

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Wednesday, March 4, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 3 (legislative day of Feb. 24), 1936

FOREIGN SERVICE

Benjamin Reath Riggs to be consul of the United States of America.

PUBLIC WORKS ADMINISTRATION

Henry H. Ferguson to be State engineer inspector for the Public Works Administration in Oklahoma.

UNITED STATES DISTRICT JUDGE

Arthur F. Lederle to be United States district judge, eastern district of Michigan.

UNITED STATES MARSHAL

George E. Miller to be United States marshal, southern district of Iowa.

APPOINTMENT IN THE REGULAR ARMY

Bryan Coleman Thomas Fenton to be first lieutenant, Medical Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Philip Blaine Fryer to Quartermaster Corps.

Maj. Vennard Wilson to Cavalry.

First Lt. Randolph Bolling Hubard to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

William John Walsh to be chaplain with the rank of captain.

James Gordon De La Vergne to be chaplain with the rank of captain.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

John Aloysius O'Keefe to be brigadier general, Adjutant General's Department, National Guard of the United States.

POSTMASTERS

IDAHO

Herbert L. Spencer, Paris.

MISSOURI

Phares K. Weis, Moberly.

NEVADA

James L. Denton, Caliente.

PENNSYLVANIA

Alvin C. Winner, Hatboro.

Frances M. Dougherty, Haverford.

Margaret M. Jones, Miquon.

Lottie I. Brower, Oaks.

Thalia D. Hammer, Ogontz School.

John N. Backenstose, Schaefferstown.

James F. Farr, Sr., Sheffield.

Thomas F. McBride, Upland.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 3, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

As we wait, dear Lord, we pray that we may offer Thee our solemn praise and supplication. We trust that with humility of heart and penitence of soul we may acknowledge our sins and seek the blessing of pardon through the divine One. His hand is abundantly worthy to wield the scepter

of all the world. O God of our fathers, hear us; the supreme need of the wide earth is peace. In its humbler estate, humanity is striving for a release from the greatest of tyrannies, which is cruel and intolerant warfare. It fails to reach the goal of its prayers and the fruition of its heart yearnings. Almighty God, do Thou interfere in the ambitions of men. May the rulers and leaders be brought low and made to surrender to the complete law and rule of the Teacher of Nazareth, the Lord of glory. Let deliverance come that the world may not dig the graves of hate and garnish the lands with human blood. Arouse all humanity to claim Thee, the only true God and everlasting Father. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On February 25, 1936:

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 6708. An act to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps;

H. R. 7875. An act to provide for the transfer of certain land in the city of Charlotte, Mich., to such city;

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah*; and

H. J. Res. 356. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Pan American Exposition to be held in Tampa, Fla., to be admitted without payment of tariff, and for other purposes.

On February 26, 1936:

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

On February 27, 1936:

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps; and

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes.

On February 28, 1936:

H. R. 1470. An act for the relief of Carl A. Butler;

H. R. 2165. An act for the relief of Charles A. Gettys;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2923. An act for the relief of Misner Jane Humphrey;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 4084. An act for the relief of Charles D. Jeronimus;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4292. An act to authorize the Secretary of War to grant rights-of-way to the Arlington & Fairfax Railway Co. across the Fort Myer Reservation, Va.;

H. R. 5525. An act for the relief of George Current;

H. R. 6254. An act for the relief of David N. Aiken;
H. R. 7001. An act for the relief of Alice Markham Kavanaugh; and

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army.

On February 29, 1936:

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5747. An act for the relief of Gordon McGee;

H. R. 5964. An act for the relief of Carl F. Yeager; and

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.), approved August 31, 1935.

On March 2, 1936:

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 2156. An act for the relief of Cecelia Callahan;

H. R. 3557. An act for the relief of Helena C. Von Groning and Stephen Von Groning;

H. R. 4047. An act granting 6 months' pay to James Zanetti;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4925. An act to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered;

H. R. 9130. An act to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding \$12,000, and for other purposes;

H. R. 11138. An act to extinguish tax liabilities and tax liens arising out of The Tobacco, Cotton, and Potato Acts; and

H. J. Res. 488. Joint resolution to provide for safeguarding of traffic on Military Road.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10630. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9863) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 33. Authorizing the Secretary of the Senate, in the enrollment of the 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 correct an error.

BOY SCOUTS' JAMBOREE

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the House will recall that we were scheduled to have a Boy Scout Jamboree here in Washington last summer, but that due to an epidemic of infantile paralysis the jamboree had to be postponed to the forthcoming summer. Congress passed, at its last session, legislation providing for the lending of certain War Department and other Government property for the use of this jamboree, providing for the use of certain space in the parks

of the city of Washington, and providing for the supervision and control of the sanitary conditions of the jamboree by the Public Health Service.

I am sending to the Speaker's table the bill (H. R. 10265) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937, to do what the legislation we passed at the last session did.

The Clerk read the title of the bill.

Mr. BLANTON and Mr. ZIONCHECK rose.

Mr. HILL of Alabama. I yield first to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, the gentleman from Alabama will remember that last year when we passed this legislation it contained certain safeguarding limitations with respect to preventing outside aliens coming into our country. Does this bill contain like safeguards?

Mr. HILL of Alabama. I understand this bill contains the identical language of the legislation we passed at the last session.

Mr. BLANTON. If the gentleman knows that to be the fact, I am in favor of it.

Mr. HILL of Alabama. I may say to the gentleman that is my understanding.

Mr. SNELL. I understand this is exactly the same legislation we eventually passed last year.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. ZIONCHECK. Is not this bill on the Consent Calendar to be called tomorrow?

Mr. HILL of Alabama. It is on the Consent Calendar.

Mr. ZIONCHECK. The Consent Calendar comes up tomorrow.

Mr. JONES. No; I think the gentleman is mistaken about that.

Mr. ZIONCHECK. I have no objection to the merits of the bill, but I have not had a chance to look into it. As I understand it, the Consent Calendar comes up tomorrow.

Mr. BANKHEAD. If the gentleman will permit an interruption, he is mistaken.

Mr. ZIONCHECK. Then the Whip has sent out inaccurate notices.

Mr. BANKHEAD. That was merely a tentative announcement. The Whip sometimes sends out notices and the program thereafter is changed. It is true the Whip did send out that notice.

Mr. ZIONCHECK. When will the Consent Calendar be called then?

Mr. BANKHEAD. It will come up in its regular order under the rules.

Mr. ZIONCHECK. What Federal contribution is asked?

Mr. HILL of Alabama. There is no Federal contribution except in the lending of certain property such as War Department tents and things of that kind. There is no authorization for any appropriation.

Mr. ZIONCHECK. Under the circumstances, Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the National Jamboree of the Boy Scouts of America to be held at Washington, D. C., during the summer of 1937, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials: *Provided,* That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, or the Secretary of the

Treasury, before delivering such property, shall take from the Boy Scouts of America such bond and in such amount as will, in the discretion of the Secretary of the department involved, insure the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury, the Commissioners of the District of Columbia, the Architect of the Capitol, are hereby authorized to grant permits through the proper service or bureau for use by the said Boy Scouts of portions of parks, reservations, or other public spaces and property under their control in the District of Columbia and environs as in their opinion may be temporarily spared for that purpose: *Provided*, That such use will inflict no serious or permanent injury upon any of the parks, reservations, or other public spaces: *And provided further*, That the parks, reservations, or other public spaces, which shall be so used or occupied, shall be promptly restored to their original condition by the Boy Scouts, and the said Boy Scouts shall indemnify the United States for all damages of any kind whatsoever sustained by reason of any such use or occupancy. The privileges and usages granted shall include the temporary erection of tents for entertainment, hospitals, commissaries, and other subsistence quarters, and other purposes; and the said Boy Scouts are hereby authorized to charge reasonable fees for the use of the same, and to sell articles at said commissaries, which sales shall be solely for the convenience of the participants in the jamboree. The net profits derived from such sales or fees shall be used exclusively to aid in meeting expenses incident to the said jamboree. The sale of foodstuffs in or about such tents or elsewhere upon the public spaces used by the Boy Scouts as authorized by this act shall be under the supervision of the health officer of the District of Columbia and in accordance with regulations to be prescribed by him. The use and erection of tents shall at all times be subject to the supervision of the fire marshal of the District of Columbia and shall be subject to such regulations as he may prescribe.

The erection and use of tents for any purpose involving health or sanitation shall be subject to the supervision of the health officer of the District of Columbia and to such regulations as he may prescribe: *Provided*, That none of the authority herein granted shall be exercised by any of the officials herein mentioned in such manner as to conflict with other permits heretofore regularly granted for the use of such public space, reservations, parks, streets, or buildings in the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. BLANTON, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 11581) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes (Rept. No. 2118), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DITTER reserved all points of order on the bill.

EMBLEM OF THE DISABLED VETERANS OF THE WORLD WAR

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9995) to grant a renewal of patent no. 59560, relating to the emblem of the Disabled American Veterans of the World War.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, this bill provides for the extension for another 14 years of the patent right to the emblem of the Disabled Veterans of the World War. This same action was taken for the American Legion and other patriotic societies. The patent covering the emblem of the Disabled American Veterans of the World War ran out a few months ago, and unless it is protected by this act this emblem might be copied by others.

The Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of November 1, 1921, being patent no. 59560, is hereby renewed and extended for a period of

14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the emblem of the Disabled American Veterans of the World War.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I ask unanimous consent to insert at the beginning of my remarks the bill (S. 2134) to prohibit employers from influencing the vote of their employees in national elections.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The bill is as follows:

Be it enacted, etc., That it is unlawful for any person or corporation to influence or attempt to influence, through fear or intimidation, the vote of any person employed by them, in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for.

SEC. 2. Any corporation violating any of the provisions of this act shall be fined not more than \$5,000; and any officer, director, or agent of any such corporation who violates or consents to the violation of any of the provisions of this act and any person, who is an employer as above described, who violates or consents to the violation of any of the provisions of this act shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I also ask unanimous consent to insert as a part of my remarks Circular Letter No. 19, issued by Joseph Lawrence, of the Taxes and Penalties Unit, United States Department of Justice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to follows:

(Circular Letter No. 19)

TAXES AND PENALTIES UNIT,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., February 26, 1936.

Subject: Congressional influence.

To All Persons Employed in the Taxes and Penalties Unit:

It has been brought to my attention that certain employees of the Unit have sought congressional pressure to secure petty privileges in their work and also increases in salary, despite the fact that they were only recently advanced through the recommendation of this office. Especially in view of this it is almost inconceivable that such persons should have contacted their Senators and Congressmen and solicited their influence for this purpose.

Hence, I must inform all employees now that these are strictly administrative matters and action should have originated in this Unit and Department. I exceedingly regret to find that some persons, both recruits and veteran civil employees, do not realize the error and impropriety of seeking congressional influence in promotions, leave, assignments, etc. This is not fair to the legislators in question and it is particularly unfair to the department head concerned. I am glad to say that the majority of employees do feel this way about it.

If one considered that his Senator and Congressman were indebted to him and his family, was not that debt paid in full when they helped secure his appointment? Surely, they should not be continually diverted from their important legislative duties and their labors in behalf of their States and districts as a whole. Certainly they should not be expected to godfather an employee for the rest of his life in Government service. It is my opinion that, after original clearance and receipt of appointment, all future contacts, if any, with an employee's sponsors should be limited to a social or political character and not affect his job, unless it is in jeopardy or there is evidence of injustice upon which a bureau head or department head persists in closing his eyes. Of course, no such evidence has ever been presented to this office.

Our people will henceforth avoid such contacts for the purposes hereinbefore stated.

Respectfully,

JOSEPH LAWRENCE, Administrator.

Mrs. ROGERS of Massachusetts. It is quite obvious to me that the administration and the Congress are bringing about the passage of more and more measures which will compel

us to sell our birthright of liberty and freedom of speech for a mess of pottage. The noose is drawing tighter and tighter around the people of the United States.

I shall not speak of another body, but will refer to what this bill, S. 2134, provides. In effect, it takes away the liberty and freedom of employers. Employers will not be able to discuss with their employees any matter affecting a candidate or any piece of legislation for fear it may be considered that they have violated this particular act, which subjects them to a possible prison sentence or a fine of from one to five thousand dollars. This bill has been referred to the Committee on the Judiciary of the House.

Mr. BANKHEAD. I did not hear the preliminary statement of the gentlewoman from Massachusetts. To what bill does she refer?

Mrs. ROGERS of Massachusetts. I refer to S. 2134.

Mr. BANKHEAD. A Senate bill?

Mrs. ROGERS of Massachusetts. A Senate bill.

Mr. BANKHEAD. Has it passed the Senate?

Mrs. ROGERS of Massachusetts. It has passed the Senate. I may say to the gentleman that I doubt if the Members of the Senate realize just what this bill provides.

Mr. BANKHEAD. What does the bill provide?

Mrs. ROGERS of Massachusetts. It is an act to prohibit employers from influencing the vote of their employees in national elections. I have not the time to describe the bill in detail, but I do request the Members of the House to study it very carefully. I also would request the membership to study this Circular Letter No. 19, which is a letter signed by Joseph Lawrence. May I read one paragraph of this letter?

Mr. MILLER. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am sorry. I have only 5 minutes. Perhaps the gentleman can get a few minutes later.

Mr. Speaker, I feel that the employees of the various departments have a right to appeal to their Congressmen in connection with matters that they may see fit to take up with their Congressmen. This letter, in part, states:

If one considered that his Senator and Congressman were indebted to him and his family, was not that debt paid in full when they helped secure his appointment? Surely they should not be continually diverted from their important legislative duties and their labors in behalf of their States and districts as a whole. Certainly they should not be expected to godfather an appointee for the rest of his life in Government service.

Mr. Speaker, I am endeavoring to protect the right of the Government employees so far as free speech and action are concerned, and I believe the Members of the House as a whole will agree with me in this statement.

The administration is acting more and more in the role of the tyrant. There is a threat in Mr. Lawrence's statement when he was questioned about his order. He declared:

I am no reformer. But real efficiency in government has proved possible under the party system—even granting room for improvement. We should strive to perfect this mixture of politics and government by removing here and there those ingredients that won't gel. This office letter is a small effort in that direction.

Mr. Speaker, this is a veiled threat to every Government employee—and there have been others.

The letter goes on and states further:

It is my opinion that, after original clearance and receipt of appointment, all future contacts, if any, with an employee's sponsors should be limited to a social or political character and not affect his job.

Mr. Speaker, I am just wondering under what classification these letters issued by the Democratic National Committee come. I am told the Democratic National Committee is headed by the Postmaster General of the United States. In a speech in New Hampshire last evening the Postmaster General in effect criticized me and other Members of the New England delegation because we attended the Liberty League dinner. That dinner was in connection with a nonpolitical and nonpartisan meeting. [Laughter and applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in attending the Liberty League dinner, I did not violate the of the tyrant. There is a threat in Mr. Lawrence's state-Corrupt Practices Act, but Mr. Farley, Postmaster General and also chairman of the Democratic National Committee.

I ask unanimous consent to insert at this point in my remarks the sections of the Corrupt Practices Act which, I think, apply to certain people in connection with the Jackson Day dinner.

Mr. ZIONCHECK. This is nonpolitical, did the gentlewoman say?

Mrs. ROGERS of Massachusetts. I do not yield to the gentleman.

We all know that letters were sent to employees—

Mr. ZIONCHECK. Then, I reserve the right now to object.

The SPEAKER. Does the gentlewoman from Massachusetts yield to the gentleman from Washington?

Mrs. ROGERS of Massachusetts. I am sorry, Mr. Speaker; I cannot yield.

Mr. ZIONCHECK. I reserve the right to object, Mr. Speaker.

The SPEAKER. Consent has already been granted.

Mr. ZIONCHECK. I do not think so. The request was not put, Mr. Speaker.

The SPEAKER. The Chair begs the gentleman's pardon. The Chair put the request and announced that there was no objection.

Mr. ZIONCHECK. The request has not yet been made, Mr. Speaker.

The SPEAKER. The gentlewoman from Massachusetts will proceed.

Mr. FITZPATRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman cannot take the gentlewoman from Massachusetts off the floor by a parliamentary inquiry without her consent.

Mrs. ROGERS of Massachusetts. I do not yield for that purpose, Mr. Speaker.

The invitations that were sent to the Federal employees—

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman cannot submit a parliamentary inquiry unless the gentlewoman from Massachusetts yields for that purpose.

Mr. ZIONCHECK. I am just asking the parliamentary situation.

The SPEAKER. The gentleman is out of order in submitting a parliamentary inquiry. The Chair has stated repeatedly that the speaker cannot be taken off the floor by a parliamentary inquiry.

Mr. ZIONCHECK. Then, Mr. Speaker, I make the point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The point of order is that the gentlewoman from Massachusetts was propounding a unanimous-consent request, and that has not been granted, and she goes on with her speech.

The SPEAKER. The Chair differs with the gentleman. The gentlewoman from Massachusetts submitted a unanimous-consent request for 5 additional minutes, and the Chair distinctly put the request and then declared there was no objection. The gentlewoman from Massachusetts is now proceeding under that order.

Mr. O'CONNOR. Mr. Speaker, that is not the request in question now. The gentlewoman from Massachusetts submitted a unanimous-consent request to insert in her remarks certain sections of the Corrupt Practices Act, and that request has not been put.

The SPEAKER. That is true, but the gentlewoman from Massachusetts is now proceeding under the unanimous-consent request to proceed for 5 additional minutes which was granted.

Mr. ZIONCHECK. Then, Mr. Speaker, I reserve the right to object to the request.

The SPEAKER. The Chair has not put the other request. The gentlewoman from Massachusetts will proceed.

Mrs. ROGERS of Massachusetts. Mr. Speaker, invitations were sent to the Federal employees by the Democratic National Committee of which Mr. Farley is chairman. They received very attractive invitations to attend a Jackson Day dinner. Employees who were paid over a certain sum as salary were asked to pay \$50 for attending the dinner, \$10 for the dinner and \$40 as a subscription to the New Deal Party or the Democratic Party. It is not called that often now. It is called the New Deal. Those who received a smaller salary were asked to subscribe \$10 to the Jackson Day dinner.

I read certain sections, Mr. Speaker, from the Corrupt Practices Act of 1925:

It is unlawful for any Senator or Representative or Delegate or Resident Commissioner to—

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The point of order is that the gentlewoman from Massachusetts is now reading without the permission of the House.

The SPEAKER. The Chair will put the question to the House. Shall the gentlewoman from Massachusetts be permitted to read from the document she has before her?

The question was taken, and the permission was granted.

Mrs. ROGERS of Massachusetts (reading):

It is unlawful for any Senator or Representative in, or Delegate or Resident Commissioner to, Congress, or any candidate for, or individual elected as, Senator, Representative, Delegate, or Resident Commissioner, or any officer or employee of the United States, or any person receiving any salary or compensation for services from money derived from the Treasury of the United States, to directly or indirectly solicit, receive, or be in any manner concerned in soliciting or receiving, any assessment, subscription, or contribution for any political purpose whatever from any other such officer, employee, or person.

Mr. Speaker, when I attended the Liberty League dinner I went to hear one of the greatest speakers we have in the United States of America, and a very fine citizen, as we all know, Gov. Alfred E. Smith. [Applause.] I maintain, Mr. Speaker, that Members of Congress should attend meetings of this sort. They should attend Townsend-plan meetings, Liberty League meetings, or any other league meetings, in order that they may get as much information as possible regarding pending legislation and the rights of the people of the United States. It is our duty to be well informed upon all of these subjects, and I am sure, Mr. Speaker, that the Members of the House in their hearts are just as anxious as I am to defend the individual rights of the people of these great United States.

This country was born because people came to America for freedom. I do not believe, Mr. Speaker, we are going on passing legislation that will take away these rights. Everyone has the right to express his opinions. In my opinion, every Federal employee has the right to come to his Member of Congress about any matter that concerns his welfare, and, Mr. Speaker, there are employees in the departments who tell me they cannot give me departmental information over the telephone for fear they will lose their positions. I call this an outrage, Mr. Speaker. Government employees are living in terror.

[Here the gavel fell.]

INDUSTRIAL UTILIZATION OF FARM PRODUCTS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered yesterday by my colleague from Illinois [Mr. DIRKSEN].

The SPEAKER. Is there objection?

There was no objection.

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Mr. ARENDS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an address by Representative EVERETT M. DIRKSEN, Republican, of Illinois, over the Columbia Broadcasting System, Monday, March 2. His topic was "Industrial Utilization of Farm Products", and he spoke as follows:

I am deeply grateful to Columbia Broadcasting Co. for the use of their Nation-wide facilities today and sincerely hope that I might contribute something of value to the solution of the farm problem. The world has always had a farm problem and probably will have long after this generation has passed away, but that is no reason why we should embrace the philosophy of defeat and neglect to do our best in finding a reasonable and durable solution. Since Joseph dreamed of 7 fat years and 7 lean years and was commissioned by Pharaoh to fill the granaries of Egypt, the economic history of every nation has been deeply affected by the problem of producing and distributing farm products on a basis that is fair to both farmer and consumer.

