. Mr. President, I will have those provisions segregated, and I will read them into the RECORD, since the Senator has raised the question. I will refer to the different specific provisions in the original act and in this amendatory bill, showing that all the amendments are predicated upon matters contained in the original act.

Mr. BYRD. I should like to have the Senator show that.

Mr. SMITH. Yes; I will have them put in at the proper place. I have requested my clerk to prepare them.

Mr. President, in the consideration of both the House text and the Senate committee amendments, I hope we shall keep in mind the essential fact that this is an effort on the part of

the Agricultural Department—and I hope on the part of the Senate—to do for the farmer what from time immemorial he has been unable to do for himself; and that is the only reason why I have given my consent to the guarantee provision of the bill.

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

Mr. SMITH. I yield.

Mr. HATCH. Merely for the sake of clarity and understanding, I desire to ask the Senator if it be true that the provision of the pending bill relating to orders altogether supplements the previous law relating to licenses. Those provisions are all repealed.

Mr. SMITH. I am glad the Senator called my attention to that matter. After the decision of the Supreme Court, which was based upon the fact that we had delegated legislative power with a roving commission to the Agricultural Department, according to the agreement of the committee—and the Senator will bear me out in this—we read every line and every paragraph of this bill, and the chairman of the committee asked the members of the committee, "Have you any comments to make? Have you any amendments to offer?" When those matters were completed, the question was asked, "Are you ready to vote?" Is that not correct?

Mr. HATCH. That is entirely correct. I will say that the chairman of the committee was very careful to bring about that condition and labored very diligently to see that each member of the committee understood every word of the bill. If they did not, it is not his fault.

Mr. SMITH. Permit me to say, Mr. President, that I have been Chairman of the Committee on Agriculture and Forestry since the present administration came into office, and I have been chairman of other committees in other administrations; and I have never before had reason or occasion for reading every line and every paragraph of a bill and insisting that every member of the committee should be present at committee meetings. The committee at all its meetings had an overwhelming majority of the members present, so that every member of the committee who is now on the floor of the Senate, or who may be here later, is thoroughly familiar with the purpose of the amendments and of the bill.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. Were all the members of the Committee on Agriculture and Forestry present when wool and mohair were inserted in the bill?

Mr. SMITH. I think they were; and I think a member of the committee representing the section where wool and mohair originate is the author of that provision, and the one who had that provision placed in the bill.

Mr. BORAH. Yes; I understand that to be so. I also understand, however, that there was no consideration whatever of it, and no discussion of it. I will ask the Senator if there was any discussion of it in the committee.

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

Mr. SMITH. I yield.

Mr. HATCH. I may throw a little light on the question of wool and mohair, because I know many Senators are interested in the question.

At the request of Mr. Byron Wilson, I suggested to the committee that the question of wool and mohair be taken up. We discussed it very little. I think I made a statement that the wool people were not at all in accord with the amendment, and the committee decided to include it, with the statement that on the floor of the Senate, Senators interested in wool and mohair could accept the amendment or reject it, as they desired. There was really no careful discussion of the question, I will say to the Senator from Idaho.

Mr. BORAH. I thank the Senator. We can shorten the discussion a great deal by accepting the information furnished by the Senator from New Mexico.

Mr. SMITH. Yes; and I think the same thing may apply to hops.

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

Mr. SMITH. I yield.

Mr. GEORGE. May I ask why the provision in the House bill, "and not including fruits for canning" was stricken out?

Mr. SMITH. From what page is the Senator reading?

Mr. GEORGE. Page 11, subsection (2), "Commodities to which applicable".

Mr. SMITH. The Senator refers to the words, "and not including fruits for canning"?

Mr. GEORGE. "Not including fruits for canning." The committee amendment includes canners of fruits, but it does not include canners of vegetables. I should like to understand the reason for it.

Mr. KING. Why not strike them all out?

Mr. SMITH. The committee at great length discussed the question of fruits for canning. It was stated that the market for fruits was very often dependent upon the amount used for canning purposes, and therefore, if the canners should be exempted from these marketing agreements, that the producers of fruits perhaps would suffer in the matter of their market just as though they had no agreement at all.

Mr. GEORGE. Will the Senator state who asked that that language be stricken out, or who made the request of the committee?

Mr. SMITH. Mr. President, that was committee action. There were members of the committee who represented the fruit regions, and after discussion for days I think that action was taken.

Mr. GEORGE. I broaden my inquiry, and ask all members of the committee, then, why that was stricken out. I should like to know why.

Mr. SMITH. We have on the committee members from the fruit-producing sections, and they contended that such a vast amount of fruit was canned, that if such fruit were left out the market price of the fruit would be disastrously affected, in that perhaps the major portion of the crop would be at the mercy of those who canned fruit.

Mr. GEORGE. I think the Senator is familiar with the facts. In the southern market the one supporting element of green fruits is the canner, on whom the grower can always fall back for a stable price. If fruits for canning are to be subject to the orders of the Agricultural Adjustment Administration, why not vegetables for canning? Is there any essential difference?

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

Mr. SMITH. I yield.

Mr. MURPHY. My recollection of the discussion in the committee on the subject of excluding vegetables for canning is that it is hoped the effect of the inclusion of vegetables will be to increase the price of vegetables by bringing them under regulations in connection with directing their flow to market. By increasing the price of fresh vegetables the price of vegetables for canning is increased, because the price of the vegetables for canning is what is known as the "spot" price. It is not a price agreed upon in advance, when the contract is made with the grower of the vegetables for delivery at a given time.

Mr. GEORGE. I will say to the Senator from Iowa that he is hardly correct when he applies it all to price under contract. In many sections of the country vegetables are grown on contract just as are fruits.

Mr. MURPHY. With an agreed price.

Mr. GEORGE. Yes; or else they could not be grown.

Mr. MURPHY. I do not insist that my information is correct; but, nevertheless, it is my information that the price of vegetables for canning is the "spot" price, not settled upon in advance when the contract is made. The agreement is as to acreage or production, it being impossible to determine so far in advance what the price is likely to be when the crop is ripe and ready for canning.

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

Mr. SMITH. I yield.

Mr. JOHNSON. I may say to the Senator from Georgia it is my intention to endeavor to amend the clause which reads "vegetables (not including vegetables for canning)" by placing under the law asparagus. That is one particular

vegetable as to which the producers in my locality have made the request and are very earnest in their desire.

Mr. NORRIS and Mr. KING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield first to the Senator from Nebraska.

Mr. NORRIS. Let me suggest to Senators that I think the question we are now discussing is one of considerable importance upon which there will be various opinions expressed. It will come up when we proceed further with the bill and amendments are offered. Would it not result in a saving of time if the discussion of the details as to fruits and vegetables and their canning, whether they should be included or not included, should await the offering of amendments which will undoubtedly be presented as we proceed with the bill? This particular item is quite a distance further on in the bill.

Mr. SMITH. Mr. President, I want to accommodate myself to the will of the Senate. I thought it might be best for us to consider the committee amendments and then take up whatever amendments are to be proposed or whatever amendments may suggest themselves as we go along. That procedure would not estop any Senator from seeking to reject a committee amendment or to move to amend the bill otherwise. I would prefer to go ahead with the committee amendments.

Mr. FLETCHER. Mr. President—

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

Mr. SMITH. I yield.

Mr. FLETCHER. This question comes up on agreeing or not agreeing to the committee amendment.

Mr. NORRIS. We have not reached it as yet.

Mr. SMITH. No; it has not as yet been reached.

Mr. FLETCHER. The bill eliminates fruits for canning.

Mr. NORRIS. But we have not reached that amendment in the bill as yet.

Mr. FLETCHER. I know we have not, but I am suggesting that the committee amendment will involve the whole question, and I certainly shall insist that the committee amendment be rejected.

Mr. SMITH. Mr. President, we will discuss the amendments as we reach them in the regular order.

Mr. KING and Mr. GEORGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and, if so, to whom?

Mr. SMITH. I yield first to the Senator from Utah.

Mr. KING. As the Senator from South Carolina knows, most of the Members of the Senate are not members of his committee, and all of us have other duties of more or less importance which keep us from the floor of the Senate; but some of us would like to know just what changes have been made in the present law by the pending bill. I should be very glad—and I hope that I voice the sentiments of other Senators—to have the Senator take his time to explain to us every change that has been made in the present law, and the changes which have been made in the House bill, but particularly the former. I should like to know wherein we have amplified or changed existing law.

Mr. SMITH. I think I can say, almost in a sentence, that the existing law is not materially changed at all. I think that there is merely a substitution of language wherever it was found, in the opinion of those who drafted the amendments, that the law happened to run counter to the decision of the Supreme Court in the *N. R. A.* case. They accommodated themselves to that fact, and arranged the bill so that the provisions which are before the Senate, so far as they were able to do so, are made to conform to the decision of the Supreme Court.

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

Mr. SMITH. Yes.

Mr. KING. Mr. President, I do not want to disagree at all with my friend, whom I love, but I must be permitted to say that I hastily read the bill last night, and of all the subtle, misleading, nonunderstandable language that can be found

in a measure, it seems to me we find it in the bill which is before us.

I do not agree with the Senator—but probably he is right and I am wrong—that it does not change existing law. I think that it does; I think that it seeks a complete regimentation of the American producers and the American handlers, so-called, with respect to all the commodities which are embraced within the measure. I think it is a scheme for the purpose of nullifying the rights of individuals and subjecting them to a process of regimentation which will, in the end, be most offensive and destructive to individual liberty.

Mr. BANKHEAD. Mr. President, may I ask the Senator from Utah a question?

Mr. KING. I have not the floor.

Mr. SMITH. I yield to the Senator from Alabama.

Mr. BANKHEAD. I should like to know if the Senator from Utah did not express exactly the same views when the original bill was passed?

Mr. KING. I hope that I did; and I am sure that if I did I was correct.

Mr. NORRIS. Mr. President—

Mr. SMITH. Let me answer what the Senator from Utah has said as to regimentation by saying that, aside from the opinion that I voiced when I first took the floor—and I am now having my clerk mark out the places for reference—I think every member of the committee will bear out the statement I make that there is not a single instance where a control is introduced but that it is predicated upon the consent of the producer. Am I right? I am asking members of my committee.

Mr. MURPHY. I think the Senator is correct.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield to the Senator from Virginia.

Mr. GLASS. I should like to have perhaps an idle curiosity of mine gratified by making an inquiry of the Senator from South Carolina. For a long period of time there has been quite an intense crusade to bring about birth control among human beings, without success. I note here that it is proposed to confer upon the Secretary of Agriculture the right to bring about birth control among bees. [Laughter.] I can understand that the drone bees, after they have had their day in court [laughter]—

Mr. SMITH. Their day at courting.

Mr. GLASS. After they have had their day in court, are said to die, so that they may be self-controlled in that way; but I should like to know just exactly how the Secretary of Agriculture proposes to control the queen bees. [Laughter.]

Mr. SMITH. I think it is very much along the line of birth control amongst individuals. So far as the bee provision is concerned, whence it came the chairman of the committee knows not, but there was a majority of the committee for it; when it was proposed to include bees and queen bees, the question was put to the committee and a majority voted to incorporate the provision. I am thoroughly unfamiliar with the bee business, but I do wish that we could pass some law that would have the same effect on the human family that there is on drone bees.

Mr. GLASS. I have a good many bees; I do not know how many of them are queens; but I am just a little curious to know how I am expected to control the queen bees. [Laughter.]

Mr. SMITH. I think that the proponent of that provision of the bill will probably have to explain it. As chairman, I plead ignorance entirely of any of the marketing agreements in reference to bees. I did hear it said that there is a peculiar queen bee known as the "Italian queen bee", which, when put into a hive, affects with an Italian flavor all the subsequent bees in that hive.

Mr. GLASS. Of course we can control the Italian queen bees by prohibiting their importation into this country.

Mr. SMITH. No; they have been here for many years; there are plenty of them here.

Mr. GLASS. They are already here?

Mr. SMITH. Yes; they are here.

Mr. GLASS. So we cannot control those that are here, but—

Mr. FLETCHER. Can we not license them?

Mr. GLASS. I should like to understand how the Secretary of Agriculture can come down to my plantation in Virginia and require me to discriminate against my queen bees. [Laughter.]

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

Mr. SMITH. I yield.

Mr. TYDINGS. I can say to the Senator from Virginia it is my understanding that the man owning a queen bee will be furnished with a logarithm for each bee which he owns, which will solve the equation, and the owner will be able to get such logarithms on application. [Laughter.]

Mr. GLASS. That may explain it.

Mr. BANKHEAD. Mr. President—

Mr. SMITH. I yield.

Mr. BANKHEAD. Waiving, of course, the facetiousness of the remarks of the Senator from Virginia, permit me to say that this amendment was incorporated at the request of the bee shippers of this country. It is quite a large industry in some 6 or 8 States, and there are now bee-bargaining agreements under which the bee producers are operating and with which they are satisfied.

Of course, the facetious remarks about birth control might as well be applied to fruits or vegetables or anything else included in this bill.

Mr. GLASS. Yes; I think they might be.

Mr. BANKHEAD. The provision does not relate to anything except the matter of the orderly marketing of the shipment of package bees, queen bees, which are in demand throughout the country. A number of requests came from 6 or 8 States, and it was pointed out—and the Department of Agriculture confirmed the suggestion—that the bee owners were now operating under marketing agreements and merely wanted to preserve what they have.

Mr. GLASS. I am not facetious about it; I am serious about it. I do not want to be fined and put in jail because I just cannot control the actions of my queen bees. [Laughter.] Therefore I want to know what is the meaning of it. I cannot conceive how the Secretary of Agriculture can control my queen bees. [Laughter.]

Mr. BANKHEAD. If the Senator is not facetious about it, I should like to have him point out anything in the bill that indicates any effort of control along the line he is talking about.

Mr. GLASS. This section of the bill does.

Mr. BANKHEAD. It relates to marketing agreements.

Mr. GLASS. I know, but it controls my queen bees or at least it is designed to control them.

Mr. BANKHEAD. It is designed to control their shipment.

Mr. GLASS. Well, that means production and shipment of queen bees. Nobody is going to overproduce queen bees and keep them in his hive; he will want to ship them. I just want to know how the Secretary of Agriculture is going to handle it.

Mr. SMITH. I think the request of those who produce bees for the market is responsible for the provision, but I am thoroughly unfamiliar with the facts. It is, however, rather complimentary to the effort on the part of the Agricultural Department to improve the process wherever bees are produced for the market. I never before heard of "package bees" until the question came before the committee, nor of the propagation of queen bees for market; but if the States engage in the production of bees for market and of queen bees for the propagation of particular productive honey-making bees, recognize that there is some benefit in the marketing agreements, and ask to come under them, it is more complimentary than it is destructively critical of the bill.

I do not know anything about the production of bees for markets—"package bees", as they are called—nor do I know anything about the production of queen bees. If there are Members of the Senate who are familiar with the subject it would seem to me to be their duty to explain it to

the Senate. It was not fully explained to the committee except through the medium of letters and communications which seemed to indicate it is an industry which ought to be under the regulations proposed on the theory that the bee producers are already operating under a marketing agreement relating to bees.

Personally I have no use for the bee, because he is a very active "bird" with which I am not very much inclined to be friendly, and, too, I am not very fond of honey. I was rather amazed to learn that there is an industry involving the shipment of bees.

If under marketing agreements the bee producers can be benefited and any Senator is familiar with the raising and marketing of bees, I should be glad to have an explanation. In the committee all we knew about it was that they were under a marketing agreement now and wanted to be included in the bill.

Mr. GLASS. Mr. President, I for one should like to see the bill amended to make the Secretary of Agriculture the handler of these bees. [Laughter.]

Mr. SMITH. I should not object! [Laughter.]

Mr. FLETCHER. Mr. President, may I say in that connection that in the production of honey it is not so much the kind of bees as it is the kind of flowers. We have in Florida the tupelo tree flower. Tupelo honey is the only honey produced in the world that does not coagulate or turn to sugar.

Mr. SMITH. Perhaps the bill should be so worded as to require the furnishing of tupelo flowers for the bees?

Mr. FLETCHER. Yes; the thing to do is to furnish the bees with the proper kind of flowers.

Mr. SMITH. That may be developed later.

Mr. President, may we have the next amendment stated?

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

The next amendment of the Committee on Agriculture and Forestry was, on page 9, line 20, after the word "and", to strike out the word "others" and the comma and insert the word "others", and in line 22, after the word "thereof", to insert the word "only", so as to make the paragraph read:

SEC. 4. Subsection (2) of section 8 of the Agricultural Adjustment Act, as amended, is amended by designating said subsection as section 8b, by inserting said section at the end of section 8a, and by amending the first sentence thereof to read as follows: "In order to effectuate the declared policy of this title, the Secretary of Agriculture shall have the power, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof, only in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect, interstate or foreign commerce in such commodity or product thereof."

The amendment was agreed to.

The next amendment was, on page 10, line 8, after the word "and", to strike out the word "others" and the comma and insert "others"; and in line 12, after the word "provided", to strike out "the handling of such agricultural commodity, or product thereof, only in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect, interstate or foreign commerce in such commodity or product thereof", and to insert in lieu thereof "only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or as directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof", so as to make the paragraph read:

SEC. 8c. (1) The Secretary of Agriculture shall, subject to the provisions of this section, issue, and from time to time amend, orders applicable to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof specified in subsection (2) of this section. Such persons are referred to in this title as "handlers." Such orders shall regulate, in the manner hereinafter in this section provided, only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or as directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof.

The amendment was agreed to.

Mr. BYRD. Mr. President, a number of Senators now absent are interested in this particular section. Therefore, I make the point of no quorum.

Mr. McNARY. Mr. President, first let me ask the Senator in charge of the bill about the next amendment, in the provision headed "Commodities to which applicable." That provision is largely the heart of the bill. May it not be passed over until tomorrow? I should not want action taken on it today. It treats of the various commodities which have been included under the marketing-agreement provision. Very little time has been given to members to study the bill. This is a very important section, and I should like to have an understanding with the chairman of the committee that it shall be passed over until tomorrow.

Mr. SMITH. Mr. President, so far as the chairman of the committee is concerned, that is perfectly agreeable. I do not think we ought to go through the bill hastily. I hope all Senators will study the bill in relation to the particular benefit the farmer is to derive. There will be plenty of fight here on the part of those whose age-old rights are to be interfered with. I beg of my colleagues to think of the man who all these years has had no say whatever with reference to the price of the commodity he produces.

So far as I am concerned, I am willing that the amendment shall go over if that meets with the approval of the other Members of the Senate.

Mr. McNARY. I ask unanimous consent that consideration of the amendments covered by the section entitled "Commodities to which applicable", beginning at the bottom of page 10, may be passed over for the day.

Mr. BYRD. Mr. President, that should be enlarged to include all the amendments down to the bottom of page 29, because they all relate to the marketing agreements.

Mr. McNARY. I had particular reference to the commodities specified in this section. I am very willing that the entire provision shall go over.

Mr. BYRD. It is all interlocking down to and including page 29.

Mr. McNARY. I enlarge my request to include the provisions suggested by the able Senator from Virginia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. SMITH. Mr. President, I invite the attention of the Senate to the fact that the proposal of the Senator from Oregon includes all those things which would come under the orders which have been substituted for licensing. There is a distinction in the bill between the basic crops upon which the processing tax has been laid and which do not come in this category at all. These commodities are the ones which are proposed to be subject to order. I hope every Member of the Senate who is interested in the legislation will bear in mind that every provision subject to these orders relates to interstate commerce. Provision is made in the bill whereby intrastate commodities may be included by coordinating or cooperating with the interstate or Federal forces in bringing about the condition which is desired on the part of the States only in cooperation with the Federal Government.

I desired to make that statement because my attention has been called to certain language in the bill which, detached from the preceding language, looks as though we had gone within the States on these matters, as was done in the case of licensing. That is the language which means it may be done only with the consent and cooperation of the States.

Mr. McNARY. Mr. President, I should like to have action upon my request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon?

Mr. SMITH. Let me understand thoroughly the request submitted. I understand it to include all provisions down to and including page 29, all of it being related matter?

Mr. McNARY. Yes.

The PRESIDING OFFICER. The request covers all of section 5. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered. The clerk will state the next amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 36, line 24, after the word "paragraph", to strike out "(6)" and insert "(8)"; and on page 37,

line 5, after the word "on", to strike out "June 1, 1935, during the period from the date of the adoption of this amendment" and to insert in lieu thereof the words "the date of the adoption of this amendment, during the period from such date", so as to make the paragraph read:

"SPECIFIC TAX RATES

"(2) In the case of wheat, cotton, field corn, hogs, peanuts, tobacco, paper, and jute, and (except as provided in paragraph (8) of this subsection) in the case of sugarcane and sugar beets, the tax on the first domestic processing of the commodity generally or for any particular use, or in the production of any designated product for any designated use, shall be levied, assessed, collected, and paid at the rate prescribed by the regulations of the Secretary of Agriculture in effect on the date of the adoption of this amendment, during the period from such date to December 31, 1937, both dates inclusive.

The amendment was agreed to.

The next amendment was, on page 37, after line 13, to insert the following new paragraph:

"SPECIFIC TAX RATE—MARKETING YEAR—FLOOR STOCKS—RYE

"(4) For the period from August 1, 1935, to December 1, 1937, both inclusive, the processing tax with respect to rye shall be levied, assessed, collected, and paid at the rate of 30 cents per bushel of 56 pounds. In the case of rye, the first marketing year shall be considered to be the period commencing August 1, 1935, and ending June 30, 1936. Subsequent marketing years shall commence on July 1 and end on June 30 of the succeeding year. The provisions of section 16 of this title shall not apply in the case of rye.

Mr. BYRD. Mr. President, a parliamentary inquiry. What was that amendment?

The PRESIDING OFFICER. The amendment will be restated.

The CHIEF CLERK. On page 37, after line 13, it is proposed to insert a subhead, "Specific tax rate—Marketing year—Floor stocks—Rye", and certain other words.

The amendment was agreed to.

The next amendment was, at the top of page 38, to insert:

"SPECIFIC TAX RATE—FLOOR STOCKS—FLAXSEED AND BARLEY

"(5) If at any time prior to December 31, 1937, any tax with respect to flaxseed, or barley becomes effective pursuant to proclamation as provided in subsection (a) of this section, such tax shall be levied, assessed, collected, and paid during the period from the date upon which such tax becomes effective to December 31, 1937, both inclusive, in the case of flaxseed at the rate of 35 cents per bushel of 56 pounds, and in the case of barley at the rate of 25 cents per bushel of 48 pounds. The provisions of section 16 of this title shall not apply in the case of flaxseed and barley.

Mr. McADOO. Mr. President, I ask that that amendment may go over for the moment. Will the chairman of the committee allow it to be taken up a little later? I have various protests from my State about this provision as to flaxseed, and I should like to bring them to the attention of the committee.

Mr. SMITH. Where a Senator has certain amendments which he desires to offer, I think it is proper to give him the opportunity to do so. Therefore I join in the suggestion that we pass over the amendment.

The PRESIDING OFFICER. The Senator from California asks unanimous consent that the amendment on page 38, lines 1 to 13, inclusive, go over at this time. Is there objection? The Chair hears none. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Adjustment of rate", on page 38, after line 14, to strike out:

"(4) In accordance with the formulae and standards prescribed in this title, (A) any rate of tax prescribed in paragraphs (2) and (3) of this subsection may be decreased (including a decrease to zero), to prevent an accumulation of surplus stocks of the commodity or the products thereof, to prevent such reduction in the quantity of the commodity or products thereof domestically consumed as will result in the accumulation of surplus stocks of the commodity or products thereof, or to prevent depression in the farm price of the commodity, or may be increased, or shall terminate pursuant to proclamation as provided in section 9 (a) or pursuant to section 13, and (B) after December 31, 1937 (in the case of the commodities specified in paragraph (2) of this subsection), and after July 31, 1936 (in the case of rice), rates of tax shall be determined by the Secretary of Agriculture and shall thereafter be effective. If the applicability to any person or circumstances of any tax under this title the rate of which is fixed in pursuance of this paragraph is finally held invalid by reason of any provision of the Constitution, or is finally held invalid by reason of the Secretary of Agriculture's exercise or failure to exercise any power conferred on him under this title, there shall be levied,

assessed, collected, and paid (in lieu of all rates of tax fixed in pursuance of this paragraph with respect to all tax liabilities incurred under this title on or after the effective date of each of the rates of tax fixed in pursuance of this paragraph, respectively) rates of tax fixed under paragraph (2) or (3) and such rates shall be in effect (unless the particular tax is terminated pursuant to proclamation as provided in section 9 (a) or pursuant to section 13) until altered by act of Congress; except that, for any period prior to the effective date of such holding of invalidity, the amount of tax which represents the difference between tax at the rate fixed in pursuance of this paragraph and tax at the rate fixed under paragraph (2) or (3) shall not be levied, assessed, collected, or paid.

And to insert:

"(6) (A) Any rate of tax which is prescribed in paragraph (2), (3), (4), or (5) of this subsection on the processing of any commodity, shall be decreased (including a decrease to zero) in accordance with the formulae, standards, and requirements of paragraph (1) of this subsection, in order to prevent such reduction in the quantity of such commodity or the products thereof domestically consumed as will result in the accumulation of surplus stocks of such commodity or the products thereof or in the depression of the farm price of the commodity.

"(B) If the average farm price of any commodity, the rate of tax on the processing of which is prescribed in paragraph (2), (3), (4), or (5) of this subsection, during the 2 months immediately preceding and the first 10 months of any marketing year—

"(i) is equal to, or exceeds by 20 percent or less, the fair exchange value thereof, the rate of such tax shall be reduced, at the beginning of the next succeeding marketing year, to such rate as equals 20 percent of the fair exchange value thereof.

"(ii) exceeds by more than 20 percent the fair exchange value thereof, the rate of such tax shall be reduced, at the beginning of the next succeeding marketing year, to such rate as equals 10 percent of the fair exchange value thereof.

"(C) Any rate of tax which has been decreased pursuant to this paragraph (6) shall remain at such decreased rate until further decreased pursuant to this paragraph (6), or until increased pursuant to this paragraph (6) or paragraph (1) of this subsection.

"(D) In accordance with the formulae, standards, and requirements prescribed in this title, any rate of tax prescribed in paragraphs (2), (3), (4), or (5) of this subsection may be increased.

"(E) Any tax, the rate of which is prescribed in paragraphs (2), (3), (4), and (5) of this subsection, shall terminate pursuant to proclamation as provided in section 9 (a) of this title or pursuant to section 13 of this title. Any such tax with respect to any basic commodity which terminates pursuant to proclamation as provided in section 9 (a) of this title shall again become effective at the rate prescribed in paragraphs (2), (3), (4), or (5) of this subsection from the beginning of the marketing year for such commodity next following the date of a new proclamation by the Secretary as provided in section 9 (a) of this title, if such marketing year begins prior to December 31, 1937, and shall remain at such rate until altered pursuant to the provisions of section 9 of this title.

"(F) After December 31, 1937 (in the case of the commodities specified in paragraphs (2), (4), and (5) of this subsection), and after July 31, 1936 (in the case of rice), rates of tax shall be determined by the Secretary of Agriculture in accordance with the formulae, standards, and requirements prescribed in this title, and shall, subject to such formulae, standards, and requirements, thereafter be effective.

"(G) If the applicability to any person or circumstances of any tax, the rate of which is fixed in pursuance of this paragraph (6), is finally held invalid by reason of any provision of the Constitution, or is finally held invalid by reason of the Secretary of Agriculture's exercise or failure to exercise any power conferred on him under this title, there shall be levied, assessed, collected, and paid (in lieu of all rates of tax fixed in pursuance of this paragraph (6) with respect to all tax liabilities incurred under this title on or after the effective date of each of the rates of tax fixed in pursuance of this paragraph (6)), rates of tax fixed under paragraphs (2), (3), (4), or (5), and such rates shall be in effect (unless the particular tax is terminated pursuant to proclamation, as provided in section 9 (a) or pursuant to section 13) until altered by act of Congress; except that, for any period prior to the effective date of such holding of invalidity, the amount of tax which represents the difference between the tax at the rate fixed under paragraphs (2), (3), (4), and (5) shall not be levied, assessed, collected, or paid.

Mr. McNARY. Mr. President, this has all the appearance of being a very complex provision. It is inserted in lieu of the provision incorporated in the House bill. I should like to have, and I suggest that the chairman make, an ample explanation of the reasons which brought about the change.

Mr. SMITH. Mr. President, this amendment has to do with the parity price and the processing tax. The tax ostensibly is levied for the purpose of collecting from the processor a sufficient amount to produce, when returned to

the producer, what is known as the "parity price." The purchasing power of the farm dollar is sought to be raised to an equality with that of the dollar of industry. Under this provision several of us maintain that in spite of what objection may have been made to the processing tax, once it is laid, and the processor and the producer cooperate, or for whatever reason the price to the producer is raised to the parity price, it is unfair still to lay and collect the tax.

Provision is made here that when the price has reached parity, and goes as much as 20 percent above it, the processing tax shall be reduced to 20 percent or less. If during a marketing year the processing tax should be reduced, as indicated in the amendment, to zero, and the price of the commodity then should drop down, it would be impossible to impose the tax without a provision of this kind being made if it had been entirely discontinued.

I discussed that question with the Department. I maintained that when the parity price was reached the processing tax ought automatically to cease. If the object of the processing tax was to bring the price to parity, when it got to parity the processing tax should cease. My attention, however, was called to the fact that during a marketing year the price might reach parity, but, without a guaranty that it would stay there, the price might slump to a point where the producer would be entirely deprived of any chance of getting his parity price; but provision is made here that if the conditions of the price and the prospect of operation of the law of supply and demand are evident before the next marketing year comes in, by proclamation the tax is to be eliminated.

The object of this entire amendment is so to accommodate the processing tax so that when conditions preceding the next marketing year indicate that the price will be parity or above, by proclamation the processing tax may be discontinued and removed, and may be reduced during a marketing year, if the price shall reach parity and above, during the period when it reaches parity or above.

Mr. GERRY. Mr. President, this seems to be a rather complicated section. I have not had time to study it carefully; and I should like to ask if the Senator from South Carolina will not let it go over.

Mr. SMITH. Mr. President, I am afraid that if we continue making exceptions we might just as well let Senators take the bill and prepare themselves to consider it tomorrow.

I do not wish to prevent anyone from having a thorough knowledge of the bill; but I am thoroughly familiar with the processing tax. I did not agree to it when it first was offered, and never have thought it was a correct principle. It is here, however; and where the processors and the producers have combined and the price has reached parity, I do not think it is proper for us to maintain the tax continuously and fully.

This provision is written for the purpose of reducing the tax during a marketing year in proportion as the price has reached parity and above, and when the conditions in the next succeeding marketing year are such as to indicate that the price will be parity and above, to remove the processing tax entirely.

That is all there is in the provision.

Mr. GERRY. Do I understand the Senator to say that in that case the tax is not to be raised?

Mr. SMITH. No; it is to be lowered whenever the price reaches parity and above, even during a marketing year. The processing tax is to be reduced even to 20 percent of the original amount, and may go lower.

Mr. GERRY. I misunderstood the Senator.

Mr. SMITH. That is all this paragraph means, and if in a succeeding year there is an indication that through supply and demand, or by the price current, the price is likely to be parity or above, no processing tax will be laid at all.

The PRESIDING OFFICER. The question is on agreeing to the amendment beginning on page 38, line 15.

The amendment was agreed to.

The next amendment of the committee was, on page 43, line 5, to strike out "(5)" and insert in lieu thereof "(7)", so as to read:

"RICE—SPECIAL RULE

"(7) In the case of rice, the weight to which the rate of tax shall be applied shall be the weight of rough rice when delivered to a processor, except that, where the producer processes his own rice, the weight to which the rate of tax shall be applied shall be the weight of rough rice when delivered to the place of processing.

The amendment was agreed to.

The next amendment of the committee was, on page 43, line 12, to strike out "(6)" and to insert in lieu thereof "(8)"; on line 19, after the word "paragraph", to strike out "(4)" and insert in lieu thereof "(6)"; on page 44, line 4, after the word "paragraph", to strike out "(4)" and to insert in lieu thereof "(6)", so as to read:

"SUGAR—SPECIAL RULE

"(8) In the case of sugar beets or sugarcane the rate of tax shall be applied to the direct-consumption sugar, resulting from the first domestic processing, translated into terms of pounds of raw value according to regulations to be issued by the Secretary of Agriculture, and in the event that the Secretary increases or decreases the rate of tax fixed by paragraph (2) of this subsection, pursuant to the provisions of paragraph (6) of this subsection, then the rate of tax to be so applied shall be the higher of the two following quotients: The difference between the current average farm price and the fair exchange value (A) of a ton of sugar beets and (B) of a ton of sugarcane, divided in the case of each commodity by the average extraction therefrom of sugar in terms of pounds of raw value (which average extraction shall be determined from available statistics of the Department of Agriculture); the rate of tax fixed by paragraph (2) of this subsection or adjusted pursuant to the provisions of paragraph (6) of this subsection shall in no event exceed the amount of the reduction by the President on a pound of sugar raw value of the rate of duty in effect on January 1, 1934, under paragraph 501 of the Tariff Act of 1930, as adjusted to the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, and/or the provisions of the act of December 17, 1903, chapter 1.

The amendment was agreed to.

The next amendment of the committee was, on page 45, to insert after line 16 a new section to read as follows:

SEC. 15. Section 9 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new subsection:

"(g) There shall be levied, assessed, collected, and paid (during any period after the date of the adoption of this amendment when a processing tax is in effect with respect to cotton) a processing tax on the first domestic processing of any material which results in the production of rayon or other synthetic yarn, at the rate of 125 percent of the per pound rate of the processing tax which is then in effect on cotton.

"(1) The tax shall be measured by the yield in pounds of finished rayon or other synthetic yarn.

"(2) The term 'first domestic processing of any material which results in the production of rayon or other synthetic yarn' means that amount and degree of manufacturing or other processing of such material from the spinnerette up to the point where the rayon or other synthetic yarn is in form either to be packaged and sold as such, or to be used in further manufacturing or other processing.

"(3) The term 'rayon or other synthetic yarn' means yarn suitable for commercial winding of a denier size exceeding 112 deniers. The term 'rayon yarn' shall not be deemed to include rayon ropes of more than 500 filaments.

"(4) The provisions of paragraph (1) of subsection (a) of section 16 shall not apply in the case of rayon or other synthetic yarn, or the products thereof."

Mr. COPELAND. Mr. President, I ask unanimous consent that the amendment on page 45, section 15, relating to rayon, may go over.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH. Mr. President, I did not hear the request.

Mr. COPELAND. I may say to the Senator in charge of the bill that I have asked that the rayon amendment go over.

Mr. SMITH. The amendment relating to the processing tax on rayon?

Mr. COPELAND. Yes; I desire to have that go over for the day.

Mr. SMITH. Of course, having agreed that others might go over, I shall not object to the request of the Senator, but I wish to call attention to the fact that when the processing tax is placed upon any article it is presupposed that a compensatory tax will be placed upon any article likely to afford disastrous competition.

Mr. COPELAND. If the Senator will permit me, I am not arguing the amendment, I am merely asking that it may

go over until we can get our papers together and have a little argument about it. I am not now prepared to do that.

Mr. McKELLAR. Mr. President, may I interrupt the Senator to ask him to state a little more fully what he meant regarding a compensatory tax? As I understand, rayon is in competition with silk.

Mr. SMITH. No.

Mr. McKELLAR. Oh, yes; it is very much in competition with silk. Would it not be proper to put a compensatory tax on silk if we are to put a processing tax on rayon? We can put a tax on silk whether we produce it or not.

Mr. SMITH. Rayon is more a competitor of mercerized cotton, indeed it is largely composed of cotton.

Mr. McKELLAR. But a great deal of cotton is used in its production.

Mr. McNARY. Mr. President, will not the Senator from Tennessee address the Chair so that we may all hear what is going on?

Mr. McKELLAR. I am sorry I speak in so low a tone that the Senator cannot hear, but I cannot look at the Chair and look at the Senator from South Carolina at the same time, because they are in opposite directions.

Mr. McNARY. The Chair has a privileged status. Permit me to ask a question. Request has been made by the Senator from New York that the provision relating to rayon may go over.

Mr. SMITH. I have no objection to its going over.

Mr. McNARY. May we not have that understanding?

Mr. SMITH. But I should like to have the statement of the Senator from Tennessee, because that question has arisen, not only in the committee but since the committee has reported the bill.

Mr. McKELLAR. It seems to me that if a processing tax is to be placed upon the greatest competitor silk has, a compensatory tax ought to be placed on silk so as to do the right thing. Rayon producers use very large quantities of low-grade cotton, commonly known as "linters." As the Senator knows, cotton is first reduced to a liquid form and then there is a process of compression by steam machinery. After cotton and wood pulp together are put into liquid form, the mixture is put under terrific pressure through steam machinery, operating on the same principle as the inside of a silkworm, and when the liquid cotton comes out it is immediately "fiberized", if I may so express it, and becomes a yarn similar to the yarn that comes from the silkworm.

Of course, the one is competitive with the other, and if we put a processing tax on the rayon we ought to put an equalizing tax on the silk, it seems to me, and I hope the Senator will not oppose an amendment to that effect.

Mr. WAGNER. Mr. President, I should like to ask the Senator whether it is not a fact that there is an interrelation between the prices of rayon and silk, and whether or not there is not very definite and vigorous competition between those two commodities?

Mr. McKELLAR. Absolutely.

Mr. WAGNER. I think it is conceded, unless the Senator knows to the contrary, that there is practically no competition between rayon and cotton. I understand that the production of rayon is less than 5 percent of the production of cotton.

Mr. SMITH. I do not doubt that. Stating that the production of rayon is 5 percent of the production of cotton does not tell the story at all. The question is, What percentage of rayon is converted into clothing and furnishings, as compared with cotton?

It must be remembered that we furnish 55 percent of all the cotton produced in the world, but in this country we consume less than half of our cotton production. I think I could show the Senator some articles produced from rayon that not only are competing with cotton-made goods, but in a way are driving cotton out of the market.

Mr. WAGNER. Mr. President, I realize I am not as familiar with this subject as is the Senator from South Carolina, but I know something about the competitive conditions

between rayon and silk because of my experience in connection with an effort to adjust some labor strikes in the different industries. As I recall, there was never any suggestion that there was any real competition between cotton and rayon, but there is a very definite competition between silk and rayon, and if we impose a compensatory tax upon rayon we are going simply to give the Japanese manufacturers of silk the entire American market.

Mr. SMITH. Mr. President, I wish to state that if, in the opinion of a majority of the Senators, the question of silk competition with rayon is of sufficient importance to justify our protecting rayon from competition with silk, there ought to be a tax on silk.

Mr. McKELLAR. I thank the Senator.

Mr. SMITH. My idea all along was that silk—the worm product—was of such a distinct quality, character, and class that, though the rayon may in appearance be a substitute for it, in quality and in durability it does not even approximate it. In weight per volume it is no competitor whatever with silk. But it is not only a competitor with cotton but about three-fourths of it is cotton. It is made into cellophane and then spun out and made into silk.

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

Mr. SMITH. I yield.

Mr. McKELLAR. I merely wish to say that the rayon factories are very large purchasers of what we in the South know as "linters", which is the cotton fiber taken off the seed after it is ginned. It was just a short time ago when the price of linters, if my recollection serves me correctly, was down to about one-half or three-quarters of a cent a pound. Because of the increased use of linters, largely by reason of the demand on account of its use in rayon, linters now bring about 5½ cents, as I recall. It is a matter of the utmost importance that, so far as possible, that market should be sustained. Certainly we should not destroy it by legislation, and it seems to me for that reason there ought to be a compensatory tax.

Mr. SMITH. I think we ought to put into the RECORD the fact that linters, strange and paradoxical as it may seem, come in competition with the farmer's cotton, for the linters are procured by the cottonseed-oil producers; they are a by-product out of which they get a profit to the detriment of the farmer. It is really a competitor of the farmer's own product. Through the oil mills it is made a competitor of his product, and I am not disposed to increase the consumption of a competitor of the very thing I am trying to protect.

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

Mr. SMITH. I yield.

Mr. WAGNER. May I ask the Senator whether or not the proposal for the compensatory tax upon rayon was recommended by the Department of Agriculture?

Mr. SMITH. I think not. I think they were perfectly willing to accept it, but I think in justice they ought to put it on when they put the processing tax on cotton. Under our protective tariff system, every time we put a duty on an article we put a compensatory tax on every competitor. Let Senators read the tariff bill. Yet when we came to deal with the farmer domestically I did not believe in the processing tax, because it was the protective tariff domestically applied, and I protested against it; but provision was made for it. If we are to apply it, let us apply it as we do the infernal protective tariff. Let us protect the article we are seeking to protect by the imposition of a compensatory tax on its competitors.

Mr. WAGNER. Mr. President, apparently the Department which has been administering the present act—and of course has been doing it to protect cotton and to aid cotton—has not recognized that there was a competition between rayon and cotton which required the imposition of this compensatory tax. That is the reason why I asked the question, because I understand this recommendation does not come from the Department at all.

Mr. SMITH. Mr. President, coming as we do from the different sections of the United States, and knowing our own problems, we ought to legislate rather than to have legislation handed to us. The Senator from New York knows the con-

ditions of his section, and I know the conditions in my section of the country.

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

Mr. SMITH. I yield.

Mr. COPELAND. There are other sections of the country besides those which raise cotton.

Mr. SMITH. I was not aware of that fact!

Mr. COPELAND. I sometimes think the Senator is serious when he makes such a statement as that.

Mr. SMITH. I am glad the Senator informed me.

Mr. COPELAND. We have in this country 175,000 employees working in the rayon industry.

Mr. SMITH. Yes; and about 6,000,000 engaged in producing cotton.

Mr. COPELAND. The scheme which the Senator from South Carolina has in mind will not have the sole effect of helping the cotton industry, but will also help Japanese silk.

I once more renew my request that the Senator from South Carolina let this provision go over.

Mr. SMITH. I have said all along that I am perfectly willing to have it go over, but I desired to save some time by getting something off the chests of some of the other Senators.

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

Mr. SMITH. I yield.

Mr. GLASS. The State of Virginia produces perhaps more rayon than any other State in the United States, and most of it is made from wood, not from cotton at all.

Mr. SMITH. I think the Senator will find upon investigation that the textile strength of the rayon produced in his State largely depends on the cellulose derived from cotton; and I think if the Senator will visit the rayon mills he will find that they mix the substance obtained from the wood with cotton fiber.

Mr. GLASS. The largest rayon factory in the United States is in the congressional district in which I live.

Mr. SMITH. And they do not use any cotton at all?

Mr. GLASS. I did not say that they do not use any cotton at all.

Mr. McKELLAR. They mix cotton fibers with their other ingredients.

Mr. GLASS. I did not say they do not use any cotton at all, but I do not think they should be taxed out of existence because they use a little cotton.

Mr. McKELLAR. That does not make them competitive with cotton anyway. Both linen and wood products are used in making rayon.

Mr. WAGNER. The result will be to tax them out of existence.

Mr. GLASS. Of course it will.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the amendment on page 45, section 15, beginning with line 17 and ending with line 20, on page 46, be laid aside for the day. Is there objection? The Chair hears none. The clerk will state the next amendment.

The next amendment was on page 46, line 21, after "Sec." to strike out "15" and insert "16"; and on page 47, line 12, after the word "distribution" to strike out the comma and "but without discrimination against other producers, processors, and handlers"; so as to make the paragraph read:

Sec. 16. Subsection (b) of section 10 of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"(b) (1) The Secretary of Agriculture is authorized to establish, for the more effective administration of the functions vested in him by this title, State and local committees, or associations of producers, and to permit cooperative associations of producers, when in his judgment they are qualified to do so, to act as agents of their members and patrons in connection with the distribution of payments authorized to be made under section 8. The Secretary, in the administration of this title, shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing acts of Congress, and as will tend to promote efficient methods of marketing and distribution."

Mr. VANDENBERG. Mr. President, may I ask the Senator why this language is to be stricken from the bill? What

is offensive about the prohibition against discrimination on page 47, line 12? The committee is striking out the words "but without discrimination against other producers, processors, and handlers". Is it necessary to have discrimination in order to make this system work?

Mr. SMITH. No. There was considerable discussion in the committee about that language. It has reference to the cooperatives. It was found, as the Senator knows, that certain privileges are extended to the cooperatives which are not extended to other marketing agencies.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. It was supposed that the language, "but without discrimination against other producers, processors, and handlers", would in effect be to discriminate against cooperatives.

Mr. SMITH. That is exactly the point.

Mr. BORAH. By striking out that language it was designed to leave intact whatever advantage the cooperatives had.

Mr. SMITH. Exactly. That is all it means.

Mr. BORAH. I think that is a sound doctrine.

Mr. SMITH. It was brought out in the committee that with this language in the bill no protection could be given the cooperatives, even under the law we had passed exempting them from the operation of certain laws and allowing them certain lending privileges.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, beginning in line 21, on page 46, and ending in line 13, on page 47.

The amendment was agreed to.

The next amendment was, on page 48, line 12, after "Sec.", to strike out "16" and insert "17", so as to make the section read:

SEC. 17. Subsection (e) of section 10 of the Agricultural Adjustment Act, as amended, is amended by striking out "rental or benefit payment" and inserting in lieu thereof "payment authorized to be made under section 8."

The amendment was agreed to.

The next amendment was, in section 17, on page 48, line 16, after the word "Sec.", to strike out "17" and insert "18"; in line 19, after the word "Agriculture", to strike out "is authorized" and insert "upon the request of the duly constituted authorities of any State is directed,"; and on page 49, line 2, after the word "State" and the comma, to insert "and is authorized", so as to make the paragraph read:

SEC. 18. Section 10 of the Agricultural Adjustment Act, as amended, is amended by inserting at the end thereof the following new subsection:

"(1) The Secretary of Agriculture upon the request of the duly constituted authorities of any State is directed, in order to effectuate the declared policy of this title and in order to obtain uniformity in the formulation, administration, and enforcement of Federal and State programs relating to the regulation of the handling of agricultural commodities or products thereof, to confer with and hold joint hearings with the duly constituted authorities of any State, and is authorized to cooperate with such authorities; to accept and utilize, with the consent of the State, such State and local officers and employees as may be necessary; to avail himself of the records and facilities of such authorities; to issue orders (subject to the provisions of section 8c) complementary to orders or other regulations issued by such authorities; and to make available to such State authorities the records and facilities of the Department of Agriculture: *Provided*, That information furnished to the Secretary of Agriculture pursuant to section 8d (1) hereof shall be made available only to the extent that such information is relevant to transactions within the regulatory jurisdiction of such authorities, and then only upon a written agreement by such authorities that the information so furnished shall be kept confidential by them in a manner similar to that required of Federal officers and employees under the provisions of section 8d (2) hereof."

The amendment was agreed to.

The next amendment was, on page 49, after line 18, to insert a new section, as follows:

SEC. 19. Section 11 of the Agricultural Adjustment Act, as amended, is amended by striking out the word "flax" and inserting in lieu thereof the word "flaxseed."

Mr. McNARY. Mr. President, I should like to have that amendment go over. I am not familiar with the reason which prompted the committee to insert this language in the bill. I think I have in my files literature upon the subject to which I should like to refer.

Mr. SMITH. Is that the amendment with reference to flaxseed?

Mr. McNARY. Yes.

Mr. FRAZIER. Mr. President, this amendment was inserted at my request. In the original bill the word "flax" was inadvertently used for "flaxseed." It is the seed we desire to have in the bill, and not the flax fiber or anything of that kind. I requested that this amendment be inserted in the bill in order that there should be no question with reference to the meaning of another amendment in the bill which applies to flaxseed.

Mr. McNARY. Would the Senator be willing to let it be passed over for the present? I shall probably agree with him, but I think I have a file dealing with the matter which is being discussed, and I should appreciate the Senator's courtesy in permitting it to be passed over, so that I may refer to the file.

Mr. FRAZIER. I have no objection to its being passed over.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent that the committee amendment on page 49, lines 19 to 21, both inclusive, be passed over for the day. Is there objection? The Chair hears none, and it is so ordered.

The next amendment will be stated.

The next amendment was, on page 49, line 22, after "Sec.", to strike out "18" and insert "20", so as to make the section read:

SEC. 20. The first sentence of subsection (a) of section 12 of the Agricultural Adjustment Act, as amended, is amended by striking out "rental and benefit payments made with respect to reduction in acreage or reduction in production for market under part 2 of this title" and inserting in lieu thereof "payments authorized to be made under section 8."

The amendment was agreed to.

The next amendment was, on page 50, after line 3, to strike out the following:

SEC. 9. Section 12 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new subsection:

"(d) Amounts expended under this title which are expended for payments authorized to be made under section 8 and administrative expenses in connection with any basic agricultural commodity shall not be less than a sum equal to the proceeds of the taxes levied under this title with respect to such commodity. For the purposes of this subsection: (1) Amounts collected and expended from taxes the proceeds of which under this title are held for, or paid for use in, any possession of the United States shall not be included; (2) the amount of all refunds and abatements of taxes shall not be included; and (3) hogs and field corn may be considered as one commodity."

Mr. VANDENBERG. Mr. President, I desire to ask the Senator from South Carolina a question for information at this point.

It is my understanding that at the present time the processing taxes collected upon any given commodity are segregated exclusively to the payment of beneficial payments for the commodity. It is my understanding that it is now proposed to turn the processing-tax revenues into the general fund of the Treasury and to cease the guarantee that the collections for a given commodity shall be dedicated exclusively to that commodity. Am I correct?

Mr. SMITH. It is proposed to do just exactly the opposite.

Mr. VANDENBERG. What is the situation?

Mr. SMITH. The Senator will find further along in the bill that each commodity shall, to the cent, be the beneficiary of whatever taxes are collected, and that whatever benefit payments are made in connection with any product shall be made from the taxes collected in connection with that particular and specific product.

Mr. VANDENBERG. What is the purpose of striking out this particular section?

Mr. SMITH. I think it is clarified later on in other language in the bill.

Mr. VANDENBERG. No; there is no substituted language.

Mr. SMITH. The language of this particular section ran counter to the decision of the Supreme Court, and the committee eliminated it, and further on in the text there is language which does accommodate itself to the decision of the Supreme Court.

Mr. VANDENBERG. That is what I should like to know about. In what aspect does the language stricken out run counter to the philosophy of the decision of the Supreme Court?

Mr. SMITH. I shall have to leave that question to some of my legal friends for explanation.

Mr. BANKHEAD. Mr. President, the Senator from Michigan is in error in the idea he expressed that the present law requires the segregation of taxes. It does not so require at all. As a matter of practical application, it has been done. The present law, the original Agricultural Adjustment Act, makes no segregation of any kind of the specific taxes.

Mr. VANDENBERG. I am correct that that is the practice?

Mr. BANKHEAD. That is the practice; and I assume, I will say to the Senator from Michigan, that the practice is expected to be continued. This section as it came from the House appeared to the members of the committee who are lawyers as being a provision which might be construed to be a declaration in the law of a particular tax for a special purpose. For that reason, in order to prevent any such declaration in the law, the committee decided to strike out the section and leave the law as it is now, so that all taxes collected under the processing taxes shall go into the Treasury, into the general fund made available to the Secretary of Agriculture for the administration of the Agricultural Adjustment Act. The amendment leaves the law, I repeat, as it is now.

Mr. VANDENBERG. May I interrupt the Senator?

Mr. BANKHEAD. Yes.

Mr. VANDENBERG. The Senator from South Carolina subsequently said, as I understood him, that there is a provision which specifically requires all these commodity taxes to be paid to the benefit of the commodities.

Mr. BANKHEAD. This being a legal question, the Senator subsequently said that he would prefer that some of the lawyers on the committee should explain the purpose of the amendment.

Mr. VANDENBERG. The original statement was in error?

Mr. BANKHEAD. The first statement was in error.

The PRESIDING OFFICER. Without objection, the amendment reported by the committee is agreed to. The next amendment will be stated.

The next amendment was, on page 51, after line 23, to insert a new section, as follows:

SEC. 23. Subsection (b) of section 15 of the Agricultural Adjustment Act, as amended, is amended by adding at the end of said subsection the following new sentence: "The Secretary of Agriculture is authorized to exempt by regulation from the payment of the tax on the ginning of cotton as levied under authority of the act approved April 21, 1934, an amount of lint cotton not in excess of 110 pounds, produced by or for any producer and retained for domestic use in his household."

The amendment was agreed to.

The next amendment was, on page 52, after line 14, to insert a new section, as follows:

SEC. 25. The first sentence of subsection (d) of section 15 of the Agricultural Adjustment Act, as amended, is amended by adding after the word "processors" the words "or producers."

Mr. BYRD. Mr. President, I should like an explanation of the amendment which has just been stated and which proposes to add to the original act the words "or producers" after the word "processors."

Mr. SMITH. I think it has reference entirely to agreements. I have not the original act before me and therefore I cannot tell exactly what the reference is.

Mr. BYRD. I will hand the Senator a copy of the original act.

Mr. SMITH. I thank the Senator. I see, as I thought, that it has reference to the effect of the processing tax on the processors or producers. If the effect is detrimental to the processors or producers, then the remedy is as here indicated. The original act contained the words "or will cause to the processors thereof disadvantages." The words "or producers" have been added to give them a 50-50 chance. I thought I was correct in the first instance, and now I know I am. Does the Senator from Virginia object to having the producers included, so that they also may be made beneficiaries along with the processors?

Mr. BYRD. I am very glad to have the explanation of the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, to insert section 25, after line 14, on page 52.

The amendment was agreed to.

The next amendment was, in section 27, on page 53, line 10, after the word "credited", to strike out "when" and insert "(but not before"; and in line 11, after the word "been", to strike out "paid" and insert "paid)", so as to make the section read:

SEC. 27. Subsection (a) of section 16 of the Agricultural Adjustment Act, as amended, is amended by striking out subdivision (2) thereof and inserting in lieu thereof the following:

"(2) Whenever the processing tax is wholly terminated, (A) there shall be refunded or credited in the case of a person holding such stocks with respect to which a tax under this title has been paid, or (B) there shall be credited or abated in the case of a person holding such stocks with respect to which a tax under this title is payable, where such person is the processor liable for the payment of such tax, or (C) there shall be refunded or credited (but not before the tax has been paid) in the case of a person holding such stocks with respect to which a tax under this title is payable, where such person is not the processor liable for the payment of such tax, a sum in an amount equivalent to the processing tax which would have been payable with respect to the commodity from which processed if the processing had occurred on such date: *Provided*, That in the case of any commodity with respect to which there was any increase, effective prior to June 1, 1934, in the rate of the processing tax, no such refund, credit, or abatement, shall be in an amount which exceeds the equivalent of the initial rate of the processing tax in effect with respect to such commodity."

The amendment was agreed to.

The next amendment was, in section 28, page 54, line 1, after the word "Except", to insert "as to flour processed from wheat and."

Mr. McNARY. Mr. President, from a hasty glance I am unable to interpret the reason for that change. What does the chairman of the committee have to say about it?

Mr. SMITH. I did not hear the Senator's statement.

Mr. McNARY. I say from a hasty glance I do not discern the reason for including that language in the bill.

Mr. SMITH. I think anyone reading the context will see exactly what it means. It is essential to have this language:

Except as to flour processed from wheat and as to any article processed wholly or in chief value from cotton, the tax refund, credit, or abatement provided in subsection (a) of this section shall not apply to the retail stocks of persons engaged in retail trade.

That means that the processing tax shall not be carried on down to the retailers; that it is a wholesale tax.

Mr. McNARY. It is a clear substitution of the product of wheat, namely, flour, for wheat itself.

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

The amendment was agreed to.

The next amendment was, in the same section, on page 54, line 3, after the word "cotton", to insert "or wheat", and in line 6, after the word "trade", to insert "nor to any article (except sugar) processed wholly or in chief value from sugar beets, sugarcane, or any product thereof, nor to any article (except flour) processed wholly or in chief value from wheat", so as to make the section read:

SEC. 28. The second sentence of subsection (b) of section 16 of the Agricultural Adjustment Act, as amended, is amended to read as follows: "Except as to flour processed from wheat and as to any article processed wholly or in chief value from cotton the tax refund, credit, or abatement provided in subsection (a) of this section shall not apply to the retail stocks of persons engaged in

retail trade, nor to any article (except sugar) processed wholly or in chief from sugar beets, sugarcane, or any product thereof, nor to any article (except flour) processed wholly or in chief value from wheat, held on the date the processing tax is wholly terminated."

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

Mr. CAREY. I ask the Senator from South Carolina why is sugar excepted in the amendment which begins in line 6 on page 54?