Our problem of farm surpluses goes back to the Civil War. When Lincoln liberated the slaves, he created an incentive for the invention and development of farm machinery that would replace cheap slave labor. Then began the development of the reaper, binder, mower, and other farm devices which made it possible for one farmer to tend a larger acreage and produce greater amounts of corn, wheat, and other products. In 1866 we harvested only 30,000,000 acres of corn, which produced 730,000,000 bushels. In 1932 this acreage had grown to 108,000,000, and the total crop to nearly 3,000,000,000 bushels. To be sure, the population increased from 31,000,000 in 1866 to 125,000,000 in 1932. Offhand it would appear that a fourfold increase in grain production and a fourfold increase in population would offset each other and care for the surplus. But such was not the case. Other factors entered into the picture.

Consider for a moment that from 1921 to 1931 there was a loss of 8,000,000 horses and mules. They were displaced by trucks, tractors, and motor cars. These 8,000,000 horses and mules would have consumed an equivalent of what 40,000,000 people would consume, and the millions of acres devoted to animal feed are now devoted to raising products which go into surplus.

Today we have 27,000,000 automobiles. We don't walk if we can ride. This saving in energy makes less food necessary. This helps account for the fact that in the same years 1921 to 1931, the per capita consumption of meat dropped 15 percent. Obviously, if we eat less meat, we feed fewer cattle, and acreage once devoted to feed now produces a surplus.

The per capita demand for farm products decreased about 17 percent in the years 1921 to 1931. Our eating and clothing habits changed. Once upon a time ladies' hose, dresses, and underthings were made from cotton and imported silk. Today, many garments are made from rayon instead of cotton and silk and cotton consumption per capita has been greatly reduced.

In eating, people diligently pursue an effort to retain or retrieve a girlish figure. We avoid starches and fats. We must preserve our slender lines. In so doing, we eat less wheat products. Thus, millions of bushels of grain go into surplus instead of into domestic use. For example, consider that traditional American dessert called pie. Once upon a time, the accustomed salutation at home or in a restaurant was "What kind o' pie ya got?" Today, pie has abdicated to other desserts and the lard and flour which went into pie crust now goes into surplus.

Once upon a time, all alcohol produced in this country, whether for use in an automobile radiator, on a sprained ankle, or for inspiration was produced from grain. Today five-sixths of all industrial alcohol produced in this country is made from imported blackstrap molasses which is a byproduct of sugar refining. Hence additional millions of bushels of grain go into surplus.

Thirty years ago the manufacturers of glue, adhesives, and the sizing used in textile mills used cornstarch as a base. Today we import 200,000,000 pounds of tapioca starch annually from the West Indies for such purposes. Even the glue on Uncle Sam's postage stamps is made from tapioca flour. As this flour displaces cornstarch, so additional bushels of corn go to surplus.

The World War was the straw that broke the farmer's back. To feed an army of two and one-half million hungry young men, farmers were encouraged to increase acreage. Corn sold at \$1.63 on the Chicago market and wheat was pegged at \$1.87. There was an incentive for breaking new ground. We expanded our farm domain by 50,000,000 acres. We fed the armies of other nations as well as our own. After the war we had to feed these nations until they overcame the effects of war. Two figures will prove it. In the war period our agricultural exports reached two thousand seven hundred million dollars annually; in 1933 they were back down to \$700,000,000 annually, or about one-fourth as much. Why did not our huge exports continue? The answer is simple. Foreign countries had been buying our products with our money. We loaned it to them for that purpose. When we stopped loaning they stopped buying, and our outlet was curtailed. Incidentally, they still owe us eleven and one-half billion dollars and the prospects of collecting are not rosy. The other answer is that war is the favorite pastime in Europe and Asia. As soon as the last war was over they began preparing for the next one. Wars are fought with men, money, and food. In preparation for the next struggle, many of these nations encouraged their farmers to produce more wheat, corn, and other products. European countries have been our principal outlet for farm prod-

ucts. Now they began to produce enough for their own needs and to spare. They became our competitors. That is why Secretary Wallace at different times has stated that the obstacles of getting our foreign markets back is quite serious. The final result is that as we continue to produce we pile up a surplus without an outlet.

Domestic conditions during the last 4 years have further aggravated this problem. If we could place every American family on a liberal diet we could eat up our surplus. But as men and women joined the unemployed and used up their savings they had no money with which to buy the things they needed. Many were hungry in a land filled to overflowing with 20-cent corn and 30-cent wheat. The reason they were hungry was because they had no job or money. Oddly enough, the reason we had 20-cent corn and 30-cent wheat was that these folks were out of work. That is a strange spectacle. If every unemployed person could find a job at decent wages this purchasing power would solve our surplus problem. Today industrial production is only 5 percent below normal, yet we have twelve and two-thirds million people out of work, and there is scant prospect of immediate jobs so they might buy what they need.

You therefore have a problem of balancing farm production against a sharply decreased demand. This decreased demand springs from the reduced purchasing power, loss of export markets, loss of farm animals, competition from imported products, and a decreased per-capita consumption of food. What is the answer to this problem? The answer seemed to be to reduce production by paying the farmer in cash for reducing his acreage. This required money, and the money was to be raised by a processing tax. That, in essence, was the Triple A program; but the Supreme Court held that it violated the Constitution. But while the Triple A is dead, the factors which gave us a surplus are still operating. Blackstrap and tapioca are still imported. Millions are still unemployed. Export markets are still gone. There is little prospect of increasing the horse and mule population. Meanwhile we still have 350,000,000 acres of farm land. Cropped in a normal way it would produce a surplus and ruin prices.

The administration, therefore, recommended and the Congress enacted a substitute for the Triple A. It is also a control measure. Until 1938 it will be handled by the Secretary of Agriculture. Thereafter it is turned over to the various States. It contemplates paying the farmer a bounty for resting his acres, or for changing from money crops such as corn, wheat, and others to soil-building crops. These soil-building crops embrace clover, lespedeza, alsike, soybeans, and others. Another possibility under this measure is the payment of a bounty on that percentage of the farmer's crop which is in ratio of our domestic requirements to the whole crop. Any one or a combination of these methods can be used to control production.

Take a farmer with 100 acres on which corn and wheat and oats had always been raised and pay him for planting 20 acres of it to soybeans each year. At the end of 5 years he will have had the entire farm in a soil-enriching crop. That presents an interesting problem. This program for preventing erosion and enriching the soil will mean that in a few years we can produce as much on 80 percent as we now produce on 100 percent of our acreage. Then what? If our export markets have not been restored and our domestic purchasing power is still below normal, we will have a greater farm problem than ever before. We would be spending five hundred millions a year to keep acreage out of production and still have a surplus problem. Then the question will arise: Where do we go from here?

As I envision this prospect, I believe the ultimate solution of the problem can be found only in expanding industrial uses for farm products. It will remain for our chemists to rescue us from this problem. Time will not permit an extended discussion of the many possibilities, but I shall enumerate a few. Some of the best, unbiased geologists and chemists predict an oil shortage in a few years. This does not mean exhaustion of our oil resources but, rather, that we shall pay more for petroleum products. Why not start now with a program for converting corn and other grains into alcohol to be mixed with gasoline? This opens up a vast market which would take care of our grain production for many years. The fact that in 23 countries alcohol is in common use is the answer to those who feel that such a motor fuel is not feasible. Still another item is oat hulls, which contain a solvent known as furfural, used in making such plastic products as phonograph records. Today we produce but 26 percent of our sugar requirements. The rest is imported. Thousands of acres of land are suitable for sugar beets and sugarcane to place us upon a self-sustaining sugar basis and at the same time use these idle acres. Improvement of soybean oil and its wider use in paints and other products is an inviting field. In 1934 we produced 26,000,000 pounds of soybean oil. Its uses can be greatly expanded. The Jerusalem artichoke, or wild sunflower, contains a substance known as levulose, which is sweeter than cane sugar, more digestible and excellent for diabetics. Its production would take additional acreage. In 1934 we imported 121,000,000 pounds of tung oil. Most of it comes from China. The tung tree not only yields oil but the tree itself can be converted into paper. Some of our land could be given over to the production of tung trees, not to speak of China grass, which produces a strong natural fiber used in the manufacture of clothing and paper.

Cornstalks offer a vast field for conversion into paper and wall-board. In the South there is a field for the production of slash pine which can be processed into paper pulp and newsprint. At the present time we import hundreds of millions of dollars worth of paper pulp annually. Slash-pine pulp could be developed into a

huge industry, which would absorb some of our idle acres. There are many other fields in which the industrial utilization of farm products can be pioneered and expanded, and only in this field will we find a solution for our surplus problem which is lasting and durable. It remains for the Government to show the way by giving a new dignity to the chemist in pointing the way.

Industrial utilization of farm products is something more than a solution of the farm problem. It is our hope for a solution of our unemployment problem as well. This morning figures were released by the president of the American Federation of Labor estimating our unemployment at twelve and two-thirds million people. In the last 3 years unemployment has only decreased 19 percent in the United States, whereas in Canada it has decreased 42 percent, in Sweden 36 percent, in Belgium 27 percent, and in Great Britain 24 percent. Considering that industrial production has gone up to 95 percent of normal, there has been a distressing lag in decreasing unemployment. A solution must be found. Such a condition cannot persist very long without becoming dangerous. New uses for farm products means new industries. New industries will create places for men now idle, and thus the twin problems of labor and agriculture can ultimately be solved together.

LEAVE TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Mr. Speaker, I object.

MAINE

The SPEAKER. Under the special order the Chair recognizes the gentleman from Maine [Mr. HAMLIN] for 15 minutes.

Mr. HAMLIN. Mr. Speaker, 116 years ago today Maine was admitted into the Union, the twenty-third State, along with Missouri. I do not speak of Maine today to advertise it as the sunrise-vacation land of America, where game abounds, and the air is clear, and the mountains, lakes, and forests are beautiful and healthful; on its boundaries Passamaquoddy Bay and Kittery in its coastal corner, Canada and New Hampshire on its north and west.

I want to speak today more of its history, of its men and women of the past. I want to have you and others better acquainted with it, for it is the best place in the world to me, and that is true.

The Norsemen came here early, the Cabots, Gosnold, Pring, Weymouth, and your own Capt. John Smith, of Virginia, trod its land. Charles I gave it to Gorges in 1639. The next year the first general court was held in its western settlement at Saco, where one John Winter was fined for asking more than 5 percent on a loan. Times have changed in Maine since then.

In 1650 it passed into the control of Massachusetts and was called the County of Yorkshire. Kittery was the first town incorporated, and then towns grew fast in southwestern Maine. New Falmouth grew into Portland; Richmond Island and Cape Elizabeth, where now are the coast guard station and Fort Williams, were early settled. The Indian wars came next, five of them, the French of Canada allied with them, and oh, the suffering! Cabin floors were wet with blood, and their little villages were often burned. At Lovewell's Pond, in Fryeburg, Paugus of the Sokokis was killed as was Captain Lovewell. But the Indian strength here was crippled and was thoroughly stopped by the killing of King Philip later. It was the same old question. We have it today, it was the survival of the fittest, and the fittest were the strongest, the English.

The forts of Maine were built near their settlements. I know of one now, Fort Hill, in Gorham, in Cumberland County. Let me speak of it as typical of others. One morning in June 1736 John Phinney and his boy, Edmund, came up the Presumpscot River, the most highly developed water-power river in the world, pulled up his canoe there, and walked to the side of Fort Hill and built his cabin. Hugh McLellan and Jacob Hamlin and others came, the fort was built, and the little settlement grew. Along with this came the church, which was used for a schoolhouse, and then in 1770 Jacob Hamlin gave the graveyard, where today many of the graves of these early settlers can be found.

We cannot blame the Indians when they saw the hated palefaces covering their happy hunting grounds with villages. Then in 1759 the great Pitt sent Wolfe, who on the Plains of Abraham defeated the best French general ever in

America, Montcalm, and French America became English. Then the Revolution.

When the port of Boston was closed in 1774 the meeting-house bell at New Falmouth, Portland, was tolled all day, and Maine men who could shoot squirrels' heads off with their rifles started for Cambridge to back up Putnam and Washington. Capt. Jeremiah O'Brien, of Machias, on June 11, 1775, captured the *Margaretta*, and the first British ship to haul down its flag to the patriots was forced by this Maine Irish Captain O'Brien.

In this same year Col. Benedict Arnold marched up through Maine to join General Montgomery in the ill-fated siege of Quebec. Their sufferings cannot easily be told. Oh, if Arnold, the patriot, could have died then.

In the War of 1812 Maine's part was glorious. The engagement by the *Enterprise* and *Boxer* at the mouth of the Kennebec was fought; the victory gained by the Americans, and today the commanders of both vessels sleep in the old eastern cemetery on Munjoy Hill, Portland, Maine.

I am not going to speak of the Civil War record of Maine. I do not like to think of the Civil War. Yes; Maine did her part in the wars—what has she done since? She was until 1820 a part of Massachusetts, that State "of the pine and the cod, where the Quincys talk only with the Cabots, and the Cabots talk only with God." Before the admission into the Union Maine had nine counties; it was increased later to 16. Its capital at first was Portland, later Augusta. Its population is now 768,000—33,040 square miles; about as large as the other five New England States; its northern county, Aroostook, larger than Connecticut and Rhode Island; 20 cities, 407 towns, 67 plantations. She has about 2,000 lakes; Moosehead, the largest fresh-water lake wholly within any State in the Union.

Aroostook is the largest potato county in the world; 85,000 acres devoted to them, averaging 252 bushels to the acre. Washington County's blueberry crop last year amounted to over \$1,000,000. Of Maine's 21,140,000 acres, 15,000,000 acres are in forest land, in one of which Massachusetts could be put, and its settlers would need a guide to get them out.

A Portland, Maine, firm of canners furnishes beans for all the railroad dining cars in the United States—Burnham & Morrill Co. Sanford Mills manufactures all the plush cloth for railroad seats, and the most that are used in autos in America. We have the largest screen factory, the largest paper mill, and the largest canoe factory in the world. Three-quarters of a million tourists last year visited Maine, spending \$52,000,000, and they got their money's worth.

Now, about the elections of Maine—you have heard so many times this: "As goes Maine so goes the Union." This is not true. Since the Civil War the Democratic Party has elected three Presidents, two of them were elected when Maine went Republican. The last one, it is true, was elected with Maine going Democratic and electing the first Democrat to Congress from the first Maine district since 1862. [Applause.] Further proof of the falsity of this is that of the four Democratic Governors elected since the Civil War: Alonzo Garcelon, Harris M. Plaisted, Frederick Plaisted, Oakley C. Curtis, none of them, I think, anticipated the election of a Democratic President, so that this statement is absolutely unfounded. However, I may say that the Maine elections in September, which cost the people of Maine every 4 years for this extra election which should never be held, is a pit which the dominant party in Maine has dug, but which, like the Scripture of old, they have fallen into once and in the next election they may fall into it again. So, when somebody tells you "As goes Maine so goes the Union", tell them it is not so. Our elections in Maine which would save the taxpayers' money should be held in November. We have another one the 14th of next September. We shall see.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. HAMLIN. Yes.

Mr. BOYLAN. To ask the gentleman how Maine is going this year.

Mr. HAMLIN. Judging from reports from the cities a week ago, Biddeford increasing its normal Democratic ma-

ajority by about 3,000, and Lewiston going abnormally Democratic by 9,000, Maine will go more strongly Democratic than she did 3 years ago, and why should she not? [Applause.]

Now, were you to ride into one of the towns in my district you could find a cradle there, and in that cradle one Puritan mother rocked a United States Senator, a Cabinet officer, five Members of the House of Representatives, four Governors of States, two Ministers Plenipotentiary, one major general, and one captain in the Navy. Some Puritan mother! This illustrious family was named Washburn, and I have no doubt but that some of you are familiar with this.

At one time in this Government, Maine had a President pro tempore of the Senate, a Speaker of the House, and the Chief Justice of the Supreme Court of the United States. Perhaps I have made enough of Maine in this line. She has always held high rank in education. One of her State superintendents of schools, Payson Smith, was commissioner of education in Massachusetts. We have read something of him recently.

A list of the noted men and women of Maine might include John F. Stevens, Lot M. Morrill, Rufus King, Sir William Pepperell, Franklin Simmons, Paul Akers, Hudson Maxim, Hiram S. Maxim, Gen. Oliver Otis Howard, Gen. Joshua L. Chamberlain, Nathaniel Hawthorne, Elijah Kellogg, Melville W. Fuller, Cyrus H. K. Curtis, Frank A. Munsey, Sarah Orne Jewett, Annie Louise Cary, Emma Eames, Lillian Nordica, Kate Douglas Wiggin, John D. Long, Charles H. Browne ("Artemus Ward"), Edgar Wilson Nye ("Bill Nye"), Commander Robert E. Peary, Commodore Edward Preble, Neal Dow, Hannibal Hamlin, Nelson Dingley, William P. Frye, Hugh McCulloch, Thomas B. Reed, James G. Blaine, William Pitt Fessenden, Henry W. Longfellow. Some of these great men have been in this Capitol, in the Senate, in this House, in that chair.

I am going to close with a quotation from Maine's great poet—Longfellow:

Thou, too, sail on, O Ship of State,
Sail on, O Union, strong and great;
Humanity with all its fears
With all its hopes of future years
Is hanging breathless on thy fate.

We know what Master made thy keel,
What workmen wrought thy ribs of steel,
Who made each mast and sail and rope,
What hammers rang, what anvils beat
In what a forge and what a heat
Were shaped the anchors of thy hope.

Fear not each sudden sound and shock,
'Tis of the wave and not the rock
'Tis but the flapping of the sail
And not a rent made by the gale.

In spite of rock and tempests' roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea,
Our hearts and hopes are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears
Are all with thee, are all with thee.

[Applause.]

TAXES (H. DOC. NO. 418)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered printed:

To the Congress of the United States:

On January 3, 1936, in my annual Budget message to the Congress, I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court, and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted-Compensation Payment Act.

I said in my Budget message:

* * * the many legislative acts creating the machinery for recovery were all predicated on two interdependent beliefs: First, the measures would immediately cause a great increase in the annual expenditures of the Government—many of these expenditures, however, in the form of loans which would ultimately return

to the Treasury; second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the Government would rise definitely and sharply during the following few years, while greatly increased expenditure for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief and thereby reduce Federal expenditures. The increase in revenues would ultimately meet and pass the declining cost of relief.

This policy, adopted in the spring of 1933, has been confirmed in actual practice by the Treasury figures of 1934, of 1935, and by the estimates for the fiscal years of 1936 and 1937.

There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years.

If we are to maintain this clear-cut and sound policy, it is incumbent upon us to make good to the Federal Treasury both the loss of revenue caused by the Supreme Court decision and the increase in expenses caused by the Adjusted Compensation Payment Act. I emphasize that adherence to consistent policy calls for such action.

To be specific: The Supreme Court decision adversely affected the Budget in an amount of \$1,017,000,000 during the fiscal year 1936 and the fiscal year 1937. This figure is arrived at as follows:

Deficit to date (expenditures chargeable to processing taxes, less processing taxes collected) in excess of that contemplated in the 1937 Budget.....	\$281,000,000
Estimated expenditures to be made from supplemental appropriation approved in the Supplemental Appropriation Act, 1936.....	296,000,000
Estimated expenditures to be made under the Soil Conservation and Domestic Allotment Act.....	440,000,000
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Total additional deficit, 1936 and 1937, due to Supreme Court decision and adjusted farm program.....	1,017,000,000

For the purposes of clarity, I divide the present total additional revenue needs of the Government into the permanent and the temporary ones.

Permanent Treasury income of \$500,000,000 is required to offset expenditures which will be made annually as a result of the Soil Conservation and Domestic Allotment Act recently enacted by the Congress and approved by me; and an additional sum recurring annually for 9 years will be required to amortize the total cost of the Adjusted Compensation Payment Act.

The net effect of paying the veterans' bonus in 1936, instead of 1945, is to add an annual charge of \$120,000,000 to the \$160,000,000 already in the Budget.

We are called upon, therefore, to raise by some form of permanent taxation an annual amount of \$620,000,000. It may be said, truthfully and correctly, that \$500,000,000 of this amount represents substitute taxes in place of the old processing taxes, and that only \$120,000,000 represents new taxes not hitherto levied.

I leave, of course, to the discretion of the Congress the formulation of the appropriate taxes for the needed permanent revenue. I invite your attention, however, to a form of tax which would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in present surtaxes.

Extended study of methods of improving present taxes on income from business warrants the consideration of changes to provide a fairer distribution of the tax load among all the beneficial owners of business profits, whether derived from unincorporated enterprises or from incorporated businesses and whether distributed to the real owners as earned or withheld from them. The existing difference between corporate taxes and those imposed on owners of unincorporated businesses renders incorporation of small businesses difficult or impossible.

The accumulation of surplus in corporations controlled by taxpayers with large incomes is encouraged by the present freedom of undistributed corporate income from surtaxes. Since stockholders are the beneficial owners of both distributed and undistributed corporate income, the aim, as a matter of fundamental equity, should be to seek equality of tax burden on all corporate income, whether distributed or withheld from the beneficial owners. As the law now

stands our corporate taxes dip too deeply into the shares of corporate earnings going to stockholders who need the disbursement of dividends, while the shares of stockholders who can afford to leave earnings undistributed escape current surtaxes altogether.

This method of evading existing surtaxes constitutes a problem as old as the income-tax law itself. Repeated attempts by the Congress to prevent this form of evasion have not been successful. The evil has been a growing one. It has now reached disturbing proportions from the standpoint of the inequality it represents and of its serious effect on the Federal revenue. Thus the Treasury estimates that during the calendar year 1936 over four and one-half billion dollars of corporate income will be withheld from stockholders. If this undistributed income were distributed it would be added to the income of stockholders and there taxed as is other personal income. But as matters now stand it will be withheld from stockholders by those in control of these corporations. In 1 year alone the Government will be deprived of revenues amounting to over \$1,300,000,000.

A proper tax on corporate income—including dividends from other corporations—which is not distributed as earned would correct the serious twofold inequality in our taxes on business profits if accompanied by a repeal of the present corporate income tax, the capital-stock tax, the related excess-profits tax, and the present exemption of dividends from the normal tax on individual incomes. The rate on undistributed corporate income should be graduated and so fixed as to yield approximately the same revenue as would be yielded if corporate profits were distributed and taxed in the hands of stockholders.

Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation. It would constitute distinct progress in tax reform.

The Treasury Department will be glad to submit its estimates to the Congress showing that this simplification and removal of inequalities can without unfairness be put into practice so as to yield the full amount of \$620,000,000, the amount I have indicated above as being necessary.

Turning to the temporary revenue needs of the Government, there is the item of \$517,000,000, which affects principally the current fiscal year. This amount must in some way be restored to the Treasury, even though the process of restoration might be spread over 2 years or 3 years.

In this case also the formulation of taxes lies wholly in the discretion of the Congress. I venture, however, to call your attention to two suggestions.

The first relates to the taxation of what may well be termed a windfall received by certain taxpayers who shifted to others the burden of processing taxes which were impounded and returned to them or which otherwise have remained unpaid. In unequal position is that vast number of other taxpayers who did not resort to such court action and have paid their taxes to the Government. By far the greater part of the processing taxes was in the main either passed on to consumers or taken out of the price paid producers. The Congress recognized this fact last August and provided in section 21 (d) of the Agricultural Adjustment Act that, in the event of the invalidation of the processing taxes, only those processors who had borne the burden of these taxes should be permitted to receive refunds. The return of the impounded funds and failure to pay taxes that were passed on result in unjust enrichment, contrary to the spirit of that enactment. A tax on the beneficiaries unfairly enriched by the return or nonpayment of this Federal excise would take a major part of this windfall income for the benefit of the public. Much of this revenue would accrue to the Treasury during the fiscal years 1936 and 1937.

The other suggestion relates to a temporary tax to yield the portion of \$517,000,000 not covered by the windfall tax. Such a tax could be spread over 2 years or 3 years. An

excise on the processing of certain agricultural products is worth considering. By increasing the number of commodities so taxed, by greatly lowering the rates of the old processing tax, and by spreading the tax over 2 or 3 years, only a relatively light burden would be imposed on the producers, consumers, or processors.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 3, 1936.

CAPT. VINCENT P. ROUSSEAU (H. DOC. NO. 419)

The SPEAKER also laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without approval, H. R. 4777, a bill providing that First Lt. Vincent P. Rousseau, United States Army, retired, shall have the rank and receive the pay and allowances of a captain on the retired list of the United States Army.

From the facts in this case of record in the War Department it appears that Vincent P. Rousseau entered the Regular Army as a provisional second lieutenant of Infantry June 18, 1917, with rank from June 5, 1917; promoted first lieutenant with rank same date; and held a temporary commission as captain from August 5, 1917, to November 9, 1919. He was placed on the retired list as a first lieutenant November 13, 1919, because of disability resulting from wounds received in action overseas August 2, 1918. Under the general legislation enacted June 21, 1930, he was advanced on the retired list to his highest wartime rank of captain. That legislation authorizes the advancement of retired officers, who served with credit during the World War, to the highest rank held by them during such services, and also provides that such advancement shall be without any increase in pay or allowances.

Briefly stated, the ultimate purpose of this measure is to increase the annual compensation of this retired officer from \$1,950 to \$2,340. In this connection, it appears that Captain Rousseau's compensation is being increased regularly under existing law by virtue of the fact that having been retired for disability resulting from wounds received in action, he is credited with inactive service on the retired list for longevity pay purposes.

I have been advised by the War Department that Captain Rousseau would not have been eligible for promotion to the permanent grade of captain had he remained on the active list until July 1, 1920, and his retirement November 13, 1919, was approved and effected only after a retiring board had determined that he was incapacitated for active service, and that the action in his case was strictly in conformity with the governing laws. Therefore I can see no reason for singling him out for preferential treatment at this time for the purpose of conferring upon him the pay of a captain, which grade he did not hold on the date of his retirement.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 3, 1936.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

LAWS OF FIRST NATIONAL ASSEMBLY, PHILIPPINE ISLANDS

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs.

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", I transmit herewith copies of the laws enacted by the First Na-

tional Assembly of the Philippines during its inaugural session, from November 25, 1935, to December 21, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 3, 1936.

FIVE CIVILIZED TRIBES

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up Senate Concurrent Resolution 33 for consideration at this time.

The SPEAKER. The Clerk will report the Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 33

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled 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, be, and the same is hereby, rescinded, and that in the enrollment of the bill the Secretary of the Senate be, and he is hereby, authorized and directed to strike out on page 1, line 8, of the engrossed bill the word "materials" and insert in lieu thereof the word "minerals."

The SPEAKER. The question is on agreeing to the Senate concurrent resolution.

The Senate concurrent resolution was agreed to.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

Mr. SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I notice that this bill calls for an increase of something like \$62,000,000 over the bill as it passed the House. This almost doubles the amount carried in the bill as it passed the House. It is my hope that the conferees will go into the matter very thoroughly and, if necessary, hold hearings and insist upon the House's position with reference to these items so that the amount in the bill may not be raised as it has been.

Mr. TAYLOR of Colorado. Mr. Speaker, I have asked to have the two minority members of the subcommittee put upon the conference committee. The conferees will naturally try to maintain the House bill. I might say that the House committee discussed those matters and decided not to put the \$64,710,000 on the bill, although it is entirely a western matter; but I cannot, of course, promise what the ultimate result of the conference will be. I expected those matters to be presented to the deficiency subcommittee. This committee held no hearings on them.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. ZIONCHECK. I think the two minority members, the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from Kansas [Mr. LAMBERTSON] are very able men and are strictly for economy. I think the position enunciated by the gentleman will be well represented by the conference committee.

Mr. TABER. I just wanted to call it to the attention of the House so that the conferees might feel they had the support of the House when they went to conference in trying to keep the thing down.

Mr. SNELL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. How much did the gentleman say this bill was increased as it came back from the other body?

Mr. TABER. Approximately \$62,000,000. It is practically doubled.

Mr. REED of New York. Will the gentleman yield?

Mr. TABER. I yield.

Mr. REED of New York. Would the gentleman mind stating what that increase is for?

Mr. TABER. Mostly for reclamation projects which the House did not go into at all and refused to take up, as I understand it.

Mr. REED of New York. That is opening up new land for agricultural production?

Mr. TABER. Certainly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. TAYLOR]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. LAMBERTSON, and Mr. WIGGLESWORTH.

LONG- AND SHORT-HAUL CLAUSE, INTERSTATE COMMERCE ACT

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution (H. Res. 435, Rept. No. 2119) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3263, a bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4). That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend, with or without instructions.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

ROSALIE ROSE

The Clerk called the first bill on the Private Calendar, H. R. 2261, for the relief of Rosalie Rose.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rosalie Rose, of San Francisco, Calif., the sum of \$11,454.50 for damages sustained on May 29, 1931, when she was injured in a collision with United States Coast Guard truck no. 1001.

With the following committee amendments:

Page 1, line 6, strike out "\$11,454.50" and insert "\$1,454.50 in full settlement of all claims against the United States."

Page 1, line 10, after the figures, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BURRESS

The Clerk called the next bill, H. R. 2352, for the relief of Paul Burress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Burress, of Coal Creek, Tenn., the sum of \$2,500 on account of injuries suffered by him as a result of being struck by a Government tank which was being used by Government officials to advertise a Victory bond sale in the year 1919.

With the following committee amendments:

Page 1, line 6, strike out "\$2,500" and insert in lieu thereof "\$500 in full settlement of all claims against the United States."

Page 1, line 11, after the figures, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount

appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIA MILLER

The Clerk called the next bill, H. R. 2387, for the relief of Julia Miller.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia Miller, Wilkes-Barre, Pa., the sum of \$50,000. Such sum shall be in full settlement of all claims against the United States for damages sustained by the said Julia Miller as the result of serious and permanent injuries incurred when she was struck by a United States mail truck in Wilkes-Barre, Pa., on December 24, 1930.

With the following committee amendments:

Page 1, line 6, strike out "\$50,000" and insert "\$3,500"; page 1, line 11, after the figures, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. WARING HARRISON

The Clerk called the next bill, H. R. 2622, for the relief of M. Waring Harrison.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to M. Waring Harrison the sum of \$1,210 for services rendered as probation officer of the United States District Court for the Southern District of Alabama from August 6, 1928, to August 1, 1930.

With the following committee amendments:

Page 1, line 6, after the figures, insert "in full settlement of his claim against the United States"; page 1, line 9, after the figures, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES R. RUSSELL

The Clerk called the next bill, H. R. 4277, authorizing and directing the Secretary of the Treasury to reimburse James R. Russell for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James R. Russell, of Camas Valley, Oreg., the sum of \$374.85 in full satisfaction of his claim against the United States for damages for personal injuries suffered on November 29, 1934, on the Coos Bay Highway near Camas

Valley, Oreg., when the said James R. Russell was struck by a motor truck owned by the United States and driven by an employee of the Civilian Conservation Corps, Camp Bradford, No. 979, Oreg.

With the following committee amendments:

Page 1, line 6, strike out "\$374.85" and insert "\$174.84"; page 2, line 4, after the word "Oregon", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of James R. Russell."

PATRICK J. LEAHY

The Clerk called the next bill, H. R. 4362, for the relief of Patrick J. Leahy.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to Patrick J. Leahy, of Stockton, Calif., in full settlement of all claims against the Government of the United States for damage and injury sustained on October 15, 1933, when the car which he was driving was struck by a protruding piece of lumber on a truck owned by the United States Forest Service and operated by an employee of the Civilian Conservation Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the word "of", strike out "\$1,500" and insert "\$1,058.50."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO PACIFICO

The Clerk called the next bill, H. R. 4861, to confer jurisdiction on the Court of Claims to hear and determine the claim of Francesco Pacifico.

Mr. COCHRAN. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and is hereby, given jurisdiction to hear and determine the claim of Francesco Pacifico, and to award him just compensation for losses and damages, if any, which he may have suffered through the action of the immigration and custom authorities at the port of New York in retaining three cases of merchandise consisting of blankets and spreads, on January 19, 1923, which the said Francesco Pacifico owned, and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defense of any alleged settlement heretofore made or of res judicata, lapse of time, laches, or any statute of limitation.

Sec. 2. Such claim may, under section 1 of this act be instituted at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

With the following committee amendments:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following: That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear,

determine, and render judgment upon the claim of Francesco Pacifico, on the basis of the law applicable thereto, for the detention on June 21, 1923, and subsequent sale on May 21 and 22, 1925, of three cases of silk and braid owned by said Francesco Pacifico, by the customs authorities at the port of New York. Suit hereunder may be instituted at any time within 4 months from the date of the approval of this act, notwithstanding the bar of the statute of limitations, and proceedings therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOFFAT COAL CO.

The Clerk called the next bill, H. R. 4951, for the relief of the Moffat Coal Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Moffat Coal Co. under contract W-503-qm-7256, dated May 23, 1930, for the delivery of certain coal to the Fitzsimons General Hospital and which contract was canceled after part performance due to the substitution of gas as fuel at the hospital. There is authorized to be allowed not exceeding \$1,332.96 in full and final settlement of all claims arising under or by reason of the contract, and an appropriation is hereby made out of any money in the Treasury not otherwise appropriated of a sum not to exceed \$1,332.96 for payment of the claim.

With the following committee amendment:

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS LIPSCOMB

The Clerk called the next bill, H. R. 4953, for the relief of Doris Lipscomb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doris Lipscomb the sum of \$1,500, being the amount of her claim for personal injuries incurred in a collision with a Government truck at Denver, Colo., on April 28, 1933.

With the following committee amendments:

In line 5, after the name "Lipscomb", insert the words "of Denver, Colo."

In line 6, strike out the words "being the amount of her claim" and insert in lieu thereof the words "in full settlement of all claims against the United States."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGH B. CURRY

The Clerk called the next bill, H. R. 5874, for the relief of Hugh B. Curry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$92.60 to Hugh B. Curry, Cottonwood, Ariz., in full settlement of all claims against the Government of the United States, for services rendered as an employee of the National Park Service, from October 1 to 24, 1933, inclusive.

With the following committee amendment:

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ETHEL SMITH M'DANIEL

The Clerk called the next bill, H. R. 5819, to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employee's Compensation Commission is hereby directed to extend the benefits of the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", to Ethel Smith McDaniel, widow of Travis McDaniel, formerly an employee in the United States Railway Mail Service, who contracted tuberculosis on or about January 8, 1929, while on duty.

With the following committee amendments:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Ethel Smith McDaniel, widow of Travis McDaniel, who died on April 16, 1934, and whose death is alleged to have resulted from disability incurred on January 8, 1929, while an employee of the United States Railway Mail Service, and the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider her claim under the remaining provisions of said act: *Provided*, That claim hereunder shall be made within 1 year from the date of the approval of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Ethel Smith McDaniel."

HENRIETTA JACOBS

The Clerk called the next bill, H. R. 6213, for the relief of Henrietta Jacobs.

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH A. TERRY

The Clerk called the next bill, H. R. 6578, for the relief of Joseph A. Terry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph A. Terry, the sum of \$1,485, in full settlement of all claims against the Government of the United States due him because of \$1,500 bail bond having been deposited by him with the United States District Court of New Jersey, and such sum less \$15 having been paid to the Treasury of the United States erroneously by the clerk of the district court.

With the following committee amendment:

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE E. DANIELS

The Clerk called the next bill, H. R. 6702, for the relief of Annie E. Daniels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Annie E. Daniels, widow of Ben E. Daniels, the sum of \$540. Such sum represents purchase money paid by the said Ben E. Daniels on mining claims, as to which entries were thereafter rejected. A claim for the refund of such purchase money was denied by the Comptroller General on the ground that such claim was not filed within the time required by section 1 of the act of December 11, 1919.

With the following committee amendments:

In line 5, strike out the words and comma "widow of Ben E. Daniels,".

In line 6, strike out the word "represents" and insert the clause "shall be in full settlement of all claims against the United States for".

In line 7, strike out the words "by the said Ben E. Daniels on mining claims" and insert the words "on mining claims situated in section 36, township 19 south, and sections 1 and 2, township 20 south, range 14 east, in the State of Arizona."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES SOMOGI, SR.

The Clerk called the next bill, H. R. 7075, for the relief of Charles Somogi, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Somogi, Sr., the sum of \$7,500, in full settlement of all claims against the Government of the United States for injuries received by his son, Charles Somogi, Jr., a minor, who was struck and injured on August 24, 1928, near West Portal, county of Hunterdon, N. J., by an automobile driven by one Orville McGee, who was employed at that time and whose car was used at that time in the employ of the Department of Commerce, Bureau of Lighthouses, United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out the words and figures "Sr., the sum of \$7,500", and insert in lieu thereof "Jr., the sum of \$2,500".

Page 1, line 8, strike out the words "his son, Charles Somogi, Jr., a minor, who" and insert in lieu thereof "him when he".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Charles Somogi, Jr."

PERRY H. CALLAHAN AND MALCOLM W. CALLAHAN

The Clerk called the next bill, H. R. 7256, granting compensation to Perry H. Callahan and Malcolm W. Callahan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, empowered, and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$350 to Perry H. Callahan and Malcolm W. Callahan, jointly, for reimbursement of expenditures for labor and material made by them in repairing a building owned by them in Jackson, Tenn., adjacent to and adjoining the Federal building, which building was damaged by the Government's construction of a new Federal building in 1933.

With the following committee amendments:

Strike out all of the bill after the enacting clause, and insert in lieu thereof the following:

"That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, jointly to Perry H. Callahan and Malcolm W. Callahan, of Jackson, Tenn., the sum of \$317, in full settlement of their claim against the United States for damages to a building formerly owned by them in Jackson, Tenn., and resulting from the condemnation and demolition by the Government in 1933 of certain property adjacent to and adjoining said building: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Perry H. Callahan and Malcolm W. Callahan."

CLARA IMBESI AND DOMENICK IMBESI

The Clerk called the next bill, H. R. 7270, for the relief of Clara Imbesi and Domenick Imbesi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the Federal Employees' Compensation Act of September 7, 1916, as amended, the United States Employees' Compensation Commission be, and it is hereby, authorized to waive the provisions of sections 15 to 20, inclusive, thereof in respect to claims for compensation, including funeral and burial expenses, on account of the death of the late Lawrence P. Imbesi, on July 16, 1933, as a result of personal injuries sustained while in the performance of his official duties as a temporary carrier at the post office, Ocean City, N. J., in the same manner and to the same extent as if such claims had been filed within the time prescribed by the aforesaid act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Clara Imbesi and Domenick Imbesi on account of the death of the late Lawrence P. Imbesi on July 16, 1933, as a result of alleged personal injuries sustained while in the performance of his official duties as a temporary carrier at the post office, Ocean City, N. J., and to determine said claim upon its merits under the provisions of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IZELDA BOISONEAU

The Clerk called the next bill, H. R. 7463, for the relief of Izelda Boioneau.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to Izelda Boioneau, of Mellen, Ashland County, Wis., mother of Eugene Boioneau, as compensation for the death of her son, who was killed because of mistaken identity by Government agents on April 22, 1934, in their endeavor to apprehend one John Dillinger and his associates.

With the following committee amendments:

On page 1, line 5, strike out "\$10,000" and insert "\$5,000."

Line 7, after the word "Boioneau", strike out "as compensation" and insert "in full settlement of all claims against the United States."

Line 11, after the word "associates", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. A. WHITE

The Clerk called the next bill, H. R. 7790, for the relief of S. A. White.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to reimburse S. A. White, major, Medical Corps, United States Army, the sum of \$173.20, out of any money in the Treasury not otherwise appropriated, for the loss of personal property sustained as a result of flooding his quarters at Fort Benning, Ga., on May 2 and May 3, 1931.

With the following committee amendments:

Page 1, line 7, after the word "appropriated", insert "and in full settlement of all claims against the United States."

Line 10, after "1931", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. EDWIN HEMPHILL

The Clerk called the next bill, H. R. 7963, for the relief of J. Edwin Hemphill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Edwin Hemphill, Petersburg, Va., the sum of \$1,721.29. Such sum shall be in full settlement of all claims against the United States on account of injuries sustained by the said J. Edwin Hemphill when he was struck by an iron door stop as he entered the post-office building in Petersburg, Va., on January 31, 1934.

With the following committee amendments:

Page 1, line 6, strike out "\$1,721.29" and insert "\$1,521.29."
Line 11, after "1934", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREAT NORTHERN RAILWAY CO.

The Clerk called the next bill, H. R. 8028, for the relief of the Great Northern Railway Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Great Northern Railway Co., St. Paul, Minn., out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$208.04, to reimburse said Great Northern Railway Co. for shipment of freight to Fort Browning, Mont., in December 1930, from Glasgow, Mont., and from International Falls, Minn., for the United States.

With the following committee amendment:

Page 1, line 7, after "\$208.04" strike out "to reimburse" and insert in lieu thereof, "In full settlement of all claims against the United States of."

Line 11, after the word "States", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS F. GARDINER

The Clerk called the next bill, H. R. 8110, for the relief of Thomas F. Gardiner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Thomas F. Gardiner arising out of his contract entered into in December 1930 for furnishing transportation by means of a dog team to G. R. Gardner, Superintendent of Education, Southwest District of Alaska, Office of Indian Affairs, Department of the Interior, in connection with an inspection trip by the said superintendent to the various schools in his district, and to allow in full and final settlement of said claim an amount not exceeding the sum of \$200.50. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$200.50, or so much thereof as may be necessary, for the payment of such claim.

With the following committee amendment:

Page 2, line 5, after the word "claim", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOM ROGERS

The Clerk called the next bill, H. R. 8262, for the relief of Tom Rogers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tom Rogers the sum of \$1,000, in full settlement of all claims against the Government of the United States for personal injuries suffered by the said Tom Rogers as a result of being shipwrecked on October 21, 1934, while en route to Blackbeard Island, Ga., to take up his duties as laborer for the Bureau of Biological Survey of the United States Department of Agriculture.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the remainder of page 1 and the word "agriculture" on page 2 and insert in lieu thereof the following: "to Tom Rogers the sum of \$1,000; to the heirs of W. A. Bell the sum of \$2,000; to the heirs of Israel Walker the sum of \$1,000; to the heirs of Henry Shaw the sum of \$1,000; to the heirs of Thomas Bailey the sum of \$1,000; and to the heirs of Joseph Watson the sum of \$1,000; in all, \$7,000, in full settlement of all their claims against the United States for injuries sustained by said Tom Rogers, and for the death by drowning of said W. A. Bell, Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson, as a result of being shipwrecked on October 21, 1934, while en route to Blackbeard Island, Ga., to take up their duties as employees of the Bureau of Biological Survey, United States Department of Agriculture: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOHN H. WILKE

The Clerk called the next bill, H. R. 8320, for the relief of Mrs. John H. Wilke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in computing the monthly compensation payable to Mrs. John H. Wilke, widow of John H. Wilke, late associate engineer, topographic, Atlantic Division of the Geological Survey, Department of the Interior, under the provisions of section 10 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, sec. 760; U. S. C., Supp. VII, title 5, sec. 760), the monthly pay of the said John H. Wilke at the time of his fatal injury shall be held and considered to have been \$175.