Mr. SMITH. The manner in which sugar is manufactured and sold, in the opinion of those familiar with it, puts it in a wholly different class from cotton or wheat, because sugar is imported very often in a semimanufactured state and is refined here. So it would be difficult to impose a tax where it would do the producer the most good, the process in the case of sugar being different from that in the case of the other two commodities, which are simple in their form of manufacture.

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

The amendment was agreed to.

The next amendment was, in section 29, line 15, after the date "1934", to strike out "and", and in line 16, after the word "hogs", to insert "; and by inserting at the end of such paragraph the following: 'In the case of wheat the provisions of this paragraph shall apply to flour only; in the case of sugarcane and sugar beets the provisions of this paragraph shall apply to sugar only.'

"(b) Section 16 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new subsection:

"(f) No refund, credit, or abatement of the amount of any tax shall be made or allowed under this section, unless, within 60 days after the right to such refund, credit, or abatement accrued, a claim for such refund, credit, or abatement (conforming to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe) is filed by the person entitled to such refund, credit, or abatement, and no such claim shall be allowed for an amount less than \$10'" so as to make the section read:

Sec. 29. (a) Paragraph (1) of subsection (e) of section 16 of the Agricultural Adjustment Act, as amended, is amended by inserting after the first word in the first sentence a comma and the following: "subsequent to June 26, 1934", by inserting in the proviso after the word "made", the following: "in the case of hogs"; and by inserting at the end of such paragraph the following: "In the case of wheat the provisions of this paragraph shall apply to flour only; in the case of sugarcane and sugar beets the provisions of this paragraph shall apply to sugar only."

(b) Section 16 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new subsection:

"(f) No refund, credit, or abatement of the amount of any tax shall be made or allowed under this section, unless, within 60 days after the right to such refund, credit, or abatement accrued, a claim for such refund, credit, or abatement (conforming to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe) is filed by the person entitled to such refund, credit, or abatement, and no such claim shall be allowed for an amount less than \$10."

Mr. CAREY. Mr. President, I ask that that amendment go over.

The PRESIDING OFFICER. The Senator from Wyoming asks unanimous consent that the amendment on page 54, beginning in line 16, be passed over.

Mr. SMITH. Does the Senator mean the entire amendment or the refund provision?

Mr. CAREY. I mean the refund provision. The reason I ask that it go over is that I understand if a person were entitled to a refund and did not know it and on that account had not made application within 60 days, he would not be entitled to a refund. Am I correct in that?

Mr. SMITH. Yes; the individual has 60 days from the time of the imposition of the tax to request a refund. If he does not avail himself of that privilege within the time, he is not entitled to it.

Mr. CAREY. Presuming that the tax was erroneously collected and the payer did not know it for 60 days, he would

be out of court, so to speak, and could not apply for a refund after that time, as I understand the amendment?

Mr. SMITH. I do not know how we are going to legislate except under general rules, because if we should not provide such a limitation nobody would ever know anything about it, and claims would be made after 60 days. I think that is obvious.

Mr. CAREY. I should like to have the amendment go over today.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. I have to go to a conference for a few minutes. Would the Senator permit the provisions on page 58 and 59 with reference to bringing suits to go over?

Mr. SMITH. We have not reached that portion of the bill as yet.

Mr. BORAH. I understand that, but I have to be gone for a short time, and I ask the Senator if he will permit those provisions to be passed over when reached.

Mr. SMITH. Yes; I understand the Senator has an amendment in reference to that portion of the bill?

Mr. BORAH. Yes, and I should like to have the provisions passed over for the time being.

Mr. SMITH. Very well, I will be perfectly willing to do that, but I hope that we will so govern ourselves as to try to get through with the very pleasant task of passing on the committee amendments. I have no objection, when we reach the provisions prohibiting suits to which the Senator from Idaho refers, to having them go over.

The PRESIDING OFFICER. Without objection, on request of the Senator from Wyoming [Mr. CAREY], the committee amendment beginning on line 21, page 54, and extending to line 7, on page 55, will be passed over.

The question is on the committee amendment in line 15, page 54, striking out the word "and"; and in line 16 on the same page, after the word "hogs", inserting down to and including the end of line 20.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, the committee struck out entirely, on page 66, section 31 of the House bill as well as some of the preceding sections.

Mr. SMITH. Is that the export and import debenture clause?

Mr. CONNALLY. Yes.

Mr. SMITH. Very well.

Mr. CONNALLY. I ask at this time to offer an amendment which seeks to restore the House language, and the motion includes a clause which was stricken out by the House committee. I want to have an agreement that I may have a vote on my amendment, though not at this time, irrespective of the parliamentary situation, because the question would naturally recur upon the committee amendment to strike out all that language, and it might be held, that language having been stricken out, I could not move to reinsert it. So I ask unanimous consent that at the proper time I may offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. SMITH. As I understand, the Senator desires to offer his amendment now and let it lie on the table until we reach the point indicated?

Mr. CONNALLY. That is correct.

The PRESIDING OFFICER. The amendment will lie on the table, for the time being. The next amendment of the committee will be stated.

The next amendment was, in section 30, on page 55, line 11, after the word "following", to strike out:

"The consignor named in the bill of lading under which any product (if such product or the commodity from which processed is under this title subject to tax) is exported, or the exporter of such product, if the bill of lading bears the proper disclaimer by the consignor, or the manufacturer of such product, if the bill of lading bears the proper disclaimer by the consignor and

the exporter, shall be entitled, upon the exportation of such product to any foreign country (or to the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, or the island of Guam) to the refund of the amount of tax due and paid under this title with respect to such product so exported, or to a credit against any tax due and payable under this title of the amount of tax which would be refundable under this section with respect to such product so exported."

And in lieu thereof to insert:

"Upon the exportation to any foreign country (and/or to the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and the island of Guam) of any product processed wholly or partly from a commodity with respect to which product or commodity a tax has been paid or is payable under this title, the tax due and payable or due and paid shall be credited or refunded. Under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, the credit or refund shall be allowed to the consignor named in the bill of lading under which the product is exported or to the shipper or to the person liable for the tax provided the consignor waives any claim thereto in favor of such shipper or person liable for the tax."

The amendment was agreed to.

The next amendment was, on page 56, after line 19, to insert the following new paragraph:

(b) Section 2 of the Department of Agriculture Appropriation Act, 1936, is amended by striking out the first word "The" and inserting in lieu thereof the following: "Seventy-five percent of the."

The amendment was agreed to.

The next amendment was, at the top of page 57, to insert the following new paragraph:

(c) Section 19 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new subsection:

"(d) Under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, any person required pursuant to the provisions of this title to file a return may be required to file such return and pay the tax shown to be due thereon to the collector of internal revenue for the district in which the processing was done or the liability was incurred. Whenever the Commissioner of Internal Revenue deems it necessary, he may require any person or class of persons handling or dealing in any commodity or product thereof, with respect to which a tax is imposed under the provisions of this title, to make a return, render under oath such statements, or to keep such records as the Commissioner deems sufficient to show whether or not such person, or any other person, is liable for the tax."

The amendment was agreed to.

The next amendment was, on page 57, line 19, to strike out the section number "29" and insert "32."

The amendment was agreed to.

The next amendment was, on page 57, line 22, after "(a)", to strike out the following:

No suit or proceeding shall be brought or maintained in, nor shall any judgment or decree be entered by, any court for the recoupment, set-off, refund, or credit of, or on any counterclaim for, any amount of any tax assessed, paid, collected, or accrued under this title prior to the date of the adoption of this amendment.

And to insert in lieu thereof the following:

No Federal or State court shall have jurisdiction to entertain a suit or proceeding against the United States or any collector of internal revenue or other internal-revenue officer or any person who has been such a collector or officer or the personal representative of any such collector, officer, or person (nor shall any such suit or proceeding be brought or maintained in, nor shall any judgment or decree be entered by, any such court) (1) for the recoupment, set-off, recovery, refund, or credit of, or on any counterclaim for, any amount of any tax, interest, or penalty, assessed, paid, collected, or accrued under this title prior to the date of the adoption of this amendment or (2) for damages for the collection thereof.

Mr. SMITH. Mr. President, that is to be passed over at the request of the Senator from Idaho [Mr. BORAH].

Mr. CONNALLY. Mr. President, what is the wish of the Senator with regard to the amendment which I offered on page 67? Does he desire to proceed with it when we reach it, or is it his desire to let it go over for the day?

Mr. SMITH. Considering the fact there are other amendments, I think it would be the proper thing to let it go over for the day, so we may have time to consider it.

Mr. COPELAND. Mr. President, to what does the amendment apply?

Mr. CONNALLY. The amendment which I offered applies only to manufactured goods.

Mr. COPELAND. It does not relate at all to the amendment to the tobacco act?

Mr. CONNALLY. It might, in the case of tobacco, give the manufacturer an opportunity to come under the provisions of the bill.

Mr. SMITH. The Senator seeks to restore the export bounty on manufactured products.

Mr. COPELAND. May I ask the Senator about the tobacco amendment and if there were hearings on that particular feature of the bill?

Mr. SMITH. No; we did not have any hearings. The fact is that this is practically the same provision which last year worked admirably and agreeably to both the processors and the producers. The point now is that tobacco is the one commodity which reached and exceeded parity.

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

Mr. SMITH. I yield.

Mr. CONNALLY. Considerable interest has been manifested in the amendment which I have sent to the desk. Therefore, I ask that the amendment may be printed and lie on the table, not to be acted upon today. The Senator from South Carolina indicates his agreement with that request. Supplementing the request, I ask unanimous consent that a vote may be had on that amendment when it is reached, on page 66, regardless of whether or not committee amendments have been disposed of or otherwise.

Mr. SMITH. I think that is all right. The Senator simply wants to test whether the Senate would rather have the amendment he offers than the one the committee has reported. I should like to have that settled.

Mr. VANDENBERG. Mr. President, does the amendment of the Senator from Texas bear any relation to the previous import section, on page 65, which is stricken out?

Mr. CONNALLY. No. The amendment which I offer begins on page 66, line 15, and does not undertake to restore the language stricken out in section 22, on page 65. My amendment is limited to manufactured articles. I should prefer to have it apply to the raw material as well, but there is so much opposition that I have limited it to manufactured goods.

Mr. VANDENBERG. Is the import section, beginning at the bottom of page 64 and continuing over to line 14, page 66, also being passed over, or is that wholly independent of the Senator's amendment?

Mr. CONNALLY. That is absolutely independent of my amendment. The reason why I am asking unanimous consent that I may have a vote on my amendment is that, from a parliamentary standpoint, the question would come on the committee amendment striking out paragraphs 31 and 22. I submit my request.

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

The Chair would like to be advised how far on page 59 the agreement requested by the Senator from Idaho [Mr. BORAH] applies?

Mr. SMITH. Only insofar as it relates to the prohibition of collecting the tax in case the court declares it to be unconstitutional. It relates to page 57, beginning in line 19, all of page 58, and to the end of line 5 on page 59.

Mr. BORAH. That is correct. I want that all passed over.

The PRESIDING OFFICER. The amendments referred to will be passed over. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 59, line 22, before the word "provisions", to insert the word "applicable", and after the words "provisions of" to strike out "law made applicable by section 19", and insert "law, including subsection (d) of this section", so as to make the paragraph read:

"(b) No suit, action, or proceeding (including probate, administration, receivership, and bankruptcy proceedings) shall be brought or maintained in any court if such suit, action, or proceeding is for the purpose or has the effect (1) of preventing or restraining the assessment or collection of any tax imposed or

the amount of any penalty or interest accrued under this title on or after the date of the adoption of this amendment, or (2) of obtaining a declaratory judgment under the Federal Declaratory Judgments Act in connection with any such tax or such amount of any such interest or penalty. In probate, administration, receivership, bankruptcy, or other similar proceedings, the claim of the United States for any such tax or such amount of any such interest or penalty, in the amount assessed by the Commissioner of Internal Revenue, shall be allowed and ordered to be paid, but the right to claim the refund or credit thereof and to maintain such claim pursuant to the applicable provisions of law, including subsection (d) of this section, may be reserved in the court's order.

The amendment was agreed to.

The next amendment was, on page 60, line 4, after the word "agriculture", to strike out the word "and", and after the word "President" to insert the word "and"; in line 8, after the word "taxes", to insert "(together with penalties and interest with respect thereto)"; in line 12, after the word "specifically", to strike out "on May 12, 1933", and in the same line, after the word "by", to insert the word "prior", so as to make the paragraph read:

"(c) The taxes imposed under this title, as determined, prescribed, proclaimed, and made effective by the proclamations and certificates of the Secretary of Agriculture or of the President and by the regulations of the Secretary with the approval of the President prior to the date of the adoption of this amendment, are hereby legalized and ratified, and the assessment, levy, collection, and accrual of all such taxes (together with penalties and interest with respect thereto) prior to said date are hereby legalized and ratified and confirmed as fully to all intents and purposes as if each such tax had been made effective and the rate thereof fixed specifically by prior act of Congress. All such taxes which have accrued and remain unpaid on the date of the adoption of this amendment shall be assessed and collected pursuant to section 19, and to the provisions of law made applicable thereby. Nothing in this section shall be construed to import illegality to any act, determination, proclamation, certificate, or regulation of the Secretary of Agriculture or of the President done or made prior to the date of the adoption of this amendment.

The amendment was agreed to.

The next amendment was, on page 60, after line 20, to strike out the following:

"(d) No refund or credit shall be made or allowed of any amount of any tax which accrued on or after the date of the adoption of this amendment under this title (including any overpayment of such tax), unless (1) the claimant establishes to the satisfaction of the Commissioner of Internal Revenue, (A) that he has not included such amount in the price of the article with respect to which it was imposed or of any article processed from the commodity with respect to which it was imposed, and that he has not collected from the vendee any part of such amount, or (B) that he has repaid such amount to the producer or the ultimate purchaser of the article, and (C) in the case of hogs that such amount has not been deducted from the price paid to the producer, or (2) the claimant files with the Commissioner of Internal Revenue the written consent of such producer and ultimate purchaser to the allowance of the credit or refund. The provisions of this subsection shall not apply to any refund under section 15 (a), section 16, or section 17.

And to insert in lieu thereof the following:

"(d) No recovery, refund, or credit shall be made or allowed of any amount of any tax which accrued on or after the date of the adoption of this amendment (and, in case any part or application of subsection (a) of this section is held invalid, which may have heretofore accrued) under this title (including any overpayment of such tax), unless the claimant establishes to the satisfaction of the Commissioner of Internal Revenue, or in the case of a judicial proceeding establishes in such proceeding, (1) that he has not included such amount in the price of the article with respect to which it was imposed or of any article processed from the commodity with respect to which it was imposed, that he has not collected from the vendee any part of such amount, and that the price paid to the producer was not reduced by such amount, or (2) that he has repaid such amount to the ultimate purchaser of the article, or in case the price paid to the producer was reduced by such amount, to such producer; nor shall any judgment or decree be entered by any Federal or State court for damages for the collection thereof, unless the claimant establishes the foregoing facts, in addition to all other facts required to be established. The provisions of this subsection shall not apply to any refund or credit under subsection (a) or (c) of section 15, section 16, or section 17.

The amendment was agreed to.

The next amendment was, on page 62, line 13, after the word "no", to strike out "refund or credit" and insert the words "refund, credit, or abatement", and in line 15, after the words "section 15", to strike out the words "section 16", so as to make the paragraph read:

"(e) No refund, credit, or abatement shall be made or allowed of the amount of any tax, under section 15, or section 17, unless,

within 1 year after the right to such refund or credit has accrued, a claim for such refund or credit (conforming to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe) is filed by the person entitled to such refund or credit, except that if the right to any such refund or credit accrued prior to the date of the adoption of this amendment, then such 1-year period shall be computed from the date of this amendment. No interest shall be allowed or paid, or included in any judgment, with respect to any such claim for refund or credit.

The amendment was agreed to.

The next amendment was, on page 63, to strike out lines 3 to 9, both inclusive, as follows:

"(f) The provisions of section 3226, Revised Statutes, as amended, are hereby extended to apply to any suit for the recovery of any amount of any tax which accrued, on or after the date of the adoption of this amendment, under this title, and to any suit for the recovery of any amount of tax which results from an error in the computation of the tax or from duplicate payments of any tax.

And to insert in lieu thereof the following:

"(f) The provisions of section 3226, Revised Statutes, as amended, are hereby extended to apply to any suit for the recovery of any amount of any tax, penalty, or interest, which accrued on or after the date of the adoption of this amendment (and, in case any part or application of subsection (a) of this section is held invalid, which may have heretofore accrued) under this title (whether an overpayment or otherwise), and to any suit for the recovery of any amount of tax which results from an error in the computation of the tax or from duplicate payments of any tax, or any refund or credit under subsections (a) or (c) of section 15, under paragraph (1) of subsection (e) of section 16, or under section 17 of this title or any refund or credit to the processor of any tax paid by him with respect to articles exported pursuant to the provisions of section 317 of the Tariff Act of 1930.

The amendment was agreed to.

The next amendment was, beginning at the top of page 64, to strike out:

"(g) Whenever in this title a refund of any tax is authorized to be made to any person other than the person required to pay the tax with respect to which an application for refund is made, upon statement under oath by the applicant for refund that he has no knowledge, information, or belief that such tax has not in fact been paid, then for the purpose of such refund to said applicant such tax shall be deemed to have been due from any paid by the person liable therefor. Any other provision of the law notwithstanding, the Comptroller General of the United States is authorized and directed, without review of the fact of the payment of the tax, to certify for payment refunds authorized under this subsection in the amounts scheduled to him by the Commissioner of Internal Revenue. Whoever makes any false statement under oath in connection with applying for or securing such refund of any tax shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or by imprisonment not exceeding 6 months, or both."

Sec. 30. The Agricultural Adjustment Act, as amended, is amended by inserting after section 21 the following:

"IMPORTS

"Sec. 22. (a) Whenever the President has reason to believe that any one or more articles are being imported or are likely to be imported into the United States under such conditions and in sufficient quantities to render ineffective or materially interfere with any program or operation undertaken under this title, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, to determine such facts. Such investigation shall be made after such notice and hearing and subject to such regulations as the President shall specify.

"(b) If, after such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by order direct that the entry into the United States of such article or articles shall, for such time as may be specified by him, be permitted subject to (1) such terms and conditions, (2) such limitations on the total quantities thereof which may be imported, or (3) the payment of such compensating taxes as he finds necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with such program or operation undertaken under this title. Any compensating tax imposed under this section shall be in addition to any tax imposed under section 15 (e) and the provisions of such section shall apply thereto.

"(c) Any decision of the President as to facts under this section shall be final.

"(d) Upon information of any order of the President under subsection (b), the Secretary of the Treasury shall permit entry of any article or articles specified therein only in conformity with such order.

"(e) After investigation, report, and finding in the manner provided in the case of an original order, any order or provision thereof may be suspended or revoked by the President whenever he finds that the circumstances requiring the order or provision

no longer exist, or may be modified by the President whenever he finds that changed circumstances require such modification to carry out the provisions of this section."

Sec. 31. There is authorized to be appropriated for each fiscal year an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of such fiscal year. Sums appropriated in pursuance of such authorization shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to: (1) Encourage the exportation of major agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation, (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce; (3) purchase or lease, on behalf of the United States, submarginal agricultural and grazing lands; and (4) finance adjustments in the quantity planted or produced for market of agricultural commodities. The amounts appropriated in pursuance of this action shall be expended for such of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will tend to eliminate unprofitable agricultural and grazing lands, bring about the utilization of only such lands as can be profitably utilized, increase the exportation of agricultural commodities and products thereof, and increase the domestic consumption of agricultural commodities and products thereof: *Provided*, That no part of the funds authorized to be appropriated by this section shall be expended pursuant to (3) or (4) hereof unless the Secretary of Agriculture determines that the expenditure of such part pursuant to clauses (1) and (2) is not necessary to effectuate the purposes of this section.

Mr. SMITH. That is the part of the bill which the Senator from Texas [Mr. CONNALLY] asked to have go over.

Mr. VANDENBERG. Not all of it.

Mr. SMITH. Not all of it; only section 31.

Mr. VANDENBERG. Mr. President, I desire to ask the Senator why the committee is striking out the language beginning at the bottom of page 64 and continuing on page 65, which appears to be the authority to offset increased costs of agricultural production by increased tariffs if, as, and when it is demonstrated that the increased protection is necessary. What is the purpose in striking that out?

Mr. SMITH. Mr. President, we are attempting by this process to bring about a condition where we can more reasonably modify the tariff rather than increase it. Whether or not we are succeeding is another question.

Mr. VANDENBERG. I do not follow the Senator. Will he be more specific?

Mr. SMITH. For instance, if we are intending to raise the price in this country of certain articles, and the subsequent price invites the possibility of importation of foreign goods, we are inviting right then the imposition of the protective tariff to protect us in doing that thing which would raise the price. This bill is not written for the purpose of encouraging any higher tariffs than we have; and my idea is that if the price of our stuff here reaches a point where foreign importations may be brought in under the present tariff arrangement, we shall have then reached a price where there should be no additional taxation.

Let me illustrate: Japan is buying cotton in America today at the American price, shipping it clear around the globe, manufacturing it, shipping it back around the globe, paying the tariff, and underselling American manufacturers. I claim that if, notwithstanding American ingenuity and American skill in manufacturing goods out of cotton which grows right up at the factory walls, the manufacturers of another country can come here and buy raw cotton at the same price our mills pay for it, ship it around the globe, manufacture it, ship it back around the globe, pay the tariff, and undersell the American manufacturer, the American manufacturer ought to go out of business.

Mr. VANDENBERG. Mr. President, I am familiar with the Senator's free-trade philosophy.

Mr. SMITH. That is not a free-trade philosophy.

Mr. VANDENBERG. I am familiar with the Senator's free-trade philosophy, which—

Mr. SMITH. I deny any free-trade philosophy.

Mr. VANDENBERG. Which he has consistently defended in the Senate, and I admire him for his consistency; and I am not complaining about it.

Mr. SMITH. I protest against the Senator putting me in the absurd position of a free-trader. I believe that every foreigner who has the privilege of the American market should pay a tariff equal to the tax and the expenses incidental to American manufacture; but I do not believe the Senator's party ever had the constitutional right to impose a purely protective tariff. It cannot be found in the Constitution.

Mr. VANDENBERG. I do not propose to discuss with the Senator the constitutionality of protective tariffs, which apparently has been sustained for 150 years, where many other constitutional questions are being given far less tender consideration.

Mr. SMITH. Yes; and that is one instance where the Supreme Court did not do its duty, if a case was ever brought.

Mr. VANDENBERG. The question I am raising is entirely beside the abstract argument in which the Senator and I are now engaging. I desire to know if it is not a fact that the original theory of the A. A. A. law was that when the cost of producing agricultural commodities and processing them in the United States was increased by arbitrary taxes, it was contemplated that the President should offset those arbitrary increases by compensatory taxes in the nature of protection. Was not that the original conception of the A. A. A.?

Mr. SMITH. It was not mine. I do not know what others thought about it.

Mr. VANDENBERG. I am not asking the Senator's personal view. The Senator was in complete disagreement with the A. A. A. in the first instance.

Mr. SMITH. Yes.

Mr. VANDENBERG. Therefore, when the Senator gives me his view he does not give me the view of the administration respecting the matter.

Mr. SMITH. I do not know what the view of the administration was.

Mr. VANDENBERG. What is it now?

Mr. SMITH. I do not know, and I am not concerned with the administration's view. I am concerned with the common-sense view, if you can reconcile that. [Laughter.]

Mr. VANDENBERG. Not with the administration's view.

Mr. SMITH. I say I am concerned with the common-sense view. If we are going to raise prices here and use that as an excuse still further to build up a wall that has destroyed most of us—and at last, thank God! is destroying those who built the wall—I do not think this is any time for us to incorporate here directly and expressly a provision that when prices reach a certain point, the taxes may be raised on imports to keep them out—no.

Mr. VANDENBERG. Mr. President, what I wish to know is not whether we are here establishing the rule to which the Senator objects. I am asking the Senator if here we are not striking down that precise rule in the existing A. A. A. law?

Mr. SMITH. No; because in all conscience—

Mr. VANDENBERG. I am not talking about conscience. I am talking about the A. A. A. law. [Laughter.] They are two totally different things.

Mr. SMITH. Yes; from the Senator's standpoint, but I maintain that we have no right to provide here that when prices rise to a certain point, in order to keep outsiders from coming in we shall still further raise the duties and tariffs; no. There is plenty of room within the present tariff, in all reason. The Senator very truthfully says we discard conscience here. We have done so.

Mr. VANDENBERG. Mr. President, may the Senator and I eliminate any argument over whether there should be the thing I am talking about? I inquire whether it is not the fact that the committee amendment striking out this language does change the tariff provisions of the existing A. A. A. law?

Mr. SMITH. I hope so.

Mr. VANDENBERG. Does it or does it not?

Mr. SMITH. It may or may not.

Mr. VANDENBERG. Certainly it may or may not, one or the other. [Laughter.] Which is it?

Mr. SMITH. I think it may not, for the reason that that is only incidental. The main purpose of this provision is to get a better price.

Mr. VANDENBERG. Never mind the reason. At the moment may I not know from the Senator, who is the Senate's expert on this subject, whether this amendment does or does not change the existing A. A. A. law in respect to compensatory tariff rates? Does it or does it not?

Mr. SMITH. It was not in the original law.

Mr. VANDENBERG. Is it in the existing law?

Mr. SMITH. No.

Mr. VANDENBERG. Then it does not change existing law.

Mr. SMITH. That is what I told the Senator.

Mr. VANDENBERG. Does the Senator now say to me that there is no existing law under which the President is permitted and instructed, whenever the use of A. A. A. taxes increases the cost of production in the United States, to inquire into the matter and to adjust the differential with new compensatory taxes? Does the Senator say that does not exist?

Mr. SMITH. In reference to the A. A. A.?

Mr. VANDENBERG. Yes.

Mr. SMITH. My impression now is, and I think it will be verified by reading the original act, that there is no such provision. This provision was incorporated in the House, and was very wisely struck out by our committee.

Mr. NORBECK. Mr. President, I should like to ask the Senator from South Carolina a question. Did the House bill provide that imports of agricultural products might be regulated by the Department by fixing quotas over which they could not be imported?

Mr. SMITH. Yes.

Mr. NORBECK. And that was struck out in the Senate committee, was it?

Mr. SMITH. Yes.

Mr. NORBECK. I should like to have an explanation of that paragraph.

Mr. SMITH. I think the committee were opposed to that provision. Taken in connection with our hope of multilateral and general agreements with the nations of the earth as to our export business, it was too restrictive. There are too many quotas and too many restrictions to enable us to look forward to any healthy recovery of our export business.

Mr. NORBECK. Does not the distinguished Chairman of the Committee on Agriculture and Forestry think that we might be flooded with too great a quantity of imports on occasions, and that there should be a stop-gap somewhere?

Mr. SMITH. We have ample provisions now to take care of such a situation. We have the antidumping clause, the Johnson Act, and the Smoot-Hawley Law with the countervailing duties. God knows what more we would need. I do not.

Mr. NORBECK. The Senator does not think there is need of anything further?

Mr. SMITH. I do not.

Mr. NORBECK. Mr. President, I ask permission to insert a telegram in the RECORD from Mr. W. R. Ronald, a citizen of South Dakota, who has been very active in promoting the A. A. A. as a method of assisting agriculture, and protesting against the proposed change.

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

MITCHELL, S. DAK., July 9, 1935.

Senator PETER NORBECK,
Washington, D. C.:

Hope you will do all possible to restore A. A. A. amendment giving Secretary authority to fix import quotas. Either this or higher tariffs necessary to protect parity prices. Please wire prospect for its approval by Senate.

W. R. RONALD,
Editor Daily Republic.

Mr. COPELAND. Mr. President, I should like to discuss this matter a little further. Is the language on pages 64 and 65, proposed to be stricken from the bill, now the law?

Mr. SMITH. No; the Senator from Idaho [Mr. POPE] has the original text of the law and I should like to have

him read in the law as it now stands the very language to which this pertains.

Mr. POPE. On page 21 of the original act is found the provision, which remains the same. It provides:

(e) During any period for which a processing tax is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon any article processed or manufactured wholly or partly from such commodity and imported into the United States or any possession thereof to which this title applies, from any foreign country or from any possession of the United States to which this title does not apply, whether imported as merchandise, or as a container of merchandise, or otherwise, a compensating tax equal to the amount of the processing tax in effect with respect to domestic processing of such commodity at the time of importation—

And so forth.

That remains the law and it has not been changed. The provision about which there has been discussion here does not appear in the original law, so it is new.

Mr. VANDENBERG. So the statement I made regarding the existing situation was correct.

Mr. POPE. Yes.

Mr. VANDENBERG. At any rate, I was correct to that extent. The Senator from Idaho says that the committee amendment striking out this language, which seems to refer to at least a kindred type of operation, does not in any way attack the continuing existence of the original provision.

Mr. POPE. That is my understanding.

Mr. VANDENBERG. Which the Senator from South Carolina did not seem to think existed at all.

Mr. SMITH. Oh, yes. But it says here, "a tax equal to the amount of the processing tax." The language here would leave it unlimited, whereas under the original law a foreign article would pay a processing tax exactly equal to the domestic processing tax, to which nobody objected. But the Senator was asking me whether, if we raised the price here, we could still raise the tariff. Under the law as it now stands, if it be found that the importer's commodity is bearing a smaller tax in the form of a tariff than is imposed domestically, then that tax will be made equal to the domestic tax.

Mr. VANDENBERG. What was the purpose of the House in putting this language in the bill?

Mr. SMITH. I do not know. I do not know what is the purpose of a good many things.

Mr. COPELAND. Then, as I understand the situation, the existing law is not changed?

Mr. SMITH. That is correct.

Mr. COPELAND. The House inserted this language which would change existing law?

Mr. SMITH. Yes.

Mr. COPELAND. And the Senate committee saw fit to strike it out.

Mr. SMITH. I think the House inserted it because a cry had gone up that Japan was importing into this country cotton goods and selling them at prices lower than the figure at which American manufacturers could make them. Therefore it was thought that whenever that became apparent the tariff on the imported article should be raised to a point where it would prohibit the importation. That, in my opinion, was the intent of the language we find in the bill.

Mr. COPELAND. And that is contrary to the philosophy of the Senator?

Mr. SMITH. Yes. Under the original act, if it were found that an individual was importing into the United States and was paying a tax less than the processing tax, he should pay a tax equal to the processing tax.

Mr. COPELAND. Then, the House intended to give Americans some further degree of protection, and the Senate committee saw fit to strike out the provision?

Mr. SMITH. Yes. It is in the law as it now stands; and if the Senator will read it he will find that it is in the words I have stated.

Mr. JOHNSON. As I understand, the provision being dealt with now is that which begins on page 64, line 20, and goes down to line 14, on page 66.

Mr. SMITH. That is correct.

Mr. JOHNSON. I do not think it has been so stated, but that relates to compensatory taxes which may be levied under certain circumstances; and, as I understand, that provision has not as yet been acted upon.

Mr. SMITH. The provision for a compensatory tax on rayon has not been acted on.

Mr. JOHNSON. I hope that it will go over until we may have opportunity carefully to study it, because from the information that is given to me it may be a very necessary weapon under certain circumstances.

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

Mr. JOHNSON. I yield.

Mr. COPELAND. Is it the Senator's thought that the matter now under discussion should go over until we have had a chance to consider the rayon problem?

Mr. JOHNSON. I want it to go over until we have a chance to look into it. The bill came up suddenly today, so far as I was concerned, and I have not had the opportunity to look at many provisions of it which I desire to examine before they ultimately are determined, and I trust that the amendment will not be acted upon at once.

Mr. COPELAND. I share the view of the Senator.

Mr. BARKLEY. Mr. President, I ask unanimous consent to recur to the amendment on page 40 and that the vote by which the amendment was agreed to be reconsidered in order that I may offer an amendment, about which I have spoken to the Senator from South Carolina. I was called from the Chamber at the time the amendment was under consideration. I think there will be no opposition to the amendment I propose to offer.

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

Mr. BARKLEY. I yield.

Mr. COPELAND. Could we not have action on the other matter first?

Mr. SMITH. Mr. President, in view of the fact that we find Senators unprepared to go on with certain paragraphs of the bill, I ask unanimous consent that the amendment relating to imports, beginning, on page 64, line 23, and ending on line 22, page 67, be passed over.

The PRESIDING OFFICER (Mr. McGILL in the chair). The part of the amendment affecting section 31 has already been passed over by unanimous consent. Without objection, the entire amendment will be passed over for the day.

Mr. JOHNSON. Including section 31?

The PRESIDING OFFICER. Section 31 has already been passed over by unanimous consent.

Mr. SMITH. Mr. President, the Senator from Kentucky has an amendment which he desires to offer.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the vote by which the amendment on pages 40 and 41 was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McKELLAR. The amendment of the Senator from Kentucky relates to tobacco?

Mr. BARKLEY. It has particular reference to tobacco, but it is general in its application. I will explain it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to amend section 12 of the bill as reported by the committee by inserting after the second comma, after the word "thereof", in line 19, on page 40, the following words: "or is less than the fair exchange value by not more than 10 percent."

Mr. BARKLEY. Mr. President, I wish to say to the Senator from South Carolina that I had intended to speak to him about the amendment before the bill was taken up, but it was taken up sooner than he or I thought it would be, and I did not have a chance to confer with him about the amendment. I have conferred with representatives of the Department of Agriculture, and they advise me that the amendment is agreeable, and that they can work it out according to that program.

The meaning is this. In the language on page 40 it is provided:

If the average farm price of any commodity, the rate of tax on the proceeding of which is prescribed in paragraph (2), (3), (4), or (5) of this subsection, during the 2 months immediately preceding and the first 10 months of any marketing year—

(1) is equal to, or exceeds by 20 percent or less, the fair exchange value thereof, the rate of such tax shall be reduced—

And so forth.

My amendment provides that if the fair exchange value is not less than 10 percent below, they may, under those conditions, reduce the processing tax.

I have conferred with Dr. Hudson, who is in charge of the tobacco section; I have conferred with Mr. Chester Davis, who will be in charge of the administration of the act, and they all state that they have worked it out and have discovered that they can reduce the processing tax even where the price is within 10 percent of parity, and still have enough money to carry on the operations. Under those circumstances I believe they ought to be authorized to reduce the processing tax.

Mr. McKELLAR. Tobacco is substantially on a parity now, is it not?

Mr. BARKLEY. Yes.

Mr. McKELLAR. Or above parity?

Mr. BARKLEY. It is above parity.

Mr. McKELLAR. It seems to me the amendment should be agreed to by all means, and I hope it will be. I hope the chairman of the committee will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Kentucky to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD a telegram on this subject which is in harmony with the statement made by the Senator from Kentucky.

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

TAMPA, FLA.

HON. DUNCAN U. FLETCHER,

United States Senate Office Building:

The A. A. A. amendment in bill H. R. 8492, if enacted, will prove ruinous to the cigar manufacturing industry. Farmers now receiving parity for cigar leaf tobaccos. Surpluses in that commodity have been absorbed and a definite shortage is ahead. Processing tax as proposed in H. R. 8492, despite parity have been reached, is absolutely in negation to understandings made between this industry and the A. A. A. at the beginning of the imposition of the processing tax. Proposed amendment will surely mean the elimination of many manufacturers who have up to date cheerfully cooperated with the administration's requirements. Closing of plants and resulting unemployment bound to occur. The entire situation is obviously unfair and unsound. With fair chance for public hearing, which has been denied up to date, opportunity would have been given to present facts upon which intelligent decision could have been made. In the interests of labor, farmer, consumer, and manufacturer we earnestly pray for your cooperation and assistance to the end that H. R. 8492 be referred back to the Senate subcommittee for fair discussion at public hearing.

FLORIDA CIGAR MANUFACTURERS ASSOCIATION,
A. L. CUESTA, Jr., *President.*

Mr. CAREY. Mr. President, I send to the desk an amendment to the pending bill which I offer and ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

The clerk will state the next committee amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 67, after line 22, to insert a new section, as follows:

SEC. 33. Section 7 of title 1 of the Agricultural Adjustment Act, as amended by section 221 of the National Industrial Recovery Act (48 Stat. 210, 15 U. S. C., art. 807), is amended by striking it out and inserting in lieu thereof the following:

"SEC. 7. The Secretary shall sell cotton held or acquired by him pursuant to authority of this act at his discretion subject only to the conditions and limitations of title 1 of this act: *Provided*, That the Secretary shall have authority to enter into option contracts with producers of cotton to sell to or for the producers such cotton held and/or acquired by him in such amounts and at such prices and upon such terms and conditions as he, the Secretary, may deem advisable, and such option contracts may be transferred or assigned in such manner as the Secretary of Agriculture may prescribe.

"Notwithstanding any provisions contained in option contracts heretofore issued and/or any provision of law, assignments made prior to January 11, 1934, of option contracts exercised prior to January 18, 1934, shall be deemed valid upon determination by the Secretary that such assignment was an assignment in good faith of the full interest in such contract and for full value and is free from evidence of fraud or speculation by the assignee.

"Notwithstanding any provision of existing law, the Secretary of Agriculture may, in the administration of the Agricultural Adjustment Act, make public such information as he deems necessary in order to effectuate the purposes of such act."

Mr. KING. Mr. President, I should like the amendment to go over, if it may be done, in order that I may have an opportunity to examine into it.

Mr. SMITH. Mr. President, there is nothing in this section to examine into. This provision, as read, simply means that wherever a loan has been made on cotton, or whenever there is a surplus and the price is below the cost of production, or unsatisfactory, the Secretary of Agriculture may purchase this cotton, and may redistribute it to producers in lieu of production. It was that for which for years and years I worked here, and had the cooperation of Senators on the other side, who worked in harmony with me to bring about that condition. This amendment simply makes it lawful for the Secretary of Agriculture to purchase this cotton, take it in good faith at a price agreed upon between him and the producer, and resell it to the producer in lieu of production in subsequent years.

Mr. KING. Mr. President, the explanation of the Senator may be satisfying to Senators, but I may say that it is not entirely satisfying to me. I do not know what activities have been carried on under existing law with respect to the purchase and disposition of cotton. I do know that a large quantity was purchased, and the price was pegged, as I recollect, at 12 cents per pound; but it seems now that we are to expand the powers of the Secretary of Agriculture—I am speaking without sufficient knowledge of the implications which will arise from this measure—and redistribute purchased cotton to persons who grow cotton.

I have had no chance even to read the amendment and do not understand the purpose for which the cotton is to be redistributed, unless to induce growers of cotton to refrain from producing it. Whether they are to get any monetary advantages from redistribution or distribution I am not able to understand from the explanation made by the Senator from South Carolina. Moreover, I do not understand, Mr. President, what authority the Federal Government or the Secretary of Agriculture has to buy cotton and to deal in cotton, to be a purchaser, a vendor and the vendee, to fix the price of cotton, to peg it at a certain price, to loan money upon it, and to do what this amendment seeks to be authorized to be done, if I understand the statement of the Senator from South Carolina.

A few years ago, Mr. President—and it was when the Republicans were in power—the Congress appropriated \$500,000,000 and placed it in the hands of the Farm Board. The Hoover administration and the Republican Party suffered much criticism because of this act and its administration. They were damned by Democrats and condemned by Republicans. They were damned by farmers and condemned by those who had to buy the cotton. I remember the eloquent speeches which were made by Democrats upon the floor of the Senate condemning that policy, and denouncing the authority which was exercised as being in violation of the Constitution of the United States. Yet it seems to me that this measure, if I understand it, is subject to criticism, perhaps more severe than that leveled against the Farm Board and those responsible for it. If it was wrong—and many said it was—to loan money as was done for the purchase of cotton and wheat, and to speculate in those products, then there may be ground for criticizing the policies supported by this bill. Senators will recall that several hundred million dollars were lost—wasted—by the Government through the operations of the Farm Board.

This amendment seems to me to be an unwarranted attempt to assert authority on the part of the Federal Government and to embark it upon activities entirely foreign to the purposes for which it was created.

I should like an opportunity to examine this amendment, and I again request that it may go over, to be considered tomorrow.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent that the amendment go over until tomorrow.

Mr. SMITH. Mr. President, before action is taken upon that request, I should like to make a statement.

At the time to which the Senator refers we had an enormous surplus of cotton. All Senators remember that cotton was down to an average of about 5 cents a pound. The Government tried to aid by lending a certain amount. I am not now speaking of the action of the Farm Board in connection with the cotton that it pegged or bought at 15 cents a pound; but I think it is my duty now to say that the Farm Marketing Act passed under the Hoover administration was a splendid piece of legislation. It was miserably administered, however, and it met organized opposition from the trade, which ultimately emasculated it and ruined it.

That bill simply provided that \$500,000,000 should be turned over to a board as a basis of credit, and they were to act as the selling or marketing agent or bargaining agent of the farmer.

Mr. Legge himself said to me that he did not expect to spend any of the \$500,000,000; that the cotton would be turned over in the Southern States to whatever agency they designated, and that the cotton would have financed itself. Had he or the organization been put in possession of 75 or 80 percent of the cotton it would have financed itself, and he could have deducted any reasonable price he saw fit. The same thing, he said, was true of wheat. The appropriation of \$500,000,000 and the creation of the organization was a declaration on the part of the Federal Government that it had provided an organization financed and equipped to do for the farmers the marketing which they could not do for themselves. The result was that they did not have handed over to them a bale of cotton or a bushel of wheat.

Under another provision of the bill, however, in order to demonstrate or hope to demonstrate what they might do, they bought certain amounts of wheat and cotton, thinking perhaps if they entered the market and began to demonstrate what might be done others would voluntarily send in their cotton to have it marketed. They bought at 16 cents, which, at the time they bought or loaned, was from 1 cent to 2 cents under the market. Immediately a raid on the cotton market was made throughout the country, and the price was broken far below the price they had loaned on the cotton.

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

Mr. SMITH. I yield.

Mr. ROBINSON. One of the difficulties which arose out of the Farm Marketing Act, to which the Senator is now referring, is that there was no coordination of production with the attempt to regulate marketing.

Mr. SMITH. And no marketing agreements whatever were entered into with any of the farmers.

Mr. ROBINSON. No. So it may be said that the act proved a failure apparently because of that fact. At least, that is one of the reasons why it resulted in failure. That is not true of the Agricultural Adjustment Act. Whatever other criticism may be directed against it, the fact remains that it has been the principal factor in raising and stabilizing the price of cotton and of other basic commodities dealt in, so that those prices are now two and in some cases three times as high as they were before the act was passed.

That does not tell the whole story, nor the most material part of it. The prices at which these basic commodities were selling before the Agricultural Adjustment Act was enacted were so low that they did not compensate the producers for even the major portion of the costs of production; and if it had not been passed, or if something similar had not been done, the agricultural interests of the Nation would have been ruined.

Mr. SMITH. Let me say, in reference to the criticism made by the Senator from Utah, that, as Senators will recall, we had 10,000,000 bales of surplus cotton, in 4,000,000

bales of which the Government had an equity. I introduced a bill in the Senate providing that the Government might purchase that cotton and redistribute it to the farmers at a price of 6 cents, the average price then being about 5 cents. Everyone familiar with cotton production knows that 6 cents was anywhere from 6 to 8 cents below the cost of production. So we devised the cotton option plan, and wherever a farmer was willing to reduce his crop by half the Government would substitute the other half at 6 cents a pound. What was the result? The 4,000,000 bales known as "option cotton", were allocated. The farmers reduced their crop by 4,000,000 bales and the price went to 12 cents a pound.

Mr. ROBINSON. And the surplus to that extent was disposed of.

Mr. SMITH. Yes; to that extent it was disposed of; the Government got back its 6 cents without losing a penny, and the farmers got \$30 a bale on that option cotton, which they had produced in the previous year but had been forced to dispose of below the cost of production. It was simply bought back by the Government at that price and optioned to the farmer in lieu of production by him. The farmer made \$30 a bale; the Government got every penny back, and the surplus was reduced by 4,000,000 bales.

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

Mr. SMITH. If the Senator from Utah has a better plan to offer or thinks that the option plan is out of all "whack" with the genius of the American Government, all well and good; but that is all this means, and it has worked to the benefit of those who produced. It has yielded a billion dollars of new money a year to buy commodities produced, in part, in Utah. If the Senator wants to offer an amendment providing that none of the money thus made shall be spent in Utah, I should be very glad to accept it.

Mr. KING. Mr. President, I thank the Senator for his generosity, and I am sorry I have now not time to debate this matter with him; I am compelled to go to a committee meeting now in session; but before leaving the floor I desire to challenge the Senator's attention to the declaration made in the Democratic platform of 1932. It reads as follows:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products, and the unsound policy of restricting agricultural products to the demands of domestic markets.

The Senator may find that has not been violated by this bill or by the original act to which the pending bill is supplemental. I think that the original act which was passed has some of the aspects of the farm bill which was condemned, and the policies of the A. A. A. some persons believe are somewhat akin to those of the Farm Board, which was so severely condemned.

Mr. SMITH. No.

Mr. KING. I am speaking of speculation.

Mr. SMITH. Yes; but let me call the Senator's attention to the fact that under the disastrous Republican administration there was necessarily caused a condition from which we are now trying to obtain such salvage as we can. Do not come here and say that we are doing what they did; we are salvaging something from the wreck they created.

Mr. KING. I hope that is true.

Mr. SMITH. Exactly.

Mr. KING. If the Senator will pardon me, I am compelled to leave to attend a committee meeting.

Mr. SMITH. Very well.

Mr. MCKELLAR. Mr. President, may I say, before the Senator from Utah leaves the Chamber, that what we are doing here is in exact line with the provisions of the platform from which the Senator from Utah read.

Mr. SMITH. Precisely.

Mr. President, this plan has passed the experimental stage. I wish to state that the officers of the Agricultural Department were so delighted with the operation of the option plan that they desired to incorporate it in this bill as being one of the most essential features. I think we ought to have a vote on the question now, and I ask for a vote.

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

Mr. FRAZIER. Mr. President, the Senator from Utah [Mr. KING] just complained that the Agricultural Department were not following out the Democratic platform, and I think that is a perfectly correct statement. I am sorry that they did not do so, because the Democratic platform on agriculture was much better than the Republican platform. The trouble is, however, the Agricultural Department has followed the Republican platform and not the Democratic platform. I wish to read what the Republican platform says as found on page 347 of the little booklet containing the platform:

We will support any plan which will help to balance production against demand, and thereby raise agricultural prices, provided it is economically sound.

That is just what the Democratic administration is trying to do; that is what they are trying to carry out.

Mr. ROBINSON. Mr. President, does the Senator know of any way by which agricultural prices may be stabilized or put on a profitable basis without some measure of control of production?

Mr. FRAZIER. I think the Democratic platform would have done it if it had been carried out.

Mr. ROBINSON. I think that is what we are doing.

Mr. FRAZIER. No; the majority now are following the Republican platform entirely instead of the Democratic platform.

Mr. SMITH. It is all right. I would ride the devil so long as he were going toward heaven, but I would try to get off when he changed his course.

Mr. ROBINSON. The Senator from North Dakota, who is a Republican, seems to think it is not possible for the Republicans ever to say anything in their platform that has sanity in it; but, so far as the provision that he has read relates to this controversy, it is well worthy of recognition that the failure of the farm marketing act was due to the neglect of the then administration to coordinate its enterprises for the stabilization of prices with regulated production. I do not think anyone, however reckless his views may be, has ever advanced a theory in any platform that you can maintain a sound standard of prices without regard to the amount that is produced, without regard to the supply. Necessarily when you undertake to stabilize prices, say, for instance, with the cost of production, you must have some regard to the amount of production. If you fail to do that, you pile up surpluses until your system, whatever it may be, breaks down or collapses.

Mr. FRAZIER. Mr. President, the Democratic platform mentions control of crop surpluses and giving the farmers a price based on the cost of production.

Mr. ROBINSON. That is exactly what we are trying to do.

Mr. FRAZIER. No.

Mr. ROBINSON. Surpluses cannot be controlled without some measure of regulating production. That is a very practical method of regulating production. I am glad to see the Senator from North Dakota reading the Democratic platform. Perhaps this is the first time in his life he has ever engaged in that venture.

Mr. FRAZIER. Oh, no, Mr. President.

Mr. ROBINSON. The more he reads it the greater will be his wisdom. [Laughter.]

Mr. FRAZIER. My only complaint is that the Agricultural Department did not carry out the Democratic platform instead of the Republican platform.

Mr. ROBINSON. The statute to which all this controversy is germane is designed to carry out that platform. It may not be carrying it out in the manner the Senator from North Dakota would like to see it done, but, nevertheless, it has accomplished the fundamental purpose of farm relief legislation.

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

Mr. ROBINSON. I will yield in just a moment. Since 1920 and 1921 there has been before the country a fundamental problem which has entered into various other related problems, and that is the disparity existing between the prices of agricultural products and the prices of other com-

modities. Every bill which has been passed has been directed to correcting that condition. The Farm Marketing Act failed, for the simple reason that it did not take regard of production while trying to stabilize prices on a sound basis. The reason the Agricultural Adjustment Act, in spite of all the criticisms that have been directed against it, has performed that function is that it has taken into account the necessity of regulating or controlling production while trying to stabilize prices. If there is anyone here—I do not care what his politics is; I do not care what his views on economics may be—who can find any method of stabilizing the prices of products without regard to production, without regard to surpluses, he will do a favor to the country and to the world by bringing forward his plan.

The difficulty is that those who have tried and failed in connection with this problem content themselves with criticizing what has been done, but their criticism is not constructive in that they themselves fail to provide or suggest any remedy. I now yield to the Senator from Kentucky.

Mr. BARKLEY. Does the Senator understand the position of the Senator from South Dakota to be that we should have gone on producing the surpluses and then have tried to do something about it after the surpluses had piled up rather than undertake to avoid the surplus by some method of controlling production? Is that the view of the Senator from North Dakota?

Mr. FRAZIER. Mr. President, if the Senator will yield—

Mr. ROBINSON. I will yield if I have the floor.

Mr. FRAZIER. It will be remembered, Mr. President, when the three A bill was before the Agricultural Committee of the Senate at the last session, a provision was inserted upon motion of the Senator from Nebraska [Mr. NORRIS] that would guarantee to the farmers a fixed price for the principal farm commodities, based upon the cost of production for the amount used for home consumption, and the surplus was to be taken care of in some other way, regardless of what they got for the surplus; it should be shipped abroad or kept on the farm or carried over; but on the amount used for consumption at home the farmers were to be given the cost of production as is provided by the Democratic platform. The provision to which I have referred was stricken out in the House.

Mr. ROBINSON. Of course, there was advanced the theory that the purpose underlying the bill ought to be made the "parity price", and there was advanced the proposition that it should be made the "cost of production." But there were asserted in connection with the latter proposal at least two difficulties which seemed insuperable. In the first place, there was no consensus of opinion as to exactly what elements enter into the cost of production. There was a wide diversity or difference of conditions throughout the United States as to what the cost of production actually was. There was also a diversity of opinion as to what expenditures should be taken into consideration in determining the cost of production.

The plan finally incorporated in the Agricultural Adjustment Act was the "parity price" plan; that is, to give to agricultural products the same purchasing power possessed by other products during the base period. In order to do that the base period was fixed by statute, and a plan was worked out which was incorporated in the Agricultural Adjustment Act. It is true the parity price has not as yet been reached and maintained, but it is also true that it has been approached so that the purchasing power of staple agricultural products now is two times as great as it was when the bill was passed. That has accomplished a very wholesome purpose. Those who criticize the act and are not satisfied with the results which have been achieved ought to suggest a better plan than that which has been incorporated in the Agricultural Adjustment Act.

I recognize that there are some features of the legislation which are more or less arbitrary and which present difficulties. At the same time, taking the measure as a whole and its effects as a whole, it has been very wholesome, and the Congress dare not abandon it or repeal it. I make that challenge.

Mr. FRAZIER. Mr. President, I agree the plan has been wholesome and has been of benefit, but the parity price is below cost of production. The Secretary of Agriculture admits it. The head of the A. A. A. admits it. The Senator from Arkansas will admit that so long as the farmers get anything less than cost of production they will continue to go broke.

Mr. ROBINSON. Cost of production is in itself an unsatisfactory basis. Who desires to work all his life merely to realize what he has expended in his work? That is what "cost of production" in common sense means. It means what one must expend in order to produce. Cost of production is itself a standard which has no very great uniformity in economics. The parity price is a price under which the farmers may live, carry on their operations, and enjoy some measure of profit. It is much better than the price which existed prior to the enactment of the Agricultural Adjustment Act.

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

Mr. ROBINSON. Certainly.

Mr. SMITH. The period selected for parity was a time when it was ascertained that the purchasing power of the farm dollar was 100 percent. In other words, the value of the farmer's dollar was exactly equal to the value of the dollar represented by the things he bought.

Mr. ROBINSON. Approximately. "Parity prices", like many other terms which have been used, is a technical term. It is perhaps not entirely accurate to say that in any period the purchasing power of agricultural products was exactly 100 percent compared with all other products. The base period is the time when agricultural commodities were on a fair level with other commodities.

During the war we stimulated production in every way possible. Old men who had long been retired from work were encouraged to resume toiling in the fields, and women and children were encouraged to engage in agricultural production in order that we might be sure there would be an adequate supply for our men at the front and for those of other countries who were associated with us in carrying on the great world conflict. When the great guns were silenced and 4,000,000 of our men were disbanded and sent back from military service into peaceful pursuits, we had a problem which reflected itself in the affairs of the farmers more greatly than in the industrial organizations of the country. There was a disparity.

We were producing more agricultural products than were necessary, more than we could find a market for. There were surpluses and the prices of agricultural products were relatively low compared with industrial products. So the task confronted the country of restoring a measure of parity between agricultural commodities and industrial commodities. That is the task which was undertaken by the enactment of the Agricultural Adjustment Act. It has been nearly achieved. The farmers and the people of the country generally recognize that fact.

Mr. BANKHEAD. Mr. President, the debate on the amendment has drifted into a discussion of the fundamentals underlying the bill. I am pleased that it has done so because it was inevitable and proper that there should be a discussion of the principles involved and the effect which the administration of the Agricultural Adjustment Act had upon agriculture and upon the business of the country. I have been very greatly pleased with the splendid arguments made by the senior Senator from Arkansas [Mr. ROBINSON] and the senior Senator from South Carolina [Mr. SMITH]. It is not my purpose now to attempt to add any contributions to their statements upon the subject.

However, I think it may be well, as we are going to vote on the amendment, to point out the specific purpose of the amendment now under consideration and shortly to be voted on. The amendment has been requested by the administration. It is really pending on calendar of the Senate in the form of a separate bill reported sometime ago from the Committee on Agriculture and Forestry.

It will be recalled that when the original Agricultural Adjustment Act was passed there was incorporated in it—and the senior Senator from South Carolina [Mr. SMITH]

was the author of the plan—a provision for the acquisition of the farm credit cotton and cotton held by the cooperatives, and options were given to cotton farmers to take that cotton in lieu of producing an equal amount of new cotton. This amendment relates solely to that program.

Under the original bill the Department was required by mandatory provisions to dispose of that cotton by the 31st day of March 1936. That will come shortly after the beginning of the next session of the Congress. There may not be time prior to that date for proper consideration and action. It is certainly unwise, from the standpoint of the administration and the cotton grower, to have this quantity of cotton hanging over the market with a mandatory requirement that it shall be sold regardless of the price prevailing at the time.

The amendment, in the first place, simply removes that limitation upon the time of sale and leaves it in the discretion of the Secretary of Agriculture as to when the cotton shall be sold. That is advantageous, of course, as we all know. The sudden placing of a large quantity of cotton upon the market, thereby depressing the price, would be disadvantageous not only to the cotton producer but also from the standpoint of the Public Treasury, because a loan of 12 cents per pound has been advanced upon the cotton and it is not in the public interest, simply because of the original limitation in the act, that the entire quantity of cotton should be forced upon the market next spring.

The next provision in the amendment relates to assignments and transfers of the options granted to farmers under that program. The original bill provided that the contracts should be nonassignable. However, that fact was not thoroughly known throughout the district, and it developed that a number of the contracts were sold. The Comptroller General has held that under that section the purchasers and assignees are not proper holders of those options. The amendment simply provides recognition of those options transferred in good faith, where the Secretary finds that they were for full value and free from evidence of fraud or speculation by the assignees.

The other portion of the amendment extends the time of the R. F. C. loan to correspond to the first part of the amendment, which extends and places in the power of the Secretary the time for disposition of this cotton.

So I think, with this explanation, that there should be no real opposition to the adoption of this amendment, which relates almost entirely to the time of disposition, and is offered at the request of the administration.