Sec. 2. The monthly compensation of the said Mrs. John H. Wilke at the rate provided for by section 1 of this act shall commence on the 1st day of the month during which this act is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANSION OF THE CURRENCY AND SAVING GOVERNMENT A BILLION A YEAR INTEREST NOW PAID AS SUBSIDY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, if the word "inflation" is used in the sense that it means putting too much money in circulation or the issuance of irredeemable currency, I am opposed to inflation. I do favor controlled expansion of the currency in order that the unemployed may be given jobs, wage earners a fair wage, and producers a fair price, which would be in the interest of the general welfare. All money is fiat money, whether issued by the Government for the banks or whether issued directly by the Government.

The circulating medium consists of deposits in banks, paper money, and metal coin, 95 percent in deposits and 5 percent currency, and it cannot be increased without someone going into debt and paying interest to a bank. Since the banks control the only part of this medium that can be expanded, they control the value of labor and prices. There are \$55,000,000,000 in wholly and partly tax-exempt bonds in this country. If something is not done to stop the issuance of such securities, the people who own the wealth will through this method escape taxation and the others will have to pay taxes on what they owe and on what they consume in order to support the different governments. The people owe \$250,000,000,000. If prices and wages were reduced 50 percent, this would cause the debt burden to be doubled in what the people have to pay with. The only way this enormous debt burden can be paid by the people is for them to get good prices and good wages. Taxes should be levied to retire money issued by the Government in excess of normal requirements, and in determining the amount of circulating medium its velocity must be taken into consideration.

ONE NATION FAILED TO CONTROL EXPANSION

After the World War four nations attempted to control expansion of their currencies. Germany failed, but Italy, France, and England succeeded. The cases of printing-press money often mentioned by our opponents are not applicable since the existing situations were not comparable to our own—a nation with almost \$500,000,000,000 in wealth and the largest gold supply ever owned by any nation on earth.

GOLD

According to official records, the United States Treasury has more than \$10,000,000,000 in pure gold, sufficient for the issuance of \$25,000,000,000 in money on a 40-percent gold reserve basis. We have a 200-percent gold reserve behind each dollar in circulation, since there is outstanding today only about \$5,000,000,000 redeemable in gold even if we were on a gold basis. Do not be confused about fictitious or make-believe transfers of this gold or shell game or legerdemain tactics to hide it from the real owner. Existing law enacted January 30, 1934, places all right, title, and interest in and to this gold in the United States. The Federal Reserve banks do not own or have a valid claim upon it. Congress did not pass a law penalizing the people if they refused to deliver their gold to the corporation-owned Federal Reserve banks. The gold was delivered to and became and is now the property of the Government. The question is, Will this enormous gold supply be used in the interest of the people, or will we permit privately owned corporations to use it for the benefit of their stockholders?

BANKS

If an individual borrows a thousand dollars from a bank, he is given credit on the books of the bank for \$1,000. The individual takes a checkbook and issues checks against the account. The bank thereby created a thousand dollars in new money on credit. The bank destroys that much money by requiring the thousand-dollar loan to be repaid. The bank has the authority to lend \$10 to every one it possesses, and if called upon to produce the extra \$9 of every 10 loaned, that it does not have, the Government printing presses will print it and cause it to be delivered to the bank. The banks have largely deserted the functions for which they were created. Normally from 65 to 75 percent of the deposits of national banks are invested in commercial loans, but since 1930 the ratio of commercial loans to deposits have decreased until the end of 1935 the ratio was only 30 percent. Loans by all banks during the last 5 years have decreased twenty and one-half billion dollars. The privately owned banks have been destroying the people's medium of exchange. At the same time, they have been filling their vaults with Government bonds, upon which they collect interest, but do not pay taxes. They hold so many Government bonds and receive so much income from the Government, together with their service charges, they are rapidly becoming bondholders, bond brokers, and commercial bookkeepers instead of banking institutions. They do not need to make so much money as they did, since they have recently been relieved of more than a quarter of a billion dollars of

annual charges on demand deposits, and since they are enjoying the benefits of a generous Government dole they are very particular about the kind of security upon which they will extend loans. Possibly they consider that the value of their bonds, upon which there is a small return, will decrease in the event of a sufficient expansion of credit, and they cannot properly serve the public's interest without injuring their own.

FEDERAL RESERVE BANKS ISSUE BLANKET MORTGAGES ON PEOPLE'S PROPERTY

The 12 Federal Reserve banks are not Government institutions. They belong to other private corporations—member banks. They are corporations owned by corporations. Not a dollar of their stock is owned by the Government or the people. Although they do hundreds of billions of dollars of business annually, operating on the credit of the Nation, their transactions are tax-exempt, and not one penny of the profit goes to the Government or to the people. They have franchises worth billions of dollars and the power to deposit Government bonds without limitation as to amount and receive a like amount of new Government printing-press money in return therefor, and continue to get interest on the bonds deposited to secure their money by paying about 27 cents a thousand dollars, the cost of printing the money. Each note or bill issued by these banks has this language: "The United States of America will pay to bearer on demand _____ dollars." These notes are blanket mortgages upon the property of all the people and a lien upon the incomes of the people. Ordinarily you would think that blanket mortgages should only be issued for the benefit of all the people, not for the benefit of a few, but that is not the case in our monetary system.

WHO SHOULD CAUSE MONEY TO BE ISSUED, BANKERS OR REPRESENTATIVES OF THE PEOPLE?

Should the banks or Congress cause money to be issued and the value thereof regulated? The Constitution says it is the duty of Congress. The great privilege, however, has been farmed out to these few large banking corporations. It is said bankers know more about issuing money than the people's representatives. It may be added, however, that banks are under no obligations to furnish the people a sufficient medium of exchange. They have the money-issuing privileges without obligation or duty to serve the public. The public does not elect them to these places of tremendous power and cannot punish them if they use it to their own advantage and profit and against the public interest. If Congress exercises this function, as provided by the Constitution, each Congressman is under oath to serve the public. If he abuses the power, he can be punished by his constituents by defeating him for office. If he destroys the monetary system by voting for the issuance of unlimited amounts of Government money, his own property and salary will be destroyed; he and his family will be punished along with the others, and he will be defeated for the office he desires to continue to hold. Certainly there is more incentive on the part of the people's representatives to serve the public interest than there is on the part of bankers, who admittedly use the Government's credit free for their own use and benefit without the payment of compensation therefor.

SHALL PRIVATE BANKS FIX THE VALUE OF ALL LABOR AND PRODUCTION?

As money is made dear, labor and production become proportionately cheap. Therefore, the one who controls the value of money fixes the value of all labor and production. If an individual needs credit and he obtains a loan from a bank, it is right that he should pay interest to the bank, because the bank's credit is good in the markets of the country and his own credit is not. If, however, the Government needs credit, it should not buy the credit from banks, because all the credit of all the banks together is not as good as the Government's credit. Therefore, it occurs to me to be preposterous for the Government to pay the banks a bonus to use its own credit. When our country was young and it was necessary to borrow money or credit from England, it was right that we pay interest to the Bank of England, because we were hiring credit that was better than our own. Now, however, we are not borrowing credit or hiring credit

that is better than our own; and since our own credit—the Government's credit—is the best, we should not pay interest to the bankers for the privilege of using our own Government's credit.

PUBLIC DEBT ABUSED BY PRIVATE BANKERS

It is a bad thing for our country for the large banks to have such an interlocking interest through control of credit in all the principal manufacturing, transportation, utility, and other great concerns. They are not only in the banking business—they are in every business. Banks are necessary and desirable. No community can prosper without a reservoir of credit made available through a banking institution, but they should perform banking functions. The same printing presses run for the banks that run for the Government. Why is the money printed for the banks such good money that is based upon the Government's credit, and the money printed for the Government is not good money? There is no answer to it. A government that can issue a bond, interest-bearing, that is good, can issue a note that does not draw interest that is just as good and will be easier to pay. Each is supported by the credit of the Nation; a blanket mortgage on the people's property.

USE OF PRESENT GOLD SUPPLY

If the Government uses the gold supply that it has taken away from the people and which should be used for the people's interest, several billion dollars of additional money can be placed into circulation without the necessity of additional taxes or bonds. The additional revenue derived from increased business and velocity of money will very quickly balance the National Budget. The Federal Reserve banks should be owned by the Government. The small investment of the member banks should be returned to them by the Government. The currency should be expended gradually, Government bonds should gradually be taken up, and the Government's credit issued in lieu thereof. In order to prevent undue expansion or inflation of credit or currency the reserve requirements of banks should be changed as Government credit is substituted for Government bonds. Instead of permitting the banks to lend 10 to 1, as Government currency is issued the requirements may be changed to 5 to 1 or 2 to 1, and finally only permit the banks to lend the actual money they own. In this way there would be no danger of inflation. The only so-called crime we will be committing is depriving Government bondholders of nearly a billion dollars a year bonus on the Government's credit.

MONEY AND BOXCARS BOTH NECESSARY

Money is just as necessary in conveying production to the consumers as railroad boxcars. Money is the means that enables the people to buy what they need. If the money is in the hands of a few people who cannot consume all that is produced there will be an overproduction, but if the money or purchasing power is in some way distributed among those who need it to purchase goods, and everything that is produced is needed to be consumed, there will be no overproduction.

WHAT THE PEOPLE SHOULD DEMAND

The people should demand that Congress reassume its constitutional duty of issuing money and regulating the value thereof for the following purposes:

- A. To restore working capital, which will restore employment.
- B. Restore national income and make balancing of the Budget practicable.
- C. Restore value of property; do justice to debtors and greatly increase private and corporate income.
- D. Bring back the value of our national production to an excess of \$90,000,000,000.
- E. Force money and credit that is now invested in tax-exempt interest-bearing bonds into the channels of trade and production.
- F. Stabilize money so that we will have a sound, adequate currency with uniform debt-paying and purchasing power. This can be accomplished by the Government. The banks have never created a sufficient circulating medium for the normal needs of the Nation. It is against their interest to do so.

PRINTING-PRESS BONDS MORE DESTRUCTIVE THAN PRINTING-PRESS MONEY

There is more danger of the Government's credit being destroyed by the issuance of tax-exempt bonds than there would be by Congress causing Government credit or currency to be issued instead. Congress would be afraid to authorize the issuance of too much currency for fear it would weaken or destroy our monetary system, whereas that fear does not exist when a debt is to be paid by the issuance of bonds. Remember that printing-press bonds are just as inflationary as printing-press money. The money I advocate issuing will be the same kind of money, backed by the same security as the money now issued to the banks, and no more of it would be issued by the Government than the banks are permitted to issue. An unlimited amount of money cannot safely be issued any more than an unlimited amount of bonds can safely be issued.

WHAT FORMER PRESIDENTS HAVE SAID ON MONEY

President Thomas Jefferson said:

I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has the Government at defiance. The issuing power should be taken from the banks and restored to the people, to whom it properly belongs. (President from 1801 to 1809.)

President Andrew Jackson said:

If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or corporations (1829-37).

President Lincoln said:

No duty is more imperative on the Government than the duty it owes the people of furnishing them with a sound and uniform currency, and of regulating the circulation of the medium of exchange so that labor will be protected from a vicious currency and commerce will be facilitated by cheap and safe exchanges.

President Wilson, when Governor in 1911, declared:

The great monopoly in this country is the money monopoly. So long as that exists, our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities, are in the hands of a few men, who, even if their actions be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved, and who, necessarily, by every reason of their own limitations, chill, check, and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

SHOULD GOVERNMENT PAY BANKERS FOR USE OF ITS OWN CREDIT

What I have said in this statement is in accord with the views expressed by such great Presidents as Jefferson, Jackson, and Lincoln, and such great American citizens as Benjamin Franklin and Thomas A. Edison. It is time for the Government to save a billion dollars a year to help balance its own Budget instead of paying it as a bonus or subsidy to Government bondholders.

In conclusion may I ask you this question: Why should the Government pay tribute to a few bankers for the privilege of using its own credit?

PRIVATE CALENDAR

CAPT. J. H. MERRIAM

The Clerk called the next bill, H. R. 9379, for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Capt. J. H. Merriam, Supply Corps, United States Navy, with the sum of \$734.42, representing payments made by him to Thomas Cook & Son, Ltd., of Shanghai, China, for the cost of transportation furnished Lt. (Jr. Gr.) Malcolm A. Hufty, United States Navy, and Lt. (Jr. Gr.) Lewis R. Miller, United States Navy, in accordance with orders issued to these two officers by the commander in chief, United States Asiatic Fleet, which payments were disallowed by the Comptroller General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDGAR M. BARBER

The Clerk called the next bill, H. R. 9380, for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Edgar M. Barber, special disbursing agent, Paris, France, with the sum of \$51.25, and the account of Leo Martinuzzi, former customs clerk, with the sum of \$274.50, representing the amount of payment heretofore disallowed by the Comptroller General covering expenses incident to travel of Mr. Martinuzzi from New York City to Cherbourg, France, during the period March 1 to 8, 1930, while en route to his official station at Florence, Italy, in accordance with Treasury Department instructions directing and authorizing him to return to Europe by the first available steamer.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA CARROLL TAUSSIG

The Clerk called the next bill, S. 1124, for the relief of Anna Carroll Taussig.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Carroll Taussig, the sum of \$5,000, in full settlement of all claims against the Government for permanent injuries sustained while riding in an automobile which was run into by a large post-office auto truck used in the mail service, owned by the United States, whereby Anna Carroll Taussig lost her right eye and was permanently scarred and disfigured: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 7, after the word "sustained", insert "on April 21, 1918, in the city of Philadelphia, Pa."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. D. A. NEUMAN, PAY CORPS, UNITED STATES NAVAL RESERVE FORCE

The Clerk called the next bill, S. 2219, for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the accounting officers of the Treasury Department be, and they are hereby, authorized and directed to allow Lt. D. A. Neuman credit for the sum of \$894, the same being the sum of two pay receipts, one bearing the forged signature of "Ensign F. Fritz" for the sum of \$487, and one bearing the forged signature of "Ensign A. V. Lynch" for the sum of \$407, which payments were made without fault on the part of said Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Comptroller General of the United States is authorized and directed to credit the accounts of D. A. Neuman, former lieutenant, Supply Corps, United States Naval Reserve Force, with the sum of \$894, representing the amount of two forged pay receipts, paid by him while without fault or negligence, as determined by the Secretary of the Navy, but disallowed in his fiscal accounts for the disbursing office at South and Whitehall Streets, New York City, for the first quarter, 1919, by the Comptroller General."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended, and a motion to reconsider laid on the table.

E. L. AND LUCY HICE

The Clerk called the next bill, S. 2469, for the relief of E. L. Hice and Lucy Hice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. L. Hice and Lucy Hice the sum of \$5,000 in full settlement of all claims against the Government on account of the death of their son, William G. Hice, who was killed while working in the United States Industrial Reformatory at Chillicothe, Ohio: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES M. MONTGOMERY

The Clerk called the next bill, S. 2618, for the relief of James M. Montgomery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James M. Montgomery, of Edge Moor, Del., the sum of \$380.30, in full satisfaction of his claim against the United States for compensation for damages resulting from injuries received by him while placing mail on a train in the performance of his duties as postmaster at Edge Moor, Del., on November 5, 1934: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. A. JONES

The Clerk called the next bill, S. 2875, for the relief of J. A. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. A. Jones, of Glen Elder, Kans., an amount equal to 6 months' pay at the rate received by his son, Arthur R. Jones, former second lieutenant, First Regiment United States Cavalry, who died at Camp Gregg, Pangasinan, P. I., on July 4, 1908.

With the following committee amendment:

At the end of the bill insert: "Such amount to be in full settlement of all claims of the said J. A. Jones against the United States because of the death of his son."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBY RARDON

The Clerk called the next bill, S. 2980, for the relief of Ruby Rardon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruby Rardon the sum of \$5,000 in full settlement of all claims against the Government of the United States for damages sustained by her by reason of the death of her husband, John Edward Rardon, which occurred on May 3, 1934, in the United States Industrial Reformatory at Chillicothe, Ohio, which death of the said John Edward Rardon occurred while he was engaged in the performance of duties assigned to him and was caused by the explosion of an acetylene or other gas torch with which he was working, in line of duty: *Provided,* That no part of the amount appro-

printed in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILSON G. BINGHAM

The Clerk called the next bill, S. 1991, for the relief of Wilson G. Bingham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the benefits and privileges of the Emergency Officers' Retirement Act of May 24, 1928 (45 Stat. 735), Wilson G. Bingham, late captain of Infantry, United States Army, shall be held to have been honorably discharged as an emergency officer and in the grade of captain of Infantry on December 15, 1922: *Provided,* That no back pay or allowances shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR VAN GESTEL, ALIAS ARTHUR GOODSSELL

The Clerk called the next bill, H. R. 11164, for the relief of Arthur Van Gestel, alias Arthur Goodsell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Arthur Van Gestel, alias Arthur Goodsell, who was a medical attendant in the Medical Corps of the First Regiment United States Volunteer Cavalry, shall be held to have mustered in in April 1898 and shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the — day of September 1898; and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR W. BRADSHAW

The Clerk called the bill (H. R. 1440) for the relief of Arthur W. Bradshaw.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur W. Bradshaw, the sum of \$625, being the balance of an award of \$1,250 for the capture of James Wilson, Ludwig Schmidt, and James Snyder, charged with assault upon, holding up, and robbing a mail messenger at Niagara Falls, N. Y., on March 1, 1921.

With the following committee amendment:

Page 1, line 6, after the word "Bradshaw", insert "in full settlement of all claims against the United States."

Page 1, line 11, strike out the period, insert a colon and the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. LOCKE

The Clerk called the bill (H. R. 2262) for the relief of William H. Locke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William H. Locke, of San Francisco, Calif., the sum of \$861.33, in full settlement of all claims against the Government of the United States, the same being an amount due him with interest from November 2, 1923, by the Post Office Department, as a balance of an amount of \$1,400 reward for services rendered as special agent for the Southern Pacific Railroad Co. in connection with the arrest and conviction of Roy G. Garner, charged with hold-up and robbery of the Southern Pacific train no. 20, between Roseville and Newcastle, Calif., on May 20, 1921.

With the following committee amendments:

Page 1, line 5, strike out "\$861.33" and insert "\$633.23, out of any money in the Treasury not otherwise appropriated, and."

Page 1, line 9, strike out "with interest from November 2, 1923."

Page 2, line 2, strike out the word "Garner" and insert "Gardner."

Page 2, line 4, strike out the period, insert a colon and the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JESSIE D. BOWMAN

The Clerk called the bill (H. R. 3388) for the relief of Jessie D. Bowman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jessie D. Bowman, sister and only heir at law of Georgie Wilson, the sum of \$5,000. Such sum shall be in full settlement of all claims and damages against the United States resulting from the injury and death of said Georgie Wilson when she was struck by an automobile in the mail service of the Post Office Department at the post office, Danville, Va.

With the following committee amendments:

Line 7, strike out "\$5,000" and insert "\$3,000."

Line 11, strike out the period, insert a colon and the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH WATKINS

The Clerk called the bill (H. R. 4085) for the relief of Joseph Watkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Watkins the sum of \$3,000 in full settlement of all claims against the United States because of personal injuries sustained by the said Joseph Watkins in May 1916 while he was a pupil in the Pipestone Indian School in Minnesota: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per-

cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CAPT. CHESTER GRACIE

The Clerk called the bill (H. R. 4779) for the relief of Capt. Chester Gracie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$281.83 to Capt. Chester Gracie in full settlement of all claims of said Capt. Chester Gracie against the Government of the United States for damage to his Paige automobile, resulting from a collision on November 22, 1919, between said Paige automobile, which was being driven in a lawful manner, and a truck owned by the War Department of the United States Government, which was being operated in a reckless and negligent manner by Elias Hanna, a private in the United States Army.

With the following committee amendment:

Page 2, line 3, strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time; was read the third time and passed, and a motion to reconsider laid on the table.

THELMA L. EDMUNDS ET AL.

The Clerk called the bill (H. R. 5974) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$35 to Thelma L. Edmunds, \$40 to Mrs. J. M. Padgett, \$35 to Myrtis E. Posey, \$35 to Mrs. J. D. Mathis, Sr., \$25 to Fannie Harrison, \$22 to Annie R. Colgan, and \$45 to Grace Whitlock, which sums will represent full and final settlement for losses of their personal property destroyed on the night of March 11, 1934, when fire destroyed Federal Emergency Relief Administration sewing room at Trenton, Edgefield County, S. C.

With the following committee amendments:

Page 1, line 10, after the word "settlement", insert "of all claims against the United States."

Page 2, line 2, strike out "Emergency Relief" and insert "Civil Works."

Page 2, line 4, strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH PETHERSKY, PORT DEPOSIT, MD.