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

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 69, after line 2, to insert:

SEC. 34. Section 6 of the Agricultural Adjustment Act is hereby repealed.

The amendment was agreed to.

The next amendment was on page 69, after line 4, to insert:

SEC. 35. Section 4 (b) of title 1 of the Agricultural Adjustment Act, as amended by the Emergency Appropriation Act, fiscal year 1935, is amended by striking out the words "to be available until March 1, 1936" and inserting at the end of said section a new sentence to read as follows: "This sum shall be available until the cotton acquired by the Secretary of Agriculture under authority of title 1 of this act, including cotton futures, shall have been finally marketed by any agency which may have been or may be established by the Secretary of Agriculture for the handling, carrying, insuring, or marketing of any cotton acquired by the Secretary of Agriculture."

The amendment was agreed to.

The next amendment was on page 69, after line 16, to insert:

SEC. 36. Section 4 (f) of title 1 of the Agricultural Adjustment Act, as amended by the Emergency Appropriation Act, fiscal year 1935, is amended by adding at the end thereof a new paragraph to read as follows:

"The word 'obligation' when used in this section shall include (without being limited to) administrative expenses, warehouse charges, insurance, salaries, interest, costs, commissions, and other

expenses incident to handling, carrying, insuring, and marketing of said cotton."

The amendment was agreed to.

The next amendment was, on page 70, line 1, after "Sec.", to strike out "32" and insert "37"; and in line 8, after the word "for", where it occurs the second time, to insert "scientific", so as to make the section read:

SEC. 37. The Secretary of Agriculture is authorized to use as much as he finds advisable of the funds appropriated by the second paragraph of Public Resolution No. 27, Seventy-third Congress, approved May 25, 1934, to carry out section 6 of the act entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes", approved April 7, 1934, for scientific experimentation and efforts to eradicate Bang's disease in cattle. Such funds shall be available to carry out such section 6 and for the purposes for which funds are made available by this section until December 31, 1937, and may be used for all necessary expenses in connection therewith, including the employment of persons and means in the District of Columbia and elsewhere.

The amendment was agreed to.

The next amendment was, on page 70, line 16, after the word "Sec.", to strike out "33" and insert "38"; in the same line, after the word "shall", to insert "(a)"; in line 20, after the word "act", to insert "or (b)"; in the same line, after the matter just inserted, to strike out "nor shall anything contained in this act"; and in line 23, after the word "license", to insert: "or (c) invalidate any agreement entered into pursuant to section 8 (1) of the Agricultural Adjustment Act prior to the enactment of this act, or subsequent to the enactment of this act in connection with a program initiated under such section 8 (1) prior to the enactment of this act, or any act done or agreed to be done or any payment made or agreed to be made in pursuance of any such agreement, either before or after the enactment of this act, or any change in the terms and conditions of any such agreement, or any voluntary arrangements or further agreements which the Secretary finds necessary or desirable in order to complete or terminate such program pursuant to the declared policy of the Agricultural Adjustment Act", so as to make the section read:

SEC. 38. Nothing contained in this act shall (a) invalidate any marketing agreement or license in existence on the date of the enactment hereof, or any provision thereof, or any act done pursuant thereto, either before or after the enactment of this act, or (b) impair any remedy provided for on the date of the enactment thereof for the enforcement of any such marketing agreement or license, or (c) invalidate any agreement entered into pursuant to section 8 (1) of the Agricultural Adjustment Act prior to the enactment of this act, or subsequent to the enactment of this act in connection with a program initiated under such section 8 (1) prior to the enactment of this act, or any act done or agreed to be done or any payment made or agreed to be made in pursuance of any such agreement, either before or after the enactment of this act, or any change in the terms and conditions of any such agreement, or any voluntary arrangements or further agreements which the Secretary finds necessary or desirable in order to complete or terminate such program pursuant to the declared policy of the Agricultural Adjustment Act.

The amendment was agreed to.

Mr. BILBO. Mr. President, I offer an amendment to section 39, and ask unanimous consent to have it printed and lie on the table; and by agreement it is to go over until tomorrow.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. COPELAND. Mr. President, I observe that the remaining portions of the bill are new. I ask unanimous consent that on page 73, beginning with line 18, the amendments to the Kerr Tobacco Act, going through to line 9 on page 77, be passed over for the day. I do that—and I apologize for making the request—because I have had some complaints from my State about the amendments, and I should like the opportunity to look at them before we take action here.

Mr. BANKHEAD. Mr. President, I am perfectly agreeable to that course. I am temporarily in charge of the bill, the Senator from South Carolina [Mr. SMITH] having been temporarily called from the Chamber. He is the author of the amendments and of the act. If agreeable to the Senator from New York, I prefer to pass over the matter tem-

porarily until the return of the Senator from South Carolina to the Chamber. He will be back in a very short time.

Mr. COPELAND. Very well. I am only asking that I have an opportunity to look over the complaints I have received.

Mr. BANKHEAD. I say, let us just temporarily pass over the amendments. I would rather have that done.

Mr. COPELAND. Very well.

The PRESIDING OFFICER. The amendments referred to will be temporarily passed over.

Mr. FLETCHER. Mr. President, the next section as proposed by the committee, section 39, I contend ought not to be in the bill at all. I think section 39 has no true relation to the proposed legislation. It ought not to be proposed here; and I am going to ask that the committee amendment known as "section 30" be rejected wholly.

I am somewhat familiar with this question by reason of a study we made in the Committee on Banking and Currency and considerable hearings which we held when we had before us the Farm Credit Act of 1935. Last February a bill known as "Senate Bill 1384" was referred to the Committee on Banking and Currency. We had extended hearings on it; and this provision—practically the same thing, word for word—was proposed as an amendment to that bill. The committee examined the subject very carefully. The proposition was submitted in connection with section 12 of that bill, and the effort was to amend section 12 by inserting this sort of thing. The committee voted against it, voted it down, and would not allow it to be put on the bill, as it did not consider the proposition sound. When the bill came to the Senate the same matter was again proposed, and was offered in the Senate as an amendment to the Farm Credit Act of 1935. It was then discussed here, reviewed to a considerable extent, and rejected. Now it appears here as an amendment to this bill. When I read the bill I recognized it as an old acquaintance, and I inquired of Governor Myers about it, and I have a letter from him which I ask to have read by the clerk. I think it will be interesting to the whole Senate.

Mr. JOHNSON. Mr. President, will the Senator yield for a moment?

Mr. FLETCHER. I yield.

Mr. JOHNSON. I had risen merely for the purpose of suggesting, on behalf of the cooperative associations, that the amendment referred to would establish a principle which would return to plague those cooperative associations in the future, and they were hoping it would not be enacted as a part of the bill. I recognize that it does not affect the particular productions of the territory from which I come; but in that territory are located the greatest cooperative associations in the United States, and they feel that to establish a precedent such as would be established here by this amendment might ultimately interfere with the continued good work which those cooperatives are doing.

Mr. FLETCHER. I think the Senator is correct. The language would appear to limit the amendment to the marketing of cotton, but it will undoubtedly refer to the marketing of other commodities.

Mr. MCKELLAR. No, Mr. President; it refers only to cotton. It is intended to apply only to cotton. If the Senator has any apprehension about its applying to any other cooperatives, all he will have to do is to suggest the words, and I shall certainly accept them.

Mr. JOHNSON. Mr. President, I recognize that what the Senator from Tennessee says is correct. The amendment does apply only to cotton, it is true; but it establishes a rule concerning loans to cooperative cotton associations which, if applied to other cooperative associations, would be not only detrimental, but in some instances absolutely ruinous.

Mr. FLETCHER. Mr. President, the Secretary of Agriculture discusses that matter in a letter which I have here.

Mr. MCKELLAR. I wish to ask that this amendment go over.

Mr. FLETCHER. May I have the letter read?

Mr. MCKELLAR. Certainly; but I wish the pending amendment to go over. I myself desire to offer an amendment to it; and I ask that it go over in its entirety.

Mr. FLETCHER. I ask that the letter be read.

Mr. BANKHEAD. Mr. President, when the junior Senator from Mississippi offered an amendment it was my understanding that he then asked unanimous consent, which was granted, that the matter go over until tomorrow. He asked to have the amendment printed and to lie on the table, and that the section go over until tomorrow.

Mr. MCKELLAR. That will be entirely satisfactory.

Mr. FLETCHER. I have no objection to that, but I want the letter read.

Mr. MCKELLAR. I offer an amendment to be printed and to lie upon the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. FLETCHER. Mr. President, I wish to have the letter read, so that it will go into the RECORD.

The PRESIDING OFFICER. The Senator from Florida asks that the clerk read a letter, and, without objection, the clerk will read.

The legislative clerk read as follows:

FARM CREDIT ADMINISTRATION,
Washington, D. C., July 9, 1935.

HON. DUNCAN U. FLETCHER,
Chairman Senate Committee on Banking and Currency,
United States Senate.

DEAR SENATOR FLETCHER: Receipt is acknowledged of your letter of July 6, 1935, requesting my comments on the effect of the enactment of section 39 of bill H. R. 8492, entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", passed by the House of Representatives on June 18, 1935, and reported with amendments to the Senate on July 3, 1935, by the Senate Committee on Agriculture and Forestry (S. Rept. No. 1011). The section in question reads as follows:

"Sec. 39. No cotton cooperative association shall be eligible for any loan authorized to be made to cooperative associations by any agency of the Government unless such association handles the products of or supplies of bona fide cotton-producing members in an amount at least equal in value to such as are dealt in for persons other than such bona fide members." (Italics added.)

Under the prohibition contained in the foregoing amendment, no cotton cooperative association would be eligible for a loan from any agency of the Government unless such association handles the products or supplies of "bona fide cotton-producing members." The term "any agency of the Government" would prohibit the making of loans from the revolving fund provided for in the Agricultural Marketing Act, and from the Central Bank for Cooperatives and the regional banks for cooperatives created under the Farm Credit Act of 1935, and the Federal intermediate-credit banks, if the conditions stated in the amendment are not complied with.

While section 39 does not purport to amend any act of Congress, it will in fact amend subsection (a) of section 15 of the Agricultural Marketing Act, as amended by section 12 of the Farm Credit Act of 1935. Section 15 as amended reads as follows:

"(a) As used in this act, the term 'cooperative association' means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

"First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and

"Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

"And in any case to the following:

"Thrd. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. *All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association.*" (Italics added.)

It is evident that the proponents of section 39 are attempting to increase the eligibility requirements for credit of all cotton cooperatives and thereby deny to them the privileges which they now enjoy under the provisions of section 15 just above referred to. For example, these associations would be required to count as a part of their nonmember business any transaction carried on for the Government or any of its agencies.

In reality the amendment would render the American Cotton Cooperative Association ineligible to borrow from the Government or from the Central Bank for Cooperatives. At present this association is the central sales agency of 14 State or regional cooperative associations which are, in turn, owned or controlled solely by cotton farmers. While the association handles cotton of bona fide producers, its membership is made up of local cooperative associations of producers. Furthermore, the American Cotton

Cooperative Association would, in all probability, be rendered ineligible to borrow on account of the volume of cotton which it handles for the Agricultural Adjustment Administration and the Commodity Credit Corporation, all of which cotton would of necessity have to be regarded as a part of the products dealt in for persons other than bona fide cotton-producing members.

You will recall that on February 5, during the hearings before the Senate Committee on Banking and Currency on bill S. 1384 (the Farm Credit Act of 1935), Mr. George B. Coate, of Little Rock, Ark., appeared as a witness on behalf of the American Cotton Shippers Association, a trade association composed of cotton merchants. Mr. Coate objected to section 12 of the Farm Credit Act of 1935, which amended subsection (a) of section 15 of the Agricultural Marketing Act on the grounds that there existed no fundamental distinction between certain cooperative associations, including the American Cotton Cooperative Association, and cotton merchants. He contended, therefore, that the cotton merchants should either be entitled to the same credit facilities that are now extended by the Government to cotton cooperative associations or that there should be placed a definite limitation on the amount of nonmember business which such associations might handle and remain eligible to borrow, and that cotton handled for the Government should be regarded as nonmember business.

In principle I can see no difference between section 39 of bill H. R. 8492 and Mr. Coate's proposed amendment to the Farm Credit Act of 1935, which the Senate Committee on Banking and Currency declined to adopt. For your convenient reference I am attaching hereto a copy of part 2 of the hearings before the Senate Committee on Banking and Currency on bill S. 1384, on pages 66, 69, 70, 71, and 72, of which we have underscored the statements made by Mr. Coate to which I have referred.

I would like also to call to your attention the statements made by Mr. N. C. Williamson, a cotton farmer of Lake Providence, La., and the president of the American Cotton Cooperative Association, appearing on pages 73 to 83, part 2, of the report of the same hearing. I should like for you to consider particularly the statement by the Farm Credit Administration relating to complaints of cotton shippers against American cotton cooperative associations, which begins on page 76.

In this connection it seems to me that there is no basis for the complaints that have been made by cotton shippers and merchants, in view of the fact that the cooperative associations dealing in agricultural commodities are following accepted and recognized business practices. No law has been brought to my attention which prevents a cotton cooperative from functioning in this way. Any earnings which are made are for the ultimate advantage of the growers themselves. In 1934 the American Cotton Cooperative Association returned these surplus earnings to the growers in the form of a patronage dividend paid on a per-bale basis.

Although section 39 is directed only to the sale of cotton, its adoption may seriously affect the orderly marketing of other commodities. For instance, if the marketing of cotton may be made the subject of special legislation, designed to curtail the activities or available credit of the central sales agency for such commodity, local associations of producers of other agricultural products will hesitate to enter into any marketing programs which are dependent upon obtaining a line of credit from the Farm Credit Administration or from any of the institutions under its supervision for fear that the commercial agencies dealing in the same products may successfully promote similar legislation for their benefit.

In the circumstances I recommend that section 39 of bill H. R. 8492 be eliminated.

Sincerely yours,

W. I. MYERS, Governor.

Mr. FLETCHER. Mr. President, I have a copy of the hearings referred to, but I will not bother the Senate now to read from them. They are available, and the arguments and reasons pertaining to this proposition are very clearly set forth in the hearings before the Committee on Banking and Currency.

At the same time I inquired of Governor Myers about the effect of the amendment, in response to which inquiry he wrote the letter which has just been read; I inquired also of the Secretary of Agriculture, and since this matter has come up the reply of the Secretary has come to me. I have it here now, but it is getting late, and I will not ask to have it read. However, I ask to have it printed in the RECORD. He concludes by saying:

If cotton cooperatives can meet the qualifications which Congress has laid down and which are administered by these agencies, there would appear no justification for this provision which apparently discriminates against cotton cooperatives.

I ask to have the whole letter printed in the RECORD.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection?

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

LXXIX—690

DEPARTMENT OF AGRICULTURE,

Washington, July 10, 1935.

HON. DUNCAN U. FLETCHER,

United States Senate.

DEAR SENATOR FLETCHER: You have asked me for comments on section 39 of H. R. 8492, which relates to cotton cooperatives, and undertakes to render ineligible cotton cooperative associations for Government credit "unless such association handles the products of or supplies of bona fide cotton-producing members in an amount at least equal in value to such as are dealt in for persons other than such bona fide members."

Primarily this is a matter of concern to the Farm Credit Administration. Yet the question raised is, of course, of vital importance to the general principle of cooperative marketing. As you pointed out in your letter, the Banking and Currency Committee, in considering the Farm Credit Act of 1935, considered the complaints of the cotton trade which section 39 of H. R. 8492 seeks to relieve. Your committee at that time declined to adopt an amendment somewhat similar to the section under discussion.

There are two points which occur to me to merit special consideration. They are:

(1) By the use of the term "bona fide cotton-producing members" the section purports to qualify the concept of "members" as used in prior legislation pertaining to cooperative associations. Such legislation defining cooperative associations and setting up standards of qualification for them are: (a) The Capper-Volstead Act (42 Stat. 388 (1922)); (b) section 15 (a) of the Agricultural Marketing Act (approved June 15, 1929) (46 Stat. 18); (c) section 55 (a) of the Farm Credit Act of 1933, amending section 15 (a) of the Agricultural Marketing Act (48 Stat. 257); and (d) section 12 of the Farm Credit Act of 1935, amending the Agricultural Marketing Act and the Farm Credit Act of 1933 (Public, No. 87).

Appearing in all of these statutes is a provision that an association "shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members." The Farm Credit Act of 1933 and the Farm Credit Act of 1935 contain a further provision to the effect that the association "shall not deal in supplies for nonmembers to an amount greater in value than such as are handled by it for members." And while no qualification of the term "members" such as appears in section 39 is present in any of these statutes, they all uniformly make producer membership and producer control a basic essential of cooperative organization, with a proviso that operations shall be for the mutual benefit of members as producers. The use of the term "bona fide cotton-producing members" in this section is susceptible of an interpretation restricting farm-credit facilities to local independent cooperative associations, thus excluding organizations composed of local or independent cooperative associations. Although the prior legislation already referred to does not expressly allude to such organizations composed of a group of local or independent associations, the Capper-Volstead Act permits associations to have marketing agencies in common, and an opinion of the Attorney General (36 Op. Atty. Gen. 336 (1930)) has been rendered to the effect that loans by the Federal Farm Board, now the Federal Farm Administration, may be extended to such organizations provided they qualify otherwise.

(2) The second consideration which is of concern to the Agricultural Adjustment Administration relates to business transacted for or on behalf of the Government. In failing expressly to provide that business transacted by any cooperative association for the Government shall be disregarded in determining the volume of member and nonmember business transacted by such association, the section sets up a standard of qualification for obtaining credit facilities with respect to cotton cooperatives different from that applicable to all other classes of cooperatives under section 12 of the Farm Credit Act of 1935. This section provides that in calculating member and nonmember business done by any cooperative association, that transacted for or on behalf of the United States or any agency thereof be disregarded.

It is to be noted that section 12 of the Farm Credit Act of 1935 was enacted to cure a defect in prior legislation which did not contain a reference to business done for the United States and which, therefore, the Federal court in the case of *Board of Trade of City of Chicago v. Wallace* (67 F. (2d) 402 (1933)) interpreted as meaning that all business not done for members was to be regarded as having been done for nonmembers. The effect of section 39 of the proposed amendments, it is suggested, is to follow the interpretation of the court in the case just cited, particularly since the division is on the basis of "members" and "persons other than such bona fide members." It is, therefore, my view that section 39, which is in reality an amendment to the Farm Credit Act of 1935, should be considered apart from the amendments to the Agricultural Adjustment Act now pending. It would appear that if this amendment is adopted Congress would reverse its already established policy relative to farmer-owned and farmer-controlled marketing institutions. The question of membership structure is a matter which is under the jurisdiction of the Farm Credit Administration or the Bureau of Internal Revenue with reference to tax matters. If cotton cooperatives can meet the qualifications which Congress has laid down and which are administered by these agencies, there would appear no justification for this provision which apparently discriminates against cotton cooperatives.

Sincerely,

H. A. WALLACE, Secretary.

Mr. McKELLAR. Mr. President, this matter will be argued tomorrow, so I am not now going to take any time on it, except to say that this provision applies only to cotton cooperatives, and the cotton dealers of my section of the country are absolutely being put out of business by this cooperative association which is backed by the Government. In other words, money is furnished this cooperative association by the Government for the purpose of putting those engaged in the cotton trade absolutely out of business. Hundreds of them in my section of the country are being put out of business, and many are out of business already, as a matter of fact.

What is the result? The result is that the cotton trade is being monopolized by four great companies. What are those companies? One is Weil & Co., the next one is McFadden & Co., the next one is Anderson, Clayton & Co., and the fourth is the Cotton Cooperative Association, backed by the United States Government, and all the money necessary to put the cotton dealers out of business is furnished by the Government.

They do not confine their business to their members; they obtain the business from people who are not members. It was never intended that that should be done. They are going wholly out of bounds. All this amendment does is to provide that dealers who have been in the cotton business all the time, and who have managed it and controlled it well, and who have done a good job for the farmer, shall not be absolutely destroyed by a Government-controlled corporation. What is the result? The result is that these four great concerns—Anderson, Clayton & Co., Weil & Co., McFadden & Co., and the United States Government, through the cooperatives—are monopolizing the business.

What has the cooperative in cotton done? I desire to read a short joint resolution which was introduced by the Senator from North Dakota [Mr. FRAZIER]. I ask Senators to listen to this:

That for the purpose of adjustment and settlement of losses—

Settlement of losses—

sustained by the cooperative marketing associations dealing in grain during the stabilization operations of the Federal Farm Board in the years 1929 and 1930 when such cooperative marketing associations were induced and requested by the Federal Farm Board to withhold grain and/or cotton from the market and to make advances to their members in order to stabilize prices, the Federal Farm Credit Administration—

By the way, the Federal Farm Credit Administration is presided over by Dr. Myers, who has just written the letter which was put into the RECORD by the Senator from Florida [Mr. FLETCHER]—

is hereby authorized and directed to make such adjustments and settlements in accordance with the understanding that such cooperative marketing associations had with the Federal Farm Board, and on the basis of a price or a sum equal to the amount directly loaned or advanced to such associations plus carrying charges and operation costs in connection with such grain and/or cotton from the date of the loans or advances to the date that such grain and/or cotton was finally taken over by the Federal Farm Board or delivered pursuant to its instructions.

What does that mean? It means that the cooperative cotton associations went on the market and gambled in cotton during these years, and sustained enormous losses; and now they are asking the Government to pay back those losses when they gambled in the name of the Government!

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

Mr. McKELLAR. I yield.

Mr. FRAZIER. I am not interested in any losses of the cotton cooperatives—

Mr. McKELLAR. I thought the Senator from North Dakota was a cotton expert who was here offering a measure in the interest of the downtrodden cotton cooperatives of the South who had been gambling in cotton.

Mr. FRAZIER. No, no, Mr. President.

Mr. McKELLAR. The Senator's joint resolution has that effect.

Mr. FRAZIER. No; this joint resolution does not refer to gambling in cotton at all.

Mr. McKELLAR. Mr. President, it does not refer to it, but it provides that the United States Government shall

make up the losses of the cotton cooperatives. That is what it does. I desire to give the Senator credit for offering to strike out cotton. I admire him and respect him for that; and whenever the joint resolution comes up, if he is willing to strike out cotton, I am perfectly willing that his joint resolution may be passed, because I do not know anything about wheat, and he knows something about it. I am not familiar with it. I know, however, that the cooperatives that this Government is backing is a monopoly, or an attempted monopoly, of the cotton business, have had their losses, and that the Government ought not to stand the losses.

Mr. President, what is the program? The program is that the Government goes into partnership with the cooperatives. If cotton goes down, the Government pays the losses. If it goes up, the cooperatives get the benefit. That is what it is. I do not think that is fair. I do not think it is fair to put all the private cotton dealers out of business for the benefit of cooperatives who have absolutely failed, with two exceptions. One is the Mississippi Long Staple Cotton Growers' Association—that is a splendid association—and the other is a new one which has grown up more recently.

As a matter of fact, if this joint resolution introduced by the Senator from North Dakota [Mr. FRAZIER] shall pass—and what he has to do with cotton I do not know; I do not think any cotton is grown in his part of the country—but if the joint resolution is passed as introduced by the Senator from North Dakota, it will cost the Government millions of dollars. For whose benefit? For the benefit of a lot of gamblers who were in a cotton cooperative association.

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

Mr. McKELLAR. I yield.

Mr. FRAZIER. I had no interest whatever in the cotton gamblers.

Mr. McKELLAR. The Senator is doing them a great service.

Mr. FRAZIER. The joint resolution as originally introduced applied only to the cooperatives dealing in wheat; but at the request of some of the cotton cooperatives they were included when the joint resolution was considered by the committee.

Mr. McKELLAR. It was a very fine gambling scheme for them to be included in this way, and the joint resolution came very near passing by unanimous consent in the Senate.

Mr. FRAZIER. It did pass the Senate last year.

Mr. McKELLAR. It got through by common consent, without anyone knowing it applied to cotton.

Mr. FRAZIER. The joint resolution simply provided that any losses should be put up to the Farm Credit Administration, which was to pass on the question; and I feel confident that the Farm Credit Administration would not approve the payment by the Government of any losses incurred in gambling on the market.

Mr. McKELLAR. The cooperatives bought cotton futures, just as other gamblers on the market did; and the mere fact that they operated under the title of "cooperatives" did not make it any less gambling. They lost, and the Senator's joint resolution undertakes to have the Government sustain those losses. I am opposed to that measure, and it was for that reason that I offered this amendment.

By the way, someone—I do not remember his name, and it is immaterial anyway—wrote a letter saying that this amendment was put in the bill by stealth. I ask the Chairman of the Senate Committee on Agriculture and Forestry if I did not come before the full committee with the amendment and ask that his committee adopt the amendment, and if I did not make an argument somewhat similar to that which I am making today in the Senate. I do not do things by stealth when it comes to legislation, or when it comes to anything else. That man was simply fabricating his story. That is all there is to it.

Mr. BANKHEAD. Mr. President, I wish to remind the Senator from Tennessee that, in addition to his coming before the committee, he offered the amendment on the floor of the Senate.

Mr. McKELLAR. Of course I did. If ever a matter was dealt with openly and aboveboard, this one was. I think

every Senator here will bear me out when I say I have never undertaken to "put anything over" upon this body or anybody else by stealth. I am not that kind of a man.

Tomorrow, Mr. President, I shall finish what I have to say about this matter.

Mr. McADOO. Mr. President, I offer an amendment to the pending bill, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. BORAH. Mr. President, I desire to return to a matter which I think we can dispose of without any debate or discussion, and that is the amendment on page 11, line 3, "wool and mohair."

I have canvassed the situation with regard to this amendment, and the Senator from New Mexico [Mr. HATCH] is entirely willing that the amendment should be rejected. So far as I know, the representatives of States which would be particularly interested are of the same view. Has the Senator from South Carolina any objection to that amendment being rejected?

Mr. SMITH. Not the slightest, because I think the amendment was put in the bill under the impression that it was desired by the wool producers; and if their representatives here desire it to go out, the Chairman of the Committee on Agriculture and Forestry has no objection.

Mr. BORAH. Mr. President, I ask that the amendment on page 11, to which I have just made reference, be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 11, line 3, after the word "milk", it is proposed to insert "wool and mohair."

Mr. BORAH. Mr. President, I ask that that amendment be rejected.

The PRESIDING OFFICER. The question is on the committee amendment on page 11, line 3. The amendment is rejected.

Mr. BANKHEAD. Mr. President, I offer an amendment to the pending bill, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. SMITH. Mr. President, I understand that we have now reached page 71, together with amendments which are passed over. If we take a recess now, we can begin tomorrow on page 71, with line 19. So far as I am concerned, as chairman of the committee, I should be very glad if we might now take a recess until tomorrow.

Mr. BLACK. Mr. President, I promised the Senator from South Carolina [Mr. BYRNES], who desires to submit some reports from his committee, to call a quorum before recess is taken. I am glad to do so, because I am interested in one of the reports he is to make. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Reynolds
Balley	Davis	Lewis	Robinson
Bankhead	Dickinson	Logan	Russell
Barbour	Dieterich	Loneragan	Schall
Barkley	Donahay	McAdoo	Schwellenbach
Bilbo	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Smith
Borah	George	Maloney	Steiwer
Brown	Gerry	Metcalf	Thomas, Okla.
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Gulley	Murray	Tydings
Byrnes	Hale	Neely	Vandenbergh
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hastings	Norris	Wagner
Carey	Hatch	Nye	Walsh
Chavez	Hayden	O'Mahoney	Wheeler
Clark	Holt	Overton	White

Mr. LEWIS. Mr. President, I announce the absence of the Senator from Nevada [Mr. McCARRAN], occasioned by a death in his family, and the absence of the Senator from

Louisiana [Mr. LONG], detained in his home State by official matters.

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

RESOLUTIONS REPORTED FROM COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with amendments Senate Resolutions 165, 147, and 169, and Senate Resolution 166 without amendment. I ask unanimous consent for their immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the resolutions for which the Senator from South Carolina requests consideration.

LOBBYING ACTIVITIES IN CONNECTION WITH HOLDING-COMPANY BILL

The Senate proceeded to consider the resolution (S. Res. 165), submitted by Mr. BLACK on the 2d instant, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, with amendments.

The amendments of the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 1, to strike out lines 1 to 7, inclusive, as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the lobbying activities in connection with the so-called "holding-company bill." The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations.

And insert in lieu thereof the following:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of all lobbying activities and all efforts to influence, encourage, promote, or retard legislation, directly or indirectly, in connection with the so-called "holding-company bill", or any other matter or proposal affecting legislation. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendation.

On the same page, line 12, after the word "employ", to strike out "such" and insert "and to call upon the executive departments for"; and on page 2, line 7, after the word "exceed", to strike out "\$150,000" and insert "\$50,000"; so as to make the resolution read:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of all lobbying activities and all efforts to influence, encourage, promote, or retard legislation, directly or indirectly, in connection with the so-called "holding company bill", or any other matter or proposal affecting legislation. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ and to call upon the executive departments for clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

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

Mr. McNARY. Mr. President, I ask that the resolution go over for the day under the rule.

Mr. BLACK. Mr. President, may I suggest to the Senator that the resolution, insofar as policy is concerned, was unanimously approved by the Interstate Commerce Committee of the Senate?

Mr. McNARY. I appreciate that; but a request has come to me to have it go over for the day.

Mr. BLACK. Would the Senator object to stating who submitted the request?

Mr. McNARY. I object in my own right.

Mr. BLACK. I wish to give notice that tomorrow at 12 o'clock, as soon as the Senate convenes, I shall ask to proceed to the consideration of the resolution, and if there be objection, I shall make a motion to that effect.

The VICE PRESIDENT. On objection, the resolution will go over.

INVESTIGATION OF STEAMSHIP DISASTERS—LIMIT OF EXPENDITURES

The Senate proceeded to consider the resolution (S. Res. 147) submitted by Mr. COPELAND on June 3, 1935, reported this day by Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment, in line 1, to strike out "\$25,000" and insert in lieu thereof "\$10,000", so as to make the resolution read:

Resolved, That the sum of \$10,000 be made available to the Committee on Commerce from the contingent fund of the Senate to cover expenses incurred by the committee in the continued exercise of its privileges and duties prescribed by Senate Resolution No. 7, Seventy-fourth Congress, first session.

The amendment was agreed to.

The resolution as amended was agreed to.

PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

The Senate proceeded to consider the resolution (S. Res. 160) submitted by Mr. ADAMS and Mr. STEWER on June 24, 1935, and reported this day by Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, with amendments.

The amendments of the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 1, line 1, before the word "Senators", to strike out "three" and insert "five"; on page 2, line 12, after the word "papers" and the comma, to insert "correspondence"; and in line 13, before the word "documents", to insert "other", so as to make the resolution read:

Whereas wool is one of the major agricultural products of many sections of the United States and is used in many industries and provides a substantial part of the commerce of the country; and

Whereas proper methods of marketing wool are essential to the establishment and maintenance of the prosperity of the industry; and

Whereas existing methods of marketing the wool crop have proved unsatisfactory to the wool producers of America: Therefore be it

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the production, transportation, and marketing of wool. The committee shall report to the Senate, not later than the beginning of the second session of the Seventy-fourth Congress, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, correspondence, and other documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution as amended was agreed to.

LYDA BEERY

The resolution (S. Res. 166) submitted by Mr. COPELAND on the 8th instant and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Lyda Beery, sister of Lutie M. Hart, late an assistant clerk to the Committee on Commerce of the Senate, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

ALICE L. WOOLMAN

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nomination of Alice L. Woolman to be postmaster at Coweta, Okla., may be recommitted to the Committee on Post Offices and Post Roads.

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

STATE ADMINISTRATORS IN WORKS PROGRESS ADMINISTRATION

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read; and he will then ask the Senate's pleasure about the matter of the committee to which the nominations should be referred.

The legislative clerk read as follows:

THE WHITE HOUSE,
July 10, 1935.

To the Senate of the United States:

I nominate the following-named persons for appointment as State administrators in the Works Progress Administration, as follows:

Thad Holt, for Alabama.
W. R. Dyess, for Arkansas.
Frank Y. McLaughlin, for California.
Paul D. Shriver, for Colorado.
Matthew J. Daly, for Connecticut.
C. B. Treadway, for Florida.
J. L. Hood, for Idaho.
Robert J. Dunham, for Illinois.
Wayne Coy, for Indiana.
Evan Griffith, for Kansas.
George H. Goodman, for Kentucky.
John H. Mackall, for Maryland.
Harry Lynn Pierson, for Michigan.
Wayne Alliston, for Mississippi.
Victor Christgau, for Minnesota.
Matthew S. Murray, for Missouri.
Ray Hart, for Montana.
D. F. Felton, for Nebraska.
William H. J. Ely, for New Jersey.
Lea Rowland, for New Mexico.
Lester Herzog, for New York.
G. W. Coan, Jr., for North Carolina.
Thomas H. Moodie, for North Dakota.
E. W. S. Key, for Oklahoma.
E. J. Griffith, for Oregon.
Edward N. Jones, for Pennsylvania.
J. Burleigh Cheney, for Rhode Island.
Lawrence Pinckney, for South Carolina.
M. A. Kennedy, for South Dakota.
Harry S. Berry, for Tennessee.
H. P. Drought, for Texas.
Darrell J. Greenwell, for Utah.
William A. Smith, for Virginia.
George H. Gannon, for Washington.

FRANKLIN D. ROOSEVELT.

The VICE PRESIDENT. The Appropriations Committee handled the legislation under which the nominations are submitted. As a usual thing, very few nominations go to

that committee. The Chair wishes to have the Senate discuss the matter and determine the reference of the nominations.

Mr. McNARY. Mr. President, inasmuch as the Appropriations Committee has jurisdiction of the general legislation, I think it is very clear that the nominations should be referred to that committee.

Mr. McKELLAR. Mr. President, I believe several similar nominations have already been referred to the Appropriations Committee, and it would be carrying out that precedent to refer these nominations to it. I think one previous nomination went to another committee, though I do not remember what committee it was.

I think the nominations should be referred to the Appropriations Committee.

The VICE PRESIDENT. Without objection, the nominations will be referred to the Committee on Appropriations.

The calendar is now in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, July 11, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of May 13), 1935

ASSISTANT ATTORNEY GENERAL

John Dickinson, of Pennsylvania, to be an assistant attorney general, vice Harold M. Stephens, appointed assistant to the Attorney General.

PUBLIC HEALTH SERVICE

Dr. Thornburn S. McGowan to be assistant surgeon in the United States Public Health Service, to take effect from date of oath.

STATE ENGINEER FOR PUBLIC WORKS ADMINISTRATION

Robert A. Radford, of Minnesota, to be State engineer for the Public Works Administration in Minnesota.

STATE ADMINISTRATORS IN THE WORKS PROGRESS ADMINISTRATION

Thad Holt, for Alabama.

W. R. Dyess, for Arkansas.

Frank Y. McLaughlin, for California.

Paul D. Shriver, for Colorado.

Matthew J. Daly, for Connecticut.

C. B. Treadway, for Florida.

J. L. Hood, for Idaho.

Robert J. Dunham, for Illinois.

Wayne Coy, for Indiana.

Evan Griffith, for Kansas.

George H. Goodman, for Kentucky.

John H. Mackall, for Maryland.

Harry Lynn Pierson, for Michigan.

Wayne Alliston, for Mississippi.

Victor Christgau, for Minnesota.

Matthew S. Murray, for Missouri.

Ray Hart, for Montana.

D. F. Felton, for Nebraska.

William H. J. Ely, for New Jersey.

Lea Rowland, for New Mexico.

Lester Herzog, for New York.

G. W. Coan, Jr., for North Carolina.

Thomas H. Moodie, for North Dakota.

E. W. S. Key, for Oklahoma.

E. J. Griffith, for Oregon.

Edward N. Jones, for Pennsylvania.

Lawrence Pinckney, for South Carolina.

M. A. Kennedy, for South Dakota.

Harry S. Berry, for Tennessee.

H. P. Drought, for Texas.

Darrell J. Greenwell, for Utah.

William A. Smith, for Virginia.

George H. Gannon, for Washington.

J. Burleigh Cheney, for Rhode Island.

POSTMASTERS

ALABAMA

Grace C. Spangler to be postmaster at Leighton, Ala., in place of S. E. Sanderson. Incumbent's commission expired December 16, 1934.

Jeptha H. Blake to be postmaster at Sheffield, Ala., in place of E. L. Kiick, removed.

ARIZONA

Caleb O. Rice to be postmaster at Douglas, Ariz., in place of E. J. Huxtable. Incumbent's commission expired January 13, 1935.

Zola W. Buffington to be postmaster at Pima, Ariz., in place of A. E. Weech. Incumbent's commission expired February 25, 1935.

Wilcie G. Hoel to be postmaster at Peoria, Ariz., in place of J. M. Turner. Incumbent's commission expired February 4, 1935.

John Murray to be postmaster at Snowflake, Ariz. Office became Presidential July 1, 1935.

Burt Fox to be postmaster at Wickenburg, Ariz., in place of B. A. Wilmoth, resigned.

ARKANSAS

Bascom B. Bevens to be postmaster at Booneville, Ark., in place of J. L. Callahan, resigned.

Raymond M. Moore to be postmaster at Vilonia, Ark., in place of Dalton Matthews, resigned.

Isaac Franklin Jennings to be postmaster at Leslie, Ark., in place of B. L. Castleberry, deceased.

CALIFORNIA

Alfred A. True to be postmaster at Barstow, Calif., in place of A. A. True. Incumbent's commission expired February 4, 1935.

Max Lynn Green to be postmaster at Glendale, Calif., in place of E. F. Heisser. Incumbent's commission expired February 4, 1935.

Lutheria F. Cunningham to be postmaster at Saratoga, Calif., in place of C. V. Stoute. Incumbent's commission expired January 22, 1935.

Ada McIntire to be postmaster at Azusa, Calif., in place of J. W. Calvert, Jr., resigned.

Ruby M. Podva to be postmaster at Danville, Calif., in place of Emma Dodge, resigned.

Ernest Martin to be postmaster at San Bernardino, Calif., in place of S. G. Batchelor. Incumbent's commission expired February 14, 1935.

Mat Alfred Schaeffer to be postmaster at Vernalis, Calif. Office became Presidential July 1, 1935.

Ollye Beard to be postmaster at Yorba Linda, Calif., in place of F. W. Stahler. Incumbent's commission expired December 18, 1934.

COLORADO

Lena Humiston to be postmaster at Bayfield, Colo. Office became Presidential July 1, 1935.

Rose Richards to be postmaster at Buena Vista, Colo., in place of T. E. Sexton, resigned.

Rudolph G. Verzuh to be postmaster at Crested Butte, Colo., in place of F. J. Dyer, resigned.

Jenner A. Hames to be postmaster at Genoa, Colo., in place of E. P. Owen, deceased.

Anna May Durham to be postmaster at Mount Morrison, Colo. Office became Presidential July 1, 1935.

Cleatus G. Marshall to be postmaster at Pagosa Springs, Colo., in place of L. L. Marsh. Incumbent's commission expired June 17, 1934.

CONNECTICUT

Helen O. Gatchell to be postmaster at Andover, Conn., in place of G. M. Bartlett. Incumbent's commission expired January 13, 1935.

Frank E. Hurgin to be postmaster at Bethel, Conn., in place of C. K. Bailey. Incumbent's commission expired December 18, 1934.

Lawrence T. Loftus to be postmaster at Broad Brook, Conn., in place of H. A. Middleton. Incumbent's commission expired December 18, 1934.

Pauline I. Olie to be postmaster at Pequabuck, Conn., in place of M. M. Olie. Incumbent's commission expired June 20, 1934.

John L. Walker to be postmaster at Ridgefield, Conn., in place of G. L. Rockwell. Incumbent's commission expired December 8, 1932.

FLORIDA

Florence M. Bowman to be postmaster at Clermont, Fla., in place of I. H. Boyd. Incumbent's commission expired February 27, 1935.

Montrose W. Neeley to be postmaster at Wabasso, Fla. Office became Presidential July 1, 1935.

GEORGIA

Essie T. Patterson to be postmaster at Byromville, Ga. Office became Presidential July 1, 1935.

Jim Lou Cox Hoggard to be postmaster at Camilla, Ga., in place of G. W. McKnight. Incumbent's commission expired June 4, 1934.

Joseph D. Holland to be postmaster at Nashville, Ga., in place of B. L. Bennett, removed.

Zack L. Strange to be postmaster at Collegeboro, Ga., in place of G. H. Wells, resigned.

Peyton T. Anderson to be postmaster at Macon, Ga., in place of F. D. Stephens, deceased.

Thomas Archie Pearson to be postmaster at Nicholls, Ga., in place of E. A. Meeks. Incumbent's commission expired March 8, 1934.

William E. Pitts to be postmaster at Rocky Ford, Ga. Office became Presidential July 1, 1935.

Watson K. Barker to be postmaster at Sardis, Ga. Office became Presidential July 1, 1935.

IDAHO

Harold E. Landacre to be postmaster at Dubois, Idaho, in place of B. H. Thomas, resigned.

ILLINOIS

Floyd Wells to be postmaster at Barry, Ill., in place of E. C. O'Brien, removed.

Everett Sherman Howell to be postmaster at Bluford, Ill., in place of H. E. Wood, deceased.

William D. Milnes to be postmaster at Maroa, Ill., in place of W. W. Ward. Incumbent's commission expired January 22, 1935.

Joseph L. Lynch to be postmaster at Oak Park, Ill., in place of L. B. McAllister. Incumbent's commission expired February 14, 1935.

Audrey U. Banks to be postmaster at Willow Springs, Ill. Office became Presidential July 1, 1935.

Anthony V. Wallace to be postmaster at Windsor, Ill., in place of C. S. Hoots. Incumbent's commission expired December 18, 1934.

Frank M. Bradley to be postmaster at Geneseo, Ill., in place of G. J. Rohweder. Incumbent's commission expired January 28, 1935.

Charles Clark Angle to be postmaster at Hillview, Ill. Office became Presidential July 1, 1935.

Robert E. Gamble to be postmaster at Kirkwood, Ill., in place of O. H. Akin. Incumbent's commission expired December 18, 1934.

William D. Newcomer to be postmaster at Leaf River, Ill. Office became Presidential July 1, 1935.

James Carson to be postmaster at Mahomet, Ill. Office became Presidential July 1, 1935.

Ellis J. O'Daniel to be postmaster at New Lenox, Ill. Office became Presidential July 1, 1935.

Jacob A. Hirsbrunner to be postmaster at Olivet, Ill. Office became Presidential July 1, 1935.

Florence Myrtle Allison to be postmaster at Onarga, Ill., in place of Fred Austen. Incumbent's commission expired June 24, 1934.

Raymond L. Modro to be postmaster at Varna, Ill. Office became Presidential July 1, 1935.

INDIANA

Joseph A. McCormick to be postmaster at Ambia, Ind. Office became Presidential July 1, 1935.

Liza A. Leonard to be postmaster at Birdseye, Ind., in place of Fred Austin, resigned.

Neola S. True to be postmaster at Demotte, Ind. Office became Presidential July 1, 1935.

Norma L. A. Koerner to be postmaster at Huntingburg, Ind., in place of O. C. Wulfman. Incumbent's commission expired February 21, 1935.

William S. Courtney to be postmaster at Jamestown, Ind., in place of E. B. Spohr. Incumbent's commission expired December 18, 1933.

Alton Byrd to be postmaster at Ladoga, Ind., in place of H. T. Hines. Incumbent's commission expired April 29, 1933.

Stella Cisco to be postmaster at Madison, Ind., in place of H. E. Nichols, removed.

Blanche Webster to be postmaster at Bloomingdale, Ind., in place of J. G. Evans, removed.

Lawrence H. Barkley to be postmaster at Moores Hill, Ind., in place of C. B. Thomas. Incumbent's commission expired December 9, 1934.

IOWA

John B. Murphy to be postmaster at Fairbank, Iowa, in place of G. F. Monroe. Incumbent's commission expired January 22, 1935.

Edward A. Kregel to be postmaster at Garnavillo, Iowa, in place of W. B. Kuenzel. Incumbent's commission expired April 28, 1934.

Earle F. Rex to be postmaster at Odebolt, Iowa, in place of O. W. Larson. Incumbent's commission expired February 14, 1935.

Francis W. Aubry to be postmaster at Perry, Iowa, in place of W. T. Stockton. Incumbent's commission expired December 20, 1934.

Mack C. DeLong to be postmaster at Washington, Iowa, in place of Harry McCall. Incumbent's commission expired December 20, 1934.

Jimmie N. Hopkins to be postmaster at Whiting, Iowa, in place of R. I. Polly. Incumbent's commission expired June 26, 1934.

LeVerne Riggs to be postmaster at Cumberland, Iowa, in place of C. A. Worthington, resigned.

Thomas H. Kenefick to be postmaster at Eagle Grove, Iowa, in place of B. S. Borwey, transferred.

Raymond A. Johnson to be postmaster at Latimer, Iowa. Office became Presidential July 1, 1935.

William H. Theisen to be postmaster at Palmer, Iowa. Office became Presidential July 1, 1935.

Lee E. Finders to be postmaster at Oelwein, Iowa, in place of J. W. Dwyer, removed.

Charles A. Alter to be postmaster at Persia, Iowa, in place of C. M. Willard, deceased.

Charles B. Chapman to be postmaster at Prescott, Iowa, in place of O. M. Green. Incumbent's commission expired December 18, 1933.

Marie Eilers to be postmaster at Steamboat Rock, Iowa. Office became Presidential July 1, 1935.

KANSAS

Ralph A. Ward to be postmaster at Alden, Kans. Office became Presidential July 1, 1935.

Elmer E. Howerton to be postmaster at Blue Mound, Kans., in place of C. L. Porter. Incumbent's commission expired February 4, 1935.

Ralph Russell to be postmaster at Hutchinson, Kans., in place of D. J. Wilson, resigned.

Joseph Earl Gegley to be postmaster at La Cygene, Kans., in place of G. E. Goodson. Incumbent's commission expired December 20, 1934.

Moses P. Davis to be postmaster at Madison, Kans., in place of H. V. Baxter. Incumbent's commission expired June 20, 1934.

William R. Jones to be postmaster at Reading, Kans. Office became Presidential July 1, 1935.

Wendel J. Schulte to be postmaster at Westphalia, Kans., in place of Elmer Alban. Incumbent's commission expired December 20, 1934.

John H. Eckhart to be postmaster at Almena, Kans., in place of P. F. Grout. Incumbent's commission expired January 13, 1935.

Lindsey S. Haile to be postmaster at Howard, Kans., in place of Austin Kinzey, resigned.

Alfred L. Hastings to be postmaster at Thayer, Kans., in place of W. A. Walt. Incumbent's commission expired January 22, 1935.

KENTUCKY

Charles W. Hardin to be postmaster at Crestwood, Ky., in place of W. C. West, resigned.

Mildred Fiechter to be postmaster at Cumberland, Ky., in place of L. B. Davisworth, removed.

Robert E. Wallace to be postmaster at Greenville, Ky., in place of O. S. Curd. Incumbent's commission expired December 18, 1934.

Oscar D. Smith to be postmaster at Jamestown, Ky., in place of L. G. Bernard, resigned.

Verna A. Applegate to be postmaster at West Point, Ky., in place of J. S. Jones. Incumbent's commission expired January 13, 1935.

Charles A. Myers to be postmaster at Bandana, Ky. Office became Presidential July 1, 1935.

Gertrude Owens to be postmaster at Brodhead, Ky. Office became Presidential July 1, 1935.

Ernest Muster to be postmaster at East Bernstadt, Ky. Office became Presidential July 1, 1935.

Hallie Casey to be postmaster at Loyall, Ky., in place of N. E. Sergent, resigned.

Harry Greene to be postmaster at Milburn, Ky. Office became Presidential July 1, 1935.

Arthur K. Slaton to be postmaster at Slaughters, Ky. Office became Presidential July 1, 1935.

MAINE

Charles L. Ripley to be postmaster at Andover, Maine, in place of E. M. McAllister. Incumbent's commission expired May 29, 1934.

Loton R. Pitts to be postmaster at Naples, Maine, in place of G. H. Rounds. Incumbent's commission expired May 7, 1934.

George L. Hawes to be postmaster at East Corinth, Maine. Office became Presidential July 1, 1935.

MARYLAND

Claudine M. Friend to be postmaster at Friendsville, Md., in place of J. W. Friend. Incumbent's commission expired February 27, 1935.

Nena M. Jamison to be postmaster at Walkersville, Md. Office became Presidential July 1, 1935.

MASSACHUSETTS

Francis H. Nolan to be postmaster at Avon, Mass., in place of E. C. Crane. Incumbent's commission expired January 23, 1935.

Matthew M. Daley to be postmaster at Brookfield, Mass., in place of L. E. Estey. Incumbent's commission expired January 22, 1935.

William F. Whitty to be postmaster at Canton, Mass., in place of W. L. Burt, transferred.

Patrick H. McIntyre to be postmaster at Clinton, Mass., in place of P. H. McIntyre. Incumbent's commission expired December 13, 1934.

James D. Sullivan to be postmaster at Danvers, Mass., in place of W. B. Morse. Incumbent's commission expired December 8, 1932.

J. Francis Currie to be postmaster at East Bridgewater, Mass., in place of H. W. Collamore. Incumbent's commission expired January 22, 1935.

Stephen E. Malone to be postmaster at East Long Meadow, Mass., in place of L. D. Glynn. Incumbent's commission expired June 17, 1934.

Edmund C. Tyler to be postmaster at Great Barrington, Mass., in place of W. J. Williams, retired.

George L. Magner to be postmaster at Hingham, Mass., in place of G. F. Wason, resigned.

P. Victor Casavant to be postmaster at Natick, Mass., in place of F. H. Buckley. Incumbent's commission expired February 4, 1935.

David J. Templeton to be postmaster at North Cohasset, Mass. Office became Presidential July 1, 1935.

William F. Goodwin to be postmaster at Plymouth, Mass., in place of H. M. Douglas, retired.

William F. Ring to be postmaster at Sharon, Mass., in place of R. A. Clark. Incumbent's commission expired December 12, 1932.

Myrtice S. King to be postmaster at Upton, Mass., in place of M. S. King. Incumbent's commission expired June 17, 1934.

Mary M. Hill to be postmaster at West Groton, Mass. Office became Presidential July 1, 1934.

Thaddeus B. Fenno to be postmaster at Westminster, Mass., in place of T. B. Fenno. Incumbent's commission expired April 2, 1934.

Myra G. Jordan to be postmaster at West Upton, Mass., in place of M. G. Jordan. Incumbent's commission expired December 18, 1934.

Thomas F. Coady to be postmaster at North Attleboro, Mass., in place of E. B. Flint. Incumbent's commission expired February 27, 1935.

Timothy W. Fitzgerald to be postmaster at Salem, Mass., in place of Albert Pierce, resigned.

Frank J. Lucey to be postmaster at Wenham, Mass., in place of E. V. Cook. Incumbent's commission expired February 4, 1935.

MICHIGAN

Daniel A. Holland to be postmaster at Hancock, Mich., in place of Andrew Bram. Incumbent's commission expired February 25, 1935.

Claude E. Cady to be postmaster at Lansing, Mich., in place of W. G. Rogers. Incumbent's commission expired January 13, 1935.

Geraldine M. O'Hearn to be postmaster at Marne, Mich. Office became Presidential July 1, 1935.

Frank D. Kruger to be postmaster at Ravenna, Mich., in place of J. F. Reed, removed.

George A. Buchmiller to be postmaster at Watersmeet, Mich., in place of Bea Kelly. Incumbent's commission expired December 18, 1934.

Verne R. Moran to be postmaster at Carney, Mich. Office became Presidential July 1, 1935.

MINNESOTA

Ralph J. Dolan to be postmaster at Arlington, Minn., in place of C. W. Strebel. Incumbent's commission expired April 2, 1934.

Charles E. Gravel to be postmaster at Onamia, Minn., in place of Henry Goulet. Incumbent's commission expired April 9, 1932.

Leslie R. Lisle to be postmaster at Royalton, Minn., in place of H. M. Logan, deceased.

MISSISSIPPI

Samuel N. Shelton to be postmaster at Alcorn, Miss. Office became Presidential July 1, 1935.

Christopher R. Berry to be postmaster at Benton, Miss. Office became Presidential July 1, 1935.

Sarah R. Lee to be postmaster at Carrollton, Miss., in place of M. J. Nye. Incumbent's commission expired March 2, 1935.

Anice N. Graves to be postmaster at Houlika, Miss., in place of M. A. Joyner. Incumbent's commission expired December 16, 1934.

Boyd D. McMillin to be postmaster at Louisville, Miss., in place of S. M. Jordan. Incumbent's commission expired March 2, 1935.

Billie B. Boyd to be postmaster at McCool, Miss., in place of E. L. Vanlandingham. Incumbent's commission expired May 29, 1934.

Ethel Young to be postmaster at Nettleton, Miss., in place of O. C. Elliott. Incumbent's commission expired January 10, 1935.

Mary G. Flowers to be postmaster at Roxie, Miss. Office became Presidential July 1, 1935.

Andrew J. Roper to be postmaster at Saltillo, Miss. Office became Presidential July 1, 1935.

Conon D. Hawkins to be postmaster at Vardaman, Miss., in place of A. V. Lamar. Incumbent's commission expired June 14, 1933.

Francis C. Hayden to be postmaster at Vaughan, Miss. Office became Presidential July 1, 1935.

Oliver W. Catchings to be postmaster at Woodville, Miss., in place of E. A. Wood, resigned.

MISSOURI

Chester M. Eoff to be postmaster at Knox City, Mo., in place of C. F. McKay, removed.

George T. Duggins to be postmaster at Marshall, Mo., in place of Fred Fair. Incumbent's commission expired February 4, 1935.

Mary G. Kenton to be postmaster at Norborne, Mo., in place of G. H. Thomas, removed.

Harry E. Rothe to be postmaster at O'Fallon, Mo., in place of F. M. Meinert, removed.

Leta D. Smith to be postmaster at Pineville, Mo., in place of Hubert Lamb. Incumbent's commission expired April 8, 1934.

Joseph D. Stewart to be postmaster at Chillicothe, Mo., in place of J. M. Gallatin. Incumbent's commission expired May 13, 1934.

Charles A. Stallings to be postmaster at Morley, Mo., in place of R. J. Tomlinson. Incumbent's commission expired December 9, 1934.

Helen J. Baysinger to be postmaster at Rolla, Mo., in place of A. A. Smith, removed.

MONTANA

Mearl L. Fagg to be postmaster at Billings, Mont., in place of Edwin Grafton. Incumbent's commission expired January 22, 1935.

Joseph E. Swindlehurst, Jr., to be postmaster at Livingston, Mont., in place of Joseph Brooks. Incumbent's commission expired February 27, 1935.

Mary E. Matthews to be postmaster at Oilmont, Mont. Office became Presidential July 1, 1935.

Margaret Huppe to be postmaster at Roundup, Mont., in place of B. A. Davison. Incumbent's commission expired March 2, 1935.

NEBRASKA

Carl S. Carrell to be postmaster at Bassett, Nebr., in place of M. R. McCulley. Incumbent's commission expired February 21, 1935.

Ralph L. Ferris to be postmaster at Boelus, Nebr., in place of Edward Ericksen, removed.

David A. Rose to be postmaster at Brunswick, Nebr. Office became Presidential July 1, 1935.

Gladys G. Rockhold to be postmaster at Comstock, Nebr., in place of S. T. Stevens. Incumbent's commission expired February 21, 1935.

Cecil Brundige to be postmaster at Litchfield, Nebr., in place of R. L. Douglas. Incumbent's commission expired January 23, 1935.

Archer E. Ovenden to be postmaster at Pawnee City, Nebr., in place of C. A. Barker. Incumbent's commission expired February 21, 1935.

Rose T. Fleming to be postmaster at Monroe, Nebr. Office became Presidential July 1, 1935.

NEVADA

Margaret F. Rackliffe to be postmaster at Mina, Nev., in place of G. G. Thompson, resigned.

John J. Noone to be postmaster at Goldfield, Nev., in place of V. J. Ruse. Incumbent's commission expired December 8, 1934.

NEW HAMPSHIRE

William J. Neal to be postmaster at Meredith, N. H., in place of W. T. Lance, deceased.

Glea L. Rand to be postmaster at Plymouth, N. H., in place of E. M. Barker, retired.

NEW JERSEY

Alexander W. McNeill to be postmaster at Ridgewood, N. J., in place of J. G. Gallagher, deceased.

Arthur M. Kimble to be postmaster at Sussex, N. J., in place of Wilbur Fuller. Incumbent's commission expired February 4, 1935.