The Clerk called the bill (H. R. 6208) for the relief of Joseph Pethersky, of Port Deposit, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Pethersky, of Port Deposit, the sum of \$360 in full satisfaction for his claim against the United States Government for loss of 9 months' rent at \$40 per month from October 12, 1933, when a marine truck destroyed his building, to July 24, 1934, the date of the receipt of a check for \$623.02 from the Navy Department in payment for loss to his building.

With the following committee amendment:

Page 1, line 6, after the word "Deposit", insert the word "Maryland."

At the end of the bill add: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

STATE OF NEW YORK INSURANCE DEPARTMENT

The Clerk called the bill (H. R. 7237) for the relief of the State of New York Insurance Department as liquidator.

Mr. COCHRAN and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

ALFRED T. JOHNSTON

The Clerk called the bill (H. R. 7330) for the relief of Alfred T. Johnston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Alfred T. Johnston, of Lincoln, Calif., the sum of \$500, the same being in the form of a reward for services rendered as telegraph operator for the Southern Pacific Railroad Co. depot at Lincoln, Calif., in connection with the arrest and conviction of Ernest F. Smith for theft of mail matter from the Southern Pacific Railroad Co. depot at Lincoln, Calif., on February 8, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 8, strike out "\$500" and insert in lieu thereof "\$200."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SALLIE GILLESPIE

The Clerk called the bill (H. R. 7996) for the relief of Sallie Gillespie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767, 770), are hereby waived in favor of Sallie Gillespie, the widow of Lynus P. Gillespie, of Millett, Tex., who sustained an injury while employed as a patrol inspector and prohibition agent about the first part of July 1927, which resulted in his death on June 16, 1929, and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a notice of such injury and claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of the enactment of this act.

The term "injury" as used in this act shall have the meaning assigned to such term in section 40 of such act of September 7, 1916, as amended (U. S. C., title 5, sec. 790).

With the following committee amendments:

Page 1, line 9, after the word "who", insert "is alleged to have."

Page 2, line 9, strike out the period, insert a colon and the following: "Provided, That no benefits shall accrue prior to the approval of this act."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TINA FILMORE

The Clerk called the next bill, H. R. 8033, for the relief of Tina Filmore.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tina Filmore, mother of Juanita Filmore, the sum of \$2,000, to be used for the support, maintenance, and education of the said Juanita. The payment of such sum shall be in full settlement of any claim against the United States arising out of an injury received by the said Juanita on August 15, 1934, at Wheelock Academy when her hand was run through a mangle, resulting in a total disability of her right hand.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the balance of line 5, all of lines 6, 7, 8, 9, 10, and 11, and on page 2, all of line 1 and the word "hand" in line 2, and insert the following: "to the superintendent of the Five Civilized Tribes Agency, Muskogee, Okla., the sum of \$1,000, to be held as individual Indian money for Juanita Filmore, a minor, and to be disbursed by the said superintendent only for her actual and ordinary needs. Such sum shall be in full settlement of any claim against the United States arising out of a permanent injury received by the said Juanita Filmore on August 15, 1934, at Wheelock Academy, Okla.: *Provided*, That when the said Juanita Filmore shall have attained the age of 21 years, the superintendent of the Five Civilized Tribes Agency, Muskogee, Okla., shall pay to her the unexpended balance, if any, of such fund: *Provided further*, That no part of the amount appropriated in this act shall be paid to or received by any agent or attorney on account of services rendered in connection with this claim, and any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Juanita Filmore, a minor."

MAE POULAND

The Clerk called the next bill, H. R. 8034, for the relief of Mae Pouland.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the present consideration of the bill?

Mr. PITTINGER. Mr. Speaker, I rise in opposition to the bill.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

Mr. PITTINGER. Well, Mr. Speaker, reserving the right to object—

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

Mr. PITTINGER. I move to strike out the last word.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for that purpose.

The Clerk will report the bill.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mae Pouland the sum of \$5,000 in full settlement of all claims against the United States for personal injuries received as a result of a collision between a Government truck and the private car in which Mae Pouland was a passenger December 8, 1934, on a Texas highway.

With the following committee amendments:

Page 1, line 6, strike out "\$5,000" and insert "\$750"; page 1, line 10, after the word "highway", insert the following: "": *Provided*,

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PITTINGER. Mr. Speaker, I ask unanimous consent to proceed out of order for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTINGER. I do this, Mr. Speaker, to call the attention of the Members of the House to the fine procedure which we have here this afternoon in connection with private bills. I do not think it was better illustrated than 3 or 4 moments ago when I tried to get the floor and when I was absolutely ruled off the floor, and very correctly so, by the distinguished Presiding Officer, the gentleman from New York [Mr. O'CONNOR]. I want to say to the Members of this House that up until the time the Rules Committee changed the rule so as to provide for the procedure which we now have, and also to provide for omnibus bills, people having claims against this Government were neglected and received practically no consideration of the kind to which they were entitled.

Thanks to the chairman of the Rules Committee and his associates, this House is now proceeding in an orderly and businesslike way in connection with private claims. The interests of claimants are receiving fair consideration and the distinguished gentleman from California [Mr. COSTELLO] and his associates are protecting the Government wherever it needs protection, so that I think everybody is happy.

I think the gentleman from New York [Mr. O'CONNOR] is entitled to this little tribute this afternoon. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. RICH. Reserving the right to object, I should like to accommodate my colleague from Missouri, but I should like to know what he is going to talk about first?

Mr. COCHRAN. I want to answer the gentleman from Minnesota [Mr. PITTINGER].

Mr. RICH. Then, Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard. The Clerk will call the next bill.

JULIA LONG

The Clerk called the next bill, H. R. 8321, for the relief of Julia Long.

Mr. COCHRAN. Mr. Speaker, will the RECORD show that the gentleman from Pennsylvania [Mr. RICH], who is trying to save so much money for the Government, objected to my making some remarks?

Mr. PITTINGER. O, Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia Long, of Detroit Lakes, Minn., the sum of \$1,166.25. The payment of such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Julia Long as a result of the death of her daughter, Harriet Long, which occurred November 7, 1934, in a collision near the village of Richwood, Minn., between the automobile in which she was riding and a Government truck operated by an employee of the Office of Indian Affairs, Department of the Interior.

With the following committee amendment:

Page 2, line 3, after the word "Interior", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MERWIN A. KIEL

The Clerk called the next bill, H. R. 8322, for the relief of Merwin A. Kiel.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Merwin A. Kiel, of Detroit Lakes, Minn., the sum of \$3,697.75. The payment of such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Merwin A. Kiel as a result of permanent injuries suffered on November 7, 1934, in a collision which occurred near the village of Richwood, Minn., between his automobile and a Government truck operated by an employee of the Office of Indian Affairs, Department of the Interior.

With the following committee amendments:

Page 1, line 6, strike out "\$3,697.75" and insert "\$2,697.75"; page 2, line 3, after the word "Interior", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LINDA WRIGHT WARD

The Clerk called the next bill, H. R. 8413, for the relief of Linda Wright Ward.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Linda Wright Ward, of Portsmouth, Va., \$500.90, being the amount due representing her interest for a period of 11 months and 26 days on the purchase price of property taken over by the Government for use by the Nansemond Ordnance Depot, Pig Point, Portsmouth, Va., and for rent on said property for a period of 7 months.

With the following committee amendment:

Page 1, line 6, after the word "Virginia", strike out the remainder of line 6, all of lines 7, 8, 9, 10, and 11, and insert the following: "\$333.93, in full settlement of her claim against the United States for interest at 4 percent per annum for a period of 10 months and 18 days on the purchase price of property (\$9,451) taken over by the Government for use by the Nansemond Ordnance Depot, Pig Point, Portsmouth, Va., such principal sum having been delayed from payment to her for that period by the Government."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELSIE O'BRINE

The Clerk called the next bill, H. R. 8521, for the relief of Elsie O'Brine.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to

Elsie O'Brine, in full settlement of her claim against the United States on account of injuries sustained by her on October 18, 1932, when she was in a collision between an automobile in which she was riding and a truck of the United States Forest Service.

With the following committee amendment:

At the end of the bill, add: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAKER-WHITELEY COAL CO.

The Clerk called the next bill, H. R. 9058, for the relief of the Baker-Whiteley Coal Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Baker-Whiteley Coal Co., of Baltimore, Md., shall be entitled to the benefits of the act entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", approved June 16, 1934, with respect to its contract no. Tpr-40, entered into on August 10, 1933, for the furnishing of coal to the Government fuel yards at Washington, D. C., to the same extent and in the same manner as if said contract had been entered into prior to August 10, 1933.

With the following committee amendment:

In lines 3 and 4, strike out the words "That the Baker-Whiteley Coal Co., of Baltimore, Md., shall be entitled to the" and insert in lieu thereof the words: "That the Comptroller General of the United States is hereby authorized and directed to extend to the Baker-Whiteley Coal Co., of Baltimore, Md., the provisions and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONTIE HERMANSON

The Clerk called the next bill, H. R. 9170, for the relief of Montie Hermanson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Montie Hermanson, of Kansas City, Mo., the sum of \$5,000. Such sum shall be in full settlement of all claims against the United States on account of the death of Frank Hermanson, the husband of the said Montie Hermanson. The said Frank Hermanson, at the request of officers of the Federal Government, accompanied them and assisted them in the apprehension and arrest of one Frank Nash; and the said Frank Hermanson, together with others of the Federal officers, was slain at Kansas City, Mo., on June 17, 1933, by forces of gangdom attempting the release of the prisoner, Frank Nash: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 11, and page 2, line 1, strike out the words "apprehension and arrest of one Frank Nash" and insert in lieu thereof "return to Leavenworth Penitentiary of one Frank Nash, an escaped convict."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MYRTLE T. GROOMS

The Clerk called the next bill, H. R. 9171, for the relief of Myrtle T. Grooms.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Myrtle T. Grooms, of Kansas City, Mo., the sum of \$5,000. Such sum shall be in full settlement of all claims against the United States on account of the death of William J. Grooms, the husband of the said Myrtle T. Grooms. The said William J. Grooms, at the request of the officers of the Federal Government, accompanied them and assisted in the apprehension and arrest of one Frank Nash; and the said William J. Grooms, together with others of the Federal officers, was slain at Kansas City, Mo., on June 17, 1933, by forces of gangdom attempting the release of the prisoner, Frank Nash: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 11, and page 2, line 1, strike out the words "apprehension and arrest of one Frank Nash" and insert in lieu thereof "return to Leavenworth Penitentiary of one Frank Nash, an escaped convict."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN L. SUMMERS ET AL.

The Clerk called the next bill, H. R. 9369, for the relief of John L. Summers, former disbursing clerk, Treasury Department; and Frank White, G. F. Allen, H. T. Tate, and W. O. Woods, former Treasurers of the United States.

Mr. COCHRAN, Mr. COSTELLO, and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH MOSSEW

The Clerk called the next bill, H. R. 10521, for the relief of Joseph Mossew.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Mossew the sum of \$500 in full settlement of all claims against the Government of the United States. Such sum represents the amount of a fine paid by Joseph Mossew pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RASMUS BECH

The Clerk called the next bill, H. R. 11231, for the relief of Rasmus Bech.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$783 to the clerk of the United States District Court for the Eastern District of Washington, who shall, after an assignment to the United States, of the judgment of \$783 obtained by Rasmus Bech, of Spokane, Wash., against H. W. Richardson and Phillip Stalker, Federal pro-

hibition agents, satisfy such assigned judgment against the United States, of record, and shall thereafter pay such sum to said Rasmus Bech, in full settlement of his claim against the United States for personal injuries sustained when he was wrongfully assaulted by said officers, in the performance of their duties, on September 30, 1932, at Spokane, Wash.: *Provided,* That no part of the amount appropriated in this act in excess of 15 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 15 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 2, line 6, after the word "of", strike out the figures "15" and insert in lieu thereof the figures "10."

Page 2, line 11, after the word "of", strike out the figures "15" and insert in lieu thereof the figures "10."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED L. HUDSON AND WALTER K. JEFFERS

The Clerk called the next bill, S. 1111, for the relief of Alfred L. Hudson and Walter K. Jeffers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred L. Hudson, the sum of \$854.90, and to Walter K. Jeffers the sum of \$629.70 in full settlement of all claims against the Government for damages to their property caused by the lowering of the water level of the Chesapeake and Delaware Canal, 1½ miles west of the town of St. Georges, in New Castle County, in the State of Delaware: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. GUY L. HARTMAN

The Clerk called the next bill, S. 2719, for the relief of Capt. Guy L. Hartman.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

PAYMENT OF CERTAIN CLAIMS

The Clerk called the next bill, S. 2889, to authorize settlement, allowance, and payment of certain claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Bend Garage Co., Bend, Oreg., the sum of \$39 in full settlement of all claims against the United States on account of damages sustained in an automobile accident involving a Civilian Conservation Corps truck near Sweet Home, Oreg., on September 12, 1934.

Sec. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. N. Holbrook, Cumberland Gap, Tenn., the sum of \$1,547.33 in full settlement of all claims against the United States on account of damage to his filling station as a result of an accident involving a Civilian Conservation Corps truck on December 21, 1933: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to

the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Strike out all of section 2 of the bill down to the word "Provided," on page 2, line 6, and insert in lieu thereof the following: "That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the First National Bank of Chicago, for refund of \$11.75 on account of loss of that amount contained in official registered letter no. 842194, caused by robbery of a letter carrier in Chicago, Ill., on December 6, 1932, such an amount being the unexpended balance of a deposit made by the said bank with the Postal Service to defray the expense of a cablegram to a postal official of Yugoslavia directing the return of registered letter no. 531940, mailed at Chicago, November 25, 1932, by Ivan Markovic and addressed to Marija Markovic in Yugoslavia. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$11.75 for the payment of this claim."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of the Bend Garage Co. and the First National Bank of Chicago."

PETER CYMBOLUK

The Clerk called the next bill, S. 2961, for the relief of Peter Cymboluk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Cymboluk, of Chicago, Ill., the sum of \$1,500, representing the amount paid by him on the forfeited cash ball bond of Sidor Samchuk, who willfully defaulted on a criminal charge after having plead guilty, but who subsequently surrendered himself and was imprisoned: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, after "\$1,500", strike out the word "representing" and insert "in full settlement of his claim against the United States for."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMBERS OF BATTERY D, ONE HUNDRED AND NINETY-SEVENTH COAST ARTILLERY, NEW HAMPSHIRE NATIONAL GUARD

The Clerk called the next bill, S. 3173, to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, for which training they have not been paid because, being employees of the United States Navy Yard at Portsmouth, N. H., they were enlisted in violation of paragraph 3b (6) of National Guard Regulations 25 as then promulgated.

With the following committee amendments:

Page 1, line 8, after the word "Guard", insert "in full settlement of their claims against the United States."

Page 2, line 5, after the word "promulgated", insert the following: "Provided, That the Secretary of War shall have first determined the persons who are entitled to pay under this act: *Provided further,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or

received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read "An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard."

TONIO MORI MOTO

The Clerk called House Joint Resolution 388, to authorize the issuance to Tonio Mori Moto of a permit to reenter the United States.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Secretary of Labor is authorized and directed to issue to Tonio Mori Moto a permit to reenter the United States after a temporary visit to Japan, notwithstanding his ineligibility for admission for permanent residence.

With the following committee amendments:

Page 1, line 4, strike out "Tonio Mori Moto" and insert "Tomio Mori Moto."

Page 1, line 7, after the word "residence", insert "and to readmit him to the United States if he applies for readmission during the validity of his permit to reenter."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize the issuance of a reentry permit to Tomio Mori Moto and his readmission upon application while such permit remains valid."

A motion to reconsider was laid on the table.

COMMANDER PERCY TOD, BRITISH NAVY, AND LT. COMDR. CHARLES A. DE W. KITCAT, BRITISH NAVY

The Clerk called the next bill, H. R. 11053, authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy, in recognition of the skill and heroism displayed by these officers when the U. S. S. *Fulton*, en route from Hong Kong, British Crown colony, to Foochow, China, on March 14, 1934, was destroyed by fire.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUSTAVA HANNA

The Clerk called the next bill, H. R. 11425, for the relief of Gustava Hanna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gustava Hanna, widow of Matthew E. Hanna, late American Minister to Guatemala, the sum of \$10,000, equal to 1 year's salary of her deceased husband.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. MYERS

The Clerk called the next bill, H. R. 1743, for the relief of Joseph E. Myers.

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ROBERT L. MONK

The Clerk called the next bill, S. 1683, for the relief of Robert L. Monk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Robert L. Monk, of Gadsden, Ala., shall be held and considered to have served honorably in the First Regiment Alabama Volunteer Infantry from May 6, 1898, to October 31, 1898, and to have been honorably discharged from such service: *Provided,* That no compensation, retirement pay, back pay, or other benefit shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEADER OF THE ARMY BAND

The Clerk called the next bill, S. 3872, for the relief of the present leader of the Army Band.

Mr. RICH and Mr. TABER objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

ROSALIE PIAR SPRECHER (NEE ROSA PIAR)

The Clerk called the next bill, S. 3399, for the relief of Rosalie Piar Sprecher (nee Rosa Piar).

The SPEAKER. Is there objection to the consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Rosalie Piar Sprecher, who is the wife of H. C. Sprecher, an American citizen, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy more than 9 years prior to the effective date of this act and prior to her marriage in the United States to H. C. Sprecher. If she is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to Rosalie Piar Sprecher (nee Rosa Piar) under this act upon application hereafter filed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE M'GIRR AND ROSE M'GIRR

The Clerk called the next bill, H. R. 857, for the relief of Eugene McGirr and Rose McGirr.

Mr. HANCOCK of New York and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIAM HAYES

The Clerk called the next bill, H. R. 1439, for the relief of William Hayes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 to William Hayes as payment in full for personal injuries sustained by being struck by an automobile driven by Customs Patrol Inspector Herbert R. Bowen on August 31, 1929, in the city of Niagara Falls, N. Y.

With the following committee amendments:

Page 1, line 5, strike out "\$1,000" and insert in lieu thereof "\$700."

Line 6, strike out "as payment in full" and insert "in full settlement of all claims against the United States."

Line 9, strike out "1929" and insert "1928."

Line 10, after the word "York", insert a colon and the following: "Provided, That the Secretary of the Treasury is hereby authorized and directed to transfer to the miscellaneous receipts fund of the Treasury the sum of \$75 appropriated in the First Deficiency Act of March 26, 1930 (46 Stat. 124) for the benefit of William Hayes, as set forth in the schedule of claims contained in House Document No. 243, Seventy-first Congress: *Provided further,* That no part of the amount appropriated in this act in excess of

10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY O. GODDARD

The Clerk called the next bill, H. R. 1915, for the relief of Henry O. Goddard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and hereby is, authorized to consider and pass upon the application of Henry O. Goddard, of Rome, Ga., former railway mail clerk, for the benefits of the Compensation Act approved September 7, 1916, on account of injuries because of which claim was filed by him in August 1934, said injuries having originated in July 1931, but his degree of disability on account thereof not having prevented the performance of his duties until September 1, 1933.

Sec. 2. The Commission is authorized to waive the provisions of section 20 of said act, requiring that all claims be filed within 1 year from the date of injury: *Provided,* That no benefits shall accrue prior to the passage of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Henry O. Goddard, of Rome, Ga., a former railway mail clerk, and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for disability alleged to have been incurred and aggravated between July 1931 and August 1933 as a result of his employment in such capacity: *Provided,* That claim hereunder shall be filed within 90 days from the approval of this act: *Provided further,* That no benefits shall accrue prior to the approval of this act: *And provided further,* That the award of benefits, if any, under this act shall be in lieu of any retirement pay now received by Henry O. Goddard."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCILE SMITH

The Clerk called the next bill, H. R. 4565, for the relief of Lucile Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and instructed to receive and determine the claim of Lucile Smith, a former employee of the Veterans' Administration, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended: *Provided,* That no benefits shall accrue thereunder prior to the passage of this act.

With the following committee amendment:

Page 1, line 6, after the word "Administration", insert "who, it is alleged, because of her working conditions during the years 1922, 1923, and 1924 developed acute pleurisy, resulting in tuberculosis."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRENNER

The Clerk called the next bill, H. R. 4955, for the relief of the heirs of Jennie Brenner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the heirs of Jennie Brenner, the sum of

\$5,000. Such sum shall be in full settlement of all claims against the United States for damages sustained by such heirs on account of the death of the said Jennie Brenner who was fatally injured on October 25, 1934, when a United States mail truck collided with the automobile in which she was seated while such automobile was halted, in obedience to the traffic signal, at a street intersection in the city of Chicago, Ill.

With the following committee amendments:

Page 1, line 5, strike out "the heirs" and insert "administrator of the estate"; and in line 8, strike out "such heirs" and insert "it."

On page 2, after line 2, insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended, and a motion to reconsider was laid on the table.

JOHN A. M'GLOIN

The Clerk called the next bill, H. R. 6344, for the relief of the estate of John A. McGloin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Celia A. McGloin, administratrix of the estate of the late John A. McGloin, the sum of \$15,000. Such sum shall be in full settlement of all claims against the United States for damages on account of the forfeiture to the United States of 15 barrels of whisky seized under a search warrant in 1921, in a bonded warehouse in New York City operated by the said John A. McGloin. Later the United States District Court for the Southern District of New York ordered such whisky returned to the said John A. McGloin, but prior to such order such whisky had been sold or destroyed pursuant to an earlier order of such court.