Clarence W. Felmey to be postmaster at Millville, N. J., in place of W. G. Barber. Incumbent's commission expired December 14, 1932.

Clarence S. Grover to be postmaster at Hightstown, N. J., in place of J. C. Norris, removed.

John V. Haring to be postmaster at Oradell, N. J., in place of L. J. Higinson, transferred.

Mary R. Warren to be postmaster at Tuckahoe, N. J. Office became Presidential July 1, 1935.

NEW YORK

Andrew D. Peloubet to be postmaster at Athens, N. Y., in place of M. R. Masten. Incumbent's commission expired December 8, 1934.

William H. Dummeyer to be postmaster at Atlantic Beach, N. Y. Office became Presidential July 1, 1935.

Theodore Thomas Smith to be postmaster at Camden, N. Y., in place of C. R. Phelps. Incumbent's commission expired April 28, 1934.

Ellen Longpre to be postmaster at Copiague, N. Y., in place of N. S. Tompkins, resigned.

Harrie J. Millspaugh to be postmaster at Corning, N. Y., in place of B. W. Wellington. Incumbent's commission expired February 20, 1935.

Helen S. Peck to be postmaster at Crown Point, N. Y., in place of W. F. Bruno. Incumbent's commission expired December 16, 1933.

James F. Stott to be postmaster at Elsmere, N. Y. Office became Presidential July 1, 1935.

Sylvia F. Kenney to be postmaster at Long Eddy, N. Y. Office became Presidential July 1, 1935.

Frank S. Tracey to be postmaster at Middleport, N. Y., in place of F. H. Sheldon. Incumbent's commission expired January 22, 1935.

Joseph A. Strodel to be postmaster at Minoa, N. Y., in place of C. E. Brown. Incumbent's commission expired December 20, 1934.

Joseph F. Hubert to be postmaster at Northport, N. Y., in place of R. M. Darling. Incumbent's commission expired January 22, 1935.

Harold E. Bollier to be postmaster at North Tonawanda, N. Y., in place of C. A. Gaylord. Incumbent's commission expired December 20, 1934.

John H. Douglass to be postmaster at Orient, N. Y., in place of H. C. King. Incumbent's commission expired April 28, 1934.

Harry Ray Phelps to be postmaster at Painted Post, N. Y., in place of J. R. Wilder. Incumbent's commission expired February 20, 1935.

George Arata to be postmaster at Sea Cliff, N. Y., in place of F. R. Hanson, resigned.

Charles S. Donnelley to be postmaster at Utica, N. Y., in place of W. M. Philleo, retired.

John W. Gurnett to be postmaster at Watkins Glen, N. Y., in place of F. L. Millen. Incumbent's commission expired February 20, 1935.

Walter J. Reynolds to be postmaster at Woodhull, N. Y. Office became Presidential July 1, 1935.

NORTH CAROLINA

John R. Teague to be postmaster at Henderson, N. C., in place of C. P. Wright, retired.

Eugene J. Johnson to be postmaster at Wallace, N. C., in place of W. B. Knowles. Incumbent's commission expired December 20, 1934.

NORTH DAKOTA

Ella M. Nevin to be postmaster at Bathgate, N. Dak., in place of Victoria Quesnel. Incumbent's commission expired April 15, 1934.

August M. Bruschein to be postmaster at Driscoll, N. Dak., in place of A. M. Bruschein. Incumbent's commission expired January 22, 1935.

Everal J. McKinnon to be postmaster at Ross, N. Dak. Office became Presidential July 1, 1935.

Raymond Long to be postmaster at Upham, N. Dak., in place of J. G. Sigurdson. Incumbent's commission expired February 28, 1933.

Norbert T. Connery to be postmaster at Gackle, N. Dak., in place of George Hummel, removed.

Herbert J. Simon to be postmaster at Lakota, N. Dak., in place of Catherine Lynch, removed.

OHIO

Raymond C. Ritenour to be postmaster at Cedarville, Ohio, in place of Gertrude Stormont. Incumbent's commission expired December 18, 1934.

Frank J. Lange to be postmaster at Kelleys Island, Ohio, in place of W. M. Schnittker. Incumbent's commission expired February 4, 1935.

William N. Long to be postmaster at Kingsville, Ohio. Office became Presidential July 1, 1935.

Leo M. Keller to be postmaster at Nevada, Ohio, in place of J. S. DeJean, removed.

Fred L. Decker to be postmaster at Ostrander, Ohio. Office became Presidential July 1, 1935.

Vance K. McVicker to be postmaster at West Salem, Ohio, in place of D. G. Keener, resigned.

Franklyn W. Thomas to be postmaster at Bowling Green, Ohio, in place of R. P. Crane, retired.

John M. Paull to be postmaster at Conneaut, Ohio, in place of H. B. Kurtz, resigned.

Archie L. Wardeska to be postmaster at Irondale, Ohio. Incumbent's commission expired July 1, 1935.

Clare S. Myers to be postmaster at Roseville, Ohio, in place of Mayme Pemberton. Office became Presidential January 23, 1935.

Howard Barns to be postmaster at Sabina, Ohio, in place of J. M. Washington. Office became Presidential February 14, 1935.

Stanley Lynn to be postmaster at Thornville, Ohio, in place of W. S. Kindle. Office became Presidential February 20, 1935.

Frank M. Fox to be postmaster at Waynesville, Ohio, in place of R. H. Hartsock. Office became Presidential December 18, 1934.

OKLAHOMA

Hugh Foreman to be postmaster at Duke, Okla., in place of M. C. Heidenreich. Incumbent's commission expired December 18, 1934.

Ray M. Hubbert to be postmaster at Fargo, Okla., in place of D. M. Tyrrell, deceased.

Louie S. Andersen to be postmaster at Harrah, Okla., in place of I. N. Ferguson. Incumbent's commission expired February 25, 1935.

Earl Witten to be postmaster at Pauls Valley, Okla., in place of J. E. Ventress. Incumbent's commission expired April 28, 1934.

Watson L. Thurston to be postmaster at Wewoka, Okla., in place of E. D. Orwig, removed.

Ulmer H. Still to be postmaster at Wright City, Okla. Office became Presidential July 1, 1935.

Thomas A. Gray to be postmaster at Duncan, Okla., in place of B. F. Ridge, removed.

Ernest R. Unger to be postmaster at Sapulpa, Okla., in place of W. R. Casteel, deceased.

Ivan E. Wallace to be postmaster at Snyder, Okla., in place of F. O. Hibbard, removed.

Ethel N. Anderson to be postmaster at Waurika, Okla., in place of J. T. Dillard. Incumbent's commission expired February 8, 1933.

OREGON

Mark A. Hill to be postmaster at Bay City, Oreg. Office became Presidential July 1, 1935.

Reginald C. Cooke to be postmaster at Oswego, Oreg., in place of E. M. Davidson. Incumbent's commission expired June 17, 1934.

Blanche A. Wood to be postmaster at Rockaway, Oreg. Office became Presidential July 1, 1935.

Viva Todd to be postmaster at Cloverdale, Oreg. Office became Presidential July 1, 1935.

Thomas W. Angus to be postmaster at Gardiner, Oreg. Office became Presidential July 1, 1935.

Rose Mildred Chisholm to be postmaster at Monroe, Oreg., in place of R. A. Chisholm. Incumbent's commission expired December 18, 1934.

Harry E. Mahoney to be postmaster at Oakland, Oreg., in place of Ora Mahoney. Incumbent's commission expired December 18, 1934.

Pearl A. Lawson to be postmaster at Riddle, Oreg., in place of G. L. Grant. Incumbent's commission expired December 18, 1934.

Charles A. Purcell to be postmaster at Troutdale, Oreg., in place of J. S. Hudson. Incumbent's commission expired December 18, 1934.

Edward F. Kelso to be postmaster at Yoncalla, Oreg., in place of G. L. Edes. Incumbent's commission expired December 18, 1934.

PENNSYLVANIA

John C. Colahan to be postmaster at Ashland, Pa., in place of T. P. Noon, removed.

George J. Hoke to be postmaster at East McKeesport, Pa., in place of E. J. Willhide. Incumbent's commission expired February 28, 1933.

Ambrose M. Schettig to be postmaster at Ebensburg, Pa., in place of J. L. Elder, removed.

Emma R. Smith to be postmaster at Elkland, Pa., in place of A. B. Carey. Incumbent's commission expired January 28, 1935.

Thomas J. McCausland to be postmaster at Falls Creek, Pa., in place of J. G. Young, removed.

John Laurence Callan to be postmaster at Franklin, Pa., in place of E. J. Miller. Incumbent's commission expired June 28, 1934.

Stratton J. Koller to be postmaster at Glen Rock, Pa., in place of T. M. Brown. Incumbent's commission expired February 14, 1935.

James J. O'Mara to be postmaster at Laceyville, Pa., in place of F. W. Lacey. Incumbent's commission expired January 28, 1935.

Martha L. King to be postmaster at Lawrenceville, Pa., in place of E. W. Dye. Incumbent's commission expired February 25, 1935.

Grace G. Makens to be postmaster at Morton, Pa., in place of C. B. Bishop. Incumbent's commission expired February 24, 1932.

Vera C. Remaley to be postmaster at Penn, Pa. Office became Presidential July 1, 1935.

Mary Camilla Teater to be postmaster at Port Allegany, Pa., in place of G. S. Studholme. Incumbent's commission expired June 20, 1934.

Charles M. Dinger to be postmaster at Reynoldsville, Pa., in place of S. M. McCreight. Incumbent's commission expired January 9, 1935.

William C. Salberg to be postmaster at Ridgway, Pa., in place of W. M. Thomas, resigned.

James S. Fennell to be postmaster at Salina, Pa. Office became Presidential July 1, 1935.

Beulah S. Fitzpatrick to be postmaster at Tower City, Pa., in place of H. T. Callen. Incumbent's commission expired February 14, 1934.

Catherine V. Morris to be postmaster at Vintondale, Pa., in place of Ruth Roberts. Incumbent's commission expired April 28, 1934.

Jenny Paterson to be postmaster at Yukon, Pa. Office became Presidential July 1, 1935.

Ruth R. Dufford to be postmaster at Clintonville, Pa. Office became Presidential July 1, 1935.

William H. Molloy to be postmaster at Ivyland, Pa., in place of Walter Carrell. Incumbent's commission expired June 20, 1934.

Marie E. Potteiger to be postmaster at Progress, Pa. Office became Presidential July 1, 1935.

Edmund P. Lawlor to be postmaster at Terrace, Pa. Office became Presidential July 1, 1935.

Claude E. Minnich to be postmaster at Wiconisco, Pa. Office became Presidential July 1, 1935.

SOUTH CAROLINA

DeWitt T. Latimer to be postmaster at New Brookland, S. C., in place of J. G. Fowler, removed.

Allen Watson Wallace to be postmaster at Gray Court, S. C., in place of J. E. Johnson, retired.

Rosa B. Grainger to be postmaster at Lake View, S. C. Office became Presidential July 1, 1935.

SOUTH DAKOTA

Frederick S. Countryman to be postmaster at Canova, S. Dak., in place of F. V. Stephens. Incumbent's commission expired January 7, 1935.

Grover C. Kenworthy to be postmaster at Deadwood, S. Dak., in place of C. H. Kubler. Incumbent's commission expired January 28, 1935.

Walter H. Stein to be postmaster at Estelline, S. Dak., in place of W. E. Whittemore, removed.

Bastian J. Kallemeyn to be postmaster at Hayti, S. Dak., in place of Joshua Trumm. Incumbent's commission expired March 2, 1935.

Robert Maley, Sr., to be postmaster at Howard, S. Dak., in place of M. D. Eide. Incumbent's commission expired February 4, 1935.

Jennings H. Harris to be postmaster at Humboldt, S. Dak., in place of H. S. Angus, removed.

Frank O. Schumaker to be postmaster at Iroquois, S. Dak., in place of A. M. Hanson. Incumbent's commission expired January 7, 1935.

Julius Pfitzer to be postmaster at Java, S. Dak., in place of I. R. Krause. Incumbent's commission expired February 25, 1935.

John Krambeck to be postmaster at Lead, S. Dak., in place of B. R. Stone. Incumbent's commission expired January 28, 1935.

George W. Lawrence to be postmaster at Mount Vernon, S. Dak., in place of M. G. Bromwell. Incumbent's commission expired March 22, 1934.

Mary A. Hurley to be postmaster at Lennox, S. Dak., in place of Arnold Poulsen. Incumbent's commission expired February 25, 1935.

William E. Ruckle to be postmaster at Onida, S. Dak., in place of J. E. McLaughlin. Incumbent's commission expired March 2, 1935.

TENNESSEE

James S. Akin to be postmaster at Copperhill, Tenn., in place of A. B. McCay, resigned.

Pearl M. Harris to be postmaster at Dandridge, Tenn., in place of J. D. Taff. Incumbent's commission expired January 13, 1935.

Hugh E. Davenport to be postmaster at Crossville, Tenn., in place of Sampson DeRossett. Incumbent's commission expired January 29, 1933.

Clarence V. Wallace to be postmaster at Jamestown, Tenn., in place of J. D. Wright. Incumbent's commission expired December 18, 1934.

Maude E. Pemberton to be postmaster at Lancing, Tenn., in place of B. P. Scott, removed.

Sidney Earl Prosser to be postmaster at Lewisburg, Tenn., in place of W. J. Whitsett, resigned.

TEXAS

Harvey L. Pettit to be postmaster at Bloomburg, Tex. Office became Presidential July 1, 1935.

Nettie Duncan to be postmaster at Celeste, Tex., in place of R. L. Jones. Incumbent's commission expired December 20, 1934.

Wordsworth T. Grogan to be postmaster at Coolidge, Tex., in place of Bradley Miller, deceased.

Rilious L. Scott to be postmaster at De Leon, Tex., in place of C. R. Redden. Incumbent's commission expired April 28, 1934.

Frank A. Jones to be postmaster at Eastland, Tex., in place of A. H. Johnson, resigned.

Marvin B. Smith to be postmaster at Farmersville, Tex., in place of R. C. Carmack. Incumbent's commission expired December 20, 1934.

Emmett W. Pack to be postmaster at Garrison, Tex., in place of W. C. Young, retired.

Spencer Boyd Street to be postmaster at Graham, Tex., in place of J. R. Ramsey. Incumbent's commission expired February 4, 1935.

Henry W. Haynie to be postmaster at Kemp, Tex., in place of W. F. Moore. Incumbent's commission expired January 13, 1935.

William E. McClintock to be postmaster at Mount Pleasant, Tex., in place of N. B. Spearman. Incumbent's commission expired February 4, 1935.

James L. Noel to be postmaster at Pilot Point, Tex., in place of Earl Cassity. Incumbent's commission expired December 20, 1934.

Grady W. Hodges to be postmaster at Whitesboro, Tex., in place of Harry Reast. Incumbent's commission expired February 20, 1935.

Edmund Herder to be postmaster at Shiner, Tex., in place of H. G. Koether. Incumbent's commission expired February 4, 1935.

Oscar W. Stone to be postmaster at Wolfe City, Tex., in place of C. A. Andrews. Incumbent's commission expired February 20, 1935.

Ewell Nalle to be postmaster at Austin, Tex., in place of J. L. Hunter. Incumbent's commission expired February 4, 1935.

William G. Bryan to be postmaster at Avery, Tex., in place of Ferman Wardell. Incumbent's commission expired May 9, 1934.

John Gilliland to be postmaster at Baird, Tex., in place of M. J. Holmes. Incumbent's commission expired February 14, 1935.

Louise H. Clark to be postmaster at Blossom, Tex. Office became Presidential July 1, 1935.

Alpha R. Garton to be postmaster at Booker, Tex., in place of W. V. Garton, deceased.

Albert H. Loyless to be postmaster at Burleson, Tex., in place of K. A. Lace. Incumbent's commission expired December 20, 1934.

Luther H. McCrea to be postmaster at Cisco, Tex., in place of W. H. Craddock, resigned.

Jennie R. Goodman to be postmaster at Laredo, Tex., in place of W. B. Hamilton, removed.

Stephen E. Fitzgerald to be postmaster at Miami, Tex., in place of Lora Barber. Incumbent's commission expired December 20, 1934.

Bluford Warren Dodson to be postmaster at Snyder, Tex., in place of G. M. Anderson. Incumbent's commission expired February 4, 1935.

Thelma H. Bowen to be postmaster at Sweetwater, Tex., in place of D. G. Shields, removed.

UTAH

Oliver P. FitzGerald to be postmaster at Delta, Utah, in place of Clark Allred. Incumbent's commission expired May 20, 1934.

VIRGINIA

Forrest L. Harmon to be postmaster at Melfa, Va., in place of M. S. Harmon. Incumbent's commission expired December 20, 1934.

Grover T. Huffman to be postmaster at Newcastle, Va., in place of F. H. Dame. Incumbent's commission expired December 20, 1934.

Garnett A. Kellam to be postmaster at Onley, Va., in place of W. S. Sparrow. Incumbent's commission expired January 28, 1935.

WASHINGTON

Felix P. La Sota to be postmaster at Metaline Falls, Wash., in place of E. O. Dressel. Incumbent's commission expired June 20, 1934.

WISCONSIN

Floyd A. Pollard to be postmaster at Kendall, Wis., in place of C. G. Walter. Incumbent's commission expired March 18, 1934.

WYOMING

Percival F. McClure to be postmaster at Worland, Wyo., in place of J. T. Jones, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10 (legislative day of May 13), 1935

POSTMASTERS

MINNESOTA

Carl E. Berkman, Chisholm.
Alwyne A. Dale, Dover.
Aileen R. Ellefson, Lancaster.
Nels E. Fedson, Lyle.
John V. Schroeder, St. Joseph.

NEW YORK

Russell J. Taylor, Sloatsburg.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 10, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, Thy holy word is with us: The law of the Lord is perfect, converting the soul; the testimony of the Lord is sure, making wise the simple; the statutes of the Lord are right, rejoicing the heart; the commandment of the Lord is pure, enlightening the eyes; the fear of the Lord is clean, enduring forever; the judgments of the Lord are true and righteous altogether. More to be desired are they than gold; yea, than much fine gold; sweeter also than honey and the honeycomb. Keep back Thy servants from presumptuous sins; let them not have dominion over me; then shall I be upright, and I shall be innocent from the great transgression. Let the words of my mouth and the meditations of my heart be acceptable in Thy sight, O Lord, my strength and my redeemer. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees 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. 5599) entitled "An act to regulate the strength and distribution of the line of the Navy, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2796) entitled "An act to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails; to regulate the transmission and sale of electric energy in interstate commerce; to amend the Federal Water Power Act; and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHEELER, Mr. BARKLEY, Mr. BROWN, Mr. WHITE, and Mr. SHIPSTEAD to be the conferees on the part of the Senate.

STRENGTH OF THE LINE OF THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I present a conference report on the bill (H. R. 5599) to regulate the

strength and distribution of the line of the Navy, and for other purposes, for printing under the rule.

The conference report and statement are as follows:

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 119]

Andresen	Cole, Md.	Gwynne	Patton
Bankhead	Collins	Hamlin	Peyster
Bell	Cooley	Hartley	Rabaut
Binderup	Cox	Hennings	Rogers, N. H.
Buckley, N. Y.	Culkin	Kimball	Ryan
Bulwinkle	Darden	Lesinski	Scrugham
Burdick	DeRouen	McGroarty	Sumners, Tex.
Cannon, Wis.	Disney	McLeod	Turpin
Carter	Doutrich	Maloney	Underwood
Casey	Dunn, Miss.	Montague	Walter
Celler	Fernandez	Norton	
Clark, Idaho	Frey	Oliver	
Cochran	Gasque	O'Malley	

The SPEAKER. Three hundred and seventy-nine Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

THE ADMINISTRATION'S FUTILE EFFORTS TO PRESERVE WORLD PEACE

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert an address made by me at the annual banquet of the Maryland Congress of Parent-Teachers' Associations at the University of Maryland, Tuesday evening, July 9, 1935:

The answer of Secretary of State Hull to the appeal of Haile Selassie, Emperor of Abyssinia, to enforce the Briand-Kellogg Peace Pact is about the most evasive and weakest State Department document on record. It would be hard to find in the archives of the State Department for the past 150 years one that equals or approaches its evasive ponderosity and glittering generalities.

The whole civilized world stands aghast at the brutality, avariciousness, and greedy imperialism of Mussolini. The Italian Dictator, in utter disregard of his country's obligations under the League of Nations and the Kellogg Pact, announces that he proposes to wage war and conquer Abyssinia by force of arms. Peace-loving people are horrified by Mussolini's avowal that he will resort to war and ignore arbitration.

As a friend of the Italian people, who have little or no voice in their own domestic and foreign affairs, I deplore their being led to slaughter to carry out the imperial ambitions of Mussolini. The Government of the United States had a glorious opportunity to strike a blow for peace that would have been heard throughout the world. All we had to do was to issue a clear and bold statement that the signatories of the Paris Peace Pact had pledged their word not to go to war, and if they violated that pledge an aroused public opinion would condemn the offending nation throughout the civilized world. Such a statement would have been acclaimed by the war-weary people in every nation who have been hoping for some unselfish and enlightened leadership. But instead, the administration gives lip service to peace and parrot-like repeats "Peace, peace," when there is no peace.

The only time to wage war is in time of peace. It is self-evident that if we, as a signatory of the Paris Peace Pact outlawing war as an instrument of national policy except for defense, had issued an appeal to arbitration and in behalf of peace, it would have set in motion political, economic, and moral pressure on Italy or any other nation preparing for war.

The failure of the League of Nations to act constructively to prevent the threatened war between Italy and Abyssinia dooms that institution to oblivion and exposes it as a hollow shell and a sham peace covenant, dominated by France, Italy, and Great Britain for their own selfish purposes. Thank goodness we have had the wisdom and good judgment to keep out of all foreign intrigues and entanglements, ancient blood feuds, and boundary disputes.

We should appeal to world public opinion and exert our moral and economic leadership to prevent another war, but if there is war between Italy and Abyssinia or elsewhere in Europe, it is their war and not ours, and we do not propose to be dragged into it or permit the life of a single American to be sacrificed on foreign soil or in other people's wars.

PUT TAX BURDENS WHERE THEY BELONG

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the expected flood of complaints because of the President's tax program is pouring forth from every reactionary source. Wall Street Republicans, joining hands with Wall Street Democrats and William Randolph Hearst, are proving once more that they are "brothers under the skin."

I am confident that the vicious campaign of misrepresentation they are conducting is not deceiving many. The people are getting their eyes open and they are refusing to be kidded and bamboozled as easily as they once were. It is fortunate that this is so, for never in American history has the lie factory of the reactionaries worked at such high speed in turning out fabrications and fictions and yarns and whoppers as in these days. The aristocracy of Jefferson's and Jackson's time lied brazenly enough about those intrepid champions of the rights of the masses but the falsifying of that period, compared with the treacherous propaganda of the present, was as the harmless make-believe tales of a child in comparison with the smooth and subtle softsoap of a swindler.

The front page of a plutocratic daily on my desk contains the headline, "'Soak All' Tax Yield Set at 901 Million", and a few lines further I read, "'Little Man', Investors, to Pay." This, of course, is absolutely untrue.

The tax will not hit the little man except insofar as it involves moderate schedules for those with low incomes. It will, to be sure, mean a high charge against individuals and corporations with vast incomes and this is entirely proper. Too long the burden of taxation has rested disproportionately on the backs of the poor and middle classes. No action ever taken by President Roosevelt will meet with more universal approval than his demand that taxes be regraded according to incomes and the ability of taxpayers to meet them.

Of all the hypocritical phrases ever used by experts in "humboggery", that characterizing the Presidential plan, a "soak the thrifty" program, is the most contemptible.

The program does not "soak" anybody. It simply distributes taxation in proportion to people's ability to pay.

The most unfair feature of the phrase though is the reference to "the thrifty." Nobody knows better than the authors of this twaddle that men with millions and billions of dollars did not acquire their wealth by "thrift." They got it by extracting profits from the public, by charging high prices, by paying low wages, by working their employees long hours, by adulterating their products, by misleading advertising, and by all the endless tricks and devices utilized under the capitalist system. That they should be compelled to pay taxes ranging from 4.8 percent on \$5,000 to 84.4 percent on \$10,000,000 on incomes, inheritances, and gifts is far from unreasonable.

When I reflect on the suffering that has swept like a pestilence over our land in recent years, I feel inclined to remark that these exploiters ought to consider themselves lucky that the Government does not confiscate the fortunes in the million- and billion-dollar category as a necessary emergency act. My own frank advice to the man or corporation with a huge fortune is to accept the President's tax schedules good naturedly in a spirit of willingness to subordinate their desires to the public welfare. If they are too stubborn and short-sighted to do this, they may to their sorrow face far more drastic action than what Mr. Roosevelt has suggested. The people will not always tolerate the concentration of colossal wealth into the hands of a few. The possessors of such wealth had better acquiesce in graduated and scientifically regulated taxes rather than exasperate our citizenship by their obstinacy until unearned riches are actually confiscated.

It would be informative if some of the critics of taxation that is proportioned to wealth would read and ponder cer-

tain forceful sentences in the President's message of June 19. Among those especially worthy of consideration are—

Therefore, in spite of the great importance in our national life of the efforts and ingenuity of unusual individuals, the people in the mass have inevitably helped to make large fortunes possible. Without mass cooperation great accumulations of wealth would be impossible save by unhealthy speculation. * * *

Whether it be wealth achieved through the cooperation of the entire community or riches gained by speculation, in either case the ownership of such wealth or riches represents a great public interest and a great ability to pay. * * *

The transmission from generation to generation of vast fortunes by will, inheritance, or gift is not consistent with the ideals and sentiments of the American people. * * *

Great accumulations of wealth cannot be justified on the basis of personal and family security. In the last analysis, such accumulations amount to the perpetuation of great and undesirable concentration of control in a relatively few individuals over the employment and welfare of many, many others.

Such inherited economic power is as inconsistent with the ideals of this generation as inherited political power was inconsistent with the ideals of the generation which created our Government.

In this connection, I should also like to quote from the typically original and pungent comment of Heywood Broun, the brilliant columnist in the Scripps-Howard newspapers, on the President's message. Mr. Broun said:

In effect, Franklin D. Roosevelt is saying that the American public will no longer stand for the handing down of fortunes as huge as those of Ford or Mellon. The suggestion seems to be that wealthy men ought to be ready to pass on less rather than run the risk of being unable to leave anything. * * * The only people who have reason to howl are a small handful of multimillionaires, and even their complaints should be tempered by the thought that but for the proposal of the President others might have arisen that would have gone further and cut much more deeply.

The privilege of handing down wealth is, of course, the privilege of transmitting power. Any one of a dozen princes of industry in America has far more power than King George of England. And he got it in precisely the same way.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the bill (H. R. 156) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments may be rereferred from the Committee on Interstate Commerce to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DELGADO. Mr. Speaker and ladies and gentlemen of the House, some time ago you have been regaled with the luscious and beautiful apples grown in the State of Oregon. On other occasions you have been offered the best that is produced in the various regions of this great country. Day before yesterday you had some of the fine pineapples from Hawaii. I feel that it is about time that you should have something from the farthest land under the Stars and Stripes today. [Applause.]

Among the many blessings vouchsafed to the Philippines by a bountiful Providence is the Philippine mango, a fruit unique in its deliciousness and rich in food qualities. Rather than extolling it myself, I should like to refer you to the Members of the House who have been in our islands and have passed favorable judgment upon it—the gentleman from Illinois, Mr. ARNOLD; the gentleman from Tennessee, Mr. McREYNOLDS; the gentleman from Michigan, Mr. DINGELL; the gentleman from Iowa, Mr. THURSTON; the gentleman from Nebraska, Mr. STEFAN; and many others.

For centuries all those who have visited the Philippines have marveled at the Philippine mango. It has always been our desire to share this magnificent fruit with the peoples of the four quarters of the globe, but we have always failed because it has been difficult to preserve it for export. Lately a Filipino lady chemist, Dr. Maria Orosa, has found a way of preserving indefinitely its luscious meat in its natural sweetness, and I am happy to announce now that among those who will have the first chance to taste fresh Philip-

pine mangoes in this country will be the ladies and gentlemen of this House, because through the courtesy of the De Santos Packing Co., of Manila, P. I., I have been able to place some in the cloakroom of both sides of the House for you to try. I sincerely hope that you will like our mangoes and that their unique taste may enhance your kindly interest in the Philippines and the Filipinos. [Applause.]

INVESTIGATION OF LOBBYING ACTIVITIES

Mr. WARREN. Mr. Speaker, I present a privileged resolution from the Committee on Accounts for immediate consideration, which I send to the desk and ask to have read. The Clerk read as follows:

House Resolution 289

Resolved, That the expenses of conducting the investigation authorized by House Resolution 288, incurred by the Committee on Rules, acting as a whole or by subcommittee, not to exceed \$50,000, including expenditures for the employment of experts, traveling expenses, and legal, clerical, accounting, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendment:

At the end of line 11 insert a new section to read as follows:

"Sec. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. WARREN. Mr. Speaker, on July 2 as a result of certain charges made here on the floor, and in a moment of hysteria, the House by unanimous vote passed a resolution authorizing an investigation of lobbying activities in connection with the recent utilities bill. On July 8 the scope of that investigation was broadened and by a vote of approximately 315 to 3, the resolution was agreed to. As a result of the action of the House, and carrying out its mandate, the Committee on Accounts now comes in and brings the resolution providing funds for the investigation. The gentleman from Texas [Mr. BLANTON], stated on the floor a few days ago that when all this is over he will rise in his seat and show that nothing had been accomplished.

Mr. BLANTON. Of value to the people.

Mr. WARREN. I concur absolutely in that statement, as I do insofar as 95 percent of these investigations carried on by the committees of the House are concerned. Personally, I think it is \$50,000 simply thrown to the winds, but the House has done it and now it is incumbent upon us to provide funds.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes.

Mr. TABER. Has the Chairman of the Committee on Rules appeared before the Committee on Accounts and indicated that he would need as much money as that for this kind of an investigation?

Mr. WARREN. The Chairman of the Committee on Rules appeared before the committee and stated this amount is necessary, and we are reporting it out in the full amount solely upon the ground of public policy, because of the trend that this investigation has now taken.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes.

Mr. SNELL. Part of my inquiry has been answered by the inquiry of the gentleman from New York [Mr. TABER], but was there any general program laid out that would convince the Chairman of the Committee on Accounts of the real need of \$50,000 to do this work?

Mr. WARREN. The committee was told that on account of the apparent shortness of the present session, this investigation would have to be carried on during the recess, and it was estimated that it would require 4 or 5 months to do it, and, of course, if we should cut the amount to a smaller figure, and during the recess they found they needed more, they would have had no opportunity to come back here to obtain it. It is not going to be charged up to the Committee on Accounts that by withholding funds we were trying to stifle this investigation. This is a unanimous report from the committee, but I think every member of the committee feels that this is a useless investigation. How-

ever it has been ordered by the House by an overwhelming vote and now it is water over the mill to come in here at this time and attack the funds with which to do it.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes.

Mr. FISH. Will it be in order to offer an amendment to reduce the amount from \$50,000 to \$20,000?

Mr. WARREN. I shall not yield for the purpose of an amendment.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. WARREN. And further, when this resolution was passed on July 8 it was clearly stated on the floor that if we voted to broaden the scope of the inquiry it meant an expenditure of \$50,000, and every Member of the House who was present after a quorum call voted for it except three. I yield to the gentleman from Texas.

Mr. BLANTON. The investigation by our Rules Committee of the Brewster charge has been under way since yesterday morning. After the Committee on Rules hears Mr. Greuning and Mr. Moran and Mr. Maverick and a few other witnesses, the incident ought to be closed, and then it could be closed in a conclusive way, and what is the use of wasting \$50,000? All of us know that the money will be wasted, and when we know that nothing of value to the people and taxpayers of the country is going to be accomplished, what is the use of shutting our eyes like a blind bull and voting \$50,000 out of the Treasury?

Mr. WARREN. Because the House has already passed on the scope of this investigation.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes.

Mr. TABER. Does not the gentleman feel that we would be presenting a better front if we appropriated instead of \$50,000, \$10,000? I cannot conceive of any possible way in which more than that could be used. I have no desire to stifle any legitimate inquiry or the uncovering of anything, but it does seem that \$50,000 is an enormous sum for this investigation.

Mr. WARREN. We have the assurance of the Chairman of the Committee on Rules that he will try to turn back as much of this fund as possible, and I think that that is all that we can expect.

Mr. EAGLE. Mr. Chairman, will the gentleman yield?

Mr. WARREN. In a moment. The Rules Committee did not seek this investigation. Personally I think it could not have been placed in better hands than in those of the gentlemen who compose this great committee of the House. We have heard criticism here on the floor and in the newspapers of the Committee on Rules, particularly of its chairman.

That has taken place ever since there has been a Rules Committee. I remember when I first came here the gentleman from New York, now the distinguished minority leader [Mr. SNELL], was chairman of that committee. My first impression of him was that he was something terrible [laughter], until I began to appreciate his value in the House and his value to the country as an able legislator. [Applause.] Even the beloved, lamented Edward W. Pou, from North Carolina, was criticized as chairman of that committee; and even our beloved leader, the short time the gentleman from Alabama [Mr. BANKHEAD] was chairman of that committee he likewise met with the same criticism; and now it is being heaped upon the gentleman from New York [Mr. O'CONNOR]. I say this from my heart, I think the gentleman from New York [Mr. O'CONNOR] has met the responsibilities that have been thrown upon him at this session of the House in the highest order. [Applause.] I believe that any investigation carried on by the Rules Committee under his chairmanship is going to be all-inclusive. Nothing will be covered up; and all of the facts, so far as possible, will be reported to the House.

Mr. McSWAIN. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. McSWAIN. I desire to make the observation that the fact that when money is appropriated it does not mean that it will be expended. The gentleman will corroborate me in the statement that a year and a half ago the House

appropriated \$30,000 to assist the Military Affairs Committee in its investigation. I believe that investigation has already saved this country millions of dollars, and will continue to do so for a long time in the future. During that year and a half we have expended only \$10,100, and we have \$19,900 to return to the Treasury.

Mr. WARREN. Yes. The gentleman has been very conservative in the expenditure of those funds.

Mr. PIERCE. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. PIERCE. I was on the floor and am one Member who voted for this appropriation. This is my second term. I cannot think of an appropriation I voted for with a clearer heart than this. One publication in New York has openly stated that a million dollars was spent on telegrams in 48 hours. The country wants to know why. It has been stated that more money was spent on this campaign than in any two Presidential campaigns. If so, we want to know where it came from. [Applause.]

Mr. WARREN. The position of the Committee on Accounts was that while all of us thought nothing is going to be accomplished by this investigation, we are not going to be placed in the position of withholding funds for an investigation that the House has already ordered.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. KOPPLEMANN. Will this investigation include other lobbying activities?

Mr. WARREN. It is confined solely to activities on the recent power bill.

Mr. KOPPLEMANN. I am sorry it does not include other lobbying activities.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I did not introduce this resolution. I have insisted from the beginning that the Senate committee make this investigation.

The gentleman from Oregon [Mr. PIERCE] speaks of the hundreds of thousands of telegrams and letters that have poured in here, thousands of which were forged, and many of them signed under coercion. I for one am in favor of going to the bottom of this question, whether it is done by a House committee or a Senate committee. If a proper investigation is carried on, it is going to search the records of Congressmen as they have never been searched before.

I am going to suggest to the Chairman of the Rules Committee [Mr. O'CONNOR] that, owing to the criticism that he is receiving, owing to the friction that has arisen between him and those of us who are supporting the administration and who favor this investigation, those of us who favor the administration's policies on this entire power question, that this should be done through a subcommittee and that the gentleman from New York ought to appoint a subcommittee or else the House should give us a special committee to make this investigation. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'CONNOR. I know of no friction between myself and the gentleman or anybody else.

Mr. RANKIN. Oh, well, now—

Mr. O'CONNOR. I do not know what the gentleman is talking about.

Mr. RANKIN. The gentleman from New York knows that he denied us—he was Chairman of the Rules Committee—and he denied us an extra motion to recommit on the holding-company bill.

Mr. O'CONNOR. Denied whom?

Mr. RANKIN. The Members of the House.

Mr. O'CONNOR. Nobody asked for a second motion to recommit except the gentleman from Mississippi, and he, not a member of the reporting committee, had no authority to inject himself.

Mr. RANKIN. The administration did.

Mr. O'CONNOR. The administration did not ask me. It did not ask the Rules Committee.

Mr. RANKIN. Oh, that is the gentleman's story.

Mr. O'CONNOR. The gentleman from Mississippi claims it did, but he has no authority whatever to make any such statement. All his authority is assumed and presumptuous.

Mr. RANKIN. Yes; I have some authority, too. The gentleman knows that. As a result of that, we had no direct vote on the main issue, and the country is literally seething with indignation as a result of what happened. [Laughter and applause.]

Do not you Republicans laugh; you will get it when you get back home. The people of this country are not going to be robbed in power rates or plundered through the sale of watered stocks and have such conduct carried on in the House as it was carried on last week without you hearing about it.

Another thing, we asked for two motions to recommit on the present bill. I know that the gentleman from New York [Mr. O'CONNOR] knew that the administration wanted it. He had that information, for I gave it to him myself. We are denied two motions to recommit now, which will probably prevent a roll call on the main issue. Mr. HILL of Alabama, a member of the Military Affairs Committee, and I both appeared before the Rules Committee and asked for two motions to recommit. There is criticism today of the way this investigation is being conducted, criticism of the gentleman from New York [Mr. O'CONNOR], if he wants to know, and I should like to see him either appoint a subcommittee to make this investigation or give us a special committee to make it.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. WARREN. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. O'CONNOR]. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I have been a Member of this House for seven terms, and a member of the Rules Committee for seven terms. To have been placed upon this great committee when I first came to Congress was an honor that no previous Member ever received, and which I did not deserve. I did not seek it; it just so happened. During all my experience on this committee, whether under the chairmanship for 8 years of the distinguished gentleman from New York [Mr. SNELL] or under the chairmanship of our beloved leader, the late Mr. Pou, or under the chairmanship of our beloved majority leader today, the gentleman from Alabama [Mr. BANKHEAD], I have never until this morning heard any aspersions cast against the integrity of this committee on the floor of the House. I do not know whether I am to interpret what the gentleman from Mississippi [Mr. RANKIN] said as an aspersion on the committee or upon me personally. I prefer to interpret it as against me personally. If the gentleman so intended, it is the first time in 13 years that I have had to rise in my place on the floor in what might be termed a "defense" of myself, but I am ready to face any charges or aspersions now or any time in the future. [Applause.]

The gentleman from Mississippi reiterates what one chain of newspapers has said repeatedly in vicious and blackguard editorials concerning me about "two motions to recommit" on the utility bill. I have bored the House long enough in explaining the parliamentary situation as to that bill and proving that the editor did not know what he was writing and knew he did not, and how every opportunity was given for record votes within the rules of the House, or any reasonable rules which should govern any parliamentary body in the world. When the gentleman from Mississippi says, "We asked for two motions to recommit", he uses an editorial "we", because only one human being ever asked the Committee on Rules for two motions to recommit, and that was the gentleman from Mississippi, who is not even a member of the Committee on Interstate and Foreign Commerce. [Applause.]

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. When the gentleman states that the administration wanted two motions to recommit, and that he carried the message to Garcia, the Rules Committee, let me say to him that so long as I stay here I do not expect that the gentleman from Mississippi will ever be the liaison officer between the President and me or my committee. [Applause.]

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. The Rules Committee never sought this lobby investigation, as I have said before.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I refuse to yield.

Mr. RANKIN. All right.

Mr. O'CONNOR. The gentleman has a habit of squirting himself into Members' speeches, but he is not going to squirt himself into my remarks, because I shall take the blue pencil and cross it right out if I see fit.

To repeat, the Rules Committee did not seek this investigation; the Rules Committee is busy enough without having extra duties placed upon it; but when this House twice, almost unanimously, directed that committee to conduct this investigation, it is our duty to do so, if the House sees fit that we continue. I do not have to stand here and speak in behalf of the 13 honorable men on the Rules Committee, or say for them that we are going to see this thing through so far as we can see it through. The House knows those men and has confidence in them.

Mr. Speaker, I do not know that the investigation is going to require \$50,000. Congress is not going to be in session, the Lord help us, for a few months at least at the end of this year, and then we could not get money if we needed it. We are going to delve into this power lobby; we are going faster and further than the gentleman from Mississippi or any other self-constituted champion of the "peepul" would ever go, we believe. [Applause.]

Why, I was fighting the Power Trust when I was in the Legislature of New York, long before this self-appointed champion of the "peepul" from Mississippi took up the fight principally in behalf of Tupelo. [Laughter.] I was interested in the power situation not alone in my own city and my own State but in the entire Nation. I never saw a power lobbyist here. We want to know who they are; we want to see how much money they spent on propaganda, entertainment, or in any other way. The people are entitled to know it.

I do not agree that these investigations do no good. While one may not be able to put one's finger on the exact tangible result, I believe they have a deterring effect throughout the country on questionable practices. Right now we are faced with an antilobbying bill. This investigation, I believe, whoever conducts it—and the Lord knows I do not welcome it—will have a very beneficial effect. It will expose whatever has been going on; and if this great House has confidence in its Rules Committee, I believe they will make this fund available to us to carry on what the House has mandated to us as our duty. [Applause.]

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, the gentleman from Mississippi [Mr. RANKIN] needs not to be reminded that I have a very deep affection for him and often find myself in accord with him in the position that he takes on public questions, but I do regret that he has made this unfavorable reference to the chairman of my committee. I can easily understand his anxiety for a thorough investigation of the question that has arisen on power lobbying.

Mr. RANKIN. Mr. Speaker, will the gentleman from Georgia yield?

Mr. COX. Will the gentleman defer his request for just a minute?

Mr. RANKIN. Gladly.

Mr. COX. But his suspicion or his fear that the gentleman from New York [Mr. O'CONNOR], the chairman of the committee, will give direction to the labors of the committee that do not promise a thorough and honest investigation is altogether unfounded.

I have been on the committee for a good long while. I know the chairman and I think I am in his confidence. I know, as I believe my friend, the gentleman from Mississippi, knows, that the chairman, as well as the other members of the committee, are all honorable men, and that he can well afford to rely upon the assurance that the committee will meet their responsibilities in a proper manner; and, so far as the duties which this House puts upon them with respect to the proposed investigation are concerned, the members of the

Rules Committee will perform their duties to the full extent of their ability.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. KRAMER].

Mr. KRAMER. Mr. Speaker, as a member of the Committee on Accounts and having served on a recent committee investigating un-American activities, I just want to give certain information for the benefit of the committee which will make this investigation. I do not see how they are going to spend \$50,000 to make this investigation, because after Congress adjourns they will have no authority to compel the honoring of subpoenas issued upon anyone who may choose to disrespect them. There is nothing in the law that compels the persons subpoenaed to appear before the committee of the House of Representatives after service of the subpoena in any State other than the District of Columbia. That was one of the things that the Committee on Un-American Activities ran into in their investigation. There is a bill now pending before the Judiciary Committee, introduced by the gentleman from New York [Mr. DICKSTEIN], changing the statute, which, if enacted, will enable the committee to function in such a way that they could take drastic action if a subpoena issued was disobeyed.

The Special Committee on Un-American Activities, which carried on most of its activity subsequent to the adjournment of the second session of the Seventy-third Congress, on more than one occasion found itself seriously handicapped in its effort to compel testimony by its witnesses and to make effective subpoenas issued requiring the production of pertinent books and other documents.

Then we found that, due to the fact that the Seventy-third Congress was not in session and would not again convene unless called into special session, there was no provision of the law by which we could compel attendance or compel production of the documents, nor could we bring proceedings against recalcitrant witnesses in contempt or have imposed upon them penalties provided by law for contempt. We found the reason was that the existing law required a report of the contempt of the House and then had to await action by the House upon the committee's recommendation regarding citations for contempt.

The matter was taken up with the district attorney of that district, to whom was submitted transcript of the examination and copy of the subpoena issued, and his reply was to the effect that, inasmuch as the examination of the witness was not in the District of Columbia and the issue of the subpoena had not taken place in the District of Columbia, he had no jurisdiction to present the matter to the Federal grand jury in his district. His explanation was, as I quote from his letter:

I am still of the opinion that section 102 must be read in conjunction with 104 of the same title and that reading them together they confer no jurisdiction on the district court in this district to proceed either by the information or indictment against this witness. (Chapman 166 U. S. 601, 41 L. Ed. 1154.)

This is a concrete illustration of the difficulties of the investigating committee seeking to subpoena witnesses outside of the District of Columbia during the recesses of Congress will experience.

I commend to your serious attention H. R. 5915, which seeks to clarify section 104 of the Revised Statutes of the United States so as to enlarge on the authority to conform to the requirements of the investigating committees whose authorization carries them to distant parts of the United States and Territories thereof.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. GREENWOOD], and after that I shall move the previous question.

Mr. RANKIN. Will the gentleman yield for a question? The statement was made here a while ago—

Mr. GREENWOOD. Mr. Speaker, I did not yield. If I have some time left at the end of my statement, I shall be glad to yield to the gentleman from Mississippi.

Mr. Speaker, it seems that a little feeling has unnecessarily developed on this occasion, although I cannot see where the pending investigation calls for any such feeling. The Rules

Committee has assumed this responsibility because the House has placed it upon the committee. I have the highest respect for its chairman, having served with him for several years on that committee. The gentleman from Mississippi has always been a good friend of mine and I have confidence in him.

Mr. RANKIN. Will the gentleman yield since he has mentioned my name?

Mr. GREENWOOD. I do not yield. I do not think there is anything the gentleman needs to ask a question about since I have acknowledged our friendship.

Mr. RANKIN. I am not questioning the integrity of the gentleman from Indiana.

Mr. GREENWOOD. Mr. Speaker, I desire to complete my statement.

As in every investigation, this committee knew nothing more about the ramifications of the investigation than the House itself. Of course, we have no fixed program, but it will develop from time to time. We have started with the episodes that have already been called to the attention of the House. From time to time we will go into other features and other ramifications that will come to the attention of the committee. I am sure there is not a member of that committee who desires to spend one dollar more of this appropriation than is necessary, but we do feel the responsibility is upon us to make a thorough investigation. Every Member of Congress will be given an opportunity to appear before the committee and offer any suggestion or testimony which they desire to offer. I believe this resolution should be passed without question. I am sure there is no feeling that the Rules Committee will in any way evade any of its responsibilities, or will attempt to do anything except to make a thorough investigation, which the House expects them to make, and report their findings back to the House. I know that is the feeling of the chairman of the committee. I think we should have this amount of money made available, if we find it necessary to use it, and I feel sure that not a dollar of it will be spent that is not necessary.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I move the previous question.

Mr. RANKIN. Mr. Speaker, may I ask the gentleman from North Carolina to give me a couple of minutes? I think I am entitled to that time.

The SPEAKER. The gentleman from North Carolina [Mr. WARREN] moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment to the resolution.

Mr. RANKIN. What is the amendment?

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read the committee amendment to the resolution.

The committee amendment was agreed to.

The resolution was agreed to, and a motion to reconsider was laid on the table.

TENNESSEE VALLEY AUTHORITY

Mr. McSWAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8632, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. MAY. Mr. Chairman, I want to bring to the attention of the committee just a bit of information as to exactly what the amendment offered by the gentleman from Alabama means.

Mr. MAVERICK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. The gentleman is not speaking to his motion but is speaking to the amendment of the gentleman from Alabama [Mr. HILL] debate on which has been closed.

The CHAIRMAN. The point of order is overruled. The gentleman from Kentucky will proceed.

Mr. MAY. The enacting clause of this bill states: "Be it enacted, so-and-so." This is a part of the "so-and-so."

Mr. Chairman, it appeared in evidence before our committee that under the Federal Water Power Act, by which the War Department has jurisdiction of the rivers and harbors of this country, about 30 years ago they granted to some corporation which now belongs to the American Aluminum Co.—and if you want to say so, to Andrew W. Mellon—an area of about 40,000 acres on the Little Tennessee River, which area is 85 miles from the Norris Dam. In the 30 years these people have been in there they have established a large number of industrial plants and built three dams at a cost of \$40,000,000. That company proposes to build one dam above the other three to perform a function similar to that the Government intends to perform by the building of the Norris Dam above the Wilson Dam.

Mr. HILL of Alabama. Mr. Chairman, will my distinguished friend yield?

Mr. MAY. Not now.

Mr. HILL of Alabama. I want to give the gentleman some information that will make him happy.

Mr. MAY. Mr. Chairman, I cannot yield now. I would yield if I had time. Not only have they spent \$40,000,000 down there and given steady employment to thousands at good wages for all these years, but they pay 97 percent of all the taxes paid in one county and over 85 percent of all the taxes paid in another county, and they furnish 4 months of school in every district school, in every graded school in every year in those two counties.

These people, in order to provide a reservoir, bought 9,000 acres out of 10,000 at about \$15 an acre, and were preparing to construct a great storage dam to facilitate the operations of their great industrial plants and regulate floods and increase power production. All the last quarter of a century this private industry, without a penny's cost to the Government, meeting wage pay rolls every 2 weeks for the last 20 years amounting to hundreds of thousands every month, and at the same time paying large amounts of taxes to Federal, State, and local governments and schools, has moved steadily and progressively forward. All at once this T. V. A. crowd, like a band of high-seas pirates, sought to completely block the entire program by placing the vicious heel of autocracy upon the neck of this great revenue-producing enterprise and crush it forever and thus put out of employment some 6,000 workmen and remove millions of property from taxation.

They bought one plot of land 30 feet by 50 feet at the rate of \$5,000 per acre. They bought another plot of land in the middle of the same reservoir consisting of 12 acres at the rate of \$300 per acre and called them national parks, public lands not subject to condemnation.

Mr. Chairman, the purpose of this amendment is to enable the Tennessee Valley Authority to block that entire program and dictate to this industry that is paying a large amount of taxes to municipalities, counties, school districts, and the Federal Government, and prohibit them from proceeding with that improvement. That is what I call infamy plus Federal bureaucracy. A bunch of land sharks. I want the membership of this House who did not know about the hearings of this committee to know that they are voting absolutely to exterminate an industry that pays taxes and in the interest of one that does not pay a dime of taxes. President Andrew Jackson built the United States Treasury square across Pennsylvania Avenue to thwart exactly the same kind of a

set of Washington land sharks in 1832, and there stands the people's Treasury now. Oh, for another Andrew Jackson. [Applause.]

Mr. Chairman, just before the Committee rose yesterday evening the argument had gotten down to the point where the question was raised with respect to my attitude on this measure. I have tried repeatedly to state it and I shall state it tersely this morning in this way. There is a certain Book that all of us know about or should know about which says, "Between two evils choose ye the least." I am taking the House committee bill as the least of two evils as between it and the original basic act under which the T. V. A. is operating, and as I have repeatedly stated, if my committee bill is not deleted of its valuable provisions I shall vote for it, otherwise I shall vote against it.

I think this is a much better measure, but my particular purpose in asking for this time this morning was to respond to some of the statements of my good friend from Mississippi [Mr. RANKIN] made yesterday evening about the coal business in my district, and since he has been hauled over the coals so strongly this morning I want to assure him in the beginning that what I shall say today is said simply as an explanation and not as a criticism.

It was stated that the coal in my district was being wasted and should be used at the mine to produce electricity in order that my coal miners might have lights by which to read and heat with which to warm themselves and provide a number of the other conveniences which electricity gives. I wish every human being on earth could have all the conveniences of electricity without cost, but I must remind the statesman from Tupelo that there is not a miner in my district that eats or wears electricity. May I say that I know every coal mine in my district. I know every coal operator in my district. I do not know the 30,000 coal laborers that are in my district personally, but they know me, every one of them, and they are all for me, too—Republicans and Democrats. [Applause.] In my district every coal camp is lighted with electricity. In every five-room house, plastered and wired for electricity, electricity is furnished by the coal company on a reasonable flat rate per month, and every miner in my district has the privilege of running an iron, a refrigerator, keeping cold beer, if he can get it, lights burning in five rooms all day and all night, if he wants to, at a flat rate of \$2 a month in most cases.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I cannot yield just now. I want to get this statement in the RECORD.

In addition to this, the best of feeling exists between the operator and the miner, and I want now to go to Ontario to refer to some of the supposed low rates that has become an obsession of the brain with this distinguished statesman.

According to the latest figures from an investigation of the Ontario enterprise, that has been so much extolled in distributing electricity as a Government-operated institution by some uninformed gentlemen, when they closed their operations for the year 1933 they lacked \$4,221,000 having as much money as the amount they had expended to produce and market the electricity. They started off at an estimated cost of plant of \$25,000,000 and landed with an actual investment of \$80,000,000. The Province of Ontario, in its whole operation, started out with combined liabilities of \$25,000,000 and landed with \$316,000,000, which is equivalent to \$500 for every consumer in the Province.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I ask unanimous consent to proceed for 20 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Just as soon as I finish this statement.

The \$316,000,000 of combined liabilities of the Province of Ontario is equivalent to \$500 for each consumer they have, and 6-percent interest on \$500 used to be \$30 a year, or two and a half dollars a month of fixed charges. Therefore, the

enterprise, publicly operated, is a rank failure and a misrepresentation [applause], like Tacoma, Wash., where they say they have a low rate, but the property tax rate is \$7.20 on \$100 worth of property, and this goes into the expense of operating the plant, and the revenues thus derived aid in running the city government that is crushed by heavy outstanding bond issues.

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. MAY. I yield.

Mr. RANKIN. The gentleman is entirely wrong about that. The Tacoma plant is entirely separate from the city administration. It is a nonprofit-sharing corporation, and it has nothing to do with the tax rates in the city of Tacoma. This was thoroughly explained by the Senator from Washington in his speech in the Senate the other day, and the gentleman from Washington [Mr. LLOYD] will tell you the same thing, and he lives in Tacoma.

Mr. MAY. Now, Mr. Chairman, in answer to that statement, Mr. E. K. Murray, director of the department of public works of Tacoma, Wash., who represents the whole State, testified before the House Military Affairs Committee on April 15, 1933, and stated in detail the facts in relation to this matter, when Senator BONE was present. I asked him these questions:

Mr. MAY. I want to get this clear. Is the 72 mills per dollar or per hundred dollars' worth?

Mr. MURRAY. It is 72 mills on the dollar.

Mr. MAY. That would be how much on \$100?

Mr. MURRAY. It would be \$7.20. The tax is levied on 50 percent of the actual value of the property.

This is another one of the many instances where government ownership and operation of public utilities becomes a farce and a failure. Lower rates to consumers are urged as the great goal to be obtained, and yet the public pays the bills in the form of higher taxes to take care of extravagance due to bureaucratic and political control of such enterprises; but, Mr. Speaker, I have opposed the Tennessee Valley Authority from the beginning upon a more fundamental principle than mere reduction of rates of service. The principal objection to such an institution as T. V. A. is founded upon the principle that it is contrary to the principle of local self-government, and the doctrine of State rights, both of which are foundation stones of self-government, and individual liberty under a republican form of government. As to what the founders of the Republic meant in the strong restriction of powers granted by the States to the Federal Government, can better be determined by reference to the views of some of the men whose public careers followed soon after the establishment of the Federal Government.

In the great debate between Daniel Webster, of Massachusetts, and the illustrious Robert Y. Haynes, of South Carolina, in 1830 when they had under discussion in the United States Senate the Foote resolution which proposed to cede to the States portions of the public lands then owned by the Government, that great Southern statesman and leader, Robert Y. Haynes, expressed grave concern at the influence that might be wielded upon the freedom of the States, and the people thereof, by merely ceding to them portions of the public domain. In that debate he used language peculiarly applicable to present-day conditions. I quote him as follows:

I distrust, therefore, sir, the policy of creating a great permanent National Treasury, whether to be derived from public lands or from any other source. If I had, sir, the powers of a magician, and could, by a wave of my hand, convert this Capitol into gold for such a purpose, I would not do it. If I could, by a mere act of my will, put at the disposal of the Federal Government any amount of treasure which I might think proper to name, I should limit the amount to the means necessary for the legitimate purposes of the Government. Sir, an immense National Treasury would be a fund for corruption. It would enable Congress and the Executive to exercise a control over States as well as over great interests in the country, nay, even over corporations and individuals—utterly destructive of the purity, and fatal to the duration of our institutions. It would be equally fatal to the sovereignty and independence of the States.