With the following committee amendments:

Page 1, line 7, strike out "\$15,000" and insert "\$1,305"; line 9, strike out "15" and insert "11"; line 10, strike out "in 1921" and insert "on August 26, 1920."

On page 2, line 5, strike out "or destroyed."

And at the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have permission to sit during sessions of the House at such times as may be deemed necessary by the committee during the remainder of this session.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the Committee on Ways and Means may have permission of the House to sit during the sessions of the House at such times as may be deemed necessary by the committee during the remainder of the session. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether this is for the purpose of considering a tax bill.

Mr. COOPER of Tennessee. It is for the purpose of considering anything the committee may deem necessary to consider.

Mr. RICH. Does the committee expect to have hearings on a tax bill?

Mr. COOPER of Tennessee. Of course, the gentleman knows we usually have hearings on important matters like that.

Mr. RICH. Can the gentleman tell us how long he expects these hearings to continue?

Mr. COOPER of Tennessee. No; I cannot tell the gentleman that.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE PRIVATE CALENDAR

THOMAS J. ENGLISH

The Clerk called the next bill, H. R. 6951, for the relief of Thomas J. English.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Thomas J. English, which said Thomas J. English is alleged to have suffered injuries in 1928, while in the performance of his duties as postal clerk in the United States post office, Philadelphia, Pa.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, and hereby waived in favor of Thomas J. English, of Philadelphia, Pa., a former postal clerk, and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for injury and disability alleged to have been sustained in February or March 1928 as a result of his employment in such capacity: *Provided*, That claim hereunder shall be filed within 90 days from the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK ROTTKAMP

The Clerk called the bill (H. R. 6999) for the relief of Frank Rottkamp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank Rottkamp the sum of \$1,334 in full settlement of all claims against the Government of the United States for personal injuries caused as the result of dynamite blasting at Bethpage State Park, Long Island, N. Y., on February 19, 1934, on a works project employing Civil Works Administration employees, said injuries to Frank Rottkamp resulting from the failure of the Civil Works Administration employees to indicate properly the danger zone in the blasting operations.

With the following committee amendments:

Page 1, line 6, strike out "\$1,334" and insert "\$600."
Page 2, line 3, strike out the period insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARIANO BIONDI

The Clerk called the bill (H. R. 7529) for the relief of Mariano Biondi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in

the Treasury not otherwise appropriated, to Mariano Blondi, of New York City, the sum of \$1,000, in full settlement against the Government, as a compensation for injuries sustained when run down by a United States mail autotruck on October 19, 1933: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$1,000, in full settlement against the Government as a compensation" and insert "\$350, in full settlement of all claims against the United States."

Page 1, line 11, after the word "act", insert "in excess of 10 percent thereof."

Page 2, line 6, after the word "act", insert "in excess of 10 percent thereof."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

R. H. QUYNN

The Clerk called the bill (H. R. 8671) 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.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,200 to reimburse R. H. Quynn, lieutenant, United States Navy, for the loss of his furniture, clothing, and other personal effects of himself and family by fire originating from a house adjoining the house or quarters supplied him by the Navy Department, both situated inside the naval operating base at Hampton Roads, Va.; said fire occurring at the time he was stationed in the line of duty at the said naval operating base, and being without fault or negligence on his part: *Provided*, That the Secretary of the Navy shall have determined that the said officer was occupying his said quarters in the line of duty and that the loss occurred without fault or negligence on his part, which finding or determination of the Secretary of the Navy shall be conclusive upon the accounting officers of the Treasury.

With the following committee amendments:

Page 1, line 3, strike out "That there is hereby authorized to be appropriated" and insert "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay."

Page 1, line 6, strike out "\$1,200 to reimburse" and insert "\$900 to."

Page 1, line 8, insert "in full settlement of all claims against the United States."

Page 2, line 11, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended so as to read: "A bill for the relief of R. H. Quynn, lieutenant, United States Navy."

EDWIN PICKARD

The Clerk called the bill (H. R. 8685) for the relief of Edwin Pickard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin Pickard, of Gadsden, Etowah County, Ala., the sum of \$20.20 in full compensation for fees due to the said Edwin Pickard for services ren-

dered as United States commissioner for the northern district of Alabama, middle division, from October 4, 1934, to October 31, 1934.

With the following committee amendment:

Line 7, strike out "full compensation for fees due to the said Edwin Pickard", and insert "full settlement of his claim against the United States."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN N. HUNTER AND OTHERS

The Clerk called the 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. Putnam, postmaster at Kalamazoo, Mich.; and Merchants National Bank of South Bend, South Bend, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed as follows:

(a) To credit the account of John N. Hunter, postmaster at South Bend, Ind., in the sum of \$5,457.31, such sum representing the amount of the deficit in the account of said postmaster caused by paying invalid post-office money orders hereinafter mentioned;

(b) To credit the account of Edmund D. Cook, acting postmaster at Allegan, Mich., in the sum of \$1,652.87, such sum representing the amount of the deficit in the account of said acting postmaster caused by paying invalid post-office money orders hereinafter mentioned; and

(c) To credit the account of Fred C. Putnam, postmaster at Kalamazoo, Mich., in the sum of \$2,004.44, such sum representing the amount of the deficit in the account of said postmaster caused by paying invalid post-office money orders hereinafter mentioned.

Sec. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants National Bank of South Bend, South Bend, Ind., the sum of \$50 in full settlement against the Government for money which was paid by said bank on invalid post-office money orders, all of which has been recovered by said bank except said sum of \$50.

The above money orders were put in circulation under the following circumstances:

In the summer of 1933, Herman M. Sharpsteen was employed in the post office of Scotts, Mich., and lived in the same house with the postmaster, Mrs. G. E. Gibson.

He stole a numbered money-order book containing 200 blank orders and the money-order dating stamp and dating type. He then stamped the money orders with the dating stamp and 5 or 6 months later began issuing the money orders by stamping the dates, with the stolen dating stamp, in the impression of the dating stamp and writing his name in as payee and fictitious names as remitters. He then, over a period of 5 to 9 months, cashed these money orders at various banks where he was known.

These money orders, with the exception of two, were paid by the respective postmasters in due course. They were received by the banks and cashed by the postmasters in the regular course of business, were on their face in all respects identical with valid money orders, and were paid without knowledge of any facts indicating that they were fraudulent.

Two of these money orders, for \$100 each, were cashed by the Merchants National Bank of South Bend shortly before Sharpsteen was arrested. The bank recovered from Sharpsteen \$150, leaving a balance due of \$50.

No notice was given by the Post Office Department that these numbered money-order blanks had been stolen, although from 5 to 9 months had elapsed between the time they were stolen and the dates they were paid.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Comptroller General of the United States is hereby authorized and directed to credit the account of John N. Hunter, postmaster at South Bend, Ind., with the sum of \$4,762.31; the account of Edmund M. Cook, acting postmaster at Allegan, Mich., with the sum of \$1,652.87; and the account of Fred C. Putnam, postmaster at Kalamazoo, Mich., with the sum of \$2,001.86, representing the total amount of 93 postal money orders, stolen, fraudulently drawn, and negotiated by one Herman M. Sharpsteen between July 15, 1933, and June 22, 1934, and paid by the said postmasters upon proper presentation from certain banks, without fault or negligence on their part.

Sec. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants National Bank of South Bend, South Bend, Ind., the sum of \$50, representing a part of money paid by the said bank on invalid postal money orders, nos. 72983 and 72984; and to the St. Joseph Loan & Trust Co., of South Bend, Ind., the

sum of \$995, representing a refund on seven invalid postal money orders which it paid in the amount of \$695, and for which it was paid by the postmaster at South Bend, said bank subsequently refunding such amount to the said postmaster, and also representing a loss on three invalid postal money orders which it paid in the amount of \$300, but which payment the postmaster at South Bend refused to recognize. Such sums shall be in full settlement of all claims against the United States for the losses suffered by said banks arising out of the fraudulent negotiation of the said money orders by one Herman M. Sharpsteen between July 15, 1933, and June 22, 1934, and paid by the said banks without fault or negligence on their part.

Sec. 3. Nothing in this act shall be construed to prevent the recovery by the United States from Grace E. Gibson, former postmaster at Scotts, Mich., or the surety on her official bond, of the losses suffered by the United States as a result of the stealing and fraudulent negotiation of 98 postal money orders by said Herman M. Sharpsteen.

Sec. 4. No part of the amount appropriated in this act, or credited to any account by virtue of this act, in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with said claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of John N. Hunter, Edmund M. Cook, Fred C. Putnam, Merchants National Bank of South Bend, Ind., and St. Joseph Loan & Trust Co., of South Bend, Ind."

CERTAIN DISBURSING OFFICERS, UNITED STATES VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 9375) for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of the following-named disbursing officers of the United States Veterans' Administration of any and all sums standing as disallowances in said accounts on the books of the General Accounting Office where such disallowance is based upon overpayment of 50-percent loans on adjusted-service certificates as described herein: *Provided*, That this act shall not be interpreted to waive collections by the United States Government of loans on adjusted-service certificates and interest thereon:

1. J. B. Schommer, former disbursing clerk, Veterans' Administration, Washington, D. C., in the sum of \$1,849 (symbol 99220), which amount he expended during the period from March 1, 1931, to August 31, 1931; also, the sum of \$92.57 (symbol 99234), which amount he expended while acting as disbursing officer at Veterans' Administration regional office, Hartford, Conn., during the period March 11 to 31, 1931.

2. C. A. Wood, former disbursing officer at Veterans' Administration regional office, Atlanta, Ga., in the sum of \$307.59 (symbol 99102), which amount he expended during the period April 1, 1931 to September 30, 1932.

3. H. H. Barraclough, former disbursing officer at Veterans' Administration regional office, Boston, Mass., in the sum of \$678 (symbol 99106), which amount he expended during the period March 1, 1931, to November 30, 1931.

4. W. A. Birmingham, former disbursing officer at Veterans' Administration regional office, Buffalo, N. Y., in the sum of \$885 (symbol 99107), which amount he expended during the period April 1 to 30, 1931.

5. Ivan Carrico, disbursing officer at Veterans' Administration facility, Huntington, W. Va., in the sum of \$200 (symbol 99110), which amount he expended during March 1931.

6. Cary Dawson, disbursing officer at Veterans' Administration regional office, Cincinnati, Ohio, in the sum of \$1,166 (symbol 99113), which amount he expended during the period March 1 to April 30, 1931.

7. Loren W. Looker, former disbursing officer at Veterans' Administration regional office, Cleveland, Ohio, in the sum of \$359.02 (symbol 99114), which amount he expended during the period March 1 to April 30, 1931.

8. Charles S. Gawler, former disbursing officer at Veterans' Administration facility, Columbia, S. C., in the sum of \$265 (symbol 99115), which amount he expended during the period March 1 to 31, 1931.

9. R. E. Waters, former disbursing officer at Veterans' Administration regional office, Dallas, Tex., in the sums of \$150 (symbol 99230) and \$350 (symbol 89839), which amounts he expended during the period March 1, 1931, to January 31, 1933.

10. Marsden V. Bates, disbursing officer at Veterans' Administration regional office, Detroit, Mich., in the sum of \$766.50 (symbol 99119), which amount he expended during the period March 1 to May 31, 1931.

11. E. J. Cooper, disbursing officer at Veterans' Administration facility, Fort Harrison, Mont., in the sum of \$218 (symbol 99122), which amount she expended during the month of March 1931.

12. W. Weldon, former disbursing officer at Veterans' Administration facility, Hines, Ill., in the sum of \$768 (symbol 99231), which amount he expended during the period March 1 to November 30, 1931.

13. T. A. Dillon, disbursing officer at Veterans' Administration regional office, Indianapolis, Ind., in the sum of \$140 (symbol 99226), which amount he expended during the period March 1 to December 31, 1931.

14. Edna D. Duncan, disbursing officer at Veterans' Administration regional office, Little Rock, Ark., in the sum of \$260 (symbol 99128), which amount she expended during the period March 1 to 31, 1931.

15. Nina B. Harrison, former disbursing officer at Veterans' Administration facility, Los Angeles, Calif., in the sum of \$896.98 (symbol 99129), which amount she expended during the period April 1, 1931, to June 30, 1933.

16. James J. Gallagher, former disbursing officer at Veterans' Administration facility, Lyons, N. J., in the sum of \$1,269.54 (symbol 99136), which amount he expended during the period March 1, 1931, to August 31, 1932.

17. T. H. Daley, former disbursing officer at Veterans' Administration regional office, New Orleans, La., in the sum of \$400 (symbol 99137), which amount he expended during the period March 1 to April 30, 1931.

18. Don Iler, former disbursing officer at Veterans' Administration regional office, New York, N. Y., in the sum of \$180 (symbol 99138), which amount he expended during the period March 1, 1931, to June 30, 1933.

19. M. L. Morris, disbursing officer at Veterans' Administration regional office, Oklahoma City, Okla., in the sum of \$875 (symbol 99139), which amount he expended during the period March 1 to May 31, 1931.

20. Esther I. Rebman Davis, disbursing officer at Veterans' Administration regional office, Phoenix, Ariz., in the sum of \$50 (symbol 99191), which amount she expended during August 1932.

21. James B. Lappin, former disbursing officer at Veterans' Administration facility, Togus, Maine, in the sum of \$50 (symbol 99144), which amount he expended during the period March 1 to 31, 1931.

22. Joseph A. Walker, former disbursing officer at Veterans' Administration regional office, Pittsburgh, Pa., in the sum of \$855.20 (symbol 99210), which amount he expended during the period March 1, 1931, to August 31, 1931.

23. Teresa A. Orser, former disbursing officer at Veterans' Administration regional office, Providence, R. I., in the sum of \$126.09 (symbol 99146), which amount she expended during the period March 1 to April 30, 1931.

24. Harry F. Heisey, former disbursing officer at Veterans' Administration regional office, Richmond, Va., in the amount of \$100 (symbol 99148), which amount he expended during March 1931.

25. March B. Norvell, disbursing officer at Veterans' Administration regional office, San Antonio, Tex., in the amount of \$434.50 (symbol 99222), which amount she expended during the period April 1, 1930, to August 31, 1932.

26. Lucile S. McCracken, disbursing officer at Veterans' Administration regional office, San Francisco, Calif., in the sums of \$100 (symbol 99151) and \$100 (symbol 89881), which amounts she expended during the period March 1, 1931, to September 30, 1933.

27. Warren A. Minnis, former disbursing officer at Veterans' Administration facility, Bay Pines, Fla., in the sum of \$218 (symbol 99126), which amount was expended by him during the period April 1, 1931, to August 31, 1932.

28. George W. Wagner, former disbursing officer at Veterans' Administration facility, Wichita, Kans., in the sum of \$145 (symbol 99155), which amount he expended during the period March 1 to May 31, 1931:

Provided, That the General Accounting Office shall not hereafter charge the disbursing officers herein named with the amounts credited to them pursuant to this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. MANN

The Clerk called the bill (H. R. 9455) for the relief of Robert J. Mann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert J. Mann, of Waukesha, Wis., the sum of \$90. The payment of such sum shall be in full settlement of all claims against the United States on account of the slaughter, prior to their registration as purebreds, of three head of diseased cattle owned by the said Robert J. Mann. Such sum represents the difference between the amount which the said Robert J. Mann would have received from the Department of Agriculture had such cattle been registered as purebred animals prior to their appraisal and the amount which he has been paid by such Department.

With the following committee amendment:

Page 2, line 3, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this

act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PERKINS-CAMPBELL CO.

The Clerk called the next bill, S. 277, for the relief of the Perkins-Campbell Co.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill, under the rule, was recommitted to the Committee on Claims.

UNION IRON WORKS

The Clerk called the next bill, S. 918, to carry out the findings of the Court of Claims in the case of the Union Iron Works.

The SPEAKER. Is there objection?

Mr. COCHRAN, Mr. HOPE, Mr. HANCOCK of New York, Mr. RICH, and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

W. W. COOK

The Clerk called the next bill, S. 1837, for the relief of W. W. Cook.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund, out of any money in the Treasury not otherwise appropriated, to W. W. Cook, of Pella, Iowa, the sum of \$30, under existing rules and regulations, said amount having been illegally collected from said W. W. Cook.

With the following committee amendments:

Page 1, line 4, strike out "refund" and insert the word "pay"; page 1, line 6, strike out "under existing rules and regulations, said amount having been illegally collected from said W. W. Cook" and insert in lieu thereof the following: "in full settlement of his claim against the United States for the refund due him on two broker's special tax stamps, no liability to such special tax having been incurred by him, and for which refund he has made timely claim: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK B. NILES

The Clerk called the next bill, S. 2188, for the relief of the estate of Frank B. Niles.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed, in the settlement of the account of Frank B. Niles, former collector of internal revenue for the tenth district of Ohio, to allow the sum of \$2,811.53 now standing as a disallowance in the accounts of said Frank B. Niles, representing sums erroneously paid out by him in good faith to deputy collectors for meals and lodging at designated posts of duty from June 1, 1918, to March 31, 1919, as set forth in fiscal officer's certificate no. 17576.

With the following committee amendment:

Page 1, line 8, after the word "Niles", insert the words "now deceased."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES E. McDONALD

The Clerk called the next bill, S. 2590, for the relief of James E. McDonald.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of James E. McDonald, former postmaster at Cohoes, Albany County, State of New York, in the sum of \$13,723.70, due the United States on account of loss of postal funds, embezzled by Michael A. Walsh, his then deputy postmaster, during the incumbency of said James E. McDonald in said office from April 11, 1922, to October 30, 1930: *Provided, however,* That the crediting of said amount to the account of the said James E. McDonald shall not be deemed to exonerate, and shall not exonerate, the said Michael A. Walsh, or his sureties on any official bond or bonds which he has given to the United States, and that the United States hereby expressly reserves the right to sue the said Michael A. Walsh and his sureties for any and all moneys which may be found to be due from the said Michael A. Walsh.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. BRITAN

The Clerk called the next bill, S. 3001, for the relief of Walter F. Britan.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter F. Britan, of Great Falls, Mont., the sum of \$1,890 in full satisfaction of his claim against the United States for the value of improvements made by him on certain land located in the State of Montana, the use of which was purported to have been granted to him by a permit issued on November 5, 1930, by the Forest Service of the Department of Agriculture, but which he was subsequently forced to abandon because such land, in fact, belonged to other individuals: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH M. CACACE, ET AL.

The Clerk called the next bill, S. 3090, for the relief of Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne.

The SPEAKER. Is there objection?

Mr. COCHRAN and Mr. RICH objected, and the bill, under the rule, was recommitted to the Committee on Claims.

MARY HOBART

The Clerk called the next bill, S. 3274, for the relief of Mary Hobart.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Hobart, of Nekooosa, Wis., the sum of \$75, in full satisfaction of her claim against the United States for damages arising out of the death of a horse owned by her which was killed by a stump that was blown up by members of the Civilian Conservation Corps engaged in blasting operations in Adams County, Wis., on August 20, 1934: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF DISBURSING OFFICERS OF THE U. S. ARMY

The Clerk called the next bill, S. 3683, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Maj. Stephen E. Beard, Finance Department, \$28; Capt. Lester L. Boggs, Finance Department, \$72; Maj. Walter D. Dabney, Finance Department, \$17; Maj. Horace G. Foster, Finance Department, \$45 and \$50; Capt. Columbus B. Lenow, Finance Department, \$30; Maj. D. W. Morey, Finance Department, \$60; and Maj. Arthur O. Walsh, Finance Department, \$30; said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due former members of the Civilian Conservation Corps, who are no longer enrolled in that corps, and which amounts have been disallowed by the Comptroller General of the United States: *Provided*, That no part of the amounts so credited shall be later charged against any individual other than the various payees.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Capt. Bigelow B. Barbee, Finance Department, the sum of \$81; Capt. Jefferson E. Kidd, Infantry Reserve, the sum of \$81; Second Lt. Francis T. Pachler, United States Infantry, the sum of \$10; Capt. Carl M. Innis, United States Infantry, the sum of \$12.50; and Second Lt. Robert V. Klepinger, Field Artillery Reserve, the sum of \$12.50, or so much of said sums as shall have been collected from them prior to the approval of this act, representing refundments of overpayments made Civilian Conservation Corps enrollees and allottees, the collection of which amounts cannot be effected from the persons to whom such erroneous payments have been made: *Provided*, That no part of these amounts shall be charged to any person other than the payees.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Charles K. McAllister, Finance Department, the sum of \$147.73, public funds for which he is accountable and which represents overpayments made to several members of the Civilian Conservation Corps who are no longer enrolled in that corps and from whom collection cannot be effected.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the United States the amounts set opposite their names: Capt. Bigelow B. Barbee, Finance Department, \$81.50, and Maj. John H. Harrington (Coast Artillery Corps), Finance Department, \$98.16, being public funds for which they are accountable and which were paid by them for medical expenses and burial expenses of a child killed as a result of an automobile accident involving a Civilian Conservation Corps truck, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Clarence A. Frank, Finance Department, \$45.83; Capt. Charles W. Hensey, Finance Department, \$12; Maj. Royal G. Jenks, Finance Department, \$9.40; Maj. James A. Marmon, Finance Department, \$10.75; Maj. Cherubusco Newton, Jr., Finance Department, \$8.52; Maj. Frank E. Parker, Finance Department, \$76.51; Maj. Bickford E. Sawyer, Finance Department, \$12; and Maj. John L. Tunstall, Finance Department, \$132.96, being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Frank Brezina, Philippine Scouts, Quartermaster Corps, \$22.83, public funds for which he is accountable and which represent payments on account of rental due Teesdale, Newman & Co., Shanghai, China, and which amount has been disallowed by the Comptroller General of the United States.