Sir, I am one of those who believe that the very life of our system is the independence of the States, and that there is no evil more to be deprecated than the consolidation of this Government. It is only by a strict adherence to the limitations im-

posed by the Constitution on the Federal Government, that this system works well, and can answer the great ends for which it was instituted. I am opposed, therefore, in any shape, to all unnecessary extension of the powers, or the influence of the Legislature or Executive of the Union over the States or the people of the States; and most of all, I am opposed to those partial distributions of favors whether by legislation or appropriation which has a direct and powerful tendency to spread corruption through the land; to create an abject spirit of dependence; to the different portions of the Union, and finally to sap the very foundations of the Government itself.

These words are particularly applicable at this time when we find the Tennessee Valley Authority's board of directors engaged in every form of activity, and planning every possible scheme to subsidize and subdue the people of four great southern States. I have never had any objection, and do not today oppose the full development of the Tennessee River for flood control and navigation, but I do object to the activities of this Federal bureau in a reckless and wasteful expenditure of public moneys in order to control and dictate the policies of the States in which they operate, and to direct the life and activities of the people of those States.

If it was dangerous in the early existence of the Republic to cede to the States public lands within their territory, how much more dangerous is it today to have the Federal Government appropriating hundreds of millions of dollars to be given to municipalities and other subdivisions of State government in the form of grants for the construction of power plants and distribution system for the distribution and sale of electric power, when the Tennessee Valley Authority assumes the right and power to dictate to each and every community the terms of sale and the activities of their local city, town, and village. The Federal Government has become so all-powerful that it is dominating the States to such an extent that all eyes are turned toward Washington. Bureaucrats at the heads of great departments with more than \$4,000,000,000 of taxpayers' money readily available for gifts, donations, and other forms of bribery, has developed a condition where the governors of States, as well as the departments of State governments are being told from Washington what they may or may not do in the management of their own internal affairs.

It is proposed by this legislation and by amendments to be offered to this bill that the Tennessee Valley Authority be permitted to engage promiscuously in the wholesale and retail distribution of electricity in competition with private owners, and to effectuate the desires of this organization, any city, town, or municipality, or cooperative organization of citizens who will apply to the Tennessee Valley Authority, may procure an outright gift or donation of funds from the Federal Treasury of 45 percent of the cost of the enterprise. This is not merely the open door to a vicious form of State socialism, but it is despotism in its vilest form. This, to me, is unthinkable, but we are told, Mr. Speaker, that the Government of the United States desires to establish a yardstick by which to measure the cost of electricity to the consumer, and this yardstick is to be produced by authorizing the Federal agency that is to make it, to sell electricity at any price it wishes. It is proposed to expressly authorize the sale at any figure below cost. Of course, so long as taxpayers may be fleeced for money to take up deficits, the Government can operate such a program, but how long, may I ask, can a private industry compete with such opposition?

Deficits created by the operation of private concerns must be provided for either from existing surpluses, if any there be, or by assessments upon stockholders, and ultimately this can result only in bankruptcy and ultimate destruction of all industry by ruthless competition by the Government. It has been argued upon the floor of this House that I have been trying to throttle and defeat the purposes of the Tennessee Valley Authority, when, as a matter of fact, I have sought only to place upon its board of directors, officials, and agents, the same restrictions that are required of other Government agencies and bureaus, and to require it to account for all moneys received by it as other agencies of the Government do. To these things, the directors of the T. V. A. seriously object, and their objection to this leads to no rea-

sonable or logical conclusion other than they desire to recklessly handle the peoples' money. In the face of the most unheard of extravagance in Government that can be pointed to in the history of the world, if it be a crime to demand economy in the expenditure of public money, then I plead guilty of the charge. If it be a crime to demand that those who spend the public funds shall make an honest accounting for them, then I plead guilty on the second count.

All I have asked or demanded is that if we must have a T. V. A., let us have a controlled T. V. A., and not one with unlimited and uncontrolled authority to spend the people's money. If we are to have a yardstick, let us have an honest yardstick, and a fair yardstick, but, Mr. Speaker, the whole purpose and object is to so cripple, compete with, and destroy private industries that they may be taken over, owned, controlled, and operated by the Federal Government.

I have been charged as being interested in the coal industry and therefore prejudiced against the T. V. A. I have no personal interest in coal or the coal industry, other than the interest of the people, owners and workers, engaged in the industry in the district which I represent. I have, in my district, a high-grade bituminous coal, and at this point I desire to include in my remarks a table showing the number of miners employable, the number unemployed, and the number employed on full time and part time, together with their average earnings per year, in the various counties.

County	Employable miners	Unemployed	Employed full time	Employed part time	Average earnings per year
Floyd.....	4,295		3,577	4,039	\$929.20
Johnson.....	1,729	207	817	1,522	539.40
Knott.....	689	15	557	674	869.40
Letcher.....	5,339	147	4,983	5,242	800.00
Martin.....	397	10	299	387	542.80
Perry.....	5,389	319	4,511	5,070	839.20
Pike.....	6,238	298	4,923	5,940	878.60
Magoffin.....	175	40	115	135	441.60
Total.....	24,301	1,036	19,782	23,009	

Also another table showing the number of miners employed full time each year and the amount of their earnings.

Floyd.....	\$929.20 × 3,577 miners =	\$3,323,748.40
Pike.....	878.60 × 4,923 miners =	4,325,347.80
Knott.....	869.40 × 557 miners =	484,255.80
Perry.....	839.20 × 4,511 miners =	3,785,631.20
Letcher.....	800.00 × 4,983 miners =	3,986,400.00
Johnson.....	539.40 × 817 miners =	440,689.80
Martin.....	542.80 × 299 miners =	172,297.20
Magoffin.....	441.60 × 115 miners =	50,784.00

16,549,544.20

From these tables, it will be observed that there are approximately 25,000 workers in the eight counties of my district and that they earn annually in wages more than \$16,000,000. It will doubtless be admitted by everyone who is informed at all that electricity is one of the strong competitors of coal as a fuel, and that if we are to have a subsidized Government-owned electrical industry, authorized and permitted to sell electricity at any price, in view of the testimony in this record, what may be expected to happen in the coal industry of my district, and where, oh where, Mr. Speaker, can we find employment for the 25,000 men that will be thrown out of employment, and what will take the place of the \$16,000,000 annual pay rolls in the coal industry of my district? I am interested and shall oppose to the last the vicious, ruthless, and destructive competition in the coal industry as proposed by this legislation. I do this, Mr. Speaker, in behalf of the workers and all the people of my district. The \$16,000,000 spent annually by the workers in the coal mines of my district means business to the merchants, farmers, and all other forms of business, and happiness and contentment to the toilers who produce the wealth and earn the wages.

While I recognize my obligation to all the people of the Nation, I am particularly the representative of my own district, and with this vital interest at stake, I shall continue to oppose any obstruction to the welfare and to the life and prosperity of my constituency.

Mr. TAYLOR of Tennessee. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, having been unable to obtain any time during the general debate on the measure before us, I am availing myself of this parliamentary expediency to make a few remarks on this very important piece of legislation.

Naturally I am tremendously interested in the work of the T. V. A. First, because of the national-defense, flood-control, and navigation aspects of the proposition; and, second, because of the fact that one of its major activities is located in the congressional district I have the honor to represent. The first element of my interest, therefore, is based on principle and patriotic impulses, while the second, as you will readily perceive, is founded on more or less selfish considerations.

This subject, Mr. Chairman, is by no means a new one to me. Coming to this body in 1919, I have had the opportunity to observe this problem in all of its details and ramifications during the intervening years, and I have enjoyed the privilege of participating in its extremely difficult and complicated but gradual solution. During that period I have been out of harmony with my party in the main, but I have no apologies to offer to anyone for the position I have invariably taken and the votes I have uniformly cast. While this development is in the South, it is by no means a local or provincial one. It is a preeminently national project and institution, and the time will soon come when it will be so recognized, even as the Panama Canal, the Boulder Dam, and other great national developments are considered.

As a general proposition, I am opposed to the philosophy of Government ownership and Government operation, but inasmuch as our navigable streams belong to the whole people, I favor their preservation as far as possible free from the exploitation of private greed.

Mr. Chairman, I am not one of those who nourish a grudge against the private-utility interests of this country, and who would destroy them by one fell swoop. I recognize the contribution that these enterprises have made to our national wealth, and I am violently opposed to the ruthless confiscation of their investments. I voted against the so-called "death sentence" a few days ago, because I believe in justice to every individual and to every enterprise. But, Mr. Chairman, I am constrained to believe that many of these utility companies have in the past imposed unreasonable and exorbitant rates for their services. I do know that since the birth of the T. V. A., charges for electrical current have been sharply reduced in my State and in adjoining States, and I understand that the repercussion from the T. V. A. policy has been similarly felt throughout the length and breadth of the land. The T. V. A. is certainly entitled to credit for this great blessing to the people.

The Tennessee Valley development envisions a gigantic civic laboratory dedicated to the welfare of the people of the United States. And if it is not handicapped in its endeavors and is permitted to carry to fruition its high purposes, it will inevitably turn out to be one of the greatest and most valuable assets, both from a civic and economic consideration of our Nation. During the hearings and the debate on this measure, the Authority has been the target of much satire, much abuse, and much ridicule. This is not strange, and it is certainly not uncommon. No undertaking of such colossal magnitude has escaped criticism, merited or otherwise. Constructive criticism is often a good thing and should be encouraged, but criticism which partakes of captiousness, sectional prejudice, and bigotry is always unfortunate.

Of course, the Authority has been guilty of indiscretions, and I am frank to say that I do not condone or approve of all of its practices, but I certainly would not favor the junking of a great national enterprise such as this just because the Authority has shown some evidence of poor judgment, the effect of which pales into insignificance in comparison with the tremendous magnitude of the undertaking.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. McSWAIN. Reserving the right to object, and I shall not object, I desire to say that we want to finish this bill today, and if we can get down to it we can finish it. A few minutes longer under a pro forma amendment should be sufficient. I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. TAYLOR of Tennessee. The acts of indiscretion about which some of my colleagues complain will soon pass and be forgotten, while the beneficent influences of this great development will go on increasing in usefulness as the years go by. And in conclusion, Mr. Chairman, I wish to make this prophecy that before many years shall lapse those who have so bitterly assailed and anathematized this project will recognize its virtue and will rise up and call "blessed" those who have been responsible for the fulfillment and realization of a great national vision and aspiration. [Applause.]

Mr. MAVERICK. Mr. Chairman, during this debate I have heard a great deal of personalities and some statements about coal. What has coal got to do with the T. V. A.? I come from the State of Texas and I have not mentioned oil up to this time. But Texas is the greatest oil-producing State in the United States, and my district and my State wants the whole United States to be prosperous. If we other States can be prosperous by the use of any of their wealth and resources, we will sell more oil. The same thing is true of coal; the same thing is true of any product. I do not believe that by stopping prosperity in a few States you can help prosperity in the coal States or anywhere else. We have stopped producing many things, making them scarcer in order to bring about prosperity. That is ridiculous. We are talking about small matters and about false economy. Prosperity begets prosperity, just as poverty begets poverty. They keep talking about those cows, which are an infinitesimal part of the great program. Yet, as a matter of fact, if you get good cows down there and raise the type of cattle similar to the cattle they have in Minnesota and Wisconsin, it will be a fine thing for this country—and I disagree with my friend the gentleman from Tennessee that his State is as great a dairying State as either Minnesota or Wisconsin. If the coal people want protective legislation to help their industry, I am going to be for it; and if any other industry in this country wants protective legislation I will be for that, too. What we ought to do is to be for every measure of conservation and for every move for prosperity in the country.

On the utility holding-company bill, as I said the other day, we Democrats, at least, did not vote unanimously. We did not vote unanimously on the so-called "death sentence", but I do hope the Democratic Party will go down the line and vote for the amendments offered by the gentleman from Alabama [Mr. HULL], which are approved by the administration, and which will make the bill similar to the Senate bill, because the Republicans have made that an issue—it is in the paper this morning—that the T. V. A. is "communism" and "socialism." There is one thing the Democrats ought to do. We ought to have intelligence enough, if we are going to run our Government and the T. V. A. intelligently, to give such units as the T. V. A. somewhere near as much latitude as we gave the holding companies. Let us go ahead and conduct our own business intelligently so that we can be proud of it, and let us not knock the President in the nose twice.

Mr. HOEPEL. Mr. Chairman, I am in a happy frame of mind today, because I believe that the bill under discussion is in the interest of the American people and I am glad to join in its support. We heard the T. V. A. referred to on the floor yesterday as a project which will furnish a "yardstick" for legitimate utility rates throughout the country.

I am interested in that idea, and I should like to apply it also in other fields. We need a yardstick by which to evaluate the imperative needs of our people and to disclose the disgraceful contrast between the privileged few and the underprivileged many. Yesterday I received a letter from the superintendent of charities of the county of Los Angeles, in reply to a communication I addressed to him regarding the pathetic plight of a 70-year-old gentleman just recovering from an operation which he underwent last month. In his letter, the superintendent of charities stated:

Investigation discloses that Mrs. ——— is receiving welfare relief in the amount of \$7.14 per month and Mr. ——— in the amount of \$13.82 per month. This sum is \$5.28 in excess of the ordinary budget for one in this circumstance.

In other words, this aged, worthy couple is receiving less than \$21 per month welfare relief which, it is pointed out, is \$5.28 in excess of the ordinary budget for such cases.

Speaking further, the superintendent of charities states:

This family is a very high type, and cooperative in every way.

I ask now the special attention of the members of the Military Affairs Committee who are handling the bill under discussion. The Military Affairs Committee recently reported out a bill—S. 1404—a so-called "Army officers' promotion bill", which is a distinct raid on the Treasury of the United States.

If the Members will refer to page 10346 of the CONGRESSIONAL RECORD they will find some startling facts, facts in reference to the high pay and other advantages enjoyed by the officers of the Regular Army who are asking for further increases for themselves, while worthy, outstanding American citizens are forced to subsist on the meager funds available to them through relief agencies.

With a background of 37 years' military experience, active and retired, I contend that any legislation which seeks to retire able-bodied graduates from West Point after they have served 11 years in the Army, as does S. 1404, is nothing short of criminal. To retire officers in the Army, contrary to existing law, with retired pay from \$149 to \$362 per month is an absolutely unjustifiable raid on the Treasury, and is class legislation of the worst type. I again urge the Members to read my remarks on this subject on page 10346 of the RECORD.

Mr. MERRITT of New York. Mr. Chairman, I make the point of order that the gentleman is speaking out of order. He is not speaking to the bill.

The CHAIRMAN. The point of order is made that the gentleman is not confining himself to the bill. The gentleman from California will proceed in order.

Mr. HOEPEL. Mr. Chairman, I am sorry that the gentleman has made a point of order to stop discussion of a matter so threatening to the interests of the American taxpayers. It is part of the plan of the selfish military lobby in Washington that the Members should not realize the tremendous significance of S. 1404, both economically and socially, and, as a military man myself, whose allegiance, however, is first of all to the people and the Government of our country, I feel it is my duty to urge the Members to give this proposed legislation their earnest consideration so that this flagrant raid on the Treasury may be stopped before it goes further.

The Army and Navy lobbies here in Washington are of more potential force than the so-called "utility lobby" which we are now investigating. A newspaper correspondent yesterday advised me how diligently the Army lobbyists are working to secure the enactment of S. 1404, and I myself have been approached from various sources, even including the families of officers, with requests that I not oppose S. 1404, which will be an inordinate steal because of the cumulative, perpetual expense it will mean for the taxpayer, due to an unnecessary increase in rank of 1,412 field officers and the authority to retire up to 4,500 able-bodied officers after having served only 15 years. The Members might realize the strength of the military lobby if all officers, active and retired, were required to wear their uniforms while on duty in Washington or residing here. Such a require-

ment, in my opinion, would be distinctly in the interest of sound legislation.

Mr. MERRITT of New York. Mr. Chairman, I insist the gentleman is speaking out of order.

Mr. HOEPEL. I am speaking for the American taxpayers, and I ask the Committee to bear this in mind.

The CHAIRMAN. The gentleman from California will suspend. After being directed to confine his remarks to the bill, he should proceed in order.

Mr. HOEPEL. In reference to S. 1404, I consider that I have said enough. I only hope the Members will read my discussion of the subject in the CONGRESSIONAL RECORD, page 10346, and if they are human and honestly interested in the taxpayers and in alleviating the desperate plight of the worthy citizen, who has been unemployed for a long period and who is on relief, I feel confident they will vote against S. 1404 if it is brought before the House for consideration. Now, in reference to the pending measure before the House—

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. HOEPEL. I am sorry, I have not the time. I wish to reiterate that I am in favor of this T. V. A. legislation. This bill is one of the outstanding points of the new deal. If we would appropriate billions of dollars to develop every natural waterway in America for the purpose of water conservation, for flood control, and for the development of electricity, we would save our basic natural resources of hard and bituminous coal which are being depleted unnecessarily and which will be so vitally required by posterity in the centuries ahead of us.

We are here quibbling over the expenditure of a few million dollars for a worth-while project which has for its objective flood control, water conservation, and the furnishing of electricity at the lowest possible cost to the consumers, not only in the section to be served, but everywhere in the United States, for the T. V. A. is to furnish a yardstick for reasonable prices to all consumers. I hope that we will be equally solicitous of the taxpayers' interest in the event the so-called "officers' promotion bill" reaches the floor for consideration.

The CHAIRMAN. The time of the gentleman from California has expired.

ONTARIO, ITS TROUBLE—THE POWER TRUST

Mr. McFARLANE. Mr. Chairman, I hope the gentleman from Kentucky [Mr. MAY] will give me his attention for just a minute. I want to get him straight on the Ontario proposition; and just to keep the RECORD straight on the Ontario project, I trust that the membership of the House will read my remarks on that question, in which I quote the official records of the Ontario project, in the RECORD on page 8168 of the RECORD of May 24. Somehow or other there are quite a few newspapers ready, anxious, and willing to uphold the rights of the Power Trust and their excessive charges running into about \$1,000,000,000 per year they place on the consumer beyond rates that are considered fair rates. And these papers, probably because they either own Power Trust stock or because of the advertising the power companies carry in their papers, are always ready and willing to carry whatever editorials or news items the Power Trust wants them to carry in their paper. Of late I have noticed quite a few such newspapers ready and willing to do the bidding of the Power Trust and to help them any way they can. When I read the editorial of the New York Sun, I went to the trouble to get the facts for the RECORD to answer the editorial placed in the RECORD by the gentleman from New York [Mr. WADSWORTH], this particular editorial appearing in the New York Sun on April 22, 1935, attacking this Ontario project. I think this article clearly answers him; and if the gentleman from Kentucky [Mr. MAY] will take the time to read that statement in the RECORD, he will find that the Ontario project is the greatest and one of the most successfully operated municipally owned projects today on the North American Continent. That great project is serving 757 cities and towns. It has an investment of more than \$394,000,000, with an overhead indebtedness of 39 percent.

That indebtedness is not watered like the Power Trust pumps water into every project they start and then bleed the people white through the sale of worthless securities.

In recent years that indebtedness of the Ontario plant has been decreased from 88 percent to 39 percent. It is paying their people dividends in services rendered and making money. It is reducing its overhead every day.

Mr. MAY. Will the gentleman yield?

Mr. McFARLANE. In just a moment. The only trouble the hydroelectric project of Ontario has had is the same trouble that every municipally owned plant in this country has had whenever they try to declare their independence from the Power Trust and set up their own plant. The Power Trust of this country, as you know, comes in and tries in every possible way to keep them from setting up and operating their own plant. They could not compete with the Ontario project, so they did the next best thing. They got to the officials over there, the same as they do the officials all over the United States whenever and wherever possible, and they got those officials to enter into three improvident and fraudulent contracts to buy power from private plants instead of continuing their policy of generating their own power. When the depression hit them they naturally had more power than they ever needed. That is the only trouble they ever had. One of those contracts was with the Quebec Power Co. for 250,000 horsepower; another was with another private company for 96,000 horsepower; and the third contract was with another private company for 125,000 horsepower. That is the only trouble the Ontario project has ever had, when the officials of that project were taken in, so to speak, by the Power Trust. Then the Power Trust came in through the back door to wreck it like they try to wreck every other municipal project everywhere. The Power Trust works every way and any way in the world to keep any government authority from having sufficient authority to regulate their rates, so that they may continue to charge the people excessive rates.

Mr. MAY. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MAY. I would like to ask the gentleman, who is a lawyer and a good one, what he thinks about the constitutional authority of the Federal Government to sell and distribute electricity within the sovereign State of Tennessee?

Mr. McFARLANE. Well, whenever some cannot think of any other excuse for voting against a bill they always like to set up a straw man and go to shooting at him on constitutional questions; they then go to alibiing along that line as their reason for their vote.

Mr. MAY. Is the straw man the Constitution of the United States?

Mr. McFARLANE. No. The straw man is the Power Trust that they hit upon whenever they try to jump over on constitutional grounds as reasons for their vote against the rights of the common people.

The CHAIRMAN. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. RANKIN. Mr. Chairman, I rise to strike out the last four words.

Mr. Chairman, I want to say in answer to the gentleman from Kentucky [Mr. MAY], with reference to the Tacoma tax rate, that the Tacoma power plant is a separate, non-profit-sharing corporation. It has nothing to do with city taxes and, therefore, is not responsible for them. Its operating expenses, sinking fund, and overhead are paid for out of power revenues.

Now, about this yardstick. I hold in my hand a report from the engineers of the War Department made in 1930. It is signed by the then Secretary of War, Patrick J. Hurley, and by the Chief of Engineers, Gen. Lytle Brown.

This report of the Army engineers says they can manufacture power for 1.35 mills per kilowatt-hour and transmit it 250 miles for 1.11 mills per kilowatt-hour. Listen to this. This is from the report of the War Department. I learned long ago that whether you agree with the engineers of the War Department or not, they will tell you the truth. They will not lie. This is what the War Department says, and

you gentlemen who have been talking about this yardstick listen to this, from pages 530 and 531, Report From the Chief of Engineers on the Tennessee River and Tributaries, Part 1, 1930 (H. Doc. No. 328, 71st Cong., 2d sess.):

The next step is to estimate the transmission costs, including line losses of the hydro power. To supply the prospective market under consideration, it is estimated that the average transmission distance would be 250 miles, and based upon transmission-cost data worked up in the Nashville office, a copy of which constitutes a part of appendix G, section C, of this report, this would be 1.118 mills per kilowatt-hour, including line losses.

Having the average cost of hydro power at the switchboard, and the average cost of transmission over the average distance, 1.358 plus 1.118 equals 2.476 mills per kilowatt-hour, equals the average cost of the hydro power delivered at an average distance of 250 miles.

Answer that! There it shows what it costs to produce this power and to transmit it 250 miles.

Mr. McLEAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No; I cannot.

Mr. McFARLANE. Cover the tax phase of it.

Mr. RANKIN. The Tacoma plant paid \$145,000 taxes last year, and the T. V. A. pays 5 percent of its gross earnings in lieu of taxes.

I have in my hand a report for the Power Authority of the State of New York, which shows that with an 80-percent load they can produce this power and transmit it 300 miles for 3.25 mills per kilowatt-hour.

The trouble is, gentlemen, you have not studied this proposition. The power lobbyists have been humbugging you and hoodwinking you. The Members of Congress and the American people are just now finding out what electric power is worth. When General Hurley signed this report the Power Trust was buying power at Muscle Shoals at 2 mills per kilowatt-hour, which the Army engineers say was produced at about 1½ mills per kilowatt-hour or less. This power they were buying for 2 mills at the dam they were selling 200 yards away at 10 cents a kilowatt-hour, or at a profit of 4,850 percent. You heard no complaint then, but now it is different. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired under the limitation fixed by the House.

Without objection, the pro forma amendments will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 6. That section 10 of said act be, and the same is hereby, amended by adding thereto a proviso as follows: "Provided further, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly from its transmission lines as contemplated by this section, the Board in its discretion shall have power to acquire existing transmission lines and facilities: *And provided further*, That the terms 'States', 'counties', and 'municipalities' as used in this act shall be construed to include the public agencies of any of them unless the context requires a different construction."

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 5, line 7, strike out all of section 6 and insert in lieu thereof the following language:

"SEC. 6. That section 10 of said act be, and the same is hereby, amended by adding thereto a proviso as follows: 'Provided further, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly as contemplated by this section, the Board in its discretion shall have power to acquire existing electric facilities used in serving such farms and small villages: *And provided further*, That the terms "States", "counties", and "municipalities" as used in this act shall be

construed to include the public agencies of any of them unless the context requires a different construction."

Mr. McSWAIN. Mr. Chairman, those who followed the reading of the amendment and compared it with the text of the bill will realize that the amendment proposes to change only two words, to wit, to strike out the words "transmission lines" and to insert in lieu thereof the words "electric facilities", so that, instead of reading "acquiring transmission lines and facilities", it will read "may acquire existing electric facilities." The word "facilities" is a little broader, Mr. Chairman. It is thought perhaps it might be desirable to acquire such things as transformers or step-down stations to reduce the voltage to make it usable by the farmers. The amendment is merely a clarifying amendment. I ask for a vote.

The CHAIRMAN (Mr. SMITH of Virginia). The question is on the committee amendment.

The committee amendment was agreed to.

Mr. COOPER of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few moments ago I was very much interested in the statement of the gentleman from Texas [Mr. McFARLANE], in which he was praising the public-owned electric utilities in Canada, and especially in the Province of Ontario. There are a great many people in our country who continually are holding out the great advantage the people of Canada have in regard to public ownership of utilities, and especially in the Province of Ontario. I have in my hand part of an editorial published in the Ontario News Herald on December 19, 1934, from which I quote the following:

Take the Dominion's railway and merchant marine ownership policies—classic examples of the blight and burden of "politics in business."

Take the Hydro-Electric Commission in Ontario. Sitting right on the top of Niagara's power, it ought to be a marvelous success if there were any virtue in public ownership.

Instead of that its members have been kicked out and a newspaperman, dragged out of retirement to run it, has shocked even its staunchest friends by the revelations he has made of its deficiencies—and worse.

Now, that comes from one of the leading newspapers in the Dominion of Canada.

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I feel a good deal like a man attending a medicine show such as we have in Oklahoma, where a tonic or linament is sold with the assurance that it will cure all evils that may exist in a man's system and that it may be used with equal efficacy as a horse medicine, chicken medicine, or for any other purpose. I am not supposed to know anything about the T. V. A. I cannot bandy these figures about rates back and forth; but I did have the privilege of visiting the Norris Dam. I also had the privilege of going to that town and seeing the dam under construction. I have been a farmer all my life. My father and my grandfather before me were engaged in the same occupation; and when I heard the gentleman from Mississippi tell of the wonders that are to come from the lighting of the homes, I felt like asking, How is electricity, and that product only, to change the whole economic status of the country? You must have something on which to use electricity. The territory I saw around Norris actually would not support goats.

I do not know whether the whole Tennessee Valley looks like it or not. The yards of the beautiful city that was constructed as a dream to lead the way for this Nation had to have earth hauled in so that grass could grow in the yards of a good many homes down there.

Mr. Chairman, we are considered to be hiding behind the Power Trust if we oppose the appropriation of millions of dollars for this dream to rehabilitate a country that has worn out. When we come to the Congress and ask aid in refinancing and amortizing the loans on the farms in the West, as provided in the Frazier-Lemke bill, we are Communists and have no place in the Congress. We have people out there who are actual farmers and can produce the grain and have produced it in the past. We have no need for electricity as yet. If we could finance our farms, have machin-

ery at a reasonable cost to operate, and have some kind of homes to live in we would be perfectly happy.

Mr. Chairman, I am not opposed to the development of a model plant in T. V. A.; I am not opposed to continuing the work that has started down there, but there is not a private industry in the United States that could refinance themselves for an additional extension on the record that has been so far established by the T. V. A. They would have a mighty hard time getting their present indebtedness refinanced in order to carry on.

If this Congress wants to protect its authority and rights the Members will vote today that every cent that goes to the T. V. A., whether it is through the issuance of bonds or through an appropriation, should be authorized by the Appropriations Committee of this House. [Applause.] We should not allow that bunch of bureaucrats down there to determine how that money should be spent.

I want to read some damaging testimony which I read in the hearings. Mr. Morgan testified that the land had cost \$50 an acre.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Chairman, Mr. Morgan testified before the committee that the land cost on an average of \$50 an acre, and then a little further on in his testimony he made this statement: "The study that we made of 977 tenants near Norris Dam showed that two-thirds of them had a farm income of less than \$60 a year."

Mr. THOM. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Ohio.

Mr. THOM. The \$50 an acre included buildings, not land alone, if the gentleman will read the complete testimony.

Mr. FERGUSON. I understand that, but if the gentleman has had any experience selling farms or foreclosing farms in the West, he will find that the improvements do not amount to anything.

Mr. THOM. The gentleman ought to be fair and quote Mr. Morgan as he testified. He testified that price included land and buildings.

Mr. FERGUSON. I am glad to include them. That is perfectly all right, but when land is sold nothing is received for the improvements. They are either wasted or torn down and are not considered as vital.

Now, it is all right to give the T. V. A. blanket authority to construct dams on the Tennessee River, but may I make this statement: When we tried to secure aid in order to construct dams on the North Canadian River down in our country, which river destroyed millions of dollars' worth of property, and a project for which the State of Oklahoma had put up considerable money, that project was turned down because it was not included in the dream of some special people that have the ear of the Congress and the administration. Lastly, may I say that when we pin the idea of national defense and flood control onto this bill it is a misnomer. I am reminded of the phrase used by Gibbon, when, in speaking of the Roman Empire, he said:

It is neither holy, Roman, nor an empire.

On my statement that the bill reminds me of Gibbon's phrase, let us examine the purported purpose of this bill—to improve navigation. On page 304 of the hearings General Pillsbury, of the Army Engineers, testified that a complete navigation system could be constructed for one-fourth the cost of the proposed system, and not more than \$75,000,000 could be justified from the benefits derived by navigation. So that eliminates three-fourths of the proposed cost.

The same General Pillsbury stated the seven or eight proposed high dams would solve the local flood-control problem by the unique method of flooding the entire Tennessee Valley; in his own words, "You understand that when this system of high dams is built there will be very little bottom land left in the Tennessee Valley, which is the natural valley

to be flooded, and it will all be covered by the dam except the important cities such as Knoxville, Chattanooga, and the regions about them." And as far as the effect on floods on the lower Mississippi are concerned, he says, "The effect on the Mississippi would be measured in inches and fractions of an inch in a high flood."

So it is plain to see the bill has no flood-control value. That should be stricken from the title.

From what I could gather from the statement of Col. C. T. Harris, Assistant Secretary of War, on page 327, it has little to do with the successful prosecution of a war.

Now, to be brief, this bill has as its primary feature the construction of seven or eight large power plants—a great extension of power before the dams now completed or under construction have had a chance to prove their worth. Why should the Nation pay for the creation of more power than at present can possibly be used, allow T. V. A. to sell this power below cost, and give the Tennessee Valley a power that will allow it to attract industries to that valley at the expense of the rest of the country, with the taxpayer paying the bill?

I want to refer again to the response we in Oklahoma have had to our application for the construction of dams under the works program, and the State agreed to buy the land and operate the dam. Yet those dams have not been approved. In the Tennessee Valley the Government buys the land, constructs the dams, gives the State 5 percent of the gross proceeds, and after all that, under this present bill, T. V. A. is even authorized, after paying two prices for poor land, to assist the farmers in moving to a new area.

I do not want to appear as an obstructionist. But before we expand the already great powers of T. V. A. we should look to the flood-control, soil-erosion, and refinancing problems of the West, and not spend all the money on a section that in many parts is ruined beyond recovery.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 7. That said act be, and the same is hereby, further amended by adding a new section after section 12 of said act, as follows:

"SEC. 12. (a) In order (1) to facilitate the disposition of the surplus power of the Corporation according to the policies set forth in this act; (2) to give effect to the priority herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; and (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to advise and cooperate with States, counties, municipalities, and nonprofit organizations situated within transmission distance from any dam where such power is generated by the Corporation in acquiring and operating (a) existing distribution facilities and incidental works, including generating plants; and (b) interconnecting transmission lines; or to acquire any interest in such facilities, incidental works, and lines."

Mr. McSWAIN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. McSWAIN: On page 6, line 18, after the word "or", strike out "to acquire" and insert in lieu thereof "in acquiring."

Mr. McSWAIN. Mr. Chairman, I apologize to the Committee for bringing in an amendment merely to correct a verbal situation. I presume the House understands by now that this bill was formulated under conditions that were not very conducive to accuracy.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 8. That said act be, and the same is hereby, further amended by adding to section 14 of said act the following:

"For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and the production of chemicals necessary to national defense and useful in agriculture, and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating and transmission facilities constructed or otherwise acquired by the Corporation, and of producing such chemicals, and a description of the major components of such costs according to such uniform system of accounting for public utilities as the Federal Power Commission has, and if it have none, then it

is hereby empowered and directed to prescribe such uniform system of accounting, together with records of such other physical data and operating statistics of the Authority as may be helpful in determining the actual cost and value of services, and the practices, methods, facilities, equipment, appliances, and standards and sizes, types, location, and geographical and economic integration of plants and systems best suited to promote the public interest, efficiency, and the wider and more economical use of electric energy. Such data shall be reported to the Congress by the Board from time to time with appropriate analyses and recommendations, and, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy and chemicals useful to agriculture. After July 1, 1937, the Authority shall not sell the surplus power or chemicals produced by it annually below the cost of the aggregate production for each year."

Mr. WILCOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wilcox: Page 6, line 22, after the word "following", insert "the Board shall, on or before January 1, 1937, file with Congress a statement of its allocation of the value of all such properties turned over to said Board, and which have been completed on or before said date, and shall thereafter in its annual report to Congress file a statement of its allocation of the value of such properties as have been completed during the preceding 12 months."

Mr. WILCOX. Mr. Chairman, this amendment simply requires the filing of information with the Congress by the Board of the Tennessee Valley Authority as to its allocation of the value of the properties devoted to flood control, navigation, national defense, and the production of power.

The original act, in section 14, requires the Board to make such an allocation. It is recognized in the act as essential in order that the Congress and the country generally may be acquainted with the allocation made by the Board in determining the depreciation to be charged off each year in the rate base for the sale of electric current.

When I spoke in the general debate on yesterday I emphasized the fact that the T. V. A. is not primarily a power project. Its principal authority for existence is as a national defense measure. Next in importance is its navigation and flood-control aspects and the production and distribution of power is only incidental. In the sale of such surplus power as is generated we must provide against subsidizing the institution by providing that power shall not be sold below the cost of production. One of the proper items of cost to be considered is depreciation, and this can only be determined by first ascertaining the value of the property devoted to the manufacture of electricity.

The original act, as I have said, requires this allocation to be made, but it does not specify any time within which it shall be made, and the act does not require any report on the actions of the Board to the Congress. Under the original act the Board could wait 20 years to make the allocation if it saw fit and thus delay Congress in finding out what depreciation should be charged.

This amendment simply requires that on or before January 1 of 1937 the Board shall file with the Congress its report of its allocation of the value of the properties devoted to these specific purposes and that thereafter, annually, it shall file a similar report of its allocation of the value of the properties that have been completed during the preceding 12 months.

I think the committee will recognize this as essential if we are to determine the correctness of the so-called "yardstick of rates" for power sold by the Authority. We can only determine the correctness of the yardstick if we know that the depreciation charge is correctly entered on the books of the Corporation, and this, of course, can be determined only in the event we know that a proper allocation has been made between the various divisions of the activities of the Corporation.

I think this amendment will probably be accepted without objection, because it simply requires information to be filed with the Congress and does not impose any further or additional duty upon the Board, and I call for a vote.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. Yes; I yield.

Mr. MAY. I understood the gentleman to say—and I hope I am correct—that the amendment provides that this report

may be made not only on January 1, 1937, but each year thereafter.

Mr. WILCOX. The amendment requires that the Board shall on or before January 1, 1937, file with the Congress a statement of its allocation of value of all such properties turned over to the Board which have been completed on or before said date, and shall thereafter, in its annual report to Congress, file a statement of its allocation of the value of such properties as have been completed during the preceding 12 months.

The CHAIRMAN (Mr. DRIVER). The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 8, line 4, strike out all after the period beginning with the word "after" to the end of the section and insert in lieu thereof the following:

"It is hereby declared to be the policy of this act that in order, as soon as practicable, to make the project self-supporting and self-liquidating, the surplus power shall be sold at rates which, when applied to the normal capacity of the Authority's power facilities, will produce gross revenues in excess of the cost of production of said power."

Mr. HILL of Alabama. Mr. Chairman, I think we will all agree that we do not want the project in the Tennessee Valley to be carried on by Government subsidy and that we want this project to be self-supporting and self-liquidating, and that we want to go further than do the private power companies and have the project amortize out the cost of the project.

Those of you who heard the very able speech of the gentleman from Florida on yesterday will recall how he outlined the testimony before the Military Committee to the effect that the Tennessee Valley Authority is today fixing its rate bases so as to charge up a certain amount for taxes, a certain amount for interest on the money, and a certain amount to amortize out the cost of the different dams, and the language of the amendment which I have offered would simply provide that it is the policy that the Tennessee Valley Authority, in fixing its rates, will fix the rates so that when they are applied to the normal capacity of the power facilities, the gross revenues derived from the sale of surplus power will be in excess of the cost of the production of the power.

This language carries out the purpose much more clearly and much better than the language in the bill which the amendment strikes out. The language in the bill which is stricken out by my amendment carries a provision as to an annual cost of production; in other words, your power rates must be based on each year's cost of production. There is not anybody in the world who can tell in advance just exactly what 1 year's cost of production might be. Furthermore, your first customer cannot pay all of your cost of production, and this project, like all other businesses, has to have a reasonable time to get started and to begin the process of self-liquidation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. I yield, briefly, for a question.

Mr. MAY. The only difference between the amendment offered by the gentleman and the provision in the bill embraced in lines 4 to 6, on page 8, is that the bill fixes the date as of July 1, 1937, after which they must perform according to the language of the section, whereas the gentleman's amendment does not fix any date at all.

Mr. HILL of Alabama. Many of the dams, of course, will not be constructed by that time, and let me say to the gentleman, speaking about construction, we may take, for instance, the Norris Dam, about which we have heard so much. The Norris Dam will never be paid for from power generated and sold from that dam, because the Norris Dam is a great storage dam for purposes of flood control and for purposes of increasing the power at other dams down the stream.

For instance, the power companies in 1926 offered the Government \$1,200,000 for the increased power that there would be at the Wilson Dam, due to the construction of the Norris Dam.

(The time of Mr. HILL of Alabama having expired, he was given 5 minutes more.)

Mr. SNELL. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. SNELL. The language you are seeking to strike out contains a definite statement about the price of power.

Mr. HILL of Alabama. It is tied down to the cost of production in a given year.

Mr. SNELL. Under the language you are seeking to insert, as I heard it, you never would have to sell power at the cost of production.

Mr. HILL of Alabama. I think not; I think as the Tennessee Valley Authority is a Government agency set up by act of Congress, it will be controlled by Congress.

Mr. SNELL. Unless it reaches the point of the average facilities, and if it never reached that point you would not have to sell.

Mr. HILL of Alabama. If it never reached that point, under the language in the bill you could not do it. There is no way that you can absolutely guarantee the sale of the power.

Mr. SNELL. Under the language carried in the bill you could not sell it for less than the cost of production after 1937.

Mr. HILL of Alabama. You cannot tell what the annual cost is going to be.

Mr. SNELL. There is no reason why you cannot if you keep books. I guarantee that I could tell with the proper set of books.

Mr. HILL of Alabama. It would be difficult to tell in the period when you are constructing the dams and getting the project started.

Mr. SNELL. But not after you get it started and completed.

Mr. HILL of Alabama. You have got to go out and sell the power under the basic act, and you are giving preference to counties, municipalities, and organizations under 20- and 30-year contracts. The first year's sale of power might be under the cost of production, and if it were then the power companies would tie you up by an injunction in court. And no city would invest its money in a distribution system and contract to purchase the power under such uncertainty.

Mr. SNELL. I know, but you would know what it cost; and, as I understand your policy, it is not to sell at less than the cost of production.

Mr. HILL of Alabama. That is correct.

Mr. SNELL. Why not put it in the bill so that people will understand it?

Mr. HILL of Alabama. We have declared it in my amendment.

Mr. SNELL. The language is so obscure that nobody can understand it.

Mr. DORSEY. Is it not a fact that under the present language of this bill it will be utterly impossible, because of the wording "adequate production for the year", to state the rate?

Mr. HILL of Alabama. It will be utterly impossible to state a rate. You never would get a contract; and if you got a contract, you would be dragged into court by the power companies, with all kinds of injunctions, just as you are tied up in court today. You cannot operate under the language of the bill today, and so far as chemicals are concerned, you would absolutely destroy what was the intent of the Congress when it passed the basic act.

Mr. LEWIS of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. LEWIS of Maryland. I read the bill as it stands on the subject as mandatory. Is the gentleman's amendment mandatory, or simply an admonition?

Mr. HILL of Alabama. My amendment is a straight declaration of policy as to how this Authority shall proceed. Let me say this as to the fertilizer proposition: The idea and intent of Congress as to fertilizers was that we should carry on experimentation, that we should carry on research. If you are going to say that you cannot make any fertilizer down there unless you show that you are absolutely producing that

fertilizer and will sell it for at least equal to the cost of production, then you have to take some old, proven, well-known method, because that is the only way that you can be sure that you can sell it for the cost of production.

You have down there nitrate plant no. 2, which cost the Government some \$60,000,000. We are using a part of that plant today in making fertilizer. Everybody knows that the Government paid far too much for the construction of that plant, and yet if you tie down this cost of production too tight, will you charge the fertilizer production right from the beginning with this \$60,000,000? Certainly we are too sensible to do that.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. McSWAIN. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN to the amendment proposed by Mr. HILL of Alabama: At the end of said proposed amendment, after the word "power", strike out the period and insert the following language: "and in addition to the statement of the cost of power at each power station, as required by section 9 (a) of the Tennessee Valley Act of 1933, the Board shall file with each annual report a statement of the total cost of all power generated by it at all power stations during each year, the average cost of such power per kilowatt hour, the rates at which they were sold, and to whom sold, and copies of all contracts for the sale of power."

Mr. McSWAIN. Mr. Chairman, gentlemen will recall that yesterday I called attention to the fact that in three places of the basic act of 1933 the language indicates clearly that it was the intention of the Congress that power and fertilizer and munitions should be sold at a price not below the cost, ultimately. The very language of the bill before us, which was prepared by the representatives of directors of the Tennessee Valley Authority, page 7, implies that very thought. Page 7, line 5, it speaks of "its costs of generation", and in line 7 of "the total cost of generating and transmitting", and in line 10 "of the major components of such costs", and in line 16, "helpful in determining the actual cost and value of services."

The thought that could not be escaped by anybody who was considering this whole proposition, as I indicated yesterday, is that surely cost must ultimately be the minimum figure at which any of these commodities may be sold.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. SNELL. If that statement is correct, and I think it is, what is the objection to putting it right into the bill so that any man who reads it can understand it?

Mr. McSWAIN. I think I can explain that. I think the gentleman is a good enough business man, because he has that reputation, to realize that during the period of inauguration no business can be self-sustaining. The Committee recognized that, and at the conference where the terms of the bill H. R. 8527 were agreed on, it was then understood among us that the date should be 1938—July 1. When the bill came back into the full committee it was amended, as the committee had a right to do, and the date was reduced 1 year to July 1, 1937. That shows that those of us who were strongly in favor of the cost provision, as I am, being the minimum yardstick ultimately, the question as to when exactly it could be applied was in our minds. My amendment is to the effect that they must incorporate in their annual report every year the total amount of cost for the total amount of power produced, the average cost per kilowatt-hour, the rates at which it is being sold, to whom it is being sold, and copies of the contracts for the sale of power.

Now, we realize, I think, that we are not now in a position to say what the cost is. We do not have the information. We are not in a position now to say that it shall go on a cost basis right now. I submit that we are not in a position now to say exactly at what definite date in the future we can go on a cost basis, but I do say that after we have gotten 1 or 2 or 3 annual reports with the information required by this amendment, we will know, and then Congress can ap-

ply its power and say, "Henceforth if you are not already on a cost basis, you must go on a cost basis."

Mr. MAY. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MAY. The gentleman knows that the bone of contention on this proposition in committee was the date as to when they would be charged with the responsibility of making some money on this thing. The gentleman knows furthermore we discussed the fact that they said they would be able to operate Norris Dam at the end of this year. The Hill amendment as offered is not cured by the gentleman's amendment to the extent that the Hill amendment leaves it absolutely indefinite as to when they will be required to make a profit, and the amendment offered by the gentleman from South Carolina only asks for certain information, and the controversy is as to the date.

Mr. McSWAIN. That is true, but the point is that while the Hill amendment is indefinite as to time and leaves it in the discretion of the directors, I think when we get the definite information called for by this amendment, we will then be in a position to fix the date, which we are not now in a position to do.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have now come to the first important question in this bill. It was a matter of long and careful study by the members of the entire committee as to when the Tennessee Valley Authority ought to be required to begin to show a profit upon the investment of the hundreds of millions of dollars furnished T. V. A. We debated it pro and con, and after we had considered all of the testimony, after it had appeared that Dr. Morgan testified the Norris Dam would be completed by the first day of next January, and that his transmission line to Muscle Shoals would be completed in the next 6 months, and that when that was done the capacity of the Muscle Shoals Dam would be increased three times, then the committee took the position that if they were in position then to produce electricity in a field where they have no market, the first thing to do was to let them get a market or show us they were not making any money. Their answer to it was set out in their annual report, and here it is: They claimed time after time to our committee that they had already made money. They show on page 57 of their annual report a net profit of \$824,557.76. They testified before our committee that they were not selling power at a loss, and if they made that much money last year, nearly a million dollars, and if they reduced electric rates as the gentleman from Florida [Mr. Wilcox] says, \$7,000,000 in that community by other utilities, what in God's world is to keep them from operating without losing money 2 years from now?

The 1st day of July 1937 is 2 years from the first day of this month. I think it is out of the question for the House to think about allowing this concern, with its disposition to spend money recklessly, to operate these electric facilities more than 2 years without requiring them to come to this Congress and show us they are making money. The amendment offered by the gentleman from South Carolina [Mr. McSWAIN] will do that, but we ought to put a limit on them and require them to begin to get ready to pay a profit some time in the operation of this concern.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MAY. I yield.

Mr. ANDREWS of New York. Is it not true that the Authority has sold power and allocated the funds to non-revenue-producing projects?

Mr. MAY. Certainly. In addition to that, they gave power to the War Department in the operation of their facilities in flood-control dams in the river, to the amount of \$25,000 last year that is not included in their profits of \$824,000. So that I see no reason for allowing them to run loose for another 2 years without showing Congress that they are on a paying basis.

The CHAIRMAN The time of the gentleman from Kentucky has expired.

Mr. SNELL. Mr. Chairman, I move to strike out the last two words.

From the statements made by the chairman of the committee and also by the gentleman from Alabama [Mr. HILL] we are all agreed that the T. V. A. shall not continue to sell power down there at less than the cost of production. If that is so, and the man who is operating the Tennessee Valley Authority says that the entire unit will be completed by the 1st day of next January, and they are given a year and a half leeway, I cannot see any reason why we should not say in this bill in plain language what we mean, that after January 1, 1937, the T. V. A. shall not sell electrical energy at less than the cost of production.

I have read the amendment offered by the gentleman from Alabama [Mr. HILL] quite carefully. If there is a single word in that which says they cannot forever sell electricity at less than the cost of production, I should like to have the gentleman show me what word that is. I will yield for that purpose.

Mr. HILL of Alabama. I did not understand the gentleman's query.

Mr. SNELL. I cannot find anything in the gentleman's amendment that precludes selling electrical energy at less than cost.

Mr. HILL of Alabama. No. It may be that in the beginning it may sell some of this energy below cost, just like any other business, when it begins to operate, sells sometimes below cost.

Mr. SNELL. Can the gentleman show us anything in his amendment that says, for instance, that in 1940 or any particular date it must operate at a profit?

Mr. HILL of Alabama. No; no year is specified in the amendment.

Mr. SNELL. That is just my point, and for that reason I am opposed to the amendment. It does not carry out the theory of the gentleman that after 2 years it must operate at a profit, and does not say definitely in language every person can understand that the T. V. A. must sell electrical energy at the price of production. It is very evident to me you do not mean what you say, and you are going to cut that part out of the bill.

Mr. ANDREWS of New York. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I want to add some comment regarding the amendment offered by the gentleman from Alabama. It has been said, and rightfully so, that any large organization starting in a new field must of necessity have a considerable number of years in which to attain a position where it may reasonably be expected to operate with profit. I admit the T. V. A. should have a reasonable number of years in which to be able to attain a position where they could sell power or could be compelled to sell power at not less than cost. It is generally recognized that a private business is given a certain number of years in which to get itself on a regular operating basis, but there is always a fixed date when they have either got to produce results or quit. It seems to me it would be a very good thing to let the Tennessee Valley Authority know that there is a day coming when they have got to sell power at what it costs them. They have the sole authority to allocate the funds given to them to revenue-producing projects and otherwise. It is a fact today that of the \$151,000,000 of the taxpayers' money which is being used by the T. V. A. only \$25,000,000 is now allocated to revenue-producing projects.

When this bill was originally brought before the committee this section contained the date of July 1, 1938. Many members of the committee felt that was a very fair date and a concession to the T. V. A., but a majority of the committee felt that even this was going too far, and the date was advanced to July 1, 1937. I for one cannot understand why the Democratic members of that committee are not going to support the committee bill by defeating the amendment. The best thing we could do to the T. V. A. today is to let them know that there is a date coming, whether it is 1937, 1938,

1939, or 1940, when they have got to sell their power at a price at least equal to what it costs.

Mr. KVALE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my good friend and colleague on the committee, the gentleman from New York, pointed out that three-quarters of the membership of the committee felt that 1938 was too late a date to set as the dead line after which the Tennessee Valley Authority would be compelled to sell all its power at or above the cost of production; and so the date was advanced to 1937, as has been described.

There is more to the story, however, than just that statement. I do not say that the gentleman was insincere in omitting the description of those additional factors that guided the committee, but here is the situation, Mr. Chairman:

In addition to the members of the committee, colleagues of mine, who felt that the date 1938 should be advanced to the date 1937, the three-quarters of the committee membership who voted to strike out 1938 and advance the date 1 year included also those who wanted to discredit the yardstick, who wanted to make it difficult for the Tennessee Valley Authority to operate in reference to the entire project and who wished to defeat the essential purposes of this bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KVALE. I yield.

Mr. MAY. The gentleman will admit to the Committee, of course, that there was testimony before our committee by Dr. Morgan, of the T. V. A., that they adopted their policy in September 1933, and fixed a schedule upon which they based their rates and on that they claimed to have made a profit last year. Is not that correct?

Mr. KVALE. Without taking up that argument, the gentleman also knows that the date of 1937 as now carried in the measure will make it impossible for the present project and the present plans to be carried to fruition to make a unified system operating economically, and will make it impossible for them to make contracts with their municipalities or to make favorable adjustments in the interest of the consumers of power generally, particularly rural customers.

Mr. McFARLANE. How many members of the committee wanted to wing this bill any way they could, as shown by the hearings of the committee?

Mr. KVALE. Mr. Chairman, the gentleman is friendly, but he is facetious.

Mr. McFARLANE. I should like to know.

Mr. KVALE. Mr. Chairman, this is a vital amendment. The gentleman from Alabama, Mr. HILL, is sponsoring an amendment which seeks to restore some of the damage that has been wrought on the face of this measure by those who are sincere in their belief that the power and activities of the T. V. A. should be curtailed or modified. I choose to stand with the gentleman from Alabama and thank him for his courageous position and earnestly hope his amendment will prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina to the amendment offered by the gentleman from Alabama.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama as amended.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 98, noes 67.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 9. That section 15 of said act be, and the same is hereby, amended to read as follows:

"SEC. 15. With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate \$50,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds for carrying out the powers and purposes of basic act approved May 18, 1933, being Public Act No. 17 of the Seventy-third Congress. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before ma-

turity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3 percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount and sold at such prices: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3 percent per annum. Such bonds shall be fully and unconditionally guaranteed, both as to interest and principal, by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price."

Mr. BUCHANAN. Mr. Chairman, I offer an amendment, which I send to the desk; and in connection with this first amendment I have another amendment which I ask unanimous consent to have read at this time for the information of the House, the latter amendment being on the same subject.

The CHAIRMAN. The Clerk will report the first amendment offered and then for the information of the House read the second amendment offered by the gentleman from Texas [Mr. BUCHANAN].

The Clerk read as follows:

Amendment by Mr. BUCHANAN: On page 8, line 15, after the word "Congress", insert " : *Provided*, That the proceeds from the sale of such bonds by the Corporation are authorized to be appropriated for the purposes of such basic act and may be expended only in consequence of such appropriations."

Amendment proposed by Mr. BUCHANAN: On page 10, strike out lines 9 to 20, inclusive, and insert in lieu thereof the following:

"Sec. 26. Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power and any of the products manufactured by the Corporation, and from any other activities of the Corporation, including the disposition of any real or personal property, shall not be expended by the Board except in consequence of annual appropriation thereof by Congress, and the appropriation of such proceeds is authorized to meet the cost of operation, maintenance, depreciation, amortization, interest on bonds, and for operating capital, or for improvements, betterments, or the acquisition of facilities necessary to carry out the purposes of this act: *Provided*, That nothing in this section shall be construed to prevent the use by the Board after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date."

Mr. BUCHANAN. Mr. Chairman, this is the first of a series of amendments which I expect to offer, and will continue to offer, until we adopt a national policy that will apply to every corporation organized and conducted by the Government. [Applause.] We have in existence over 20 Government corporations with no strings on them, with little control over them, and with no right to investigate by regular committees, either the Appropriations Committee or any other committee, without a special resolution providing for this purpose. Special resolutions should not be necessary for the investigation of any corporation unless there is real ground to expect fraud or dishonesty in its administration. Therefore, I say that every cent of money this Congress hereafter grants to any of these corporations, whether it be realized from the sale of authorized bonds or not, should be placed in a special fund in the Treasury of the United States to the credit of that corporation and expended only upon appropriation by the Congress. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. MAY. Will the amendment offered by the gentleman from Texas, with which I heartily agree, require the proceeds of the profits of the business of the Tennessee Valley Authority to be likewise paid into the Treasury?

Mr. BUCHANAN. The second amendment read, and which I have not as yet offered because we have not reached page 10, provides for and covers that matter.

Mr. KNUTSON. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I would suggest to the gentleman that he include as a part of his remarks a list of the corporations just referred to, because yesterday before the Ways and Means Committee it was specifically denied that the Government was in business, when I knew better.

Mr. BUCHANAN. That is not pertinent to this inquiry. I have a list of 20 such corporations here, and there are a few more. If the gentleman wants to see this list, I will be glad to show it to him. I do not expect, however, to interject in my remarks this foreign substance for political purposes, because I am not dealing in politics at all. I am dealing with the Tennessee Valley Authority, and I want it conducted on business principles.

Mr. Chairman, I am opposed to giving that Corporation or any other Government corporation unlimited authority to spend money where they please. Why do I say that? I make that statement by reason of my experience in connection with the conduct of hearings on the Tennessee Valley Authority last May. [Applause.] We have to maintain control over every dollar not only spent by these corporations but by governmental departments. Why not give the Post Office Department the right to spend its revenues without appropriation? Why not give the Panama Canal the right to spend its receipts without appropriations? Why not give the Patent Office authority to spend its receipts without appropriations? The reason we do not give them such authority is because it is our business to require all of these agencies to come before the regular committees of Congress, give an accounting in reference to the expenditure of money in the past fiscal year, and lay down the program before the committee as to what they expect to do with the money to be appropriated for the coming fiscal year. Mr. Chairman, I ask the Members to adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. McSWAIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. McSWAIN: On page 10, line 3, after the word "States" and after the period, insert a new sentence, as follows: "Bonds issued by the Corporation under this section shall be exempt both as to principal and interest from all taxes, except surtaxes, estate taxes, inheritance taxes, and gift taxes now or hereafter imposed by the United States or by any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or legal taxing authority."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Is that germane to the bill? It relates to the taxing authority of the Government, and that can only be considered when coming from the Ways and Means Committee.

The CHAIRMAN. The Chair holds that the amendment is germane in that it simply provides an exemption with respect to the bonds to be issued by the Corporation.

Mr. TABER. Will the Chair rule on the other part of the point of order, that a bill coming from this committee cannot be considered when it relates to the taxing power of the Government and that the amendment does relate to the taxing power of the Government, and therefore must come from the Ways and Means Committee?

The CHAIRMAN. The Chair holds that the amendment strikes at that power in an incidental way, and therefore is not subject to the point of order.

The point of order is overruled.

Mr. McSWAIN. Mr. Chairman, this provision was called to my attention by the Treasury Department through a letter

from the Acting Secretary of the Treasury, the Honorable T. J. Coolidge, dated July 5, 1935, in which he voluntarily suggested to me its desirability and offered to furnish the language, which I asked him to do, and on the same date, by hand, he sent me a letter, in which he proposed the identical language offered. I do not care to read these letters, but I ask permission to extend my remarks at this point and insert the letters in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The letters referred to follow:

TREASURY DEPARTMENT,
Washington, July 5, 1935.

Hon. JOHN J. McSWAIN,
Chairman Committee on Military Affairs,
House of Representatives.

MY DEAR MR. CHAIRMAN: My attention has been called to S. 2357, proposing amendments to the Tennessee Valley Authority Act of 1933, which passed the Senate on May 13 (calendar day, May 14), 1935, and which I understand is now pending before your committee. I desire to call the attention of your committee to one matter in connection with section 9 proposing to amend section 15 of the original act authorizing the issue of bonds.

The amendment would authorize the Corporation to issue bonds, fully guaranteed both as to interest and principal by the United States, and similar to those authorized to be issued by the Home Owners' Loan Corporation and the Federal Farm Mortgage Corporation. However, with respect to fully guaranteed bonds heretofore authorized to be issued, it is provided that the bonds shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any district, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. I find no such provision in the proposed amendment to section 15 as set forth in section 9 of S. 2357.

The exemptions accorded to bonds of the Home Owners' Loan Corporation and of the Federal Farm Mortgage Corporation are similar to those accorded bonds of the United States issued under the Second Liberty Bond Act, and to omit a similar provision from bonds authorized to be issued by the Corporation would, I believe, be unwise.

Sincerely yours,

T. J. COOLIDGE,
Acting Secretary of the Treasury.

THE SECRETARY OF THE TREASURY,
Washington, July 5, 1935.

Hon. JOHN J. McSWAIN,
House of Representatives.

MY DEAR MR. McSWAIN: I have your letter of this date relative to the amendment proposed to H. R. 8632 in my letter also of this date. Section 9 of H. R. 8632 amends section 15 of the Tennessee Valley Authority Act. In section 15 of that act, as amended by section 9 of H. R. 8632, there is no tax exemption conferred upon the bonds authorized to be issued thereunder. In this form the amended section would repeal the tax exemption contained in section 15 of the original act, and the apparent result of the amendment would be to authorize the issue of bonds limited to yield not in excess of 3 percent per annum and carrying no exemption. Bonds now guaranteed by the United States Government, such as those issued by the Home Owners' Loan Corporation and the Federal Farm Mortgage Corporation, are accorded the privilege of exemption from all taxes except surtaxes, estate, inheritance, and gift taxes. In view of this fact, it would obviously be to the considerable disadvantage of the Tennessee Valley Authority to attempt to market taxable bonds.

I accordingly suggest that there be inserted on page 10, line 3, after the words "United States", the following sentence: "Bonds issued by the Corporation under this section shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any district, territory, dependency, or possession thereof, or by any State, county, municipality, or legal taxing authority."

Very truly yours,

T. J. COOLIDGE,
Acting Secretary of the Treasury.

Mr. ARNOLD. Mr. Chairman, if the gentleman will permit, I think the gentleman from South Carolina should make a brief explanation of the purpose of this amendment. I do not understand it myself and I do not believe many of the other Members understand it.

Mr. McSWAIN. The provisions of the amendment simply provide expressly what is implied by reference to the Second Liberty Loan bonds, but for the purposes of precision and definiteness, the Secretary of the Treasury thought we should exempt these bonds from taxation, municipal or otherwise, except as to inheritance taxes and surtaxes. It

seemed to me this was a wise provision so as to render these bonds more salable and to leave the investors in these bonds in a position where there could be no question as to whether or not the bonds would be taxable.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MICHENER. Has the gentleman any information as to whether or not the House is going to proceed to report out a proposed constitutional amendment, with respect to tax-free securities, as requested by the President?

Mr. McSWAIN. No; I have no information whatsoever about that.

Mr. MICHENER. Does the President, in view of that message, advocate these bonds?

Mr. McSWAIN. Of course, I do not know. As I have said, the Assistant Secretary of the Treasury called it to my attention as being desirable, and I have offered the amendment. I think it is in harmony with the spirit of the bill and the law that these bonds should be tax free.

Mr. MICHENER. But not in harmony with the message.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. McCORMACK. In relation to the inquiry of my friend from Michigan, I may say that the President's message covers the whole field of Federal and State bonds, and this is an entirely collateral matter, and in no way related to the broad and proper inquiry of my friend from Michigan. This is a necessary amendment under existing conditions and one that ought to be adopted.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, since I have been in Congress there has been continual agitation to stop the issuance of tax-exempt securities. We hear man after man on the floor here advocating this theory and then every time some kind of new bond issue is authorized we have the same provision stuck onto it for the benefit of the great, big, financial genius who wants to get out of paying his taxes. This is good Democratic doctrine, is it not? To go on issuing securities of this kind at the same time your President tells you we ought to stop this sort of thing; and at the same time the Secretary of the Treasury tells the Ways and Means Committee that we ought to tax these tax-exempt securities, the Assistant Secretary of the Treasury tells us we ought to go on and issue a lot more of them. Is this consistent? Are you folks sincere? Do you mean that we should abolish the issuance of tax-exempt securities? If you are sincere, if you believe in stopping up those holes where the great, big-income fellow can hide and avoid paying taxes, you will vote against this amendment; and let me say to you that if this amendment is adopted, I propose to ask for a roll call on the amendment.

I hope the committee will show its sincerity and its desire to protect the Treasury of the United States from further hiding of income taxes on the part of the extremely wealthy by voting down this amendment.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VINSON of Kentucky. Did the gentleman vote on the proposed constitutional amendment that was considered in the Sixty-eighth Congress abolishing tax-exempt securities?

Mr. TABER. I cannot remember whether I did or not.

Mr. VINSON of Kentucky. The gentleman was a Member of that Congress, was he not?

Mr. TABER. I think so.

Mr. VINSON of Kentucky. I think it is dollars to doughnuts the gentleman voted against that proposed constitutional amendment.

Mr. TABER. I find, on checking the RECORD, that on February 8, 1924, I voted for the constitutional amendment permitting the taxing of tax-exempt securities. That makes no difference and it is no excuse for those in the Demo-

cratic Party who are running out on their President if they vote for this amendment.

Mr. McFARLANE. Is the gentleman going to vote for it?

Mr. TABER. I am not, and I am going to ask for a roll call against it if the amendment should be adopted in the committee.

Mr. McFARLANE. Is the gentleman in favor of it or against it?

Mr. TABER. I have spoken against it and I am against it. I do not double-cross anybody or demagogue, no matter what others may do. [Applause.]

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. There is absolutely no inconsistency in the motion made by the distinguished Chairman of the Military Affairs Committee and the recent message of the President of the United States, as stated by our distinguished friend from New York [Mr. TABER].

The message of the President of the United States was in relation to the whole question of tax-exempt securities, and that question involves not only the Federal Government but the State governments.

There are many matters of consideration on this subject—it is no easy question. So far as I am concerned, I feel that it is a matter that should be considered, and I was hopeful that it will be considered in its entirety by the Judiciary Committee.

Mr. MICHENER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. As a member of the Judiciary Committee, let me say that this resolution was before the committee; that the committee set hearings to consider the matter; that people were invited to appear before the committee; and I understand—whether it is true or not I do not know—that at the request of the President the hearings were discontinued and nothing has been done; that was 3 or 4 months ago. Since then this other message has come in.

Mr. McCORMACK. I have heard Members on the floor purport to speak for the President of the United States, but from the statements made I knew without any further evidence that they did not speak for him. There are many remarks of that kind.

My friend from New York says that there is an inconsistency between the amendment offered by the Chairman of the Committee on Military Affairs and the recent message of the President of the United States. I say there is absolutely no inconsistency. The amendment offered by the chairman of the committee is absolutely consistent.

Why should we pick out this particular bond issue and say it shall not be tax exempt, when we have billions of dollars not only under this administration but under previous administrations that are tax exempt?

Personally I am in favor of taxing bond issues of governmental activities, Federal, State, and local. However, the question should be considered in its entirety. Why should we pick out this one issue of \$50,000,000 and segregate it from all other outstanding bond issues, saying that those others shall be exempt and this issue shall not be exempt? This is not a friendly act to this bill.

So I say there is no inconsistency, and that the gentleman from New York himself is inconsistent. He is simply injecting partisan politics, which he has a right to do if he wants to; but do not let us be deceived as to the true meaning. The defeat of this amendment will injure this bill. There is no inconsistency. The amendment is absolutely consistent with the President's message. I do not fear a roll call on this amendment, and the amendment should be adopted. The whole question of tax exempts should be considered at one time and through a constitutional amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BACON. Mr. Chairman, I rise in opposition to the pro forma amendment. It is my understanding that the proposed constitutional amendment will not be retroactive and cannot be retroactive. It will apply only to bonds issued in the future. That being the case, every bond issue that you authorize from now on which carries the tax-

exemption feature simply adds to the amount of bonds that tax evaders can take refuge in.

In answer to the gentleman from Kentucky [Mr. VINSON] I might say that I was a Member of the Sixty-eighth Congress and voted in favor of a constitutional amendment when it was offered, prohibiting the issue of tax-exempt bonds. I am not going to vote for any bond issue which carries the tax-exempt feature. I believe this amendment should be voted down so that we will not continue to build up a huge reservoir of tax-exempt bonds for tax evaders to take advantage of. [Applause.]

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment. I agree with my distinguished colleague from New York [Mr. BACON] that it is time to call a halt on these tax-exempt securities. As a member of the Committee on the Judiciary, we were supposed to give mature consideration to a number of bills which were presented to our committee to do away with these tax-exempt securities. That was at the beginning of the session. We sincerely tackled the problem. A subcommittee was formed to take testimony on both sides of the issue. In the midst of our activities we were asked to halt temporarily. We yielded to that request. We stopped our hearings, and we all had it in mind, however, soon to reconvene to take up again the matter of tax-exempt securities. To be frank, we are waiting for orders, and I think the order should be forthcoming immediately. It is utterly ridiculous to allow such an avenue of escape to those who do not want to pay their taxes. The Ways and Means Committee—I say there is no partisan politics in the matter as far as I am concerned, because I am a Democrat—are considering measures for increasing inheritance taxes and income taxes, and while they are doing that on the one hand, we of the Judiciary Committee by our inaction under instructions, on the other hand, are making it easy to evade these very taxes which the Ways and Means Committee seeks to lay.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. McFARLANE. As one Member who has a bill before the gentleman's committee to submit a constitutional amendment to stop this tax-exemption racket, I am wondering when your committee is going to do something about holding hearings on my resolution.

Mr. CELLER. Our hands are tied. I want them untied. There has not been a single Secretary of the Treasury since I have been here, Republican or Democrat, who did not advocate doing away with tax-exempt securities. Mr. Mellon appeared before the Committee on Ways and Means and advocated it. Mr. Mills appeared and likewise advocated it. Mr. Woodin advocated it, and the present Secretary of the Treasury advocates it. And yet there is no action. Something is wrong. I lay the blame at the door of the President of the United States for failure to give us instructions we are seeking, and I say that advisedly. With all due deference to our honored President, I wish to say he made a strong declaration concerning tax exemptions, but pious declarations are meaningless unless followed by clear-cut definite action. Our committee is not likely to act unless and until the administration in a matter of such importance gives the word. I want that word given now.

Mr. KVALE. Granting that everything the gentleman says is justifiable and true, does not the gentleman still agree it may be a little risky now—

Mr. CELLER. I do not. There is no time like the present, and we ought to get to work immediately. [Applause.] It is ridiculous not to do it. The minute the President's tax message was read, what happened to tax-exempt securities? They rose in value, and very properly so, and they will continue to rise unless we block that rise. I say to the Committee, vote down this amendment. There should be no more tax-exempt securities.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. MEAD. I am in accord with the gentleman so far as acting on the constitutional amendment is concerned, but cannot the gentleman see that he will embarrass and handicap the Tennessee Valley Authority by starting now?

Mr. CELLER. I cannot see it. There will be no embarrassment. Every time we try to block tax exemptions the friends of the measure affected always say, "Do not pick on us." Thus T. V. A. friends say, "Leave our bonds alone. Pick on other projects."

Mrs. KAHN. Will the gentleman tell us who has tied the hands of the Committee on the Judiciary? Is it not an independent body and has it not sense enough to act itself?

Mr. CELLER. The gentlewoman from California can determine that for herself.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. CHRISTIANSON. Referring to the question asked by the gentleman from New York [Mr. MEAD], does not the gentleman believe that if publicly owned and operated businesses can borrow money on a tax-exempt basis, whereas privately owned business has to borrow its money on a tax basis, that private business inevitably will be forced into socialism?

Mr. CELLER. There is no doubt about it. I agree with the gentleman. Examine the portfolios of the great banking institutions. They are bursting with tax-exempts. The amount of these bonds is constantly mounting. Let us call a halt.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have spoken on this matter several times before. I have here the RECORD of the debate in 1922, and I have the names of those who voted. You can hardly find one Democratic name as having voted in the affirmative on that matter, although recently when the gentleman from Massachusetts [Mr. TREADWAY] stated he had offered an identical resolution many Democrats signified their intention of voting for it, and stated that they had always been in favor of it. I sent for the vote and showed those gentlemen that they voted against the identical resolution which is offered by the gentleman from Massachusetts [Mr. TREADWAY]. The gentleman from New York [Mr. TABER] voted for that resolution. Two hundred and forty-seven voted for it and 133 against it, and we lacked a two-thirds majority, all the Democrats, almost to a unit, voting against it.

We do not like to hear these professions constantly upon the floor of the House about their being in favor of a constitutional amendment on tax-exempt securities. I will wager that if it again comes before you the same argument will be presented—that the school districts and other corporate units in our less prosperous States would not be able to sell their securities, and could not finance themselves if they had to pay a higher rate of interest. All the Democratic leaders at that time opposed it. It was an identical resolution to the one now before the Committee on the Judiciary.

I have reminded this House before and I do it again, that I doubt if the people would ratify such a constitutional amendment, as much as I personally favor it. It would not have any force or effect in the State which has no State income tax. It is reciprocal. The State could tax the income on Federal securities and the Federal Government would tax the income on State securities. Unless all States have an income-tax law it would be of no avail. Many States do not want a State income-tax law. At the time it was before us, I voted for it, and the Republicans with only three or four exceptions voted for it, although the Republicans in States like Illinois said, "This is evidently a determined effort to make Illinois and all other States pass an income-tax law and do away with our present property tax rate on intangibles." There was that feature to be considered in those days, although it was under cover. It would still be persuasive. But when the Democrats of this House

talk about their willingness to embrace this constitutional amendment, I need look back and read that record. Is it possible for the leaders of that party to have turned such an extreme somersault in the past few years? Do not those old arguments still hold? You make professions now in favor and argue that it is a way for wealthy people to invest their money and evade taxation. That was the argument then with just as much force as now. The situation has not changed.

I rose here for just a few moments in order to remind you that you are on record against it almost unanimously, as a political party. It was the Republicans who advanced it and we have continuously endorsed it.

Mr. McFARLANE. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McFARLANE. For the last 12 years prior to this administration the Republican Party has been in power and you had an opportunity to pass such a tax-exempt resolution if you wanted to.

Mr. GIFFORD. We voted 247 on this side to 133 on yours. We did have a big majority, but we could not get more than three or four of you, and we needed a few of you for a two-thirds majority and you were practically unanimous against it. [Applause.]

Mr. McFARLANE. You have never had a Republican President who has advocated it, have you?

Mr. MICHENER. But you have one now who will not let us consider it.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. DUNN of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. I desire to ask our beloved friend, the Chairman of the Committee on Military Affairs, a question. Is there any other way we can obtain this money without issuing tax-exempt bonds?

Mr. McSWAIN. By appropriating it out of the Treasury. The amendment offered by the gentleman from Texas [Mr. BUCHANAN] provides that the proceeds from the sale of these bonds shall be deposited in the Treasury. It cannot get out except by appropriation, and it seems to me it is a matter of tweedle-dee and tweedle-dum.

Mr. DUNN of Pennsylvania. I would rather have it go out tweedle-dee and tweedle-dum than have the laboring man go down in his jeans and pay for this project. It seems to me that if we could get the money from inheritance taxes and big-income taxes we will be able to pay for this project. This is not a meritorious amendment; therefore, it should be defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DUNN] has expired.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment will be defeated. I have been here for 13 years, and for 13 years I have been hearing "Let us tax tax-exempt securities", and nothing has been done about it. Throughout those past years every time the Ways and Means Committee came in with a tax bill, I have risen on this floor and asked the chairman when we were going to be given an opportunity to vote to tax tax-exempt securities. Always in the future. Never today. I am in favor of this T. V. A. bill today. I think it is a good bill. I am against this amendment exempting these bonds from taxation. I think if we are ever going to start taxing tax-exempt bonds we might just as well do it now and tax them all as they come along, in this bill and every other bill which calls for the issuance of bonds.

My good friend and colleague from Massachusetts [Mr. McCORMACK] said it might hurt the bill to tax these bonds. I say, let us start right now. It will not hurt this bill, and as fast as any other issues are put out, let us tax those, and then the Ways and Means Committee will soon bring in a bill taxing such tax-exempts as are taxable under a bill and the Judiciary Committee will bring in a constitutional amendment to get at the others.

I hope the amendment now before the House will be defeated.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. CONNERY. Yes; I yield to my friend from New York.

Mr. ANDREWS of New York. Does not the gentleman realize that this is part of the "must" program?

Mr. CONNERY. All right. The President asked us to tax tax-exempt securities, so we will get off to a good start on his tax program today by defeating this amendment, which would exempt these bonds from taxation.

Mr. KVALE. Mr. Chairman, I tried to make the point a moment ago that while we may be in perfect sympathy with the general purposes of such a broad program, there is some risk now to the salability of these bonds; there is risk of the impairment of the credit of the Authority by taking this thing up piecemeal and taking a little slice off of a big problem now.

Mr. CONNERY. Mr. Chairman, I may say to my dear friend from Minnesota that that has been the argument for the last 13 years. The bonds will sell all right. Let us make a beginning right now by defeating this amendment and then follow through in the future and put into action all the talk we have been hearing for many years about taxing tax-exempt securities. Now is the time. Let us do it today.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from South Carolina.

The amendment was rejected.

Mr. EKWALL. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. EKWALL. Would it be in order to return to section 2 for the purpose of offering an amendment to change the name of the Aurora Dam to the John E. Rankin Dam? [Laughter.]

Mr. MAVERICK. Mr. Chairman, I would like to change its name to the Bob Rich Dam.

The CHAIRMAN. This Committee can do anything by unanimous consent. [Laughter.]

Mr. McSWAIN. Mr. Chairman, for the information of the distinguished gentleman from Oregon, I will state that under an amendment adopted earlier this afternoon there is no longer any Aurora Dam.

Mr. EKWALL. Well, the Aurora is back here; I mean the roar is back here.

Mr. DUNN of Pennsylvania. Mr. Chairman, a point of order; that is not germane.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 10. That section 26 of said act be, and the same is hereby, amended to read as follows:

"Sec. 26. The net proceeds for each fiscal year derived by the Board from the sale of power and any of the products manufactured by the Corporation, and from any other activities of the Corporation, including the disposition of any real or personal property, after deducting the cost of operation, maintenance, depreciation, amortization, interest on bonds, and an amount deemed by the Board as necessary to withhold as operating capital, or to be devoted by the Board to improvements, betterments, or the acquisition of facilities necessary to carry out the purposes of this act, shall be paid into the Treasury of the United States at the end of each calendar year."

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: On page 10, strike out lines 9 to 20, inclusive, and insert in lieu thereof the following:

"Sec. 26. Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power and any of the products manufactured by the Corporation, and from any other activities of the Corporation, including the disposition of any real or personal property, shall not be expended by the Board except in consequence of annual appropriation thereof by Congress, and the appropriation of such proceeds is authorized to meet the cost of operation, maintenance, depreciation, amortization, interest on bonds, and for operating capital, or for improvements, betterments, or the acquisition of facilities necessary to carry out the purposes of this act: *Provided*, That nothing in this section shall be construed to prevent the use by the Board after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date."

Mr. McSWAIN. Mr. Chairman, the purpose of this amendment is to bring the whole scheme into harmony with

the principles that would be put into operation by the amendment proposed by the gentleman from Texas [Mr. BUCHANAN]. Its purpose also is to harmonize the bill with section 13, beginning at the bottom of page 11; to wit, if all the money, as provided by the Buchanan amendment, is to go into the Treasury, and if all moneys for this Authority are to be taken from the Treasury, as they are in the case of the other administrative departments, then the present provision in section 10 is out of line, should be stricken out, and the language proposed in the amendment substituted. The members of the committee will note by reference to the report, which was prepared by myself, that I called attention to the fact that if section 13 should be adopted, the provisions of section 10 could not in any event be operative after January 1, 1936.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. KVALE. The chairman will bear out my statement to the effect that this amendment is not unfriendly to the general purposes of the bill.

Mr. McSWAIN. Certainly. I think I am one of the best friends T. V. A. has ever had.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MAY. It is not the purpose of this amendment to change section 13 as now contained in the bill?

Mr. McSWAIN. No, no; this is to bring section 10 into harmony with what I hope will be done under section 13.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. FADDIS. I rise to express the appreciation of a great many Members of this committee to the gentleman from Texas [Mr. BUCHANAN]. He is accomplishing exactly what a great many members of this committee have been fighting for all the time; namely, to put some business methods into the conduct of the T. V. A.; yet we have been accused of trying to hamstring the whole thing by so doing. We are the ones who are trying to save this Board from the consequences of their own folly. I congratulate the gentleman from Texas and the chairman of the committee upon the policy they are giving us. Their action may yet save this activity from becoming a discredit to all of us. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

SEC. 11. That said act be, and the same is hereby, further amended by adding at the end of said act a new section, as follows:

"Sec. 31. This act shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare, but no real estate shall be acquired or held except what is actually necessary to carry out plans and projects actually decided upon requiring the use of such land: *Provided*, That any land purchased by the Authority and not necessary to carry out plans and projects actually decided upon shall be sold by the Authority as agent of the United States, after due advertisement, at public auction to the highest bidder.

Mr. LORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 11, line 12, after the word "bidder", insert a new sentence, as follows: "*Provided*, That all properties of said Corporation shall pay taxes on real and personal property in the same manner as the real and personal property of other corporations and individuals."

Mr. LORD. Mr. Chairman, I offer this amendment for the reason that the curse of our land today is tax-exempt securities and tax-exempt properties. It leaves too much of a tax on the people who have to pay. Now we are setting up a business in competition with other businesses of our land, and there is no reason why it should not pay the same rate of taxation as other businesses do, and I hope this amendment will be adopted.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. ENGEL. For the purpose of the RECORD, permit me to state that I received a telegram from Michigan State authorities last week in the course of my study of this ques-

tion stating that the Electric Light & Gas Co. paid into the treasury of the State of Michigan and other municipal subdivisions of the State \$10,670,000 last year, not including income or Federal taxes.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. TAYLOR of South Carolina. Does the gentleman think his amendment is consistent with the provisions of the original bill requiring that the States affected should receive 5 percent of the gross revenue from this operation?

Mr. LORD. In reply I may state that I think we should not have any tax-exempt securities or properties. If Government enterprises are to compete with private business they should be placed upon the same terms.

Mr. TAYLOR of South Carolina. And the States, therefore, should not receive a part of the gross income from this operation?

Mr. LORD. No State should receive any particular advantage over another State at the expense of all the taxpayers.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. CRAWFORD. May I ask the gentleman from South Carolina [Mr. TAYLOR] if it is a fact that the States wherein this project is being installed will receive tax money paid into their treasury to the extent of 5 percent or more of the gross receipts?

Mr. TAYLOR of South Carolina. That was my information when the bill was passed last year; however, I would refer the gentleman to the gentleman from Alabama [Mr. HILL], who can answer the question. As the bill passed last year did it not provide that the State of Alabama and one other State should receive 5 percent of the gross receipts derived from the operation of this plant?

Mr. HILL of Alabama. From the power facilities.

Mr. CRAWFORD. That money is paid to those States?

Mr. HILL of Alabama. That is in the basic act of 1932.

Mr. TAYLOR of South Carolina. Of course, I am against that proposition.

Mr. DONDERO. Why not let the States have credit for 5 percent against any tax to be levied on their property, and even it up in that way?

Mr. LORD. Mr. Chairman, in conclusion may I say I do not think any particular State or States should receive a rebate or benefit to be paid at the expense of the taxpayers of all the other States and people of the Nation.

There has grown up in this country a custom of issuing tax-exempt securities and eliminating real property from taxation.

The Government is going in the field of industry competing with other industry, and if allowed to do business without paying taxes it will put private industry at a great disadvantage and deprive local tax units of the income to maintain local government.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I hope it will not take but a few minutes to vote down this amendment.

Mr. LORD. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. LORD. I did not introduce the amendment for the purpose of having it voted down. I hope the amendment prevails.

Mr. McSWAIN. I understand, and I know the gentleman introduced the amendment in all sincerity. I take the time to discuss it only because it strikes at one of the fundamental principles in our dual system of government. Every lawyer here remembers that, perhaps, the greatest decision rendered by Chief Justice John Marshall was to the effect that the power to tax involves the power to destroy. It was held in the particular case that the State of Maryland could not tax the United States Bank, because if it could tax the bank 5 cents it could tax it out of existence. Therefore, I submit this amendment is violative of a fundamental principle of our dual system of government. We must never allow the Federal Government to reach into a State and

tax a thing which belongs to the State, nor should we ever permit the State government to tax a single thing that belongs to the Federal Government.

Mr. TAYLOR of South Carolina. Does the gentleman think that the State of Alabama and one other State should receive 5 percent of the gross receipts derived from the operation of this plant?

Mr. McSWAIN. That is water already over the dam.

Mr. TAYLOR of South Carolina. No; it is water still on the dam.

Mr. McSWAIN. No; that is in the law; and there is no proposal here to change it. Personally, as I viewed the matter then, I felt that the States of Alabama and Tennessee were already getting enough benefit and should not have another 5 percent. I will tell you what sort of a fellow I am. I know when I am run over. They are getting 5 percent.

Mr. Chairman, the Authority is setting aside 7½ percent in lieu of taxes for the purposes of accounting; therefore I submit that we ought to vote the amendment down and get to some really controversial issues in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LORD].

The question was taken; and on a division (demanded by Mr. CHRISTIANSON) there were—ayes 38, noes 142.

So the amendment was rejected.

The Clerk read as follows:

SEC. 13. That section 9 (b) of said act be, and the same is hereby, amended as follows, and as so amended such amendment shall be effective on and after the 1st day of January 1936 occurring next after the approval hereof, by adding at the end thereof the following words:

"(b) All moneys of the Corporation of whatsoever nature hereafter received by or for the Corporation shall be immediately and without diminution deposited and covered into the Treasury of the United States, and such portion thereof as is authorized by the Tennessee Valley Authority Act of 1933, as amended, or other law, to be used by said Corporation in carrying out the provisions of said act, as amended, shall be transferred to an appropriate appropriation account, withdrawable only on warrant as are other appropriated public moneys, and subject to authority specifically granted by the Tennessee Valley Authority Act of 1933, and as amended, all laws regulating the obligating or expenditure of other public moneys shall be applicable thereto: *Provided*, That until July 1, 1936, the provisions of section 3709, Revised Statutes, shall not be applicable to purchases of supplies and equipment necessary for dam construction. Accounts of all transactions involving receipts or disbursements of the Corporation shall be duly rendered to the General Accounting Office at such times and in such substance and form as may be prescribed by the Comptroller General of the United States, and said accounts and such claims as may arise shall be settled and adjusted by the General Accounting Office under and pursuant to the provisions of title III of the Budget and Accounting Act, approved June 10, 1921: *Provided*, That the expenses of such portion of the audit as the Comptroller General may authorize to be done in the field shall be paid from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General. In such connection the Comptroller General and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to, under the control of, or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with the balances in depositaries. The officers of the Corporation to whom moneys may be advanced on accountable warrant shall each give a bond to the United States for the faithful discharge of the duties of his office according to law in such amount as shall be directed by the Comptroller General. Should there be any administrative delinquency in the rendering of the accounts as directed, or any unsatisfactory condition of the accounts, requisitions for funds shall be disapproved by the Comptroller General unless, for good cause shown, he shall elect to withhold such disapproval."

Mr. MILLARD (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the section may be dispensed with and printed in full in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk concluded the reading of the section.

Mr. McSWAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: On page 13, beginning with the word "should", line 21, strike out the same, together with all other language in lines 21, 22, 23, 24, and 25.

Mr. McSWAIN. Mr. Chairman, I wish to say that it was stated to me that this language might be unconstitutional, as an infringement upon Executive authority. I am scrupulous about preserving the Constitution, scrupulous about preserving all Executive power, and to the same degree scrupulous about preserving all constitutional legislative power. The departments of the Government ought to remain absolutely separate and distinct in fact as well as in theory. [Applause.] I submitted the question to the Attorney General, and one of his agents stated to me that it was at least of doubtful constitutionality; and inasmuch as I do not want to take any position in reference to a matter of doubtful constitutionality, I am offering the amendment to strike the language.

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say to the Members of the House that I am glad to see there is someone on the Democratic side of the House of Representatives who is trying to have constitutional laws passed, instead of unconstitutional laws.

The whole Tennessee Valley Authority is unconstitutional, and the Government should go out of business in competition with its private citizens. This administration has passed more unconstitutional laws than any administration in the history of this country. I ask you the question: Are the Democratic Party and President Roosevelt trying to wreck our Constitution and our Nation? America, wake up!

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. McSWAIN].

The amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Strike out all of section 13 and insert in lieu thereof the following: "That section 9 (b) of the act be, and the same is hereby, amended to read as follows:

"(b) All purchases and contracts for supplies or services, except for personal services, made by the Corporation shall be made after advertising in such manner and at such times sufficiently in advance of opening bids as the Board shall determine to be adequate to insure notice and opportunity for competition: *Provided*, That advertisement shall not be required when, in the judgment of the Board, (1) the public exigency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed \$500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among business men: *Provided further*, That in comparing bids and in making awards the Board may consider such factors as the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

"The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, 1 copy for the President of the United States, 1 for the chairman of the board, 1 for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report. The expenses for each such audit may be paid from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General. All such audit expenses shall be charged to operating expenses of the Corporation. The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the power of duties intrusted to the Corporation by law."

Mr. HILL of Alabama. Mr. Chairman, this amendment would modify and change the language now in the bill with

reference to the supervision and control of the Comptroller General.

The language in the bill, as the bill was reported to the House, gave the Comptroller General more power over the Tennessee Valley Authority than the Comptroller General has over any department or any division of the Government. The language in the bill as that bill came to the House gave the Comptroller General a veto power such as the President of the United States himself does not even dream of possessing.

It is true that the amendment offered by the distinguished chairman of the committee and adopted by the committee has changed and modified somewhat the language of the bill, but even as the language now stands, if the bill passes with the language, it means that the Tennessee Valley Authority cannot even purchase a lead pencil without first coming to Washington and getting the permission of some auditor or some accountant in the Comptroller General's office.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HILL of Alabama. Not at this time.

We who are friends of the Tennessee Valley Authority—and let me say here that my good friend, the chairman of this committee, may oppose this amendment of mine, but he feels that having reported this bill he must stand by the bill and that he must go down the line for it—the amendment which I have proposed provides that the Comptroller General shall audit every transaction of the Tennessee Valley Authority at least once a year, and that the Comptroller General shall have free access to every book, to all the accounts, to all the files, to all the papers, and to everything in the possession of the Tennessee Valley Authority; and that, after he has made his audit, he shall send a report of the audit to the Congress of the United States.

In other words, my amendment provides that we shall have the Comptroller General make the most thorough and searching audit possible of the fiscal affairs of the Tennessee Valley Authority at least once a year. In doing this we are proceeding just as ordinary private business does. It carries on its business and then from time to time it has an audit made. The only difference is that we will have a much more thorough, complete, and searching audit from the Comptroller General than ordinary business has of its affairs.

The first thing that the Tennessee Valley Authority did, before it employed anyone, before it made a single contract, before it did a single, solitary thing, was to go to the Comptroller General's Office and say, "Mr. Comptroller General, we want to set our books up in proper fashion. We want you to name some man whom we can employ, who will set up a proper budget system for us and will enable us to have all our transactions so that every man can read and understand them", and the Tennessee Valley Authority proceeded to employ a man recommended by the Comptroller General, who had formerly been in the employ of the Comptroller General, and today, down at the head offices of the Tennessee Valley Authority, we find 10 representatives of the Comptroller General, 10 men from the General Accounting Office, auditing and going over the transactions and the accounts of the Tennessee Valley Authority.

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama may proceed for 5 additional minutes.

Mr. MAY. I object, Mr. Chairman.

Mr. KVALE. Then I ask unanimous consent that the gentleman may have 2 additional minutes.

Mr. MAY. I withdraw my objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HILL of Alabama. Mr. Chairman, the Budget Bureau will tell you that there is not a more modern or a more nearly perfect system of bookkeeping anywhere than that of the Tennessee Valley Authority. Everything that is new or

up-to-date in a bookkeeping system is to be found in the Tennessee Valley Authority's system, and every dollar of their money is down here in the Treasury of the United States. If you would read all these newspaper accounts and reports, you would think somebody had been here with a black bag and had run off with the money. I have here and hold in my hand the daily statement of the United States Treasury under date of July 5, 1935, and along with a statement as to the Departments of Agriculture and Relief and Public Works and other governmental agencies, we find a statement as to the money of the Tennessee Valley Authority.

What we do not want and what we feel would be absolutely fatal to this great project is for the Tennessee Valley Authority to have to come to Washington to get permission every time they are going to purchase anything or do anything. To illustrate, a short time ago they wanted to buy some hammer mills, and one of the bidders raised a protest and came to Washington, and it was 67 days before the Comptroller General approved what the Tennessee Valley Authority had done and permitted the purchase of these hammer mills. They wanted to buy some crushers, and the Comptroller General's office delayed them nearly 4 months, or 111 days. They wished to purchase cable ways, and there was a delay of 129 days. In each instance the action of the Tennessee Valley Authority was approved, but there was all this costly and unnecessary delay.

We cannot force this Authority, if it is to succeed, to come to Washington to get permission every time it has to buy a shovel or a strip of wood or something to carry on its business, and we ought not to do it. We have not done this with other Government agencies and other Government enterprises of a like nature.

We have the Inland Waterways Corporation and we ask that the Tennessee Valley Authority be treated in the same way as the Inland Waterways Corporation.

There is the Panama Canal Railroad, the Alaskan Railroad, the Reconstruction Finance Corporation, and a number of governmental agencies that do not have to go to the Comptroller General every time they want to buy a lead pencil. All we ask is that the Tennessee Valley Authority be treated as they are. If you want to hamstring, if you want to defeat this project, the way to do it is to put it in the meshes of red tape down at the General Accounting Office.

When President Roosevelt sent his message to Congress asking Congress to pass the basic T. V. A. Act, he said, "We want to set up a governmental agency and we want to give to that agency the flexibility and initiative of a private enterprise."

When the conference report on the basic act came to this floor the conference report, written by my good friend, the distinguished chairman of the committee, whom we all love, said, "We have sought to set up a legislative framework but not to increase it in a legislative strait-jacket. We intend that the Corporation shall have much of the essential freedom and elasticity of a private business corporation." Let us hold fast to this intent and thereby make possible the success of the great project. [Applause.]

Mr. McLEAN. Mr. Chairman, ladies and gentlemen of the Committee, this amendment has two parts. It has a very serious aspect. The first part confers power to make purchases of supplies without regard to existing law. The second provision is substantially a reenactment of existing law as to the audit by the Comptroller General.

Inasmuch as the present law takes care of the second paragraph, there can be no harm in defeating it. Your attention is directed to the seriousness of the first paragraph.

I really cannot bring myself to believe that the gentleman from Alabama [Mr. HILL], for whom I have come to have a great deal of respect, prepared this amendment. It does not sound like his wisdom or thoughtfulness.

Ever since human frailty came in contact with public funds, there has been developing a system which is calculated to protect public funds from peculation by public officials. Such a law will be found in every school district, town, county, and State, and in the Federal statutes. It provides that when materials are required for public use they shall be

purchased after advertisement for bids, and purchased from the lowest bidder. The effort has been to devise methods by which public officials can be held responsible and temptation kept as far as possible from them. To be sure, these laws have been violated, and it has been through certain well-known devices, all of which are enumerated here under the proviso.

The first paragraph provides:

All purchases and contracts for supplies or services, except for personal services, made by the Corporation shall be made after advertising in such manner and at such times sufficiently in advance of opening bids as the Board shall determine to be adequate to insure notice and opportunity for competition: *Provided*, That advertisement shall not be required when, in the judgment of the Board, (1) the public exigency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed \$500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen: *Provided further*, That in comparing bids and in making awards the Board may consider such factors as the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

It will be seen that the opening sentence of the paragraph provides a wholly praiseworthy method of making purchases, and that immediately the proviso proceeds to kill its effectiveness entirely.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McLEAN. Yes.

Mr. MAY. In other words, the amendment offered by the gentleman from Alabama starts out to put it under public advertisement and then by the proviso all that power is taken away.

Mr. McLEAN. It makes it absolutely worthless.

Mr. HILL of Alabama. A good part of that language comes from Thirty-fourth Statutes, page 258, in reference to purchases and procurement of supplies for the War Department.

Mr. McLEAN. As I said, this statute removes all restraints and furnishes all of the loopholes that have been responsible for all of the rascality that has developed through dishonest public officials, and which over a period of time legislative bodies have been trying to build up a system of law to avoid.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McLEAN. Yes.

Mr. SHORT. And does not the gentleman think that the excess of flexibility contained in the amendment offered by the gentleman from Alabama, if granted, is conducive to reckless expenditure and extravagance?

Mr. McLEAN. That is the point I am trying to make. That has been the experience of public officials, and of municipalities. Experience proves there must be some restraint and the universal practice is that when purchases are made by public officials for public work they must be made by advertisement and from the lowest responsible bidder.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HARTER. Mr. Chairman, I rise in opposition to the amendment. This might be termed a weasel amendment. Is there any good reason why this Corporation, this agency of the Government, should not be subject to section 3709 of the Revised Statutes, or should not be amenable to the control of the Comptroller General of the United States? Why should T. V. A., one of the 20 or more Government corporations that have been cited to us this afternoon by the illustrious Chairman of the Committee on Appropriations, not be subject to this control which has been exercised over Government agencies and departments for so many years? No scandal has ever attached to Government departments and agencies so guided.

A lot of discussion has crept in the last 2 or 3 days which is susceptible of fooling a great many of us who have not made a very careful study of this proposed legislation. You will find upon examining the statutes of the United States

that under the procedure established by those laws approval by the Comptroller General is not required of the ordinary expenditures in the Government departments and establishments.

The assertion so frequently made that you cannot buy a pencil or that T. V. A. could not make a 10- or a 50-dollar purchase without first taking it up with the Comptroller General at Washington is not true.

The General Accounting Office performs a magnificent service to the taxpayers of the United States. It is the watchdog of the Treasury.

The hundreds of thousands of ordinary routine expenditures are made in advance of audit on the responsibility of the bonded disbursing officers in various Government departments and agencies, and do not come before the General Accounting Office or the Comptroller General of the United States for scrutiny until after the end of the accounting period prescribed by the statutes, that is, the accounts are rendered either monthly or quarterly. (See, among other statutes, those set forth at 31 U. S. C. 78, 492, 496, 497.) When the accounts thus are rendered and examined the General Accounting Office may allow credit, it may suspend credit in order to obtain further explanation or evidence necessary to settlement (31 U. S. C. 74), or it may disallow credit. At any rate, the balances finally certified are by law made conclusive on the executive branch of the Government and the duties of the Comptroller General in passing upon such accounts and certifying the balances due thereon are required to be performed without direction from any other officer (31 U. S. C. 44, 71, 72). This procedure is equally applicable whether the accountable officer is stationed at Washington or at some remote point.

Let me call your attention to the provisions of section 3907 of the statutes. Remember, this amendment by the gentleman from Alabama does away with the necessity of this corporation complying with that section of the statute:

Except as otherwise provided by law all purchases and contracts for supplies or services in any of the departments of the Government and purchases of Indian supplies, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same when the public exigencies do not require the immediate delivery of the articles or performance of the service. When immediate delivery or performance is required by the public exigency the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged between individuals.

Is there any reason why this agency of the Government should not comply with that statute? I wish the membership of the committee would take the bill before them and read section 13, which is now under consideration, and compare it with the language of the amendment which has been offered. I think you will find that there is no unreasonable requirement in the section of the bill as drafted by the House committee. Under the amendment as proposed the Comptroller General would have no control whatsoever over the expenditures of this corporation or any recourse against its directors or disbursing officers. It is true that he would be required to make an audit, but that audit would be made after the expenditures had been passed and after the bills had been paid.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McREYNOLDS. Mr. Chairman, I rise in favor of the amendment. If I may have the attention of the Members of the House for just a few moments, I think I can show them why it is absolutely necessary, in order for us to do business with the T. V. A. in the South, to adopt the Hill amendment. There is quite an impression in this House that the T. V. A. is not under the Comptroller General.

That is not correct. Their accounts are checked. Twelve or fourteen people from the Comptroller General's office are there right now, with three rooms assigned to them. The present law provides that if they transgress their authority the Comptroller shall at once report that to the Congress and to the President of the United States. The Comptroller, in his evidence, said he had found no such irregularities.

May I call to your attention the fact that they could not purchase a piece of land, they could not build a dam if they had to come to the Comptroller to get recognition and the right to spend money, which this bill provides if this amendment is not passed. The issue is this: Are you going to turn the fiscal agency of the Tennessee Valley Authority over to those people who have been authorized to operate it or are you going to turn it over to the Comptroller General?

Mr. SHORT. Will the gentleman yield?

Mr. McREYNOLDS. I am sorry. I do not have time.

That is the question. Is the Comptroller familiar with engineering? Is he familiar with the prices of the land which must be purchased in building these dams? Can he be? Certainly he is not. If you want to practically destroy this corporation, then reject the amendment offered by the gentleman from Alabama [Mr. HILL]. I appeal to every member of this committee to give this corporation the right to run that business under the strict checking of the Comptroller, which is being done now.

The gentleman from Alabama called your attention to the fact that Cove Creek Dam is built between two hills. The cable goes from one place across to another, and it was necessary to have a certain cable across that valley to carry the cement. The engineers advertised for lowest bids, but they concluded that this character of cable was absolutely necessary and they awarded the bid to a certain individual. The other man claimed that his cable would do the work and he carried his appeal to the Comptroller. It was 129 days before they heard anything from the Comptroller, but he then agreed with the Tennessee Valley Authority. However, if the Tennessee Valley Authority had to wait, which they would be compelled to do under this bill, they would then have been in rainy weather, and they would not have been able to make progress, and it would have cost this country hundreds of thousands of dollars.

I appeal to your reason. I do not object to every check that can be put on this Authority, and we want it, but we do object to McCarl or any of his deputies telling the Tennessee Valley Authority what character of material they can buy and be compelled to come to Washington and have them run this business. Am I not right? Answer me in this vote. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. McREYNOLDS] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. McSWAIN. Will the gentleman yield to me to make a request?

Mr. SHORT. I yield.

Mr. McSWAIN. Mr. Chairman, we have had 25 minutes of debate on this amendment. There is at least one other controversial amendment, perhaps more controversial than this one. We will, no doubt, have a motion to recommit. I think we ought to limit the debate if we are going to finish this bill today. We have had 25 minutes already—15 minutes in favor and 10 minutes opposed to the amendment. I ask unanimous consent that all debate on this section and all amendments thereto be concluded in 15 minutes—5 more in favor of the amendment and 10 more opposed to the amendment—and I will conclude the debate with the last 5 minutes.

Mr. KVALE. Reserving the right to object, that precludes me from making a statement which I very much desire to make.

Mr. McSWAIN. I do not want to preclude the gentleman. I will amend the request and ask unanimous consent that all debate on this section and all amendments thereto conclude in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SHORT. Mr. Chairman, I have no disposition to trespass upon the time of the Committee at this late hour, but it is difficult for me to see how any member of this Committee could really vote for this amendment if he fully understood the import of it.

The gentleman from Tennessee [Mr. McREYNOLDS], who has just spoken, said that the Comptroller General knew little or nothing about building dams, which is perhaps true. It might be equally well said that he knows little or nothing about engineering, so far as the various projects carried on by the Army and Navy are concerned. He knows very little about the construction of public buildings or public works. That is no justification why this particular board of authority should not be under the same jurisdiction and supervision as all other governmental agencies. If this amendment is adopted, I submit to the members of the Committee that it will grant such latitude, it will grant such elasticity to the Tennessee Valley Authority that it will be conducive to reckless spending, to enormous waste, and to gross extravagance. No one who listened to the hearings for the past 5 months in our committee or who has read them; no one who has read the report of the Comptroller General or heard his statement before our committee can doubt that, in my opinion, for one instant. It may be true, as the gentleman from Tennessee [Mr. McREYNOLDS], and the gentleman from Alabama [Mr. HILL], have said, that the Tennessee Valley Authority has been held up temporarily because of delay on the part of the Comptroller General in making decisions, but the Comptroller General stated before the Military Affairs Committee of this House that if he were given an enlarged office force he would be able to give more immediate rulings on anything that might be submitted to his department.

Mr. KELLER. Will the gentleman yield?

Mr. SHORT. Yes; I yield.

Mr. KELLER. Will the gentleman be kind enough to explain to us just what an auditing department does and just what its duties are?

Mr. SHORT. Well, I think perhaps it would require more than the 1 or 2 minutes remaining to me to explain that. I think the gentleman from southern Illinois realizes what an auditing department is.

Mr. KELLER. Oh, I do, thoroughly.

Mr. SHORT. Certainly the gentleman from Illinois would not object to this agency being placed under the same auditing supervision of the Comptroller as all other governmental agencies are.

I hope this amendment will be voted down. Of course, I am violently opposed to the whole thing; but if you are going to pass a bad bill, let the bad in it be as little as possible.

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I trust the members of the Committee will not, in the confusion of subsequent arguments, forget the counsel of the gentleman from Alabama [Mr. HILL], who opened the debate upon the amendment.

At the time he made his appeal for his amendment, I sought to inject myself into his argument for the purpose of quoting from the hearings. To some of the members of the committee the hearings are available and I call their attention to page 532, volume 2, of the hearings. If they are not available, then the committee report can be secured by sending a page to the Doorkeeper's desk. Secure a copy of the report accompanying the bill and read the comment of the gentleman from Texas [Mr. MAVERICK] and myself upon this section, to be found on pages 33 and 34 of this report. Members can do this in 1 minute and can reach the essence of the argument which the gentleman from Alabama sought to lay before the committee.

Had he had sufficient time, I think he would have quoted from the hearings. I do not know whether to inflict it upon the Committee at this time, but there is line after line of the admirable, the convincing, and the logical testimony of Dr. Morgan before the committee which proves the justification for the appeal to eliminate this item from the bill through the amendment of the gentleman from Alabama, showing why many of these smaller items have been held up to public scorn in a perfectly unjustifiable way, demonstrating how this Tennessee Valley Authority in 97 percent of all its purchases has operated under section 3709, of which there is no more jealous guardian than myself.

I spent a month after my colleagues left the city last summer attending, and at times presiding over, the investigations which the Military Affairs Committee conducted, seeking to guard the provisions of section 3709, designed to protect competitive bidding so far as governmental purchases are concerned.

But, Mr. Chairman, there are exceptions which have been justified in the record from time to time. The Tennessee Valley Authority has found it necessary in the construction of dams, in problems involving intricate engineering problems, and things of that sort, to take immediate action to save the taxpayers' money and to guard the public welfare; yet for this they are to be pilloried by critics who do not tell you the whole truth. Read the record so you can properly judge for yourselves.

Mr. Chairman, the gentleman from Alabama pointed out why it is necessary to guard the discretionary authority of an organization that has responsibility for a great and a tremendous activity. We all respect the work the Comptroller General is doing, but we all likewise realize the red tape involved and the delay that accompanies some of the decisions this office under the law is compelled to hand down.

We also are persuaded from the record itself that for months and months the Comptroller General has had auditors upon the spot, actually in the field, following the activities of the T. V. A., yet they have been steadily falling behind in their work.

If you want to hamstring and cripple this organization, you will resist the Hill amendment; but if you want to defend the very purposes of the original act, as well as the purposes of the legislation before us today, you will support the Hill amendment. It is a vital amendment. Give it to us; let us send the bill to conference as Mr. HILL proposes.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I want to compliment my committee colleague, the splendid gentleman from Alabama, on the amendment he has offered; not for what he seeks to do with it, but for the shrewd, lawyerlike, capable way in which he has drawn it to accomplish the purpose he wants to accomplish and yet camouflage it. He must have had—and I am persuaded he did have—the assistance of some "brain truster."

The amendment offered by the gentleman from Alabama starts out by putting the whole thing under the supervision of the Comptroller General and then by the shrewdest, keenest, sharpest little knife that ever was injected into a thing he makes provisos and provisos that leaves it entirely to the discretion of the Board of Directors of the Tennessee Valley Authority as to how they shall operate. This is the legal effect of the amendment offered by the gentleman from Alabama.

Mr. Chairman, I want the Committee to understand that while from the very beginning I have said that I was opposed to the Tennessee Valley Authority, that I am not trying to hamstring it in this instance or in any other instance for that matter. The only thing in the world I want, if we are to have a Tennessee Valley Authority, is to have a regulated Tennessee Valley Authority, particularly when it comes to spending the people's money. The Authority is being given hundreds of millions of dollars. They have already spent \$102,000,000 and are going to spend hundreds of millions of dollars more. If there is any good or valid reason in the mind of any man in this House why they should not be regulated as are other administrative departments, I should like to hear it. They have a planning commission that costs the taxpayers \$30,000 a year down there in the field to plan for them. If this commission cannot plan far enough ahead to take care of a supply part on a cableway across the Tennessee River, then they had better fire their planning commission. [Applause.]

All I am asking, all I am demanding in this instance, is that this bureau be treated just exactly like every other bureau we have. The War Department is under the Comptroller General. You were told by our distinguished chairman yesterday that although we had \$30,000 to investigate these very things in the War Department we have only spent \$11,000.

We do not want to permit such things to happen down in Tennessee as the letting of a contract, for instance, for a steam shovel to the Bucyrus Shovel Co. for \$5,500 more than the Marion Steam Shovel Co., of Marion, Ohio, offered to furnish the same identical shovel, according to specifications. This just involves \$5,500 more on one steam shovel. They ought not to be permitted to do such things with the money of the taxpayers in their hands. This bureau ought to be put under the Comptroller General. It ought to be required not only to put its money in the Treasury of the United States, but ought to be required to have that money accounted for just like other bureaus have to account for their money.

Equality before the law is the fundamental principle laid down by the founders of the Democratic Party. Equality of the Tennessee Valley with the War Department, with the Navy Department, and with every other bureau in this great Government should be a principle that we ought to adhere to.

Mr. KELLER. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. KELLER. Would the gentleman want to put the Panama Canal under the same rule he is advocating here?

Mr. MAY. I am like the gentleman from Texas [Mr. BUCHANAN]. I am in favor of putting every one of them under the control of the Comptroller General, including all the scores of corporations that are spending the people's money.

Mr. KELLER. Is it the business of an auditor to superintend expenditures or to check up and see whether they have been expended properly?

Mr. MAY. This bill does not provide that he shall check up until the end of the year. It provides that he shall check from time to time.

[Here the gavel fell.]

Mr. WILCOX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WILCOX to the amendment offered by Mr. HILL of Alabama: In lines 8 and 9 of the amendment strike out the words "in the judgment of the Board" and in line 9 strike out the words "the public exigency" and insert in lieu thereof the words "an emergency which."

Mr. HILL of Alabama. Will the gentleman yield?

Mr. WILCOX. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. I will accept the gentleman's amendment. I hope the gentleman will use his 5 minutes to discuss the amendment as amended.

Mr. WILCOX. Mr. Chairman, the amendment as amended provides not that the T. V. A. be taken from the supervision of the Comptroller General and not that the T. V. A. is authorized indiscriminately to enter into contracts for the expenditure of public money, but only in certain specific instances is the T. V. A. relieved of the necessity of advertising for bids.

Mr. Chairman, it must be understood that in the conduct of a great business such as we have authorized in the Tennessee Valley, it is impossible for this Authority and the Board of Directors thereof to comply with the infinite detail of advertising in every little transaction that it is engaged in.

I am just as much in favor of the strictest regulation of every agency of this Government as any Member on the floor of the House. I want to see the Tennessee Valley Authority subjected to the closest scrutiny and that not one penny of the public funds is spent except in accordance with the strict provisions of the law. The Hill amendment as now amended does not authorize the indiscriminate expenditure of funds, but simply authorizes the Board to proceed under three conditions without submitting to public bids.

The first is, as the amendment is amended, in case of an emergency which requires immediate action. I am sure that the Members of the House realize that in this great undertaking a great many emergencies may exist which will not permit of the advertisement of bids before important work may be undertaken. For instance, suppose that an earthquake or a storm or something else happened which would wreck one of these great dams or one of these great power

houses and immediate action would be necessary. Certainly this Board under such conditions should be authorized to proceed at once without waiting for the necessity of advertising for bids before installing the necessary repairs in order to proceed with the business in hand. The second thing that is authorized is where the services contracted for amount to less than \$500. Certainly we cannot expect this Board every time that it wants to buy \$100 worth of supplies to stop and shut down, and in order to buy a piece of machinery to replace a piece that has broken down to advertise for bids before making the purchase. Under the strict regulations of the act, before they could buy a monkey wrench, before they could buy a piece of cable, before they could buy a single part or accessory, dynamo, engine, or boiler, it would be necessary to advertise for bids and go through all of the detail that is specified by the section of the Revised Statutes referred to in the bill as it now stands.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. WILCOX. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. The gentleman from Kentucky made a statement that I fear may lead the Committee to believe the gentleman from Texas [Mr. BUCHANAN] is against the amendment which I have offered. I am authorized by the gentleman from Texas [Mr. BUCHANAN], Chairman of the Appropriations Committee, to say that he will vote for my amendment. [Applause.]

Mr. WILCOX. Mr. Chairman, a great deal of criticism has been aimed at the members of the Board because of the exercise of their judgment and discretion. I am perfectly frank to say to the Members of the House that I would not have supported this amendment as long as it was left in the discretion of the Board to say when an exigency existed requiring action without advertisement. I offered my amendment eliminating the provisions authorizing the exercise of discretion by the Board because I am opposed to leaving the expenditure of public money in their discretion; but as the amendment now stands, the discretion of the Board has been removed, and only an emergency requiring immediate action will permit it to proceed with a contract without advertising in accordance with the law, and I believe the amendment, as amended, should be adopted by the House.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I must ask my colleagues please not to interrupt me with questions, because I think I shall cover the entire ground. I hope I may, even though the time be limited.

I wish to announce that if this amendment is voted down I shall then offer an amendment, in line 16, page 12, to change the date July 1, 1936, to July 1, 1938, so that the provisions of section 3709 of the Revised Statutes shall not apply until that time in connection with the purchase of supplies and equipment necessary for dam construction. I think that during the 3 years they surely could finish the dams now under way, and this will meet every objection that has been raised, because if that is the case section 3709 will not apply to all the points and propositions suggested in the arguments of my good friend here.

Now, in answer to the suggestion of the distinguished gentleman from Illinois, I have a letter here from the General Accounting Office to the effect that the General Accounting Office does audit the accounts of the Panama Canal and audits them at the Panama Canal.

Mr. KELLER. Certainly it does, but it does not supervise expenditures.

Mr. McSWAIN. I have stated it just as it is, and I cannot be interrupted.

Let me say one thing further. When I came here in 1921 the first important piece of legislation was the adoption of the General Accounting Act. I was converted then that that was the only proper way to disburse public money and I have not got away from that idea to this day.

I said yesterday that I did not bring this proposal up myself, but when it was brought up and I was confronted with it, in order to be consistent with my principles, I had to support it. Now, how did it come up? In response to a letter from my good friend the gentleman from Texas [Mr.

BUCHANAN], the letter being printed in the RECORD here, I visited his office and after talking over this general situation, beginning first with the chemicals to destroy noxious weeds, he called up Mr. McCarl at my suggestion and asked for appropriate language to bring the Tennessee Valley Authority under the law, and as a result of that, this language was submitted to the committee.