SEC. 7. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. Robert W. Yates, Field Artillery, the sum of \$38, public funds for which he is accountable and which were paid by him to Maj. Robert B. Laing, Infantry Reserve, for commutation of quarters and which amount was disallowed by the Comptroller General of the United States: *Provided*, That the amounts so paid shall not be charged against any moneys otherwise due the payee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF BAUSCH & LOMB OPTICAL CO.

The Clerk called the next bill, S. 2268, for the relief of Bausch & Lomb Optical Co.

The SPEAKER. Is there objection?

Mr. COCHRAN and Mr. RICH objected; and the bill, under the rule, was recommitted to the Committee on War Claims.

RALPH B. SESSOMS

The Clerk called the next bill, H. R. 8775, for the relief of Ralph B. Sessoms.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, there is no Calendar No. 970 on the calendar that I have.

The SPEAKER. This bill, for some reason, was inadvertently omitted from the calendar and has not been called.

The Clerk read the title of the bill.

Mr. COCHRAN. Mr. Speaker, I object until we find out what these bills are. They may be claims involving \$200,000 for all we know.

Mr. HOPE. Mr. Speaker, I object.

The SPEAKER. The Chair suggests that the bill be passed over without prejudice.

Mr. COCHRAN. I ask that the rest of the bills go over without prejudice.

The SPEAKER. There is only this bill. There are no others.

Is there objection to the request of the gentleman from Missouri that this bill, H. R. 8775, be passed over without prejudice?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

Pending this motion, Mr. Speaker, I should like to have an agreement with my colleague, the gentleman from Pennsylvania [Mr. DITTER], who is the ranking minority Member, on a division of the time. Would it suit the gentleman to let general debate continue throughout today and tomorrow to be equally divided and controlled by the gentleman from Pennsylvania and myself?

Mr. DITTER. It is very agreeable to me, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, a great many requests on both sides of the aisle for general debate have been placed with the gentleman from Pennsylvania and myself.

Mr. Speaker, I ask unanimous consent that general debate continue throughout today and tomorrow to be equally divided and controlled by the gentleman from Pennsylvania and myself.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I shall not object, of course, but may I inquire of the gentleman from Texas, the chairman of the subcommittee, if he thinks it reasonable to expect that general debate can be concluded tomorrow.

Mr. BLANTON. From the number of requests, I doubt it. We have enough requests for time during general debate to go into Thursday, but I feel sure we can finish this bill on Friday.

Mr. BANKHEAD. I realize, of course, that under general debate is about the only opportunity a great many Members have to speak. This is the reason I have taken occasion at times to object to special requests. I am not disposed to be too rigid on general debate, but I am merely expressing the hope that we can get through this bill as soon as possible, because another appropriation bill is ready for consideration.

Mr. BLANTON. It is a matter that rests with the Speaker and the majority leader; whatever they wish us to do we will do.

Mr. BANKHEAD. I do not think the gentleman ought to put it that way.

Mr. BLANTON. What I mean is that we will carry out the orders of our Speaker and majority leader.

Mr. BANKHEAD. I am merely trying to find out how much time the gentleman thinks general debate on this bill will require.

Mr. BLANTON. It will require more than tomorrow.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. RICH. I wonder why the majority leader objected to my speaking for 3 minutes this afternoon?

Mr. BLANTON. Because the gentleman's colleague from Pennsylvania will give him all the time he wants.

Mr. RICH. When I get the floor I wonder if the majority leader is going to be present, because I want to find out from him why we continue to have these increased appropriations. I want to talk to the majority leader.

Mr. BLANTON. Mr. Speaker, whenever the gentleman from Pennsylvania gets our majority leader properly stirred up he is going to find out lots of things from him. [Applause.]

The SPEAKER. The gentleman from Texas [Mr. BLANTON] asked unanimous consent that general debate may continue throughout the balance of today and tomorrow to be equally divided and controlled by himself and the gentleman from Pennsylvania [Mr. DITTER]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11581, the District of Columbia appropriation bill for the fiscal year 1937, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, the Committee on Appropriations brings in this bill with a unanimous report from the subcommittee that framed it and without a vote against it in the main committee.

Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, a few moments ago the gentleman from Minnesota, [Mr. PITTEMBERG] was granted unanimous consent to address the House, and he complimented the Members on the manner in which the House was proceeding under the new Private Calendar rule. He likewise paid tribute to those who he said were responsible for the adoption of the new Private Calendar rule and added that hundreds of American citizens who had previously been denied a fair hearing on their claims before the Congress were now receiving justice.

I was very anxious, Mr. Chairman, to have immediately replied to the statement of the gentleman from Minnesota, and when I asked unanimous consent for such permission the gentleman from Pennsylvania [Mr. RICH] objected and denied me that opportunity. I was rather surprised at the attitude of the gentleman from Pennsylvania, because he has been preaching almost daily about Government expenditures and balancing the Budget, and, naturally, I felt he would like to have someone answer his colleague from Minnesota, who is not so particular about the Treasury. The other day the gentleman from Pennsylvania [Mr. RICH] was rather critical in some remarks, and he named a number of Members of the House on the Democratic side who happened to be chairmen of various committees, saying that those men were responsible for the expenditures of which he was complaining. A Member of the House asked him why he did not include the Speaker, and he replied that the Speaker was an honest man. If you will read his remarks you will see the inference that while the Speaker is an honest man—which we all agree—the various chairmen of committees that he named were not placed in the same category. I think it

would be well if my friend from Pennsylvania would read over his remarks very carefully and make a proper correction for the permanent RECORD.

While the gentleman from Pennsylvania [Mr. RICH] was over in the corner correcting the remarks that I refer to, an amendment was offered to the Agriculture appropriation bill providing for an additional \$25,000,000 appropriation to purchase forest lands. Did the gentleman from Pennsylvania, who is making so much noise about expenditures, vote against that amendment? No. He remained in his seat; and, although tellers were asked for by the gentleman in charge of the committee [Mr. CANNON of Missouri], the gentleman from Pennsylvania did not vote; and I personally called his attention to the fact immediately thereafter. [Laughter.] It seems to me that if the gentleman is going to be consistent he should oppose the efforts of some Members to increase the appropriations. In other words, act as well as talk. I told him so a little while ago, and since then he joined me in objecting to some bills.

Getting back to the Private Calendar rule, Mr. Chairman, we all admit that the old Private Calendar rule did not work satisfactory and we will likewise admit that many meritorious claims, calling for small amounts, were objected to by a single Member, and under the old rule that was equivalent to killing the bill. I am sure that all the Members hoped that when the new rule was adopted that more careful consideration would be given to meritorious claims on the Private Calendar.

Mr. Chairman, I do not blame the gentleman from Minnesota [Mr. PITTEMBERG] for complimenting the House as he did, because if there is one Member of this House who has been able to secure the enactment of private-claims bills, it has been the gentleman from Minnesota [Mr. PITTEMBERG]. He has sponsored any number of private claims and is entitled to the credit of having secured the passage of more such legislation than any individual Member of this House, especially when the amount involved is considered. I am only going to refer to one bill which passed during the last session and that was the Minnesota fire-claims bill which will cost the Treasury of the United States something around \$15,000,000. As you all know, that bill was in dispute for many, many years. Under the old rule it was defeated. I did not happen to be here at the time it passed in the last session, as I was ill, but had I been present I would have opposed it as I have always done, because I felt when the claimants, having accepted payment on their claims originally, the case should have been closed and additional relief should not have been granted. The Comptroller General's Office is now paying those claims, and I understand they are not satisfied in having the property claims considered, they are now presenting claims alleging personal injuries as a result of that fire and want those claims paid by the Comptroller General. The claim was made they only received 50 percent in the first instance. This bill was to give them 50 percent more—about thirty million in all.

I fully believe that where a citizen suffers personal injury by reason of the negligence of a Government employee or someone is killed due to the fault of a Government employee that Congress should allow damages and I have supported such bills, but once a claim is settled it should end there.

Under the new rule when a bill is objected to by two or more Members it is recommitted to the committee and that committee has the right to bring out an omnibus claims bill containing any number of the bills that the committee desires that were objected to.

On Monday, February 17, I placed in the RECORD a statement in reference to various claims that were included in omnibus claims bills. At that time there were six such bills on the calendar, but since then several other omnibus bills have been reported, and before the time arrives for the consideration of these bills I intend to put a statement in the RECORD relative to certain bills which I feel have no merit and should not be passed.

Simply to give you an idea of some of the bills that were on the calendar today, let me call your attention to four that I objected to.

The first one was to pay out of the Treasury to one Capt. Guy L. Hartman \$20,000. Captain Hartman was in trouble with the Government, and due to an indictment he was released on a \$20,000 bail bond on May 22, 1915. The bond was forfeited. He claimed he was in Mexico at the time, too sick to travel. Now listen to this: The report says that Captain Hartman was a country-bred, unsophisticated young man imposed upon and made a tool by older men, some of them Government officials, conspiring to defraud the Government of whisky excise taxes. Just think of it—a captain in the World War, holder of the Distinguished Service Cross and Croix de Guerre, as well as recommended for the Congressional Medal of Honor, according to the report, was a country-bred, unsophisticated young man. If you will read the report, you will see that the Department of Justice says:

There is no question about Captain Hartman having been engaged in the gigantic illicit whisky enterprise. His going to Mexico was not only to avoid what to him seemed his evident conviction but was to make himself unavailable as a material witness as to other defendants. Therefore this claim seems to be without merit.

Even in view of this recommendation the committee reports the bill favorably, and says return the \$20,000 that was deposited for his appearance. You have thousands of cases where bail was forfeited. Are we to return all the money?

The second bill that I objected to today provided for the payment out of the Treasury to the Union Iron Works, and the title says it is to carry out the findings of the Court of Claims in the case. I am going to quote the conclusion of law of the Court of Claims. You will see the title is misleading.

Upon the foregoing special findings of fact, which are made part of the judgment herein, the court decides, as a conclusion of law, that plaintiff is not entitled to recover, and its petition is dismissed.

Judgment is rendered against the plaintiff (the Union Iron Works) for the cost of printing the record herein, the amount thereof to be ascertained by the clerk and collected by him according to law, which amount is found to be \$2,159.82.

I think that is enough to convince any fair-minded man that the Congress of the United States has no right to pass this bill. Despite the fact that the Court of Claims said "no", and even made the plaintiff pay the cost, the committee wants us to pay this firm \$165,284.53.

The third case was to refer to the Court of Claims a claim where the Government secured judgment in the United States District Court for the Eastern District of Virginia. This is another bail-bond case, where the defendant failed to appear when the case was called, but later did appear. If this bill were passed and the Court of Claims acted favorably, the judgment against Joseph M. Cacace, Charles M. Cacace, and Mary E. Clibourne would be set aside and you would have hundreds of such claims presented to the Court of Claims. What right has the Congress to send such a case to the Court of Claims, especially in view of the fact that a United States district court has already rendered judgment in favor of the Government. This would cost the Treasury \$10,000.

The fourth case I objected to was a claim providing for the Secretary of the Treasury to pay to Bausch & Lomb Optical Co. \$33,487.33. This is an old war claim. It has been before the Navy Department and likewise before the Court of Claims. What was the conclusion of law in that case? Let me quote:

Upon the foregoing special findings of fact, which are made a part of the judgment herein, the court decides as a conclusion of law that plaintiff is entitled to recover \$707.89.

It is, therefore, adjudged and ordered that the plaintiff recover of and from the United States the sum of \$707.89.

Here you have a case where the Court of Claims says the plaintiff is entitled to recover \$707.89 and you have the Committee on War Claims bringing in a bill authorizing the Secretary of the Treasury to pay \$33,487.33. Are these cases some of the meritorious claims the gentleman from Minnesota [Mr. PITTEMBERG] speaks about?

I am just citing these claims as an example of some of the bills that have been reported to the House, and while I realize that Members of the House are extremely busy, still it seems to me that this racket of lawyers who prosecute these claims before the House and Senate committees should

be stopped, and if it is not stopped it is going to develop into a scandal.

There is another matter that should receive the attention of all Members, and that is the clause which limits the fees to lawyers. It was a step in the right direction when we limited the fees to 10 percent, but I am strongly of the opinion that in the great majority of claims that are considered by the House we should provide for the elimination of all attorney fees. Why should an attorney be entitled to money where we are going to pay a citizen because he or she was injured as a result of the negligence of a Government agent when the report shows in many cases that not even one affidavit has been submitted and in other cases that only one or two affidavits have been submitted? These claims, as you all know, are decided on the recommendations of the various Government departments, and when we let an attorney secure a fee because we pass a bill of that kind we are in effect simply recognizing a lobbyist. We should protect the claimant in such cases.

Mr. BLANTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. COCHRAN. Mr. Chairman, the gentleman from New York [Mr. TABER] calls my attention to the veto messages of the President. Yes; it is true the President has vetoed many private bills. In fact, I think he has vetoed more private bills in the last 3 years than any three Presidents have vetoed. It is evident he is going to continue because he sent down some additional veto messages today. Every time he vetoes a private bill we should take notice and not send bills of a similar character to him.

It is no pleasure for me to object to the passage of these bills. I am chairman of the Committee on Expenditures, and it seems for this reason some Government officials as well as citizens call my attention to some of the bills. Therefore, I feel it is my duty, after looking into the merits of the bills, to object if I come to the conclusion they should not be passed. In the past 10 days about six lawyers and lobbyists and two dozen Members of Congress have approached me about two bills on the Unanimous Consent Calendar. One of those bills will cost the Treasury over a million dollars. I am getting a report on it and will be prepared when the bill is called up to defend whatever action I decide to take. Last week a lady called at my office about an Indian claim. She wanted me to withdraw my objection, saying she was from my State. The bill she is interested in has not been called, but she knew I had objected to many Indian claims bills. I received a letter a few days after her visit from her in which she informed me that an attorney in my State was going to run for Congress and be elected because he would pledge himself to look after such claims. So, you see, it is not pleasure for one to oppose private bills, but we must think of the Treasury and the taxpayer now and then.

Under the new rule the omnibus claims bills will be considered on March 17. We all know what day that is. I can say now that I feel confident that some of us who have Irish blood in our veins will assume a fighting attitude on that day and I will be greatly disappointed if we do not succeed in stopping these raids upon the Treasury. So be around and look for a little fight. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the Committee, the subject of copyright is one of the most intricate and complicated problems that confronts the Members of Congress today.

In the time allotted to me I shall endeavor to trace the history of copyright legislation so that any Member of Congress may be in a position to comprehend all the complexities and ramifications involved in this extremely technical subject.

Mr. Chairman, you may search through the writings of ancient and medieval times and not find a word indicative of any right possessed by the author of a book to control the multiplication of copies.

During the Dark Ages of civilization all books were written by hand with colored initial illumination, sometimes taking years to produce one book. This method made it

difficult and expensive to multiply copies. In the year 1454 Guttenberg invented the movable type of printing, which made the multiplication of copies extremely easy and brought the printed text within the reach of all the people of Europe. It was this great invention, accidentally discovered, that brought about the Renaissance of literature and made it possible for learning, culture, and education to be disseminated amongst the peoples of the world.

In the year 1533 King Henry the Eighth requested the Pope to grant him a divorce from his wife, Anne Boleyn. Clement the Seventh, the supreme pontiff of the Catholic Church, refused to grant his request. Henry the Eighth severed all spiritual relationships with the Catholic Church and founded the religious reformation in England and named the Archbishop of Canterbury the supreme power in all ecclesiastical matters of Great Britain.

In order to control the publication of pamphlets opposing his action in regard to the differences between himself and the Pope of Rome, Henry VIII, King of England, issued special exclusive licenses to 20 printers of his kingdom, granting them a monopoly to print such books as passed his censorship. The shrewd Henry required all printers to serve an apprenticeship of 7 years, thus assuming control of the printing craft from all angles.

After the death of Henry VIII in 1547, up to the year 1776 an acrimonious controversy raged between printers, booksellers, and lawyers as to whether the right to multiply copies of their books was a privilege or an inherent property right. The courts finally decided this function to be a property right.

During the subsequent reigns of Elizabeth, James I, Charles I, the protectorship of Cromwell, the reigns of Charles II, James II, William and Mary, up to Anne, the controversy raged without abatement. In Anne's time Scottish printers were flooding the English market with their piratical publications, underselling the English printers in their own land. The English publishers appealed to Parliament for relief, and Dean Swift is reputed to have drawn the so-called Statute of Anne granting the English publishers protection against the infringement of the Scots. This act was probably the first copyright law ever enacted in the history of the civilized nations of the world.

The tragedy of the Queen Anne Statute was that it placed copyright in the name of the publisher instead of the author. This made the author the intellectual slave of the publisher, and this grievous error has been perpetrated in every copyright law of our Nation up to the present time.

The Queen Anne Statute provided that the person breaking that law should be fined a penny a page, one-half the fine to go to the Crown and the other half to the printer or bookseller whose rights had been infringed.

The Queen Anne Statute further provided that if a bookseller charged too high a price for the publications he sold, on complaint before named officials he was haled before the bench and fined £5 sterling, and Anne got half of that. Books in Latin, Greek, or other foreign languages were exempted from the effects of the Statute of Anne.

George I and George II reigned and passed on. Under the regime of George III revolution broke out in the American Colonies of Great Britain, and culminated in the establishment of a new nation. The Colonies, and later the States, had passed separate copyright laws, which were limited to their own territories. Connecticut led off and New York was last. Delaware never passed a copyright act. To the Second Continental Congress were submitted a series of petitions for a clarification of the various State copyright laws. These petitions were turned over to a committee of Congress composed of Madison, Williamson, and Izard. Congress took action in a resolution dated May 2, 1783, which read:

Resolved, That it be recommended to the several States, to secure to the authors or publishers of any new books not hitherto printed, being citizens of the United States, and to their executors, administrators, and assigns, the copyright of such books for a certain time not less than 14 years from the first publication; and to secure to the said authors, if they shall survive the term first mentioned, and to their executors, administrators, and assigns, the copyright of such books for another term of time not less than 14

years, such copy or exclusive right of printing, publishing, or vending the same, to be secured to the original authors or publishers, their executors, administrators, and assigns, by such laws and under such restrictions as the several States may deem proper.

When the Constitution of the United States was drawn there was much discussion as to how the accepted rights of authors and inventors should be protected; and finally, under the inspiring influence of the leading author, inventor, and scientist of the United States, Benjamin Franklin, who was a member of the Constitutional Convention in 1787, Pickney, of South Carolina, moved the adoption of article I, section 8, paragraph 8, of the Constitution, which states:

Congress shall have the power . . . to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

The First Congress under the Constitution, in its second session, on May 31, 1790, passed the original Copyright Act of the United States. This act was a digest of the basic elements of the Copyright Act of Great Britain and the copyright acts of the various States. The phrase "sole right and liberty" of the Copyright Statute of Anne was used twice in reference to the first term of 14 years and "exclusive right" of the Constitution for the second term of 14 years.

The Copyright Act of 1790 applied to maps, charts, and books. The new immigrants needed maps to indicate the routes they might take toward the free land in the new country; charts to show the water routes; copyright on books to protect the future development of American authors, since there were few American authors at that time. The majority of the immigrant families had only two books, Shakespeare and the Bible. It might interest my distinguished colleagues in the House to know that the first American history written by an American over 200 years ago was the work of Cadwallader Colden, of colonial days. Cadwallader Colden was one of the forebears of Congressman CHARLES J. COLDEN, of California, a member of the Committee on Patents. The title of the work was "A History of the Five Tribes" and was written for the purpose of arousing the sympathies of the English people to protect the New York colonies engaged in the fur trade of New York and the Great Lakes against the encroachments of the French fur traders who operated from Montreal. Judge Charles S. Colden, of Queens, N. Y., and other Coldens are descendants of this early pioneer, historian, botanist, scientist, and Lieutenant Governor of New York. The Copyright Act of 1790 lasted, unamended, until April 1802, when the benefits of the first act were extended to the arts of designing, engraving, and etching historical and other prints. In 1819 an act was passed by the Congress extending the jurisdiction of the Federal circuit courts in law and equity to original cognizance of suits, actions, controversies, and cases "arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries."

Note the use of the words "granting" and "confirming." In the Constitution the word used is "securing."

In 1831 an act was passed by Congress "to amend the several acts respecting copyright." Between that time and the present, 26 amendments of the law on copyright have passed Congress. Copyright to dramatic productions was accomplished by the act of 1856, which encouraged and protected the latent capacities of potential dramatists of that time and the future, and to photographs by the act of 1865, due mainly to the extraordinary photographic work of the famous Brady. The Copyright Acts of 1870, 1874, 1891, 1897, and 1909 were of major importance, particularly the Copyright Acts of 1871, 1897, and 1909, in which was inserted the manufacturing clauses, which compelled books in English to be printed in the United States whether written by Americans or foreigners, thus protecting the American printing industry and printers from the importation of foreign books printed in English and manufactured abroad by European cheap labor; only under these conditions would American copyright be granted.