I see by the public press that it has been suggested that Mr. McCarl, lately, for the purpose of self-exploitation, has expressed views with regard to this general proposition that perhaps he did not entertain heretofore. I call your attention to his published report for the year 1928 in which he said to the Congress:

As proposals come before the Congress from time to time for the organization of corporations for the conduct of some public business, that is, for the administration of certain laws, it is earnestly recommended that full and adequate provision be made for publicity in the financial transactions of such corporations, by the requirement that they account through the General Accounting Office to the Congress for their expenditures of public money.

This was in 1928 and in 1929—

Mr. BLANTON. Mr. Chairman, will the gentleman yield for one correction?

Mr. McSWAIN. For a correction only; yes.

Mr. BLANTON. General McCarl audits all the funds that Congress appropriates for the Panama Canal, but he does not audit the receipts of the Panama Railroad and the Panama Steamship Co., although he should audit them, and the time is going to come when he will audit them before we get through.

Mr. McSWAIN. I have not been down there, but according to his letter, he does audit them.

Mr. KELLER. He does audit them.

Mr. BLANTON. But not all the receipts.

Mr. McSWAIN. I am going by the records, you gentlemen are going by your recollections.

Mr. BLANTON. I am referring to records. I know what General Schley has testified to before our committee.

I quote the following from the testimony of Col. Julian L. Schley, Governor of the Panama Canal, January 11, 1935, as shown on page 60 of the printed hearings held by our Committee on Appropriations for the War Department, part 2, to wit:

SUPERVISION OF EXPENDITURES BY OFFICE OF COMPTROLLER GENERAL

Mr. BLANTON. Why is it that all of your business operations do not regularly come under the Comptroller General of the United States?

Governor SCHLEY. They do, sir; but the railroad does not.

Mr. BLANTON. Why do you not follow them absolutely? That is what the Navy Department and the War Department have to do.

Governor SCHLEY. Yes, sir; but the activity is entirely different. In the case of the Panama Railroad we are not merely a disbursing department for which an appropriation is made from which expenditures are made during the year.

All forms of business are transacted, and there are large amounts of procurement, and they render all kinds of services from which revenue is received. There are many things concerning which, if we followed closely the Treasury regulations as to procurement, it would be very difficult to carry on the business.

Mr. BLANTON. Sometimes it is to the interest of the people of the United States that these obstacles are set up by the Comptroller General.

Governor SCHLEY. That is true.

Mr. BLANTON. Why should we not place that under his absolute control?

Governor SCHLEY. It would really hamper this business, undoubtedly, because it is not the same kind of business as is done by a department.

Mr. BLANTON. Your receipts aggregated \$42,971,324; that is, your total revenues.

Governor SCHLEY. That is, the railroad?

Mr. BOLTON. If that is the case, why does the General Accounting Office report to the committee in charge of the independent offices appropriation bill that the Panama Railroad and the Panama Steamship Co. accounts are not audited by them?

I have before me the report given by the Comptroller General's Office last week to the subcommittee in charge of the independent offices appropriation bill, in which a list is given of the activities which do not submit accounts to the General Accounting Office for audit, and in that report there is listed the Panama Railroad Co. and the Panama Steamship Co.

Mr. BLANTON. Why should not that \$11,000,000,000 be regularly audited by the Comptroller General, or the General Accounting Office?

Governor SCHLEY. It is not a question of auditing that. We have no objection to their going through our accounts at any time.

Mr. BLANTON. I am not talking about that, Governor. I am talking about the question, Why should not that be placed under the same jurisdiction of the General Accounting Office as other offices and departments of the Government are, with the same authority over it exercised by Comptroller General McCarl that he exercises over the War Department, the Navy Department, the Treasury Department, and every other department of the Government.

Governor SCHLEY. We should not have applied to us all of the minute restrictions placed on purely disbursing departments.

Mr. BLANTON. They are applied to the Treasury Department, they are applied to the United States Army, and they are applied to the United States Navy.

Governor SCHLEY. But they are not conducting a real business such as we are.

If you will examine page 65 of part 2 of said hearings, you will see that during the last fiscal year, from 25 different businesses operated there by it, the Panama Canal took in receipts of \$15,858,897.27. I maintain that its railroad and its steamship company and all of its business should be regularly audited by the Comptroller General.

Mr. McSWAIN. I have before me, Mr. Chairman, a carbon copy of a letter dated December 28, 1929, addressed by General McCarl to the Honorable William Williamson, who was Chairman of the Committee on Expenditures in the Executive Departments, in which he then proposed language to this effect:

That hereafter there shall be applicable and controlling in the matter of expenditure of and accounting for all moneys of corporations whose capital stock is owned by the United States, including corporations whose capital stock, with exception of qualifying shares, is owned by the United States, all of the laws of the United States which are now or may hereafter be generally applicable and controlling in the expenditure and accounting for public moneys by the executive departments and independent establishments of the United States Government.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the amendment offered by the gentleman from Alabama.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended.

The question was taken; and on a division (demanded by Mr. SHORT and Mr. McLEAN) there were 140 ayes and 106 noes.

Mr. WADSWORTH and Mr. McLEAN demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HILL of Alabama and Mr. McLEAN.

The Committee again divided; and the tellers reported that there were 162 ayes and 120 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 14. That section 12 of said act of May 18, 1933, being Public Law No. 17, Seventy-third Congress, be, and the same is hereby, amended as follows: That the period at the end of said section be stricken out and a colon inserted in lieu thereof, and that the following language be added: "And provided further, That no such transmission line or lines shall duplicate any existing transmission line or lines; and to avoid such duplication, if the Board deems the acquisition of such line or lines necessary, the Board shall first negotiate for the use or purchase of such duplicate parallel line or lines, and in the event of failure to agree upon a satisfactory price, condemnation proceedings shall thereupon be resorted to."

Mr. HILL of Alabama. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 14, beginning with line 1, strike out all of section 14.

Mr. HILL of Alabama was recognized.

Mr. McSWAIN. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. McSWAIN. As I understand, the motion now pending to strike out section 14, and a motion which will later be offered by the gentleman from Alabama to insert, will be the only controversial matters remaining in the bill, and if I am correctly informed there will not be much controversy over the section to be inserted.

Mr. HILL of Alabama. I think all on this side will agree to that amendment.

Mr. McSWAIN. Then why cannot we limit the amount of debate on section 14? I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HILL of Alabama. Mr. Chairman, section 14 provides that the Tennessee Valley Authority cannot build what is termed a "duplicate transmission line" to another existing line, and that if the Tennessee Valley Authority needs a transmission line it must first go and negotiate with the private power company, and see if that private power company will be so good and kind as to sell to the Tennessee Valley Authority its line.

Then if the private power company does not see fit to sell its line under section 14 the Tennessee Valley Authority is forced to go into court and condemn the line. The Authority would have no other recourse whatever but to go into court, with all the attendant uncertainties and delays that occur in condemnation proceedings.

Of course, there could be no better way, and the opponents of the Tennessee Valley Authority could have no better way of thwarting and defeating this project than to retain section 14 in the bill.

The private power companies have long since preempted the territory. Their transmission lines cover the States of Alabama, Georgia, and Tennessee like the morning dew, and it would be impossible for the Tennessee Valley Authority to build any kind of transmission line that someone could not say duplicated a line such as is prohibited under the language of section 14. If we are to sell the power, if we are to get our money back on the investments we are making in the dams, we must have transmission lines. It happens that in the past the transmission lines that the Tennessee Valley Authority has acquired have been bought from private power companies by the Authority, but the Authority has had the right to build lines if necessary, and has been under no compulsion to go into court and condemn lines. Had they been under the necessity of going into court and condemning those lines, of course, the power companies would never have sold the lines and the Tennessee Valley Authority would be in condemnation proceedings in court today, and heaven only knows when they would get out of court and get possession of the lines. During the 12 years that the Wilson Dam stood there, with much of the power going over the dam to waste, the Government was forced to sell what power it could to the Alabama Power Co. for 2 mills a kilowatt, while the Alabama Power Co. sold that power to the consumer for 7, 9, and 10 cents a kilowatt, because the Government had no transmission lines to get the power away from the dam and as a consequence had to take whatever price the Alabama Power Co. offered for the power.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 1 minute.

The CHAIRMAN. Is there objection.

There was no objection.

Mr. KVALE. Mr. Chairman, I hope the gentleman will point out that unless his amendment is adopted any talk of a yardstick becomes a pure mockery.

Mr. HILL of Alabama. Any talk of a yardstick becomes a pure mockery—the whole project is defeated, and you may as well junk and scrap the whole thing, you may just as well do what our friends over here on the Republican side want to do, that is, kill the whole thing. On the contrary, let us adopt the amendment, take this fatal provision out of the bill, and save the great project. [Applause.]

Mr. MAY. Mr. Chairman, I am now past 60 years of age. Having told that, I want to tell another thing. I never commenced a battle in my life that I ever deserted or quit until it was finished, and I do not propose to quit now. I never deserted the ship in any storm, however fierce, and I never will. The amendment offered by the gentleman from Alabama [Mr. HILL] will perhaps carry in this House, but I am going to tell you, and I am going to tell you now, that it is

the first time that openly, notoriously, and unequivocally a Member of this House has declared for the policy of putting the Government of the United States into the power business outright. It is the first time I have ever been asked to vote to shut the doors of the courts against any citizen of the United States. The first time it was stated by any member of the Tennessee Valley Authority was in their last annual report, and there they said they were going to take in certain territory and that territory includes the States of Tennessee, Alabama, Georgia, North Carolina, South Carolina, and a part of Kentucky, and ultimately the whole United States.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. MAY. No. It was in their annual report that they cannot make money because they have not the market unless they can get a city the size of Memphis, Nashville, Louisville, or Cincinnati. What does this mean? This means that in the State of Tennessee alone, in the home city of the distinguished Speaker of the House of Representatives, there has already been taken out of taxation property to the value of \$5,000,000 in the form of preferred stocks of the national banks of the city of Nashville, which I am told by the assessor of that city means \$300,000 of revenue a year to the city.

In addition to that, when you buy a municipal plant in every town in the States of Tennessee, Alabama, and Mississippi, you are going to take out of taxation \$300,000,000 of taxable values, and that means about \$8,800,000 in taxes paid each of the three States by private property owners. You are going to dry up the sources of taxation just because you say you want to establish a yardstick. I am in favor of bringing the rates of power companies down to the lowest figure on which they can exist and make a reasonable profit, but the way to do it is by regulation, and not by spending hundreds of millions of dollars of the taxpayers' money in a venture that is wild, reckless, unwise, and extravagant in an effort to establish a dishonest yardstick, and that is exactly what you propose to do when you put the Government of the United States in the business of buying transmission lines.

Let me show you what else you do. Under every law that I ever read in my life, there is no way to take the property of a private citizen away from him except by due process of law, and that means trial in court before a jury, at which he can have a hearing, and yet this amendment provides that the Tennessee Valley Authority can fix a value on your property and take it away from you without due process of law, in violation of the Constitution of the United States.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. RANKIN. Mr. Chairman, I move to strike out the last two words. I did not intend to participate in this debate, and had it not been for the amazing speech of the gentleman from Kentucky [Mr. MAY] I should have remained silent.

The building of these transmission lines is absolutely necessary, not only for the Tennessee Valley Authority to operate but to complete the dams they are now building.

The gentleman from Kentucky [Mr. MAY] exercises himself because, forsooth, he says you are taking off the tax rolls transmission lines and distribution lines in the States of Mississippi, Tennessee, and Alabama. I perhaps know as much about that as any other man in this House. [Applause.]

Now, this is not to force anybody to sell, but it is to give the Tennessee Valley Authority the right to build lines, if necessary. In the State of Mississippi they purchased some lines and sold them back to the county electric power associations or to the municipalities, and they are on the tax rolls, paying taxes today. Those people are satisfied. They are given an opportunity to get their power rates down to what they should be.

Now, do not deceive yourselves. If you want to help the Power Trust destroy the Tennessee Valley Authority and destroy the hope of the American people for cheaper electric lights and power rates, and destroy the hopes of your children for the enjoyment of electric energy, one of the greatest natural resources the world has known, then vote against the

Hill amendment; but if you want the Tennessee Valley Authority to live, if you want to continue to bring these rates down to where the American people can enjoy them, vote for the Hill amendment. [Applause.]

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the amendment.

I want the Membership to remember that this bill with this provision in it was reported to this House upon the vote of 13 Democrats. Not a Republican voted for this bill in the committee. It took 13 Democrats. I submit that this provision is not altogether unreasonable, and it is somewhat in line with what your committee 2 years ago wrote into the bill that it reported to this House and which this House adopted. This House adopted it, but it is more in keeping with justice and fairness than was the provision of 2 years ago. It is true it was stricken out in conference. Two years ago we merely provided that before building a duplicate line, the Authority should negotiate. Now we provide that if they negotiate and fail to agree upon a price, they shall not go ahead and build a competing line, destroy a competing line, destroy the line they are duplicating, but since they say it is necessary and that they need it in their business, they shall condemn it in the courts, and buy it and pay for it. That is all it means. Is there anything unfair about going to the courts? They have said here, "Oh, we cannot go to the courts." I will subscribe to a great many things to get an agreement and harmony, but I cannot subscribe to this proposition that the doors of the courts of this country shall ever be closed to anybody. [Applause.]

So that it is only carrying out the policy that the directors themselves, in a spirit of fairness, say they have been conducting. The directors themselves testified time and time again before the Committee on Military Affairs and the Committee on Appropriations, and I will read simply a brief extract from Mr. Lillienthal's testimony at page 775, volume 2, of the testimony:

Mr. LILLIENTHAL. The Board, from the outset, has had a policy, that in the carrying out of the electricity part of this program, it should be done without injury to private investment, if that can possibly be done.

As a corollary of that, the Board, from the very outset, adopted a policy against the duplication of facilities, a policy which was extensively discussed, as I recall, before this committee and on the floor of Congress, at the time of the passage of this act; a policy that would prevent, if possible, through our good offices and through our own action, where that was relevant, the construction of two plants in the same community where one was adequate to perform the service.

They say that is their policy. That is good business. It is good common sense. I commend them for it, and we are only asking the Congress to ratify their own conduct.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. HILL].

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 130, noes 102.

So the amendment was agreed to.

Mr. HILL of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Add a new section to the bill, to be known as "section 14" and to read as follows:

"Sec. 14. That said act of May 18, 1933, being Public Law No. 17, Seventy-third Congress, be, and the same is hereby, further amended by adding after section 26 of said act a new section, as follows:

"Sec. 26. (a) The unified development and regulation of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations, shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board; and the construction, commencement of construction, operation, or maintenance of such structures without such approval is hereby prohibited. When such plans shall have been approved, deviation therefrom either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

"In the event the Board shall, within 60 days after their formal submission to the Board, fail to approve any plans or modifications as the case may be, for construction, operation, or maintenance of any such structures on the Little Tennessee River, the above requirements shall be deemed satisfied, if upon application to the Secretary of War, with due notice to the Corporation, and hearing thereon, such plans or modifications are approved by the said Secretary of War as reasonably adequate and effective for the unified development and regulation of the Tennessee River system.

"Such construction, commencement of construction, operation, or maintenance of any structures or parts thereof in violation of the provisions of this section may be prevented, and the removal or discontinuation thereof required by the injunction or order of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the Corporation is hereby authorized to bring appropriate proceedings to this end.

"The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States, or of any State, now in effect or hereafter enacted, but shall be in addition thereto, so that any approval, license, permit, or other sanction now or hereafter required by the provisions of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated, or maintained by the Corporation, shall be required, notwithstanding the provisions of this section."

Mr. MAY. Mr. Chairman, I make the point of order against the amendment that it is not germane to any section of the bill.

The CHAIRMAN. If the gentleman from Kentucky desires to present his views on the point of order, the Chair will be glad to hear him.

Mr. MAY. Mr. Chairman, the bill before the Committee is a bill relating solely to a governmental corporation, the Tennessee Valley Authority. The previous sections of the bill—in fact, all the sections that have been considered, relate solely to the regulation of the Tennessee Valley Authority. The amendment submitted by the gentleman from Alabama is not germane to any provision of the Tennessee Valley Authority Act but seeks to add legislative provisions already carried in the Federal Water Power Act, which is not before the House and which has no relation to this measure.

Mr. HILL of Alabama. Mr. Chairman, does the Chair care to hear me on the point of order?

The CHAIRMAN (Mr. DRIVER). The Chair does not care to hear argument from the gentleman from Alabama.

From an examination of the original T. V. A. Act it is apparent that there was committed to the organization created by that act a measure of control over the Tennessee River and the structures thereon, including such as were provided for in that original act. The pending bill amends the original act in several particulars, and the pending amendment seeks to add an additional section to the original act dealing with structures erected and to be erected in the river committed to the Authority created by the original act. The Chair is of the opinion that the amendment is germane to the bill, and, therefore, overrules the point of order.

Mr. MAY. Mr. Chairman, I want to make a brief statement, not 5 minutes—

Mr. MAVERICK. Mr. Chairman, I demand the regular order.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Time for debate was fixed by express order of the House. All time under that order has been exhausted.

Mr. MAY. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. MAVERICK. It breaks my heart, but I object, Mr. Chairman.

Mr. MICHENER. Mr. Chairman, I move to strike out the enacting clause.

Mr. McFARLANE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. I make the point of order that the gentleman's amendment is not in writing, and is, therefore, out of order.

Mr. BLANTON. And it is not in proper form.

The CHAIRMAN. The point of order is sustained.

Mr. MAY. Mr. Chairman, I move to strike out the enacting clause, which motion I send to the desk.

The Clerk read as follows:

Mr. MAY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HILL of Alabama. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HILL of Alabama. Mr. Chairman, I make the point of order that this amendment is really the amendment of the gentleman from Michigan [Mr. MICHENER] and not the amendment of the gentleman from Kentucky.

The CHAIRMAN. It has been reported at the instance of the gentleman from Kentucky.

The point of order is overruled.

Mr. McSWAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say that the language of the amendment proposed to be inserted as section 14 is substantially the language of section 11 of H. R. 8525, which was prepared in a conference of Democratic members of the committee? The only change that is worthy of mentioning is: Whereas in 8527 the final power was vested in the Federal Power Commission, under the amendment here, after a conference with all parties that were at issue, so far as I know, and after conference with the distinguished gentleman from North Carolina, who represents the district where this Little Tennessee River is located, the authority was transferred from the Federal Power Commission to the Secretary of War, and we all know that the Secretary of War will rely upon the advice of the Chief of Engineers in a matter of that sort.

In reference to what has been done in the Little Tennessee River Valley may I say that we have already passed and approved a provision on page 11, lines 8, 9, 10, and 11, which provides that any land purchased by the Authority and not necessary to carry out its plans and projects actually decided upon shall be sold by the Authority, as the agent of the United States, after due advertisement at public auction to the highest bidder. Unless they can show a sustaining proposition that whatever they bought in the Little Tennessee River Valley is necessary for the projects decided upon, it will be their duty, if this bill is enacted into law, to sell such land.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky [Mr. MAY] to strike the enacting clause.

Mr. MAY. Mr. Chairman, I ask unanimous consent to withdraw the motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. McFARLANE. Mr. Chairman, I object.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky [Mr. MAY] to strike the enacting clause.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HILL].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, pursuant to House

Resolution 279, he reported the same back to the House with sundry amendments agreed to in Committee.

The SPEAKER. Under the rule the previous question is ordered on the bill and all amendments thereto to final passage.

Is a separate vote demanded on any amendment?

Mr. McLEAN. Mr. Speaker, I demand a separate vote on the amendment striking out section 14 on page 14.

The SPEAKER. Is a separate vote demanded upon any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

On page 14, line 1, strike out all of the section 14.

Mr. McLEAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BIERMANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BIERMANN. There were two amendments to section 14. Which one are we voting on now?

The SPEAKER. The amendment strikes out section 14.

Mr. BIERMANN. As it is in the original bill.

Mr. HILL of Alabama. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HILL of Alabama. As I understand it, the question on which we are to vote is the amendment which struck from the bill section 14, which was the transmission-line section.

The SPEAKER. The gentleman is correct.

Mr. MAY. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Kentucky rise?

Mr. MAY. I rose to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAY. There was so much confusion at the time the gentleman from New Jersey offered his amendment that I did not understand what it was.

The SPEAKER. Without objection, the Clerk will report the amendment in order that the Members may understand exactly what is before the House.

The Clerk read as follows:

Page 14, line 1, strike out all of section 14.

Mr. MAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAY. The amendment offered by the gentleman from New Jersey, as I understand it, moves to strike out all of section 14. Does that relate to the original section 14 as reported by the House Committee and as contained in the House bill?

The SPEAKER. It relates to the section in the bill as reported to the House.

Mr. HILL of Alabama. Mr. Speaker, there was no amendment offered by the gentleman from New Jersey. The gentleman from New Jersey simply demanded a separate vote on my amendment to strike out section 14.

The SPEAKER. The Chair thinks the House understands the situation.

The question was taken, and there were—yeas 237, nays 145, not voting 47, as follows:

[Roll No. 120]

YEAS—237

Amle	Brown, Ga.	Colden	Delaney
Arnold	Brunner	Colmer	Dempsey
Ashbrook	Buchanan	Connery	Dickstein
Ayers	Buck	Cooper, Tenn.	Dies
Barden	Buckler, Minn.	Costello	Dietrich
Beiter	Burdick	Cox	Dingell
Binderup	Caldwell	Cravens	Disney
Bland	Cannon, Mo.	Crosby	Dobbins
Blanton	Carmichael	Cross, Tex.	Dockweiler
Bloom	Carpenter	Crosser, Ohio	Dorsey
Boehne	Cartwright	Crowe	Doughton
Bolleau	Castellow	Cullen	Doxey
Boland	Celler	Cummings	Drewry
Boylan	Citron	Daly	Driscoll
Brooks	Coffee	Dear	Driver

Duffey, Ohio	Hull	Miller	South
Duncan	Imhoff	Mitchell, Ill.	Spence
Dunn, Pa.	Jacobsen	Mitchell, Tenn.	Stack
Eagle	Johnson, Okla.	Monaghan	Starnes
Eckert	Johnson, Tex.	Moran	Steagall
Ellenbogen	Jones	Moritz	Stefan
Evans	Keller	Murdock	Stubbs
Farley	Kennedy, N. Y.	Nelson	Sullivan
Fitzpatrick	Kenney	Nichols	Sumners, Tex.
Flannagan	Kloeb	O'Connell	Sweeney
Fletcher	Kniffin	O'Connor	Tarver
Ford, Calif.	Kopplemann	O'Day	Taylor, Colo.
Ford, Miss.	Kramer	O'Leary	Taylor, S. C.
Fuller	Kvale	Owen	Taylor, Tenn.
Fulmer	Lambeth	Parks	Terry
Gasque	Larrabee	Patman	Thom
Gassaway	Lea, Calif.	Patton	Thomason
Gearhart	Lee, Okla.	Pearson	Tolan
Gehrmann	Lemke	Peterson, Fla.	Tonry
Gildea	Lesinski	Peterson, Ga.	Truax
Gillette	Lewis, Colo.	Pfeifer	Turner
Gingery	Lloyd	Pierce	Utterback
Goldsborough	Luckey	Quinn	Vinson, Ga.
Granfield	Ludlow	Ramsay	Vinson, Ky.
Gray, Ind.	Lundeen	Rankin	Wallgren
Green	McClellan	Rayburn	Warren
Greenway	McCormack	Reece	Wearin
Greenwood	McFarlane	Reilly	Weaver
Gregory	McGehee	Richards	Weich
Griswold	McGrath	Robinson, Utah	Werner
Haines	McGroarty	Romjue	Whelchel
Hamlin	McKeough	Rudd	White
Hancock, N. C.	McLaughlin	Sabath	Whittington
Harlan	McReynolds	Sadowski	Wilcox
Hart	McSwain	Sanders, La.	Williams
Healey	Mahon	Sanders, Tex.	Wilson, La.
Higgins, Mass.	Mansfield	Sandlin	Withrow
Hildebrandt	Marcantonio	Sauthoff	Wolverton
Hill, Ala.	Martin, Colo.	Schneider	Wood
Hill, Knute	Mason	Schulte	Young
Hill, Samuel B.	Massingale	Scott	Zimmerman
Hobbs	Maverick	Sears	Zioncheck
Hoepfel	Mead	Shanley	
Hook	Meeks	Sirovich	
Houston	Merritt, N. Y.	Smith, Wash.	

NAYS—145

Adair	Duffy, N. Y.	Kinzer	Rich
Allen	Eaton	Kleberg	Robertson
Andrew, Mass.	Edmiston	Knutson	Robison, Ky.
Andrews, N. Y.	Engel	Kocalkowski	Rogers, Mass.
Arends	Englebright	Lambertson	Rogers, Okla.
Bacon	Faddis	Lamneck	Russell
Beam	Fenerty	Lanham	Schaefer
Biermann	Ferguson	Lehbach	Schuetz
Blackney	Flesinger	Lord	Secret
Bolton	Fish	Lucas	Seeger
Brennan	Focht	McAndrews	Short
Brewster	Frey	McLean	Smith, Conn.
Brown, Mich.	Gavagan	McMillan	Smith, Va.
Buckbee	Gifford	Maas	Smith, W. Va.
Burch	Gilchrist	Mapes	Snell
Burnham	Goodwin	Marshall	Somers, N. Y.
Carlson	Gray, Pa.	Martin, Mass.	Stewart
Cavicchia	Guyer	May	Sutphin
Christianson	Gwynne	Merritt, Conn.	Taber
Church	Halleck	Michener	Thomas
Claborne	Hancock, N. Y.	Millard	Thompson
Clark, N. C.	Harter	Montet	Thurston
Cole, Md.	Hartley	O'Brien	Tinkham
Cole, N. Y.	Hess	O'Neal	Tobey
Collins	Higgins, Conn.	Parsons	Treadway
Cooley	Hoffman	Patterson	Turpin
Cooper, Ohio	Hollister	Perkins	Umstead
Crawford	Holmes	Pettengill	Wadsworth
Crowthier	Hope	Pittenger	Wigglesworth
Culkin	Huddleston	Piumley	Wilson, Pa.
Darden	Jenckes, Ind.	Polk	Wolcott
Darrow	Jenkins, Ohio	Powers	Wolfenden
Deen	Johnson, W. Va.	Ramspeck	Woodruff
Dirksen	Kahn	Randolph	Woodrum
Ditter	Kee	Ransley	
Dondero	Kelly	Reed, Ill.	
Doutrich	Kerr	Reed, N. Y.	

NOT VOTING—47

Andresen	Chapman	Kennedy, Md.	Rabaut
Bacharach	Clark, Idaho	Kimball	Richardson
Bankhead	Cochran	Lewis, Md.	Rogers, N. H.
Bell	Corning	McLeod	Ryan
Berlin	DeRouen	Maloney	Scrugham
Buckley, N. Y.	Dunn, Miss.	Montague	Shannon
Bulwinkle	Eicher	Mott	Sisson
Cannon, Wis.	Ekwall	Norton	Snyder
Carter	Fernandez	Oliver	Underwood
Cary	Gambrell	O'Malley	Walter
Casey	Greever	Palmsano	West
Chandler	Hennings	Peysers	

So the amendment was agreed to.
The Clerk announced the following pairs:

Mr. Sisson (for) with Mr. McLeod (against).
Mr. Chandler (for) with Mr. Andresen (against).
Mr. Berlin (for) with Mr. Bacharach (against).

General pairs:

Mr. Rogers of New Hampshire with Mr. Ekwall.
Mr. Cochran with Mr. Kimball.
Mr. Rabaut with Mr. Mott.
Mr. Bulwinkle with Mr. Corning.
Mr. Casey with Mr. Buckley of New York.
Mr. Bankhead with Mr. Scrugham.
Mr. Chapman with Mr. Kennedy of Maryland.
Mr. Oliver with Mr. Richardson.
Mr. DeRouen with Mr. Snyder.
Mr. West with Mr. Underwood.
Mr. Cary with Mr. Ryan.
Mr. Clark of Idaho with Mr. Bell.
Mr. Dunn of Mississippi with Mr. Walter.
Mr. Gambrell with Mr. Fernandez.
Mr. Montague with Mr. Hennings.
Mr. O'Malley with Mr. Eicher.
Mrs. Norton with Mr. Greever.
Mr. Maloney with Mr. Lewis of Maryland.

Mr. ASHBROOK and Mr. KLOEB changed their votes from "no" to "aye."

Mr. DEEN changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. KVALE. Mr. Speaker, my colleague, the gentleman from Minnesota, Mr. RYAN, is unavoidably absent. If he had been present he would have voted "aye."

Mr. DRISCOLL. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. SNYDER, was called away and could not be present. If present, he would have voted "aye."

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. BERLIN, has been called out of town. If present, he would have voted "aye."

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

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

Mr. ANDREWS of New York. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ANDREWS of New York. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ANDREWS of New York moves to recommit the bill to the Committee on Military Affairs with instructions to that committee to report the same back to the House forthwith with the following amendment: Page 11, line 23, strike out all of section 13 and insert in lieu thereof the following:

"SEC. 13. That section 9 (b) of said act be, and the same is hereby, amended as follows: and as so amended such amendment shall be effective on and after the 1st day of January 1936 occurring next after the approval hereof, by adding at the end thereof the following words:

"(b) All moneys of the Corporation of whatsoever nature hereafter received by or for the Corporation shall be immediately and without diminution deposited and covered into the Treasury of the United States, and such portion thereof as is authorized by the Tennessee Valley Authority Act of 1933, as amended, or other law, to be used by said Corporation in carrying out the provisions of said act, as amended, shall be transferred to an appropriate appropriation account withdrawable only on warrant as are other appropriated public moneys, and subject to authority specifically granted by the Tennessee Valley Authority Act of 1933, and as amended, all laws regulating the obligating or expenditure of other public moneys shall be applicable thereto: *Provided*, That until July 1, 1936, the provisions of section 3709, Revised Statutes, shall not be applicable to purchases of supplies and equipment necessary for dam construction. Accounts of all transactions involving receipts or disbursements of the Corporation shall be duly rendered to the General Accounting Office at such times and in such substance and form as may be prescribed by the Comptroller General of the United States, and said accounts and such claims as may arise shall be settled and adjusted by the General Accounting Office under and pursuant to the provisions of title III of the Budget and Accounting Act approved June 10, 1921: *Provided*, That the expenses of such portion of the audit as the Comptroller General may authorize to be done in the field shall be paid from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General. In such connection the Comptroller General and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to, under the control of, or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with the balances in depositaries. The officers of the Corporation to whom moneys may be advanced on accountable warrant shall each give a bond to the United States for the faithful discharge of the duties of

his office according to law in such amount as shall be directed by the Comptroller General. Should there be any administrative delinquency in the rendering of the accounts as directed, or any unsatisfactory condition of the accounts, requisitions for funds shall be disapproved by the Comptroller General unless, for good cause shown, he shall elect to withhold such disapproval."

Mr. ANDREWS of New York (interrupting the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent to dispense with the further reading of the motion to recommit as it is the McCarl amendment.

Mr. HILL of Alabama. Mr. Speaker, I make the point of order on the motion to recommit that the House has just voted on these two propositions.

The SPEAKER. The Chair is unable to rule on the point of order without having the motion read.

The Clerk resumed the reading of the motion to recommit.

Mr. KVALE (interrupting the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that the further reading of the motion to recommit be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I make the point of order on the motion to recommit that the House has just acted on what is in the motion.

The first part of the motion to recommit deals with lines 4, 5, and 6 on page 8 of the bill. The House adopted an amendment striking out those lines.

In the same way, as to section 13, the House has just adopted an amendment striking out section 13 and substituting in lieu thereof the language now in the bill.

The House has therefore passed on both of the propositions embodied in the motion to recommit.

Mr. ANDREWS of New York. Mr. Speaker, I call attention to the fact that the motion to recommit is not identical with the original language on page 8. The language on page 8 reads "after July 1, 1937", while the motion to recommit states "after July 1, 1938." So it is not the original language of the bill and it is not the amendment that has been acted upon by the House but matter that was acted upon simply in committee.

Mr. HILL of Alabama. The House adopted all the amendments in gross except the amendment to strike out section 14, which the gentleman from New Jersey asked a separate vote upon. The point of order is that the motion to recommit is in substance what the House voted on.

Mr. MICHENER. Will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. MICHENER. The gentleman says "in substance." That is just the point; there is a vast difference between 1937 and 1938. If they had 1 year to operate on a different basis, that is very material.

Mr. HILL of Alabama. There can be no question but that section 13 was voted upon.

Mr. MICHENER. There is a vast difference; a difference that is very material.

The SPEAKER. The Chair will hear the gentleman from New York on the second portion of his motion to recommit.

Mr. ANDREWS of New York. The Chair rules that the first portion of the motion to recommit is in order?

The SPEAKER. The Chair thinks the first portion is in order, inasmuch as there is a difference in date.

Mr. ANDREWS of New York. The language of the second portion is identical with what was originally in section 13, but it has not been voted on by the House, only by the Committee of the Whole.

The SPEAKER. The Chair thinks the point of order is well taken, insofar as it applies to section 13, the House having voted to strike out section 13 and insert other language. The gentleman's motion proposes to reinsert the original language in the bill, which by a former vote was stricken out. The Chair thinks that portion of the motion to recommit is subject to a point of order.

Mr. ANDREWS of New York. Mr. Speaker, I ask to amend the motion to recommit.

The Clerk read as follows:

Mr. ANDREWS of New York moves to recommit the bill to the Committee on Military Affairs with instructions to report the same back

with the following amendment: "Page 8, line 4, after the word 'agriculture', strike out the remainder of section 8 and insert in lieu thereof the following: 'After July 1, 1938, the Authority shall not sell surplus power or chemicals produced by it below the cost of the aggregate production for each year.'"

Mr. McSWAIN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

ORDER OF BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I submit a unanimous-consent request that it may be in order on Friday next to take up the Private Calendar under the rules of the House.

The SPEAKER. The gentleman from Colorado asks unanimous consent that it may be in order on Friday next to consider the Private Calendar under the rules of the House. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object, though I do not intend to. I do this to ask if the gentleman refers to bills unobjected to.

The SPEAKER. Yes. It is under the general rules of the House.

Mr. KVALE. Mr. Speaker, I reserve the right to object merely for the purpose of stating that I hope that on a further vote we may drive through to final passage the bill under consideration tonight.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. HOPE. This is not to take up omnibus bills?

The SPEAKER. No. Omnibus bills come up on their regular day. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DARDEN, for 14 days, on account of official naval business;

To Mr. BURNHAM, for 14 days, on account of official business;

To Mr. CHANDLER, for 3 days, on account of important business;

To Mr. HIGGINS of Connecticut, for 14 days, on account of official business;

To Mr. McGRATH, for 14 days, on account of official naval business;

To Mr. O'CONNELL, for 14 days, on account of official business;

To Mr. SCOTT, indefinitely, on account of important official business;

To Mr. SCRUGHAM, for 14 days, on account of official naval business;

To Mr. SEARS, for 14 days, on account of official business; and

To Mr. MAAS, for 14 days, on account of important official business.

PAST AND PRESENT REVENUE LAWS HAVE GREATLY BENEFITED THE RICH—LET US AMEND THESE LAWS—STOP ALL LOOPHOLES AND RAISE FUTURE REVENUE BASED ON ABILITY TO PAY

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I desire to submit for your consideration my reasons why certain bills which I have introduced in the House should be favorably reported by the Ways and Means Committee. The bills to which I refer are H. R. 8401 amending section 12 (b) of the Revenue Act of 1934 relating to rates of surtax; H. R. 8402, amending section 405 (b) of the Revenue Act of 1934 relating to rates of tax on estates; and H. R. 8403, amending section 520 of the Revenue Act of 1934 relating to rates of tax on gifts. I also wish to call to your attention my Resolution No. 98 proposing an amendment to the Constitution of the United States relative to taxing certain incomes which is in harmony with the President's tax message of recent date.

Let me say in the beginning that I realize that the above-mentioned bills do not precisely agree with the general ideas advanced by the President in his message to Congress on June 19. The President in his suggestions asked for revision of taxation on inheritances, gifts, and for a graduated income tax on corporations according to their size, whereas the above measures call for a revision upward on estates and gift taxes commensurate with the rates of other countries and for a revision of the personal income tax rates placing a ceiling on personal incomes of not to exceed \$1,000 per week or about \$52,000 net per year.

I respectfully ask the Ways and Means Committee to consider these measures on their merits, bearing in mind that the President has made only general suggestions regarding tax rates on the subjects covered.

INCOME TAX

The income-tax schedule which I propose in H. R. 8401 materially increases the amount of the tax in the case of all taxpayers. A comparison of the tax raised under this measure with that of Great Britain, France, and Germany is as follows:

Comparison of income tax—Married person, no dependents, all income from salary

Net income	H. R. 8401	Great Britain	France	Germany
\$1,000	0	\$8.88	\$33.78	\$79.05
\$2,000	0	111.44	170.10	316.85
\$3,000	\$8.00	311.44	365.85	543.54
\$5,000	85.00	711.44	857.30	1,079.54
\$7,500	230.00	1,221.94	1,651.30	1,951.95
\$10,000	440.00	1,862.34	2,524.94	2,939.89
\$15,000	1,049.00	3,443.85	4,688.28	5,170.49
\$25,000	3,049.00	7,368.90	9,509.83	9,946.04
\$50,000	12,516.50	19,654.60	23,716.05	22,565.71
\$100,000	50,204.00	43,101.85	53,651.12	47,445.63
\$500,000	463,866.50	307,909.85	269,651.12	247,435.73
\$1,000,000	961,366.50	639,159.85	539,651.12	497,446.16

The rate schedule is so drawn in H. R. 8401 that the amount of income remaining in the hands of any taxpayer cannot exceed approximately \$50,000. Surtax rates begin at 1 percent upon the first \$1,000 in excess of the exemption plus \$2,000. The rate of tax upon the portion of net income in excess of \$50,000 is 99½ percent.

BENEFITS DERIVED FROM LIMITING INCOMES TO \$50,000

(a) *Presents unhealthy increase in prices and removes incentive to reduce wages*

Such an amendment to our tax laws would peacefully and orderly bring about a redistribution of our national wealth. These amendments would soon be reflected to both the consumer and producer. Businessmen who are prone to reduce wages or oppose their increase, would not find it advantageous to do so if the resultant savings when beyond their reasonable needs was taken from them in taxes. Likewise, the incentive to reap excess profits by increasing the selling price would cease to exist. Instead, the tendency would be to maintain good wages, shorten hours, and decrease prices to the lowest point compatible with this maximum possible personal income. The increased wages, shorter hours, and decreased selling prices would automatically benefit the whole community by increasing employment and buying power.

(b) *Would stimulate legitimate business*

Such a tax would not only eliminate profiteering but would stimulate legitimate business and profits. By taxing only personal incomes, and not business profits, a handicap would be removed from business. Untaxed, undivided profits would be available for development and expansion made necessary by the increased buying power and higher wages and more employment. The accumulation of deferred dividends or undivided profits beyond the reasonable needs of the business would be prevented by safeguards which you placed in the Revenue Act of 1934 and which we hope will be more effectively administered by this administration than similar provisions found in prior revenue acts were enforced under the Mellon regime.

(c) *Would remove the incentive for unreasonable increases in officers' salaries*

The Federal Trade Commission has been engaged in compiling data on the salaries of some of the larger corporations. Under date of February 27, 1934, the Evening Star of this city quoted an article from the Associated Press to the effect that this study disclosed that out of 900 big companies around 300 executives were receiving more than \$100,000 in 1929 in bonuses and salaries. In the boom period about two score received pay checks and bonuses of \$200,000. Some 25 got between \$200,000 and \$300,000; 7 more got between \$300,000 and \$400,000; 3 between \$700,000 and \$800,000; 2 between \$800,000 and \$900,000; 1 something over a million and another more than a million and a half.

A conspicuous example was that of the president of the American Tobacco Co. who between 1929 and 1932 received in bonuses and salary \$3,000,000. Another case was that of the president of the Bethlehem Steel Co. whose annual salary from 1928 to 1930 was \$12,000 annually but whose bonuses averaged \$1,100,000 per annum. A more glowing example was that of an executive of Fox Film Co. who received a salary and bonus of \$460,000. Shortly thereafter the company under his management was in financial difficulties.

While I have not sufficient data to establish this statement, it is generally conceded by those in position to have a knowledge of industry that salaries were increased from 1916 to 1929 by several hundred percent. In most instances these increases were not justified on the basis of additional duties. The additional pay in no sense represents earned incomes, but are paid by reason of the fact that these individuals are able to dominate and control oftentimes with very little actual ownership of the business. The excessive salaries which they receive represent accumulated profits diverted from the stockholders into their pockets. The salary of the President of this country is only \$75,000. I believe no officer in commercial enterprises should receive more.

(d) *Would take from these individuals the means by which they accumulate unreasonable wealth*

The executives of large corporations for the most part are in a position to have inside information about the possibilities of profits from trading not only in their own stock but that of other companies dominated by friends and associates in like positions. Much of the profits from capital gains reported by wealthy men undoubtedly was the result of confidential information reaching them by reason of their position in the financial world before such information trickled down to the public. The exorbitant salaries and bonuses is the starting point frequently by which enormous amounts of wealth are accumulated from trading in stocks of this kind. The officers of General Motors, Chrysler, and Studebaker are said to have amassed large sums in this manner.

(e) *Will remove numerous economic evils*

Many economic evils and practices that are common under the present system would not be practical or profitable with such a progressive personal income tax. Holding companies, trusts, monopolies, and other devices for making and covering up excess profits would be of no avail. All such profits would ultimately be passed on as personal income and so would be available for taxation.

The temptation to water stock would be much lessened. Stocks are watered so that a few at the top may reap a bounteous harvest without giving anything in return. What would be the advantage of such manipulation if most, or all, of the profits reverted to the people through taxation?

The proposed tax would make large holdings of unproductive natural resources unprofitable or impossible and so help to restore such resources to the people. It would tend also to break up all large fortunes and holdings however owned or controlled. We would have no millionaires or wealthy playboys, also fewer paupers.

The perennial warfare between labor and capital would be largely avoided by such tax. Labor troubles are usually due to the desire of the employed for a more equitable share of the profits of industry. Given such a share the conflict should cease.

Undue political influence and power that so often goes along with great fortunes and incomes would naturally be much less when such fortunes and incomes no longer exist.

Such a tax would take the excess profits out of the munitions and ship-building industries. It would thus help to eliminate one of the potent factors that tends to promote war.

(f) *Would not deprive industry of competent leadership*

Would such a tax and such a limitation of personal income deprive us of the services of our great industrial leaders? Would competent men refuse to work for such a pittance? We need have no misgivings about not being able to secure the services of competent men in any line or for any job for an income of \$50,000 per year. The net salary of the President is about \$50,000. Our Congressmen, Cabinet members, Supreme Court Justices, and business executives all receive less than \$25,000 per year. Competent men are found in every line of work who do not receive that much. In fact, all of our so-called "industrial leaders" have worked for less, and would gladly do so again if necessary.

Let us suppose such a one should refuse to work for a paltry \$50,000 per year. What would he do? Retire to his million-dollar estate and live off his income? Well, as that income could not be over \$50,000 per year, he would not be able to pay taxes and upkeep on that million-dollar estate very long. As a result, the estate would have to be sold. This, of course, would be very desirable. The land would then be available for small-home owners. A number of small-home owners is a far greater asset to any community than is one large estate.

(g) *Would not cause an exodus of wealth*

Nor need we fear that our millionaires would take their wealth and the country. If they did leave they would not be missed. They could take with them little of real value. Our industries and resources would have to be left behind.

(h) *Evasion would decrease*

Would the possessors of swollen incomes try to evade such a tax? Probably so. Many of them try to now, and they often get by with it. Under the proposed plan such evasion would be more difficult. The greater the income the more numerous the sources from which it is derived and the more complicated and difficult it is to uncover. A limited income would naturally be derived from a smaller number of sources and so would be much easier to check. Requiring all corporations and employers to report the wages, salaries, bonuses, and dividends paid to all employees, stockholders, and officials would reduce evasion to a minimum. Anyone found spending money clearly in excess of his reported income would, of course, be subject for special investigation.

Some will say it sounds all right, but the people would never stand for such a tax. Well, that depends on what is meant by the people. Under the proposed plan, as under the present one, only a small percent of the voters would pay any income tax at all. The rate on the lower incomes, \$4,000 or less above exemptions, would be less than now. We might conservatively conclude that less than 1 percent of the people would then pay more income tax than at the present. The other 99 percent and all the non-income-tax payers would profit either directly or indirectly. If properly presented to the people, their own self-interest should cause them to approve such a tax.

SUMMARY

As stated before, the amount of the tax suggested, 1 percent on the first \$1,000 above exemptions and increasing 1 percent with each additional \$1,000, is purely arbitrary and may be adjusted to meet the needs of the Treasury Department for income. The practical working of such a plan is the point stressed. To be effective the tax must progressively increase so that excess profits will result in a diminished personal income. A lesser tax, such as our present income tax, is *shifted to the consumer* (italics mine) and so will not produce the desired result.

I realize that the income-tax law is full of exemptions and deductions favorable to wealthy taxpayers. Many of these

deductions permit the taxpayer to retain, free of tax, large amounts of actual profits. The limitation, therefore, of \$50,000 is far less than the taxpayer will be permitted to retain under the existing law. For example, the capital-gain provision exempts from tax as high as 70 percent of the profits realized from the sale of stocks and bonds and other property. Statistical data of the Bureau of Internal Revenue indicate that wealthy taxpayers have a very large percentage of their net income from this source. It is commonly known that these gentlemen buy stocks, bonds, and real estate when the markets are depressed and the public has little cash for this purpose.

These investments are held until prosperous times, when the markets are inflated, and their investments are then liquidated at excessive prices, a large portion of property sold by this class falls into the hands of small investors, who oftentimes lose much of their hard-earned money in the recessions of the market, when the shrewd investor can buy them up again for another cycle of investment. I see no reason for retaining such loopholes in the law, but if they are to be retained the rate of tax should be exceedingly heavy on that portion of the income subject to tax, for the profits they receive from these investments are not truly earned but represent the wealth of many small investors who are stripped of their savings, which are transferred to the wealthy individual who can take advantage of the economic condition of the times.

ESTATE TAX

In the case of estates, H. R. 8402 proposes a schedule beginning with 2 percent on the first \$10,000 in excess of the exemption of \$50,000 provided by the revenue act and is graduated upward to a rate of 99½ percent on net incomes in excess of \$20,000,000. The rate schedule is so drawn that regardless of the income there remains not over \$5,000,000 to be distributed in the case of any estate.

Comparison of estate tax under H. R. 8402 and Great Britain is as follows:

Net estate before exemption	H. R. 8402	Great Britain
\$2,500	None	\$25
\$5,000	None	100
\$25,000	None	750
\$50,000	None	2,000
\$100,000	\$9,600	8,000
\$150,000	17,600	15,000
\$200,000	26,600	24,000
\$300,000	44,600	48,000
\$400,000	62,600	72,000
\$500,000	82,600	95,000
\$600,000	102,600	120,000
\$800,000	150,600	192,000
\$1,000,000	206,600	240,000
\$2,000,000	546,600	600,000
\$5,000,000	2,028,600	1,900,000
\$10,000,000	5,726,600	4,500,000

WHY THESE AMENDMENTS SHOULD BE ADOPTED

I recommend for consideration of this committee the rate schedules which I have proposed in the foregoing bills. I believe that these rates are necessary to carry out the purpose stated in the President's recent message dealing with the subject of taxation.

In regard to our policy of taxation, the President says:

Our revenue laws have operated in many ways to the unfair advantage of the few, and they have done little to prevent an unjust concentration of wealth and economic power.

In further recognition that taxes should be levied in proportion to ability to pay, the President says:

Taxation according to income is the most effective instrument yet devised to obtain just contribution from those best able to bear it and to avoid placing onerous burdens upon the mass of our people.

And further recognizing the justness of the movement toward progressive taxation of wealth and income, the President says:

Wealth in the modern world does not come merely from individual effort; it results from a combination of individual effort and of the manifold uses to which the community puts that effort,

The individual does not create the product of his industry with his own hands; he utilizes the many processes and forces of mass production to meet the demands of a national and international market.

Therefore, in spite of the great importance in our national life of the efforts and ingenuity of unusual individuals, the people in the mass have inevitably helped to make large fortunes possible. Without mass cooperation great accumulations of wealth would be impossible save by unhealthy speculation. As Andrew Carnegie put it, "Where wealth accrues honorably, the people are always silent partners." Whether it be wealth achieved through the co-operation of the entire community or riches gained by speculation, in either case the ownership of such wealth or riches represents a great public interest and a great ability to pay.

In line with the thought expressed in these quotations, I have fixed the limit which anyone should leave as \$5,000,000. I believe that this country would be better off with a great many persons of small wealth rather than a less number of very great wealth. France and England are examples today of countries in which there are very few men of extremely great wealth. As a matter of fact, I do not understand that any individual in either of these countries possess anything like the wealth of the Ford family or the Mellon family. The recovery which each of these countries made after the war shows on how stable a basis their social structure rests. If we are to provide opportunities for persons of small means, it is incumbent upon the Government to effectively check the growth of large groups of wealth. This can be effectively done only if rates of income tax, inheritance, and gift taxes are amended which will limit the amount of wealth remaining in the hands of the family at the date of death. I believe that the limit fixed in the bills which I have introduced will do this in an effective way.

GIFT TAXES

I have introduced H. R. 8403 as a companion to H. R. 8402. This bill partially plugs an obvious loophole in the present gift- and estate-tax laws. Under the present law, gifts are taxable at rates 75 percent of rates of similar amounts left by inheritance. The savings in tax which can be effected by means of giving away property prior to death is so large in the case of wealthy taxpayers that a substantial portion of their inheritances will be given away to their children prior to death in order to defeat the inheritance-tax laws. The bill which I have introduced makes the rates on gifts the same as inheritance rates. This will partially discourage the giving away of property merely to defeat the tax. It will not, however, prevent the giving away of property prior to death for that purpose. The tremendous saving which can be effected under the present law is indicated by the following figures. In the case of an estate of \$10,000,000, the total estate tax is \$3,094,500. If, however, the decedent gives away one-half of the property prior to his death the gift tax on one-half of the property is \$848,650; the estate tax on the remaining one-half is \$1,149,500, making a total tax of \$1,998,150, and the saving to the estate is \$1,096,350.

The following data taken from reports of the Bureau of Internal Revenue showing receipts of gift taxes for 1933, 1934, and 1935, by months indicates taxpayers are availing themselves of this loophole to reduce death taxes.

	1933	1934
July.....	\$2,532.87	\$15,098.84
August.....	5,322.34	25,134.33
September.....	9,091.20	67,142.91
October.....	11,502.91	13,086.17
November.....	30,568.78	166,139.01
December.....	186,103.58	243,031.28
	1934	1935
January.....	\$1,764,987.87	\$51,832.79
February.....	997,601.63	382,132.77
March.....	7,369,435.04	64,339,757.17
April.....	694,268.21	3,024,711.09
May.....	252,558.43	430,271.87

I urge that you substitute higher estate-tax rates such as I have proposed in H. R. 8402 for the additional estate-tax rates imposed by the Revenue Act of 1934. Such a tax in

view of decisions of the Supreme Court will reach a large portion of the transfers which are certain to be made in anticipation of an inheritance tax (*Milliken v. U. S.*, 283 U. S. 15).

It is hoped that we are now emerging from the most serious depression in the world's history. Experience teaches us that the wealthy during such depressions acquire large volumes of property at bargain-counter prices. The unhealthy condition by reason of accumulation of wealth in hands of too few persons will be greatly aggravated by reason of the profits realized from the purchase of property during the depression. These profits represent the earnings of the great masses who by reason of their unfortunate condition are unable to hold on to their property until normal times. I believe death taxes should be imposed sufficiently high to return a large portion of such wealth to the Government in order that it may be used to liquidate the obligations of the Government now being created for relieving the distressed people of this country.

PROPOSED AMENDMENTS TO STOP LOOPHOLES

The present gift-tax laws enacted to stop a decided loophole in the Federal estate tax laws only partially stop the gap. Two changes are necessary to close the loophole:

1. Reduce the special exemption of gifts to any one person during any taxable year to \$500 instead of \$5,000 in the present law. The present law was adopted on amendment offered by ex-Senator David Reed, of Pennsylvania.

2. Increase the gift-tax rates to make them equal in every respect to the estate-tax rates.

It may be argued that the estate- and gift-tax laws should encourage the aged to give away their property before death. With the changes I have proposed there will still remain inducement to give away property before death, for even these rates permit substantial savings if portions of property are distributed before death.

ALL TAX LOOPHOLES SHOULD BE STOPPED

It is well recognized that there are many loopholes in our present tax laws through which evasions the Government is losing hundreds of millions of dollars. In addition to the above-suggested amendments, I submit for the Committee's consideration the following proposed amendments as being sound, wholesome amendments that should be made to our tax laws.

1. Effective for any taxable year ending subsequent to the enactment of this act, the Revenue Act of 1934 is amended by adding a new section as follows:

SEC. 169. TRANSFERS TO EVADE TAXATION. (a) Gifts of husband and wife: Where a husband transfers property by gift to his wife, or vice versa, and the husband and wife are living together, or, if separated, there has been no final settlement of their property rights, then the income derived from such property (and from property substituted therefor) shall be included in computing the net income of the spouse who made the transfer as if such transfer had not been made.

(b) Family trust: (1) Where the husband or wife of the creator of a trust is a beneficiary of the trust and the husband and wife are living together or, if separated, there has been no final settlement of their property rights, or (2) where a child or a parent of the creator of the trust is a beneficiary of the trust and under the laws of descent an interest in the corpus of the trust or in the income accumulated for or distributed to the child or parent, as the case may be, may be vested in the creator of the trust, then that part of the income of the trust accumulated for, or distributable to, the husband or wife or child or parent of the creator of trust shall be included in computing the net income of the creator of the trust.

2. Effective for any taxable year ending subsequent to the enactment of this act, section 22 of the Revenue Act of 1934 is amended by adding at the end thereof a new paragraph as follows:

(g) Undivided profits of corporations: Any portion of the net income of a corporation subject to the tax imposed by section 13 (a) of this act remaining undistributed at the close of its taxable year shall be accounted for by the stockholders of such corporation at the close of its taxable year in proportion to their respective shares. Within 45 days after the close of its taxable year and in accordance with rules and regulations prescribed by the Commissioner, with the approval of the Secretary, the corporation shall file a return showing the number of shares held by each stockholder and the amount of undivided net income allocable to each share and shall report to each stockholder the amount of undivided net income allocable to each share.

3. Effective for any taxable year ending subsequent to the enactment of this act, the Revenue Act of 1934 is amended by adding a new section as follows:

SEC. 151. Disclosure of income not reported as taxable: Every person subject to the tax imposed by this title shall file with the collector a statement for each taxable year showing (1) all income for the year not reported on the income-tax return for the year, (2) all distributions from corporations received within the year and not reported on the income tax for the year, and (3) all sales and exchanges of property other than property held primarily for sale in the course of a trade or business and other than sales and exchanges reported on the income-tax return for the year. Such statement shall be in accordance with rules and regulations prescribed by the Commissioner and approved by the Secretary, shall be filed on or before the 15th day of the third month following the close of the taxable year, and shall be duly verified under oath.

4. Effective upon the enactment of this act, section 501 (a) of the Revenue Act of 1932 is amended to read as follows:

(a) For the calendar year 1932 and each calendar year thereafter a tax, computed as provided in section 502, shall be imposed upon the transfer during such calendar year by any individual, resident or nonresident, of property by gift or by bequest, devise, or other testamentary disposition. The terms "gift", "gifts", or "net gifts" as used in this title include gifts inter vivos and testamentary gifts and dispositions.

5. Board of Tax Appeals: The present Board of Tax Appeals was created in order to provide an independent review of the taxpayers' cases before assessment of deficiencies. The Bureau by reason of inadequate personnel and incompetent administration imposed ill considered and unreasonable assessments on taxpayers. Congress sought to stop this by providing an independent review body in the Treasury Department. Unfortunately, however, the members soon surrounded their review by the rules adopted by the equity courts of the District of Columbia. This turned what was intended to be a review body into a highly technical court, before which a taxpayer is forced to employ a specially trained lawyer and provide himself with expensive witnesses in order to be given the consideration which was intended without this great expense. In looking over the results of this body I find their rulings are so inconsistent that Bureau officials cannot be consistent in administration because of these inconsistencies. These decisions have laid the groundwork and have been the cause of a flood of litigation equaled in no other country. Administration of our taxing laws is a practical matter. The courts have held that these statutes should be construed liberally in favor of the taxpayer. I see no reason why an administrative problem of arriving at the correct tax should be turned into such a mass of litigation as has resulted from the creation of the Board.

I therefore recommend that you give consideration to abolishing this body. In its stead you should create an independent review body composed not of lawyers only, but of practical tax men such as auditors and engineers. Provide that this body shall function purely as a review body and without the technical requirements of a court. Provision could be made for taking testimony when a case was appealed so that the Board's findings will be given the same status as the findings of Commissioners of the Court of Claims.

The creation of such a body I regard as the first step in simplification and one of the most important ones. I therefore urge its consideration. The following amendment gives effect to my views on this subject.

Tax Adjustment Board: (a) There is hereby created in the Department of Treasury a board to be known as the "Tax Adjustment Board" (hereinafter referred to as the "Board"). The Board shall be composed of nine members. Each member shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 6 years, and shall receive compensation at the rate of \$9,000 per annum. The Board shall at least annually designate a member to act as chairman. The Board shall have the powers, duties, and functions described in this section and in section 6 and shall have the power to prescribe rules and regulations governing all appeals filed with it.

(b) Upon receipt of a notice of deficiency in income tax, estate tax, inheritance tax, or gift tax sent to the taxpayer in the manner provided by the Revenue Act of 1924 and

subsequent acts, the taxpayer may, within 90 days, or within 90 days after the enactment of this act, whichever is the latest, file a notice of appeal with the Board. Such notice shall be in the form prescribed by the rules of the Board. Within the time provided by the rules of the Board, the taxpayer shall file a statement of all facts and reasons and such documents and papers, or verified copies thereof, which he intends to submit in support of the appeal, and shall, by registered mail, send to the Commissioner a copy of all such statements, reasons, documents, and papers. Thereafter the Commissioner, if he desires to proceed further, shall file with the Board a copy of the income-tax return, a statement of the facts, and reasons and documents relied upon by him and shall send a copy thereof to the taxpayer by registered mail.

(c) The Board shall have the function, power, and duty to hear such appeal and to review, adjust, and determine the tax liability in controversy. All proceedings before the Board shall be in accordance with rules prescribed by it: *Provided, however*, That all hearings shall be open to the public and all records, documents, and papers filed in any proceeding shall be open to public inspection.

(d) The Board shall notify the taxpayer of its decision by registered mail and send a copy thereof to the Commissioner. If dissatisfied with such decision, the taxpayer or the Commissioner may, within 60 days, file with the Board a notice of dissatisfaction. Such notice shall be in the form prescribed by the Board.

(e) Within 60 days from the filing of the notice of dissatisfaction, the Board shall transmit to the clerk of the United States District Court for the district in which it is located the collector's office to which was made the return of the tax in controversy, typewritten copies of the notice of dissatisfaction and of all statements, documents, and papers on file before the Board and relative to the notice of dissatisfaction. The matter shall thereupon be deemed to be an action in the said court ready for trial or hearing: *Provided, however*, That should it be deemed advisable by the court or a judge thereof that pleadings be filed, an order may issue directing the parties to file pleadings.

(f) A taxpayer who files a notice of dissatisfaction shall give bond, in a sum fixed by the Board not exceeding double the deficiency determined by the Board, and shall give security for the costs of the appeal to the district. Failure to file such bond and give such security shall render the notice of dissatisfaction and all proceedings thereunder null and void.

6. Board of Tax Appeals abolished: Effective upon the ninetieth day following the enactment of this act, the Board of Tax Appeals established by section 900 of the Revenue Act of 1924 and section 1000 of the Revenue Act of 1926 is hereby abolished. No petition shall be filed with the Board of Tax Appeals with respect to any deficiency determined subsequent to the enactment of this act. All proceedings pending before such Board on the sixtieth day following the enactment of this act are hereby transferred to the Tax Adjustment Board and all the powers, duties, and functions of the Board of Tax Appeals are hereby transferred to the Tax Adjustment Board for the disposition of such pending proceedings. After the Tax Adjustment Board has entered its decision in such pending proceedings, petitions for review may be filed in accordance with sections 1001, 1002, 1003, 1004, and 1005 of the Revenue Act of 1926. The provisions of this section shall not affect any proceeding pending before any appellate court reviewing the action of the Board of Tax Appeals.

In conclusion let me say that I hope the Ways and Means Committee will give careful consideration to the above-suggested bills and proposed amendments when they begin the consideration of writing the new tax bill of 1935.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an address delivered by Mr. Bruce Bliven, editor of the New Republic, at the New Jersey Law School.

The SPEAKER. Is there objection?

Mr. LAMBETH. Mr. Speaker, I object.

OLD-AGE PENSIONS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio address I delivered yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. NICHOLS. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address:

Ladies and gentlemen of the radio audience, I am talking to you today on behalf of 2,175,559 old people of the United States who are over 65 years of age, or so many of them as are now entitled to relief under the old-age pension portion of the social security bill recently considered in Congress.

According to the 1930 census, there were 6,633,805 persons in the United States over 65 years old. Of this number, 2,175,559 now reside in States which would not participate in the benefits of the old-age pension plan as passed by the House of Representatives. This does not mean that all of these people above the age of 65 years would receive an old-age pension but only that portion of the figure who would be able to bring themselves within the regulations prescribed by the social security board.

The social security bill has been passed by both the House and the Senate and is almost certain of receiving the signature of President Roosevelt when it is finally sent to him. Therefore it is no longer a political topic worthy of everyday discussion by the political commentators who seek to keep their fingers upon the hot spots in Washington.

My purpose for addressing you today is to call to the attention of my listeners the thing that is holding up the final enactment of this long-delayed and much-needed legislation.

When the bill was up for consideration in the Senate there was adopted an amendment known as the "Russell amendment", which provided that Federal pensions should be paid for 2 years in all States, to those people 65 year of age or older, whether the State had a pension system to match the Federal allocation or not. As you know, the bill as it passed the House of Representatives provided that only those States which had enacted legislation permitting them to pay a State or county old-age pension, would be permitted to receive any of the funds appropriated for that purpose by the Federal Government. Under this bill, as passed by the lower House, only 30 States of the Union would participate in the expenditure of these Federal funds, while 18 States and the District of Columbia would receive nothing. The Russell amendment is a very vital amendment, and unless it is retained in the bill by the conferees of the House and the Senate, who now have the measure up for consideration, I strongly favor a battle on the floor of the House of Representatives to refuse to accept the conferees' report, and favor carrying on such battle until such time as a bill could be passed which would contain therein the Russell amendment, or some other provision which would have the same effect. I have discussed this matter with enough of my colleagues in the lower House to determine that such a floor battle is almost certain if the Russell amendment is not retained.

When the social-security bill was up for consideration in the House just before the vote on final passage, I attempted to have adopted an amendment to provide that the Federal Government should pay its \$15 a month in pensions to the old folks in all States. This was the same as the Russell amendment, except that the Russell amendment places a 2-year limitation upon such payments. But the House Members, under the domination of a well-oiled steam roller, refused to adopt my amendment. Therefore, I am sincerely happy that Senator RUSSELL had better luck in the Senate than I did in the House, and I want here to pay tribute to him as a tireless fighter in this battle for justice for all of the old people, without regard to their residence. And, surely, after calm deliberation you cannot help but agree that a person's residence should not be the gage as to whether or not he or she were entitled to receive any benefits flowing from the Federal Government.

My reason for saying this seems to me fundamental, for when the Federal Government is gathering taxes with which to pay the expense of government, State lines and geographical limitations do not enter into the consideration, but all States and peoples of all States pay Federal taxes exactly alike. Therefore, when the benefits of government, which after all come from the collection of Federal taxes, are to be passed back to the people, they should be passed back upon the same basis that the taxes were collected originally. That is, a man in Oklahoma should be entitled to equal benefit from the Federal Government as a man would receive in New York, California, or Maine.

Unless the Russell amendment is retained, the old folks of 18 States and the District of Columbia will not be eligible for Federal old-age pensions until additional legislation is passed. A bill providing for the District of Columbia system is now pending and has a good chance of passage at this session. But all State legislatures have already adjourned and gone home. Therefore, there is no chance that they can enact old-age-pension legislation for several months, and it is likely that this will be delayed for several years in many States, for many States, like Oklahoma, must first amend their State constitution before their legislatures would have authority to enact old-age-pension legislation. The Congress is to blame in part for this condition, for the legislatures had to quit and go home. They could not continue in session as long as we have, and they could not know

what kind of laws to pass until we had set the pattern for them with the Federal social security bill.

I have studied the question of old-age pensions for years, and have yet to hear one logical argument as to why the Federal Government does not owe an old-age pension to the man or woman over 65 years in my home State of Oklahoma, which has no State pension system, the same as it does a man or woman over 65 in Arkansas, right across the line, which has just recently enacted its State system. The old man or the old woman is not responsible for the action, or lack of action, of his State in this respect, although he is just as much entitled to help. He suffers as much from hunger; he is just as cold when he is naked as is a person living in a State who has enacted old-age pensions. I think that when the Federal Government admits that it owes an obligation to the old people of the United States, that it owes that obligation to them all alike, irrespective of State rights. But the Russell amendment gets much closer to the thought of the present administration, because it concedes that the obligation to care for the old folks is primarily upon the States, and it simply gives the 18 States which have no pension system 2 years to enact them. Surely no one can object to this with reason.

Some States, as I know Oklahoma is, are now hard hit financially. The sentiment in Oklahoma is overwhelmingly in favor of an old-age pension, but those who attempt to devise plans for a State system are generally stumped when it comes to raising the needed revenue. Therefore I think since Uncle Sam has already admitted, by the action of the President and the Congress, the obligation, that the least he could now do is to give Oklahoma and States like her 2 years to work out the financial and other problems confronting them. And remember, that if Uncle Sam does not pay this money out in the form of old-age pensions, he is going to have to care for a large portion of these old folks, anyway, through relief funds. How much better it would be to give to the old folks what is justly due them for their part in creating out of the wilderness a great nation, and building her to our present enviable position among all the nations of the world, to give to them gladly and in the spirit of loving kindness rather than to dole it out to them in such a miserly fashion that it will further embitter their hearts.

We in Oklahoma feel especially keen about this proposition, because practically all of our old folks were born and raised in other States. Oklahoma was admitted to the Union only 28 years ago. Most of those in Oklahoma eligible for this pension were restless pioneers and builders by nature. They helped create Tennessee, Missouri, and California. They fought with the patriots of Texas. They grew up in Arkansas, Kentucky, and Virginia. In fact, they came to Oklahoma from everywhere. Therefore I have no hesitancy in asking my colleagues, and in asking you from every State in the Union, to help Oklahoma and her other 17 sister States in this proposition.

One of the arguments against the Russell amendment is that it would be too expensive on the Federal Government. Of course, the expense would be no greater under this amendment than it would be if all of the 48 States adopted legislation to bring them within the provisions of the bill as passed by the House of Representatives. But this argument is not sound, because while the census of 1930 showed that there were in the United States 6,633,805 people over 65 years of age, a recent survey by the Committee on Economic Security indicated that there were only 736,342 persons over 65 years of age on the relief rolls in the United States. Knowing how strict and stringent the regulations will be before a person can receive any money appropriated under the Federal social security bill, I am constrained to the opinion that probably the figure of 736,342 persons would not be far ams from the number of persons who would actually receive these benefits, and using this figure as a basis, it would cost the Government \$11,044,130 per month, or \$132,529,500 a year, to pay the bill under the Russell amendment, or about the cost of three battleships.

The States which do not now have an old-age pension system are: Alabama, Connecticut, Florida, Georgia, Illinois, Kansas, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Vermont, and Virginia. If you live in one of these States or in the District of Columbia, you have a vital interest in seeing the Russell amendment retained in the bill.

The way you can best serve the old people of these States is to now wire or write to your Congressman or your Senator and insist that they support the Russell amendment. Join us in this fight to do something for the old people of the United States, who are now going down the shady side of life, which will show them that the United States is a nation grateful to them for the service which they have rendered in building her to our present economic and social standing.

I thank you.

RELIGION AND EDUCATION IN MEXICO

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some short excerpts from newspaper dispatches.

The SPEAKER. Is there objection?

There was no objection.

Mr. HEALEY. Mr. Speaker, a dispatch from Mexico reported recently in the Boston Christian Science Monitor indicates that the students of the University of Mexico will not, voluntarily at least, acquiesce to the program of the

Mexican Government to socialize education of school children and college students.

STUDENTS' OPPOSITION TO CALLES INTRODUCED SURPRISE ELEMENT IN MEXICO'S LATEST DISPUTE

By Monitor Correspondent of Latin American News

Mexico's latest political controversy does not surprise persons who have been watching the Government's methods of putting through a 6-year plan. This program for governmental regulation of the economic and social life in the nation hit a snag some time ago. Its platform installing socialistic education in the schools was bitterly opposed by the students of the University of Mexico (now the National Autonomous University) and by an organization known as the "National Parents Union."

To make certain the carrying on of the plan the Government has been forced to resort to pressure, and the recent agitation by university students was not the first staged in the capital city. What, however, could have caused surprise, unless observers are hardened to the ways of soldiers and police, was the student demonstration against former President Plutarco Elias Calles. The program being established by the Government is admittedly halfway between the purposes of the present administration at Washington and the chosen few governing the destinies of Russia.

DEMOCRACY V. BOLSHEVISM

Any charge, therefore, by the Mexican President that the recent ousting of his cabinet members, chosen by General Calles, was a move to establish an issue between democracy and fascism seems ridiculous. Democracy, as the term is understood and accepted in the United States (and perhaps the world over), does not include the doctrines of bolshevism.

When the 6-year plan was initiated the Government, as I recall, frankly admitted bolshevistic leanings. Calles, the "iron man" of Mexico, is concerned in the welfare of the middle class, particularly the Indians, and has held rather much to the views of business interests. This makes the student agitation against him most puzzling unless the group of several hundred calling for his banishment represented the extreme left wing.

Reports of this nature emanating from reliable sources in Mexico present convincing evidence of the fact that the present regime in Mexico is unquestionably bent upon the establishment of a communistic state in that country. In the light of the present-day insidious activities of radical forces in our own country to influence and subvert our educational sources—especially in institutions of higher learning—the knowledge that the actual installation of the system of socialistic teaching is being undertaken in Mexico is most alarming. Coupled with the socialization of education in Mexico has been the denial of all avenues of religious training to the child. Priests, ministers, and rabbis have been forbidden to conduct religious services and impart spiritual education of any sort to the youth of Mexico. To enforce this drastic proscription, persecution and severe oppression have been exercised. These activities are not directed solely toward members of the Catholic faith but toward all religion.

As an instance of the tyrannical attitude of the Mexican Government toward education it should be noted that the schools belonging to the members of the Mennonite colonies in the State of Chihuahua were closed because of their refusal to accept the Government's plan of socialistic education. There is a special significance in this action because of the fact that the Mennonites came to Mexico and to the State of Chihuahua under the terms of an express contractual agreement which guaranteed them the right of freedom of religion. Here is a definite contractual obligation of the Mexican Government that has been violated. In order to forestall the conventional Mexican quibble wherever religion and education are concerned, let me point out that these 11 schools belonging to the Mennonites were padlocked by an express order of the federal director of education. The Governor of the State of Chihuahua, however, executed the order. Prominent personages among the Mennonites lodged a public complaint with the Mexican Government, calling attention to the contract they had on this point and urging that they be permitted to reopen their schools.

The Mormons who immigrated to Mexico recently had a similar experience in the matter of education. Their temples in Chihuahua were closed some months ago. On the 19th of May 1935 the Government also closed the Mormon schools. Two charges were lodged against the Mormons—first, that some of their teaching was undertaken in English; and, secondly, that they had neglected the socialistic content of vari-

ous educational courses. Permission to reopen these schools can be obtained only by promising to undertake the so-called "reforms" dictated by the Mexican Government—namely, by the promise to inaugurate courses of teaching the tenets of socialism and communism.

In order to illustrate that even American children are suffering as a result of this heartless policy of educational persecution, I submit the following affidavit by Alberto Andrade, a resident of Brownsville, Tex. From this sworn statement it is clear that the schools which American children were attending were obliged to inaugurate a system of atheistic and socialistic education.

AFFIDAVIT

STATE OF TEXAS,

County of Cameron, ss:

I, Alberto Andrade, a resident of Brownsville, Tex., and formerly of Monterrey, N. L., Mexico, make the following statement of my own volition, and without compulsion or duress.

For 18 months I was a teacher in the Franco-Mexican College for Boys in Monterrey. This school was attended by approximately 30 American children, sons of American citizens resident in Mexico, as this school was recognized for its high standards in the entire State of Nuevo Leon. There were also children of citizens of France, Germany, Italy, Spain, and Austria.

The children of the consuls of several countries were in continuous attendance.

In February 1935, notwithstanding the high standards and the desire of American and other foreign residents in Mexico to give their children the type of education they preferred, our teachers were ordered to sign the atheistic socialist oath or close their school. I could not betray the trust which those parents had put in my hands, and therefore I was forced to flee from Mexico and see the school closed.

In witness whereof I have hereunto set my hand this 2d day of July 1935, at Brownsville, Tex.

ALBERTO ANDRADE.

Acknowledgment

Before me the undersigned authority, at Brownsville, Tex., this 2d day of July, A. D. 1935, personally appeared Alberto Andrade, known to me to be the person making this affidavit, who declares he makes it voluntarily, and that the statements therein are true, to the best of his knowledge and belief.

[SEAL]

C. VILLARREAL,

Notary Public in and for Cameron County.

These are but a few of the countless instances which indicate the firm determination of the present regime in Mexico to force upon the people of that country the doctrines of communism and atheism.

It will be observed that those who would impregnate the minds of children with these doctrines leave no choice to the intellect of the child to accept or reject them but—by cruelty, persecution, coercion, and oppression—actually force their doctrines upon the youth. Not content with the denial of the ordinary guaranties of human liberty in the accomplishment of their purpose, they seek to mold in their own image the minds of coming generations, and in pursuance of their purpose deny them access to all sources of spiritual knowledge and inspiration.

The denial of freedom of speech and freedom of religion, the forceful suppression of all liberty of thought, mind, or action, these are the characteristic and inevitable resources of those who seek to establish the communistic system of government.

It is, however, rather singular that those proponents of the doctrine of the dictatorship of the proletariat in our own country and the forceful overthrow of organized government should invoke the guaranties of our own democratic form of government, which provides for freedom of speech, the press, and religion, whenever there is any effort by our Government to control or counteract their subversive plotting and planning. Yet, every instance in which those forces have gained control of governments, they have resorted to iron-shod tyranny, persecution, suppression, and oppression in order to stamp out every vestige of freedom and of individualism. It is a cardinal tenet of their doctrine that, once their power is established, an absolute dictatorship of the proletariat (which in every instance has meant a chosen few) must prevail until steps have been taken to eradicate every trace of the former order and passive acquiescence to their own order has been forcefully impressed upon the people. To achieve that purpose, they recognize no means as too inhuman and no action as too cruel and brutal.

Such a stage now exists in Mexico. It seems unnecessary for me to dwell at any length upon the shocking brutalities which have existed in Mexico. They are all too commonly known and do not require further discussion by me. I recently received from the order of the Knights of Columbus, who have so staunchly championed the cause of those persecuted and oppressed persons of all religious denominations, a resolution which I wish to quote in part.

Thousands of peaceable and defenseless men, women, and children of that country (Mexico) are deprived of their civil and personal liberties, are subjected daily to most distressing indignities and persecutions, are expatriated and murdered because of their religious beliefs. * * * American citizens have been murdered, their properties have been confiscated, and they have been ruthlessly interfered with in the possession of their property and in the enjoyment of their personal rights. They are driven to accept an educational system for their children that compels the teaching of atheistic and red communism. * * * The Mexican Government now in power, with the avowed and open hostility to our form of government, our free institutions, and our principles of civil and religious liberty, which it works steadily to destroy, directs aggressively a continuous propaganda throughout the United States to promote its soviet philosophy of government through its agent, by means of the radio, and by the use of our Postal Department, which distributes free its printed matter.

The sensibilities of Americans throughout the length and breadth of this Nation have been revolted by the shocking brutalities which have been practiced in Mexico against those innocents who have sought to render suitable worship to their God. But even were there any who were deaf to the pleadings and blind to the sufferings of those afflicted ones in Mexico, surely they must at least be alarmed at the threat which is presented to our own organized Government by the presence at our very borders of a government committed to principles which are diametrically opposed to our own. They cannot view with equanimity the vast organized campaign of propaganda being carried on to our own soil via radio, secret agents, and by means of our own mails, which carries free official Mexican literature.

Some days ago hope was held out to us that the Mexican Government would moderate its educational and religious policy of persecution and that an amnesty was to be granted to persons in Mexico and private schools allowed to reopen. Yet an International News Service dispatch, dated July 2, from Mexico City, quotes President Cardenas as stating that the amnesty decree permitting the return of high prelates and others is being held up and that he approved continued enforcement of the program of socialistic education.

With the dissipation of this hope, I feel that it is now time for us to take some definite action in this matter. Others of my colleagues have spoken on this subject, and it would appear repetition for me to go into precedents for our taking action in this connection. Suffice it to say that information on this subject is incorporated into the CONGRESSIONAL RECORD and may there be found by any who may desire to obtain it.

I have a communication which cites precedents from 1840 to 1933 which I shall append to my remarks. In view of those precedents there can be no doubt that there is ample justification and reason for our taking some definite diplomatic action to bring relief, at least to our own American citizens in Mexico.

I have recently introduced a resolution in this House—House Resolution 286—which favors the use of the good offices of the United States Government through the United States Department of State and the American Embassy and consular offices in Mexico, with a view to the reestablishment of places of religious worship for American citizens of all denominations resident in or visiting the Republic of Mexico and the unrestricted exercise of their religious beliefs by them. I wish to commend to this House that some action along these lines be taken at once.

In 1840 John Forsyth, Secretary of State, wrote to the American consul in Damascus with regard to the persecution of Jews in that country.

In 1850 President Fillmore refused to sign a treaty with Switzerland until provisions which discriminated against Jews had been omitted.

In 1853 the United States intervened for the protection of Christian missionaries in Greece.

In 1857 Secretary of State Lewis Cass approved of the action of the Minister to The Two Sicilies in protesting the conviction and execution of a Jew for blasphemy.

In 1870 Secretary of State Fish interceded on behalf of Christian missionaries in Hawaii.

In 1870 President Grant appointed Benjamin F. Peixotto, an American Hebrew, as consul to Rumania, for the purpose of promoting Jewish emancipation and the cessation of anti-Jewish activities in that country.

In 1870 the United States remonstrated with Japan against the persecution and banishment of native Christians.

In 1876 Secretary of State Fish directed the United States Chargé d'Affaires to act in concert with the representatives of other governments in protesting against the denial of religious rights to Protestants by the Constitution of Spain.

In 1878 Secretary of State Evans intervened in behalf of the persecuted Jews in Morocco.

In 1882 Secretary of State Frelinghuysen protested against the discrimination by the Russian Government against the American Bible Society.

In 1885 President Cleveland refused to name another Ambassador to Austro-Hungary when that Government refused to receive the Ambassador who had first been named, because he was married to a Jewess.

In 1891 President Harrison expressed to the Government of Russia serious concern because of the anti-Semitic laws and practices of that Government.

In 1893 the United States interceded for the protection of Christian missionaries in Turkish Kurdistan.

In 1895 the U. S. S. *Marblehead* was sent to the Gulf of Alexandria as a protest against the threatened massacre of Christians under Turkish rule.

In 1896 the United States interceded on behalf of American religious minorities in the Society Islands.

In 1902 Secretary of State Hay asserted that the right of remonstrance against the treatment of Jews by the Rumanian Government was clearly established and he said:

"This Government cannot be a tacit party to such international wrong. It is constrained to protest against the treatment to which the Jews of Rumania are subjected, not alone because it has unimpeachable ground to remonstrate against the resultant injury to itself but in the name of humanity."

In 1903 President Theodore Roosevelt directed the American Chargé d'Affaires at St. Petersburg to make representations to the Russian Government concerning the massacre of Jews in Russia.

In 1911 the United States terminated a treaty with Russia that had been in effect 79 years because that Government had refused to honor passports to American citizens on account of their race and religion.

In 1915 the United States granted recognition of the Carranza Government in Mexico, upon condition that it would respect every person's right to life, property, and religious beliefs, and in 1921 it submitted to the Government of Mexico a proposed treaty in which it was provided that the nationals of either party were not to be disturbed, molested, or annoyed in any manner on account of their religious beliefs, nor in the exercise of their respective creeds, whether in their homes or in their churches or chapels.

In 1916 the United States Senate adopted a resolution offered by Senator PITTMAN, expressing the hope that the British Government would exercise clemency in the treatment of Irish political prisoners.

In 1919 the United States Government insisted upon inserting in the Treaty of St. Germain stipulations guaranteeing the rights of religious minorities.

In 1919 the Senate adopted a resolution offered by Senator BORAH, with an amendment by Senator WALSH of Massachusetts, requesting the American Peace Commission to endeavor to secure for Edward De Valera, Arthur Griffiths, and Count Plunkett a hearing before the Peace Conference in order that they might present the cause of Ireland, and expressing the sympathy of the Senate with the aspirations of the Irish people for a government of their own choice.

Also in 1919 the United States Senate adopted a resolution requesting the State Department to transmit to the Senate information concerning the massacre of Jews in the Ukraine.

In November 1933 Your Excellency wrote to Mr. Litvinoff, representative of the Russian Government, expressing your concern that Americans residing within the territory of the Union of Soviet Socialist Republics should enjoy freedom of conscience and religious liberty, and stated that you would expect that they be given the right to have their spiritual needs administered by clergymen, priests, rabbis, or other ecclesiastical functionaries, and that the latter will not be denied entry into the territory of the Soviet Union because of their ecclesiastical status.

In June 1933 protests against the persecution of the Jews in Germany were expressed in speeches on the floor of the United States Senate by Senator ROBINSON, of Arkansas; Senator METCALF, of Rhode Island; Senator COPELAND, of New York; Senator WALSH, of Massachusetts; Senator HATFIELD, of West Virginia; Senator TYDINGS, of Maryland; Senator LEWIS, of Illinois; and Senator WAGNER, of New York.

T. V. A. AND BINDWEED CONTROL

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to extend my remarks on the T. V. A.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCKEY. Mr. Speaker, yesterday during the course of the debate on section 4 of this bill (H. R. 8632) a number of remarks were made which quite unintentionally impugned the self-reliance and the industry of the farmers not only of my own State but of the entire Midwest. I want to correct those false impressions and at the same time show clearly why those of us from the Middle States vainly attempted to keep in the T. V. A. bill the provisions for the experimentation in the production of chemicals which would destroy noxious weeds. This refers specifically to the bindweed.

During the last 2 years the growth of the bindweed, or wild morning glory, has come to be a menace to much of our richest farmland. Contrary to the belief of my colleagues—the distinguished Chairman of the Military Affairs Committee, Mr. McSWAIN, and the gentleman from Texas, Mr. BLANTON—our farmers are entirely willing to fight their own battle against this weed pest. No more industrious or more intelligent group of farmers can be found than those in Nebraska and the surrounding States. These farmers want to exterminate this weed menace, and they know that to do so they need sodium chlorate. The present price of sodium chlorate at Lincoln, Nebr., varies from 8 to 9 cents per pound, and this high price makes it impossible for farmers to use this chemical salt for weed extermination. Our people are smart enough to know that this price is unreasonable and that Government production of this salt in foreign countries has made it possible for farmers here to use it. Our farmers have every right to ask that their Government determine whether or not sodium chlorate can be produced at a price sufficiently low to enable them to buy it for weed eradication. Experimentation as to means of killing bindweed is not urgently needed—we have the information; but the experimentation on means of manufacturing this chemical at a low cost is needed. The Department of Agriculture, with its great technical staff, is hardly a producing agency.

All that we have asked is that the T. V. A. be allowed to determine whether or not sodium chlorate can be produced, either directly or as a byproduct, at low cost. Our farmers will buy it; not beg the Government to give it to them nor send men out to put it on the weeds. At the present time our domestic production of this chemical is insufficient to meet our needs. Here is a chance to produce an article which private enterprise has not been able to manufacture in sufficient quantities to prevent importation from abroad. During the 8-month period ending August 1934, we imported from France and Germany 1,799,840 pounds of this salt. The average export value was 4.2 cents per pound. Added to that value the farmer here must pay the costs of containers, all expenses incident to placing the merchandise into condition ready for shipment to the United States, freight, insurance, tariff, and so forth. The present tariff is 1½ cents per pound.

Sodium chlorate was made for a time in Norway by the Vadheim Elektrokemiske Fabriken A/S. This concern then ceased to produce this salt for a time, and only last year it began to operate again, supplying the local market in Norway and in addition producing some for export. This was a governmental operation that was brought about by a need for cheaper source of supply for agricultural usage. The price of this salt in that country is a little over 1 cent per pound at the plant. The market value of sodium chlorate, domestic, is given by the Oil, Paint, and Drug Reporter of January 7, 1935, as 6¼ to 7½ cents per pound at the works. There are only three manufacturers of this chemical in this country. It is manufactured at Niagara Falls by the Roessler & Hasslacker Department of the E. I. Du Pont de Nemours & Co., the Oldbury Electro Chemical Co., and the American Cyanamid & Chemical Corporation.

That is the present status of our domestic supply and the import market. Sometime ago, after a preliminary investigation showed that sodium chlorate could be produced cheaply at Muscle Shoals, I asked Dr. Harcourt Morgan for information on this subject. His reply to me was, in part, as follows: "We have been compelled to conclude in the light of the provisions of the act that the manufacture of sodium chlorate, as such, by the Corporation was not permissible."

This is no pet hobby. It has nothing to do with cows, chickens, hogs, corn borers, and everything. Our farmers will fight their own battle and we will not be asked to go out and put the salt on the weeds for them. We do not ask for a fancy experimental laboratory to determine just what chemicals will kill weeds. All that we have asked was that the T. V. A. be allowed to make the necessary experimentation that would allow them to determine the cost of manufacture of this salt. The fact that we do not produce a sufficient amount of sodium chlorate in this country and that we have to import this from foreign countries should carry some weight with those gentlemen who in the past few months have been so consistently crying for us to reduce imports of articles which we can produce at home.

DISMISSAL OF EMPLOYEES BY THE COLUMBIAN STEEL TANK CO., OF KANSAS CITY, MO.

Mr. WOOD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter received by me from Mr. J. N. Davis, assistant president of the Boiler Makers International Union, and also a letter to the President of the United States.

Mr. SNELL. Mr. Speaker, what are these letters about?

Mr. WOOD. They deal with the controversy between the Columbian Steel Tank Co. and the Boiler Makers Union. Also a letter to the President of the United States on June 5, and another letter from Mr. Davis.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOOD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters:

INTERNATIONAL BROTHERHOOD OF BOILER MAKERS,
IRON SHIP BUILDERS, AND HELPERS OF AMERICA,
Kansas City, Kans., June 11, 1935.

Hon. R. T. Woods,

House of Representatives, Washington, D. C.

DEAR SIR: On last evening, the Columbian Steel Tank Co., of Kansas City, Mo., dismissed from its employ two committeemen representing the employees and who were elected as of July 10, 1934, in an election held, supervised, and authorized by the National Labor Relations Board. These men were dismissed for no apparent reason except to intimidate the other employees in the plant and to break down organization which has been established since 1933.

These committeemen have been in the employ of the company for 7 and 19 years respectively. Their work has been of the highest quality and their character is beyond reproach.

We are enclosing a copy of a letter sent to the President of the United States, and we are requesting that this letter be read in the House of Representatives in order that the records of the Government will show the arrogant and unwarranted action taken by this company.

I might also remind you that both of these employees and committeemen have families who are dependent upon them. The 19-year man has quite a large family, and for years worked for 40 cents and 45 cents an hour, but through the organization did succeed in recent months in having increased his wages to 55 cents per hour.

We would appreciate your seeing that this appears in the CONGRESSIONAL RECORD.

Assuring you of our best wishes and kindest regards, I am,
Respectfully,

J. N. DAVIS,
Assistant International President.

INTERNATIONAL BROTHERHOOD OF BOILER MAKERS, IRON
SHIP BUILDERS, WELDERS, AND HELPERS OF AMERICA,
Kansas City, Kans., June 11, 1935.

To His Excellency the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: May we call to your attention the action of the Columbian Steel Tank Co., of Kansas City, Mo., manufacturers of steel-plate products and who have in the recent past done considerable work for the Government, particularly the building of barges for the Missouri River Barge Line, and who also manufacture considerable products for the farmers, particularly in the Middle West.

The employees of this company started organizing immediately after the passage and enactment of the National Industrial Recovery Act, but have been persecuted and opposed continually by the management.

It was necessary, in July 1934, to hold an election to decide representation in this plant in accordance with the National Recovery Act. As a result of this, the employees elected the International Brotherhood of Boiler Makers as their chosen representative and, at the same time, elected a committee proposed by the same organization and employees to represent them in matters concerning wages and working conditions. While the company has met the committee, not one concession has been made by the company, but they have repeatedly put many obstacles in their way and have done

everything possible to discourage the men in their efforts to perfect organization.

The matter that we wish to call to your attention is that on June 10, 1935, the management began dismissing the employees who were elected to the committee at the election held July 10, 1934, by and under the direction of the National Labor Relations Board. We believe that such action warrants the Government giving the widest publicity possible to this, so that the farmers and the petroleum interests and the other industries to which their products are furnished may know of their attitude.

We say this because we have knowledge that both the farmer and the petroleum industry have been hard hit by the action of the United States Supreme Court. Both are now like a ship at sea without a rudder.

The committeemen who have been dismissed from this company have given long and faithful service and their work regarded as being among the best in the plant. Both have served as subforemen and acted as foremen during the absence of the foremen from their department. One has been in the service of the company for 7 years and one has been in service for more than 19 years.

We believe that such cases as this, if called to the attention of the public and given publicity, would create a public feeling and resentment against those employers who attempt to destroy the effectiveness of the act and the good it has accomplished. For, notwithstanding the decision of the United States Supreme Court, there is an overwhelming sentiment and desire among the greater majority of the employers and industries for the continuation of such a set-up as was provided by the National Recovery Act and the National Recovery Administration.

Respectfully and sincerely,

J. N. DAVIS,

Assistant International President.

INTERNATIONAL BROTHERHOOD OF BOILER MAKERS,
IRON SHIP BUILDERS, AND HELPERS OF AMERICA,
Kansas City, Kans., June 11, 1935.

ARBITRARY ACTION OF COLUMBIAN STEEL TANK CO. IN THE DISMISSAL OF COMMITTEEMEN ELECTED AS OF JULY 10, 1934, UNDER SUPERVISION OF THE NATIONAL LABOR RELATIONS BOARD

About July 1, 1933, the employees of the Columbian Steel Tank Co. started organization among themselves for their own mutual benefit, as they understood that such right was guaranteed them by the Federal law enacted and known as the National Industrial Recovery Act.

During the latter part of July 1933 a considerable number of employees were dismissed from service, a number of whom were later reinstated by the company after much contention before the Kansas City Regional Labor Board and after the representatives of the company had made the statement that the men were not to work for them again because "their minds were warped."

From then until July 1934 the men continually waged a program to bring about recognition by the company of their organization. After several appeals and several postponements, an election was conducted by the Kansas City Regional Labor Board, under and by the direction of the National Labor Relations Board, to decide representation and for the election of a committee. The union and the committee proposed by them were both elected and certified to by the National Labor Relations Board. It was not, however, until about October 1, 1934, that certification and decision was made by the National Labor Relations Board in the case of the Columbian Steel Tank Co. against their employees and the union.

Conferences were arranged for and begun during the early part of November 1934. These conferences were held from time to time but from 1 to 3 weeks apart, due to the attitude of the company, and such conferences were intended to bring about an understanding with regards to working conditions and wages of the employees and in the plant. Nothing, however, resulted from such conferences because of the general attitude of the management. It is true, however, that during the period of organization and while conferences were being held some wage increases were had by the employees of the company.

During this period of recognition, however, the management did participate in and help establish a company union of its employees. This latter organization never gained very much headway but was only used by the company as a source of agitation and opposition to the accredited and recognized union among its employees. This, as you know, was in direct conflict with the law itself and with the rulings of the National Industrial Relations Board.

During the latter part of May 1935 the United States Supreme Court declared section 3 of the National Industrial Recovery Act unconstitutional. This automatically affected the status of every code in existence under the act.

The management of the Columbian Steel Tank Co. on June 10, 1935, less than 2 weeks after the Supreme Court decision, notified at least two of the committeemen elected in July 1934 that their services were no longer required. One of the committeemen had been in the employ of the company for 7 years and was generally considered as being among the best in his department. He was generally used as assistant foreman and as foreman when the foreman was off from work for any cause whatsoever. The other committeeman had been in the employ of the company for more than 19 years and for many years acted as subforeman. He, too, was elected in July 1934 as committeeman by popular choice from among the employees.

The Columbian Steel Tank Co., therefore, has by this action demonstrated to all interested that they are not inclined to carry on under the general make-up of the Recovery Act all the codes governing the industry of which they are a part. We know that both of these employees have been loyal and conscientious workers, and this is just another case in which an arrogant employer is demonstrating the need of some national legislation to insure the workingmen of the country that they to have some right in deciding the question of their right to organize and bargain collectively, through organizations of their own choosing, without interference, coercion, or restraint from the employer or his agent.

It is just such employers as the Columbian Steel Tank Co. who have brought about the conditions that now exist in this great land of ours. Through low wages and long hours the employer has grown rich while the employees have grown poorer and poorer each year, until we find that the employees, the workmen of the country, are unable to buy the necessities of life, and therefore industry after industry found itself without a market or a purchaser of their products.

A continuation of the policies followed by the Columbian Steel Tank Co. would eventually bring about a general uprising among the working people of this country, not because they are so inclined, but because of their realization that it would only be by this method that they could ever hope to obtain and secure for themselves that which rightfully belongs to them in "the land of the free."

The farmers should pay particular attention to the attitude of the Columbian Steel Tank Co. in that they produce many articles that are used by the agricultural group, as such policies as the one adhered to by the Columbian Steel Tank Co. could only lessen the opportunity of the farmer to dispose of his crop.

INTERNATIONAL BROTHERHOOD OF BOILER MAKERS,
IRON SHIP BUILDERS, AND HELPERS OF AMERICA,
Kansas City, Kans., July 5, 1935.

Re: Attitude of management Columbian Steel Tank Co., Kansas City, Mo.

Hon. R. T. Wood,

House of Representatives, Washington, D. C.

DEAR SIR: As an addition to our letter of recent date dealing with the attitude of the Columbian Steel Tank Co., of Kansas City, and the dismissal of committeemen elected in an election held July 10, 1934, by the National Industrial Relations Board, and in which we advised you of the dismissal of Mr. Stewart and Mr. Keegan, we are now advising that Mr. R. H. Reed, another committeeman, elected the same date and who has been in the employ of the company for 6 years, was also dismissed without cause.

This is also true of Mr. William J. Mittelstaedt, who has been an employee of the company since January 1919 as a welder, having served as foreman for 8 years. These dismissals occurred June 24, 1935.

The company has also dismissed without cause or reason Mr. Homer Idleman, who has been in their employ for 8½ years, having been employed in 1927 and dismissed June 23, 1935. While Mr. Idleman was not a member of the committee elected, he was one of our most active members in behalf of the union.

It is our desire that this information be handled in the same manner as the previous information, which was that it be made a matter of record with the hope and thought of bringing some action or pressure to bear on this through the new national Wagner Disputes Act.

Assuring you of our best wishes and thanks, I am,

Sincerely and respectfully,

J. N. DAVIS,

Assistant International President.

JND:MC.

INTERNATIONAL BROTHERHOOD OF BOILER MAKERS, IRON
SHIP BUILDERS, WELDERS AND HELPERS OF AMERICA,
Kansas City, Kans., July 5, 1935.

His Excellency the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

Re: Attitude of management, Columbian Steel Tank Co., Kansas City, Mo.

DEAR SIR: Some few weeks ago we wrote you with reference to the dismissal of two committeemen elected July 10, 1934, in an election at the above company held by the National Industrial Relations Board, such action being taken immediately after the action of the United States Supreme Court with regards to the National Recovery Act.

This company was party to the steel plate fabricating code and the metal-tank code. Since that time the company has dismissed William J. Mittelstaedt, who was employed in January 1919 and dismissed June 21, 1935, and was employed in the capacity of welder and had served as a foreman for 8 years. Mr. Mittelstaedt was also one of the committeemen elected July 10, 1934.

The company has also dismissed Mr. R. H. Reed, who was employed in October 1929 and rated as a welder, and who was elected as committeeman in the election held July 10, 1934. They have also dismissed Mr. Homer Idleman, who has been in the service of the company for 8½ years, being employed in 1929 as a welder, and was dismissed June 23, 1935, and, while Mr. Idleman was not a member of the committee, he was one of our most active members.

There is no question in our minds but what the company is taking every unfair advantage of these men because of their having exercised the rights that they believed belonged to them and which were established under the National Recovery Act.

It is not our desire to bother you with these questions, but we feel that they should be made a record of the Government, as we understand this company from time to time is given contracts by the United States Government, and especially through the Engineering Bureau of the War Department, for barges and tanks and the like. We ask that this be made a record, as was our previous letter on this subject.

Assuring you of our whole-hearted support and cooperation, I am,
Sincerely and respectfully,

J. T. DAVIS,
Assistant International President.

REPRESENTATIVE DRIVER

Mr. KVALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, I do this because I want the RECORD at this point to show my personal gratitude to the estimable gentleman from Arkansas [Mr. DRIVER], who has occupied the chair as presiding officer of the Committee of the Whole during the consideration of the T. V. A. bill.

He has done unusually well, in consideration of a highly controversial issue, in maintaining order and decorum and in promoting the public business, and I for one desire to give him my thanks. This body needs presiding officers who insist that order be maintained. [Applause.]

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1206. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes;

S. 2230. An act to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light;

S. 2378. 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 Dr. Malcolm Storer, of Boston, Mass.;

S. 2846. An act authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; and

S. 2966. An act to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Thursday, July 11, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 289. A resolution providing for the method of payment of the expenses incurred by House Resolution 288; with amendment (Rept. No. 1443). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. H. R. 8025. A bill authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; without amendment (Rept. No. 1444). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 8609. A bill authorizing the county of St. Clair, in the State of Illinois, and the State of Illinois, or either of them, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the

county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town; with amendment (Rept. No. 1445). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 8680. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.; without amendment (Rept. No. 1446). Referred to the House Calendar.

Mr. TERRY: Committee on Interstate and Foreign Commerce. S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.; without amendment (Rept. No. 1447). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. House Joint Resolution 297. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Toll Bridge Commission and specifying the powers and duties thereof; without amendment (Rept. No. 1448). Referred to the House Calendar.

Mr. SEARS: Committee on Naval Affairs. H. R. 8345. A bill authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida; without amendment (Rept. No. 1449). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 1495). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. H. R. 8755. A bill to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes; without amendment (Rept. No. 1496). Referred to the Committee of the Whole House on the state of the Union.

Mr. LLOYD: Committee on the Judiciary. H. R. 3998. A bill for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 1867. A bill for the relief of Orville E. Clark; without amendment (Rept. No. 1441). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 4435. A bill for the relief of John J. Foley; without amendment (Rept. No. 1442). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1179. An act for the relief of James H. Smith; without amendment (Rept. No. 1450). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 1935. An act for the relief of Marion Shoher Phillips; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 977. A bill for the relief of Herman Schierhoff; with amendment (Rept. No. 1452). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 1252. A bill for the relief of Odessa Mason; with amendment (Rept. No. 1453). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 1346. A bill for the relief of J. P. Harris; with amendment (Rept. No. 1454). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 1362. A bill for the relief of Ramey Bros., of El Paso, Tex.; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 1369. A bill for the relief of R. L. Tankersley; with amendment (Rept. No. 1456). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1481. A bill for the relief of Roland P. Winstead; with amendment (Rept. No. 1457). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1868. A bill for the relief of Mary E. Roney; with amendment (Rept. No. 1458). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 1913. A bill for the relief of James Luker, Sr.; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 2155. A bill for the relief of Francisco M. Acayan; without amendment (Rept. No. 1460). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2495. A bill for the relief of Thomas Berchel Burke; with amendment (Rept. No. 1461). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2496. A bill for the relief of Thomas J. Moran; with amendment (Rept. No. 1462). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2497. A bill for the relief of William H. Hildebrand; with amendment (Rept. No. 1463). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2527. A bill for the relief of Mrs. Amber Walker; with amendment (Rept. No. 1464). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 2619. A bill for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard; with amendment (Rept. No. 1465). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 3592. A bill for the relief of Florida O. McLain, widow of Calvin E. McLain, who died from injuries received by being struck by a Government Civilian Conservation Corps truck in the city of Knoxville, Tenn., on August 23, 1934; with amendment (Rept. No. 1466). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 3823. A bill for the relief of the parents of Albert Thesing; with amendment (Rept. No. 1467). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 3841. A bill to refund to Theodore Reichhart, Inc., part of the brewers' occupational tax; with amendment (Rept. No. 1468). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 3864. A bill for the relief of Gladys Robbins; with amendment (Rept. No. 1469). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 3952. A bill directing the Secretary of the Treasury to pay the sum of \$10,000 to Mr. and Mrs. Bruce Lee; with amendment (Rept. No. 1470). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4159. A bill for the relief of Anchorage Commercial Co., Inc.; with amendment (Rept. No. 1471). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 4387. A bill for the relief of Barbara Backstrom; with amendment (Rept. No. 1472). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4500. A bill for the relief of Frank Lee Borney; with amendment (Rept. No. 1473). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 4638. A bill for the relief of Elizabeth Halstead; with amendment (Rept. No. 1474). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 4660. A bill for the relief of Robert C. E. Hedley; with amendment (Rept. No. 1475). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 4780. A bill for the relief of the widow and five minor children of Arturo Guajardo; with amendment (Rept. No. 1476). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 4855. A bill for the relief of Jack C. Allen; with amendment (Rept. No. 1477). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 4924. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant; without amendment (Rept. No. 1478). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 5181. A bill authorizing the Secretary of the Treasury to refund to creditors' committee of the Progressive Commercial Co. of Philadelphia, Pa., income taxes illegally and wrongfully paid to the Commissioner of Internal Revenue; with amendment (Rept. No. 1479). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 5200. A bill for the relief of Earl Thomas Dodd; with amendment (Rept. No. 1480). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 5474. A bill for the relief of Lt. M. T. Grubham; with amendment (Rept. No. 1481). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 5900. A bill for the relief of Joseph E. Moore; with amendment (Rept. No. 1482). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 6263. A bill for the relief of W. D. Davis; without amendment (Rept. No. 1483). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 6273. A bill for the relief of J. H. Knott; with amendment (Rept. No. 1484). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 6335. A bill for the relief of Sam Cable; with amendment (Rept. No. 1485). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 6643. A bill for the relief of Margaret C. (Lacks) King; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 6698. A bill for the relief of Mae C. Tibbett, administratrix; with amendment (Rept. No. 1487). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 6848. A bill for the relief of the First Federal Savings and Loan Association of Shawnee, Okla.; with amendment (Rept. No. 1488). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 6856. A bill for the relief of William E. Williams; with amendment (Rept. No. 1489). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 6969. A bill for the relief of Russell J. Vaughan; with amendment (Rept. No. 1490). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 7031. A bill for the relief of Capt. Karl Minnigerode; with amendment (Rept. No. 1491). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 7034. A bill for the relief of Mr. and Mrs. Edward J. Pruett; with amendment (Rept. No. 1492). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 8061. A bill for the relief of David Duquaine, Jr.; with amendment (Rept. No. 1493). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 8390. A bill for the relief of the Eberhart Steel Products Co., Inc.; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANKIN: A bill (H. R. 8804) to provide for the construction of the Tennessee Valley and Tombigbee River inland waterway, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. SIROVICH: A bill (H. R. 8805) to protect the consuming public of the United States of America, numbering 125,000,000 people, and the honest producers and distributors, numbering 50,000 persons, of food, nonalcoholic or non-intoxicating beverages, drugs, and cosmetics, sold or offered for sale in containers or packages, and to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, nonalcoholic and nonintoxicating beverages, and cosmetics, and to regulate traffic therein; to prevent the false or fraudulent advertisement of food, drugs, nonalcoholic and nonintoxicating beverages and cosmetics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8806) to amend section 302 of the Internal Revenue Act of 1926; to the Committee on Ways and Means.

By Mr. FENERTY: A bill (H. R. 8807) authorizing the erection of a memorial to the memory of the members of the Army Air Corps and the Army Air Corps Reserve who lost their lives carrying the air mail; to the Committee on the Library.

By Mr. MORITZ: A bill (H. R. 8808) to require the name of the writer of every editorial article be appended to each copy thereof deposited in the mails or shipped in interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LEE of Oklahoma: A bill (H. R. 8809) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

Also, a bill (H. R. 8810) to prohibit the unauthorized sale of State stamps in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: Joint resolution (H. J. Res. 345) approving the construction and establishment of buildings and facilities for, and the production and operation of, a Pan American Exposition and International Merchandising Mart, at Miami, Fla., and authorizing the Director of the Public Works Administration to cooperate in making available certain funds therefor; providing for the participation by the United States therein, and to permit articles imported from foreign countries for the purpose of exhibition at such exposition to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. FENERTY: Joint resolution (H. J. Res. 346) directing the President to proclaim September 13 of this year 1935 Commodore John Barry Memorial Day, for the observance and commemoration of the one hundred and fiftieth anniversary of the completion of Commodore John Barry's service in the American Navy of the Revolution, and the one hundred and thirty-second anniversary of his death in the American naval service on September 13, 1803; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, re an amendment to the Constitution of

the United States relating to tax-exempt securities; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Roads.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Indian Affairs.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Indian Affairs.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Roads.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Mines and Mining.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Claims.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of New York supporting H. R. 6 and other legislation; 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. CASTELLOW: A bill (H. R. 8811) for the relief of John R. Beard; to the Committee on Military Affairs.

By Mr. CULKIN: A bill (H. R. 8812) granting an increase of pension to Mary Delane; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 8813) for the relief of Jacob Silverberg; to the Committee on Naval Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8814) for the relief of George Baker; to the Committee on Claims.

Also, a bill (H. R. 8815) for the relief of H. Greeley Harris; 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:

9117. By Mr. CULKIN: Petition of 10 residents of Adams Center, N. Y., urging the support of the national old-age pension; to the Committee on Ways and Means.

9118. By Mr. FENERTY: Resolutions of sundry citizens of the State of Pennsylvania, urging speedy passage of House Joint Resolution 193, directing the President to proclaim July 9 of this year, 1935, Commodore John Barry Memorial Day, for the observance and commemoration of the one hundred and fiftieth anniversary of the completion of Commodore Barry's services in the American Navy of the Revolution; to the Committee on the Judiciary.

9119. Also, resolutions of St. Leo's Holy Name Society and General Sherman Council of the Knights of Columbus, of Corona, Long Island, N. Y., urging the recall of the present American Ambassador to Mexico, Josephus Daniels; to the Committee on Foreign Affairs.

9120. Also, resolution of Mystic Temple, No. 28, Order of United Americans, of Philadelphia, Pa., urging passage of the so-called "Dies bill" (H. R. 5921), relating to immigration and naturalization; to the Committee on Immigration and Naturalization.

9121. Also, resolution of Ella H. Pilling Temple, No. 31, Order of United Americans, of Philadelphia, Pa., urging pas-

sage of the so-called "Dies bill" (H. R. 5921), relating to immigration and naturalization; to the Committee on Immigration and Naturalization.

9122. By Mr. HALLECK: Petition of citizens of Lafayette, Ind., favoring enactment of legislation for the regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

9123. By Mr. JOHNSON of Texas: Petition of C. H. Bier, Texas representative, Brotherhood of Railway Clerks, Amarillo, Tex., favoring House bill 8651, providing for the payment of a retirement pension to railway and express employees; to the Committee on Interstate and Foreign Commerce.

9124. Also, petition of J. R. Cowell, Waxahachie, Tex., favoring House bill 8652, which provides the means for the payment of the pensions set forth in retirement act; to the Committee on Ways and Means.

9125. Also, petition of J. R. Cowell, Waxahachie, Tex., favoring House bill 8651, providing for the payment of a retirement pension to railway and express employees; to the Committee on Interstate and Foreign Commerce.

9126. Also, petition of C. H. Bier, Texas representative, Brotherhood of Railway Clerks, Amarillo, Tex., favoring House bill 8652, which provides the means for the payment of the pensions set forth in the retirement act; to the Committee on Ways and Means.

9127. By Mr. ROMJUE: Petition of citizens of Greentop and Pattonsburg, Mo., requesting the full House Committee on Interstate and Foreign Commerce to reject the subcommittee report on Senate bill 1629, and that the measure as it passed the Senate, or its equivalent, be substituted for the bill reported by the subcommittee; to the Committee on Interstate and Foreign Commerce.

9128. By the SPEAKER: Petition of the Citizens' Forum of Columbia Heights, Washington, D. C.; to the Committee on the District of Columbia.

SENATE

THURSDAY, JULY 11, 1935

(Legislative day of Monday, May 13, 1935)

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

THE JOURNAL

On motion of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, July 10, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1206. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes;

S. 2230. An act to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light;

S. 2378. 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 Dr. Malcolm Storer, of Boston, Mass.;

S. 2846. An act authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; and

S. 2966. An act to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Copeland	La Follette	Reynolds
Bachman	Costigan	Lewis	Robinson
Balley	Dickinson	Logan	Russell
Bankhead	Dieterich	Loneragan	Schall
Barbour	Donahay	McAdoo	Schwollenbach
Barkley	Duffy	McGill	Sheppard
Bilbo	Fletcher	McKellar	Shipstead
Black	Frazier	McNary	Smith
Bone	George	Maloney	Steinwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hastings	Norris	Wagner
Caraway	Hatch	Nye	Walsh
Carey	Hayden	O'Mahoney	Wheeler
Chavez	Holt	Pittman	White
Clark	Johnson		

Mr. LEWIS. I announce the absence of the Senator from Nevada [Mr. MCCARRAN], occasioned by a death in his family, and the absence of the Senator from Louisiana [Mr. LONG] and the Senator from Utah [Mr. THOMAS], occasioned by important public business.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of a death in his family.

Mr. VANDENBERG. I again announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. TYDINGS presented a petition of sundry citizens of the State of Maryland, praying for the enactment of the bill (S. 916) to carry into effect the decisions of the Court of Claims in favor of claimants in French spoliation cases not heretofore paid, which was ordered to lie on the table.

Mr. CAPPER presented petitions of sundry citizens of Independence and Ellis, and of employees of the Atchison, Topeka & Santa Fe Railway Co., of Topeka, all in the State of Kansas, praying for the enactment of legislation to establish a retirement system for railroad employees, which was referred to the Committee on Interstate Commerce.

Mr. COPELAND presented a resolution adopted by the Council of the City of Niagara Falls, N. Y., opposing the enactment of legislation providing that the dividends on municipal securities shall have the exemption which has been granted to them removed, which was referred to the Committee on Finance.

FEDERAL GASOLINE TAX

Mr. COPELAND presented resolutions signed by sundry citizens of the State of New York, which were referred to the Committee on Finance and ordered to be printed in the RECORD without the signatures, as follows:

RESOLUTION AND PETITION RELATING TO THE FEDERAL GASOLINE TAX

Whereas the Congress of the United States in 1932 levied an emergency Federal tax of 1 cent per gallon on the sale of gasoline, the revenues from which since have been utilized for general-fund purposes; and

Whereas the Federal gasoline tax constitutes double taxation of motor fuel since the 48 States and the District of Columbia already were taxing gasoline when the Federal levy was imposed, making the Federal tax an invasion of the rights of the States; and

Whereas the cumulative average of gasoline taxes now levied by Federal, State, county, and municipal governments amounted on June 1, 1935, to 5.46 cents per gallon, which is equivalent to a sales tax of more than 40 percent; and

Whereas contrary to the intent, purpose, and principle of gasoline taxation as originally conceived and later subscribed to by the Congress of the United States in the Hayden-Cartwright Act of 1934, the Federal gasoline tax encourages diversion and evasion of gasoline-tax revenues in this State; and

Whereas for the foregoing reasons, and in view of the additional fact that the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, and the Vinson Subcommittee on Double Taxation each has previously recognized the unfairness of the Federal gasoline tax and all have recommended that it be eliminated; and