From 1909 up to the present time, 1936, a period of 27 years, no important amendments have been passed by Con-

gress that change the basic elements of the copyright law. Revolutionary developments in communications, such as radio broadcasting, wired wireless, and the application of the spoken word or dialog to motion pictures have brought entirely new phases to the transfer of thoughts from the author to the auditor. To these accomplished facts must be added television, which, although just out of the research laboratory, has progressed far enough to competent observers to be ready for public performance reaching into every household in the country, challenging the future stability of radio, motion pictures, theaters, newspapers, magazines, periodicals, and publications.

All of these methods of communication far removed from type, lithography, or the later methods, require protection, and that protection can only be given through the copyright bill that I have introduced in Congress.

For 225 years, from 1709 to 1936, the author, the creator of intellectual offspring, has been demanding the right to copyright in his own name instead of the name of the stepfather—the publisher. The copyright bill that I have introduced in the House of Representatives, H. R. 11420, emancipates the author from his bondage to the publisher and releases him from intellectual peonage. For the first time in the history of our Nation, copyright is granted to the author in my copyright bill.

Everyone, including the publishers, now seem agreed that, starting with the author as the copyright owner, all rights, titles, and interest derived in any part of his work will be clearer, better protected, and more easily traced. Let us shatter the millstone that has been hung around the neck of the author since the time of Henry the Eighth, due to Henry's sinister intention to control free print by monopolies granted to publications. In patents, the letters patent is granted to the inventor and not to the manufacturer. Then, why should not the author be given the same right to have copyright in his own name, as the inventor has letters patent in his own name? Why make flesh out of the inventor and fish out of the author?

Under the provisions of my bill, the author can never lose copyright except by his own act, either by assignment through sale or by granting a license to print. Under my bill, the author has the right to the divisibility of copyright. That means that every author has complete legal right to convey any and all privileges to licensees. As an illustration of this provision, the author of a novel may legally license the serial rights to a magazine, book rights to a book publisher, theatrical rights to a manager, motion-picture rights to a producer, and radio rights to a broadcaster. My bill further protects the licensee to the same extent as the present act protects the copyright proprietor. Without looking to anybody else, the licensee has the absolute legal right to enforce and protect his license. This again makes for clarity of titles, and clarity of title is as essential to the author as it is to the licensee.

My bill protects the innocent infringer. The present law, except in the case of certain infringements by motion-picture producers, takes no account of innocence in infringement. My bill takes account of innocence; for instance, innocent printers who act merely to print a work and have no other interest in it are subject only to injunctions against future printings.

Aside from these specific instances, all innocent infringers are treated alike under the provisions of my bill, and are protected by provisions which limit the amount of recovery and the character of the remedy when the infringement is innocently performed.

The Sirovich copyright bill provides a single term of 56 years in place of the present dual terms of 28 years. I believe the long single term to be better for the author than two split terms. Once his or her copyright is granted, it is granted for the full term and no further attention by the author is required to protect his rights under the grant.

In Europe nations which are signatories to the Bern Convention, which convention was created for the protection of literary and artistic works, no formalities whatever are necessary to secure copyright. In our country for a period of 146 years we required registration, notice, and publication. The

author is required to place upon his work a copyright notice and to register his work in the Copyright Office in Washington and deposit copies of his work with the Register of Copyrights. The European method of copyright is known as the automatic copyright, because no formalities whatsoever are required. In America we demand registration notices and publication, in order that everyone may know the names of the author, the publisher, and the fact that the work has been copyrighted.

To my mind, the automatic copyright method, which is the European system, is a most dangerous one. It is conducive to countless suits of infringement and rackets, which would bring chaos and confusion to the author and publisher. The American system is simple and well understood by authors and publishers, and has worked to the satisfaction of the American people, as is evidenced by the fact that only about 800 suits for infringement of copyright have been brought in the last hundred years, most of these in the last decade.

If Congress adopts the European method of copyright, as set forth in the Berne Convention, while most of the nations of Europe are under the absolute dominance of dictators, where freedom of press, freedom of speech, freedom of action, and freedom to worship God is denied to the inhabitants of these countries, and the works of the greatest scholars are being burned in the fires of bigotry, America will be false to the democratic traditions embodied in the Declaration of Independence and consecrated in the Constitution of the United States of America. [Applause.]

If the United States of America declines, through legislative action, to enter the Bern Convention, my bill endows the President of the United States of America, if he should find in any foreign country any prohibitions or limitations of any sort detrimental to American copyright holders, with power to apply to those countries the same prohibitions or limitations that they have applied to American citizens and such additional measures as he may deem appropriate. The President, by proclamation, may fix the methods by which aliens can obtain copyright in the United States of America and the President may revoke any retaliatory proclamation against a foreign country when such country has removed the causes that led to such retaliation.

Mr. Chairman, ladies and gentlemen of the Committee, in order to indicate the significance of the Bern Convention, let me give you the history of the formation of this so-called intellectual league of nations.

In 1878 an international literary and artistic society was formed in Paris under the presidency of Victor Hugo, with the purpose in view of extending copyright protection beyond national frontiers. It held annual meetings in various European capitals.

The project of a general convention for world-wide copyright protection and the formation of an international copyright union was advanced at the meeting of 1882; the Swiss Government issued invitations to an official conference, which was convened in 1884 and followed by a larger one in 1885, the latter including a consultative delegate from the United States.

This original Bern Convention creating an international union for the protection of literary and artistic works was ratified and entered into force in 1887. By its terms the contracting States were "constituted into a union for the protection of the rights of authors over their literary and artistic works." Authors in one of the countries of the union were to enjoy in the others the rights which the respective national laws granted or might subsequently grant to natives, such enjoyment to be "subject to the accomplishment of the conditions and formalities prescribed by the law of the country of origin of the work." The term of enjoyment in other countries could not exceed the term granted in the country of origin.

Thus the keynote of the convention was the national treatment of literary and artistic property, provided the owner had complied with the requirements of the law of copyright in his own country or the country where he first published his copyrightable work.

The convention was applicable to all such works, which, when it came into force, had not fallen into the public domain of the country of origin. The countries parties to it were, however, left free to regulate the manner of application of this principle, each by its own domestic legislation.

The union was provided with an international office or bureau, charged with the collection and publication of useful information and preparation for subsequent conferences, contemplated in order that the convention might be periodically revised and amended.

The first such revision took place through the signature at Paris, May 4, 1896, of an additional act and declaration which undertook to clarify certain of the articles of the convention of 1886 and to increase its protective influence. An officer in the United States Diplomatic Service was designated to attend the conference at Paris.

A complete revision was prepared by a conference meeting at Berlin in 1908, at which an observer for the United States was present. The revised convention was signed on November 13.

The latest revision of the convention creating an international union for the protection of literary and artistic works took place at Rome in 1928. The revised instrument was signed June 2 on behalf of 33 countries. The delegates of the United States were not authorized to sign.

Compared with 1908, the developments of 1928 are few and unimportant. There are, however, three new articles and changes in half a dozen others. Protection of the author against mutilation of his work in such a way as to be prejudicial to his honor or his reputation, the term of copyright in the event of two or more collaborators, and the specified right of authors to control the use of their works in radio broadcasting form the principal additions. The convention as revised in 1908 permitted adhering countries to substitute for any provision the corresponding provision of the original convention or the revision of 1896. As revised in 1928, such privilege was limited to certain stipulations regarding the translation of literary works.

The Rome revision entered into force August 1, 1931, among the countries which had deposited ratifications. Other countries remained members of the union by virtue of participation in an earlier form of the convention. Preparations for the next conference, to meet at Brussels in 1936, are in progress.

The international union is now composed of 45 countries. The office of the union remains at Bern and continues to exercise much the same functions as were stipulated for it in the beginning.

Mr. Chairman, ladies, and gentlemen, revolutionary changes have taken place in these European countries, adherents to the Bern Convention. The constitution of many of these governments have been destroyed and an entirely new system of alleged government, in which force, terror, and other forms of coercion have been substituted for the forms of legislative control which were in operation in the early days of the Bern Convention. The situation today is vastly different throughout all Europe than it was when Victor Hugo first proposed his ideal solution for the protection of the artistic and literary creations of authors. Today throughout these governments that have been made safe for dictators through the destruction of democracy, authors, composers, novelists, and poets have become the social, economic, and political derelicts upon the ocean of uncertainty. American newspapers, magazines, periodicals, publications, and books are not permitted to enter many of these countries controlled by dictators, because their views are in conflict with the autocracy of the dictators who control these governments.

There is no means of enforcing any of the provisions of the Bern Convention. The Bern Convention, as revised at Rome, is a league of nations with reserve power to each of the signatory countries to apply sanctions. It is merely a league of nations applied to the literary and artistic creations. In theory it is intended to protect the authors of literary and artistic works (art. 1).

Article 4 of the convention as revised at Rome grants the following protection:

(1) Authors who are nationals of any of the countries of the Union shall enjoy in countries other than the country of origin of the work, for their works, whether unpublished or first published in a country of the Union, the rights which the respective laws do now or may hereafter grant to natives, as well as the rights specially granted by the present convention.

The obvious purpose of this article is to prevent discrimination in one country against the copyrighted works of authors who are nationals of another country. If the convention prevented such discrimination, it would have accomplished the object of the International Union. Since the adoption of the convention as revised at Rome, however, the signatory powers have adopted one form of discrimination after another against the copyrighted works of nationals of other countries. This has been particularly true in the field of copyrighted motion pictures, but it also extends to other fields of literary endeavor, such as newspapers, periodicals, books, and music.

The copyrighted works of nationals of other countries have been discriminated against in almost every country of the Union. Foreign nations have enacted a variety of oppressive and discriminatory regulations and special laws applying only to nonresidents, to harness the motion-picture industry, and to curtail the importation of American films. There are special regulations such as quotas, "kontingents", and other economic and legal restrictions under separate laws governing copyrighted works that hamper the free and unfettered distribution of American pictures abroad. There are oppressive taxes on royalties accruing from copyrighted works payable to nonresidents of such countries. There are importation duties, taxes, censorship laws, and blocked currency restrictions that tend to destroy our foreign market. Newspapers, periodicals, and magazines protected by copyright which do not print the news that some countries in which they circulate wish them to carry or whose editorial policies touch the national sensibilities of some of the countries, or which do not conform to the principles of the dictatorships ruling some of the nations are suppressed and banned from such countries.

Foreign nations are clamoring that we join the Bern Convention in order to eliminate the so-called manufacturing clause from existing copyright laws. This will enable some of them to successfully carry out their policy of "dumping" their printed works in the English language for circulation in cutthroat competition with American labor.

It has been the time-honored policy of this Nation, commencing with the Copyright Act of 1891, as a condition for granting copyright to foreign and native authors, to require them to manufacture their books in the United States. That is, each and every book in the English language copyrighted and circulated must be set to type, printed, and bound wholly within the United States. (Sec. 15 of the existing law.)

The genesis of the act was the exportation to the United States of cheaply made foreign editions of books in the English language intended for the American market. The Senate Committee on Foreign Relations in its report recommending, advising, and consenting to the adherence by the United States to the International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928 (to accompany Executive Report E, 73d Cong., 2d sess.) strongly recommends "the repeal of the manufacturing clause and the ratification by the United States of the Copyright Convention." The repeal of the manufacturing clause is a condition to this country's adhering to the Berne convention. The purpose and object of the convention is to eliminate all formalities, conditions, and notices, in order to secure copyright protection in all countries adhering to the convention. The elimination of "the manufacturing clause" will mean the throwing out of employment of many persons engaged in the printing and bookbinding trades in the United States.

Wallace McClure, connected with the Department of State, in hearings before the Committee on Foreign Relations,

United States Senate, Seventy-third Congress, second session, part 2 on Senate bill 1928, a bill to enable the United States to enter the International Copyright Union, testified on May 28, 1934:

There were in 1931 a total of 254,461 wage earners in the printing and publishing trades, of whom 134,302 were in the book printing and publishing trades.

For the year 1929 the corresponding figures were, for the printing and publishing trades as a whole, 289,119, and in the book publishing and printing trades alone, 150,649.

Mr. M. J. Flynn, representing the International Allied Printing Trades Association, in opposing the bill, testified (pp. 10, 12):

The present copyright law calls for according copyrights to books that are printed and manufactured in the United States. This bill, without saying so, would repeal those provisions of the law. With 45 percent of the printing trades of this country unemployed at the present time, we cannot very well see our way clear to going along with a policy which may further increase that unemployment. * * * We do not believe, with conditions as they exist today, that we ought to add further to the unemployment at a time when the country is spending its utmost in an attempt to get people back into industry.

He further testified that tariff duties do not meet the situation and do not afford complete and adequate protection to American labor because of the many devices resorted to by foreign exporters to circumvent and defeat tariff regulations (p. 12).

William Green, president of the American Federation of Labor, declared on February 6, 1936:

The federation estimate shows 11,401,000 out of work in December (1935) * * *. The vast majority have no assurance of anything but continued joblessness and dependence on relief and Government work projects. (New York Times, Feb. 7, 1936.)

The "manufacturing clause" bars the United States from adhering to the Bern Convention.

In the hearings above mentioned, the following colloquy took place between Dr. McClure and Senator PITTMAN (p. 11):

The CHAIRMAN. I should like to ask the representative of the State Department at this point whether the retention of the manufacturing provision of the present law as it relates to the printing provision, to which Mr. Flynn has directed attention, would in anywise conflict with the principle laid down in the treaty before us and recognized in the treaty? [for adherence to the Bern Convention].

Mr. McClure. I think it would; that is, the treaty itself, regardless of the act, would repeal that provision, should the treaty come into force, because the treaty would grant copyright regardless of whether the publication took place in the United States. Under the manufacturing clause we do not permit copyright in this country of books in English unless manufacture takes place here.

The CHAIRMAN. It would not be in harmony, then, with the principle upon which this treaty has been negotiated?

Mr. McClure. It would not.

Thorvald Solberg, former Register of Copyrights, in his article on The Present Copyright Situation, 40 Yale Law Journal 184, says at page 203:

The Copyright Act of 1891 brought into our legislation for the first time the requirement of American manufacture as a condition precedent to obtaining copyright in the United States. It was carried over into the act for the general revision of our copyright statutes of March 4, 1909, although that act released from the type-setting stipulation books of foreign origin printed in a language or languages other than English. This requirement is the principal obstacle which prevents the entry of the United States into the International Copyright Union whose articles of convention provide that copyright protection shall not be conditioned upon compliance with any formalities.

During the debate on the Duffy bill, the manufacturing clause was offered by Senator TRAMMELL and unanimously adopted as an amendment to the bill (CONGRESSIONAL RECORD, 74th Cong., pp. 12756, 12917), and is now section 11 of such bill.

The obvious purpose of the incorporation of the manufacturing clause in the bill was to protect labor. But this provision only lulls labor into a false sense of security. The amendment will fail of its purpose because its inclusion in the bill defeats the very purpose sought to be accomplished by the treaty, that is, to abolish all conditions, formalities, and notice in order for foreigners to secure United States copyright.

The following colloquy at the above stated hearings shows the inconsistency between the Trammell amendment and the Bern Convention (p. 35):

Mr. EDWIN P. KILROE. Dr. McClure, it is your contention that the ratification of this treaty by the Senate would supersede existing copyright laws, so far as the treaty terms are concerned?

Mr. McClure. That is the belief; yes, sir. * * *

Mr. KILROE. Is it your contention that if the Senate ratifies this treaty, foreign authors get automatic copyright in the United States without any formality?

Mr. McClure. If this treaty should go into effect by adherence, after the Senate has given consent to adherence, then automatic copyright would necessarily be a part of the law of the United States.

The social, political, and industrial conditions with cheap labor, cheap money, and modern machinery prevailing in some countries threaten not only American workingmen, but American industries dependent upon copyright material.

"Dumping" in the book trade has already become a menace. The New York Post (Aug. 13, 1935) says:

NAZIS PUSH BOOKS ABROAD

BERLIN, August 13 (Havas).—The book-publishing industry today moved to encourage foreign sale of Reich books by offering a 25-percent discount abroad as compared with domestic prices. The difference will be made up to publishers under a book-dumping fund created by the Minister of Economy, Dr. Hjalmer Schacht.

The sponsors of the Duffy bill contend that adherence to the Rome Convention will materially benefit American authors, and will protect our exports abroad of copyrighted material. The Senate report on the Duffy bill (report to accompany S. 3047), states:

Partly because of the demand for American motion pictures, growing out of their technical perfection, but also because of the inherent literary and musical worth of American fiction, songs, and drama, the United States has become a great exporter of copyrighted works, which contribute measurably to the wealth of the Nation. The problem of adequate protection of copyrighted works in other countries has, accordingly, assumed proportions never hitherto reached.

* * * the protection to American exporters accorded by the treaty promises to stimulate the manufacture of books and so to increase employment in this country.

The much-proclaimed blessing that would flow to American industry dependent upon the use of copyright material by our adherence to the Rome convention is a snare and a delusion.

The treatment that has been accorded to such industries by some foreign nations is most conclusive proof that instead of promoting American industry it would further enable foreign governments to fetter, shackle, and put in strait jackets such industries and disable Congress from retaliatory laws, regulations, and restrictions.

N. D. Golden, chief, motion-picture section, Specialties-Motion Picture Division, United States Department of Commerce, in an article entitled "Film Outlook Abroad at the Turn of the Year", Film Daily Year Book, 1935, points out that American producers dominate the motion-picture screens of the world because of the international appeal of their product; that "the typical American feature is excellently suited to foreign markets because of its universally human qualities—whether of laughter or romance or sweeping dynamic power."

Says the Daily, London, January 1, 1936:

America captured the world film market by a deliberate policy of internationalism. In Hollywood a man's art has mattered and his nationality has not.

* * * A good film is the flag with which a country tries to hold a territory which is more difficult to conquer than any land or sea; it is the territory of the heart! A good film achieves a great deal for the country whence it comes. Each good film is an ambassador of its country.

America's dominance of the world motion-picture market has contributed largely to discriminatory regulations, confiscatory taxes, excessive tariffs, unreasonable censorship demands, and special laws, while in form applying to all countries, have been in fact enacted to curb the United States as far as possible in this field. (New York Times, Nov. 24, 1935; Hollywood Reporter, Dec. 24, 1935.)

Mr. Golden states at page 1013:

Film quotas and import restrictions still remain the bugaboo of American exporters of motion pictures. No less than 12 major

countries have quota or contingent laws restricting or limiting the number of foreign motion pictures allowed to be shown during a given period, and another half dozen countries are clamoring for legislation which will adversely affect imports of American motion pictures.

Says Motion Picture Herald, November 2, 1935:

The pressure to "keep the home fires burning" and maintain a favorable balance of trade, expressing itself in drastic restrictions and regulations, is making it increasingly difficult for American film companies to do business abroad.

And in the November 23, 1935, issue, page 61, it is said:

Behind this nationalism is the fight to keep foreign competition from swallowing the domestic markets and the press for international business. Since Americans are the heaviest exporters, with 60 percent of the world's playing time to their credit, the decrees place the brunt of the burden on the United States.

ARTISTRY HAMPERED

Artistic development of motion pictures is considerably hampered, too, by the objections to the filming of books and plays which may run afoul of national sensitiveness.

"In addition to quotas, dubbing, and taxation regulations, European countries are quick to impose censorship on films which have a political tinge or are considered offensive to national customs and traditions.

"Quotas against American films are imposed by Germany, Great Britain, Italy, Austria, Hungary, Czechoslovakia, New South Wales, and New Zealand. France has no specific quotas with respect to American pictures, but foreign language films can be shown in only 5 theaters in Paris and 10 in the provinces.

"Dubbing must be done locally in France, Italy, Germany, Austria, and Czechoslovakia, and those Governments exact a dubbing fee ranging from 9,000 marks in Germany to 25,000 lira in Italy and 20,000 kronen in Czechoslovakia on each film. Besides there are import duties, censorship cost, distribution charges, and other taxes. No subtitles are permitted, such as are seen in foreign language films in this country.

Of 315 foreign pictures released in France in 1934, 224 were American. These figures clarify attempts to pass drastic decrees governing the film industry which would be so stringent as to drive American film companies out of France, imposing as they did a 30-percent quota requirement, forcing French theaters to show a minimum of that number of feature films made domestically, giving in return an advantage in taxes to exhibitors.

European countries might regard our nominal footage duty on importations as a "restriction", but aside from this the United States is a wholly free and open-market subject only to investment and entertainment values. The progress made by European distributing companies in this country is pointed to as evidence of that American policy.

Restrictions against the importation of American films into foreign countries have increased by introduction of quality in addition to quantity quotas.

In the past American producers have met local quota requirements either by producing pictures in foreign countries, or by purchasing local pictures for as low a price as possible so as to keep the additional cost at a minimum. This is no longer feasible, however, because of a "quality quota", under which the foreign producer may not satisfy quota requirements where the local picture acquired is held to be inferior:

"* * * on the ground that their artistic or photographic merit, or their appeal to the interest of the public generally, or their general quality, is not sufficient to warrant their being taken into account for the purposes of computing the distributor's quota or the exhibitor's quota. * * *" (Australian Quota Act, 1935, sec. 3 [1] [g]).

The foreign producer is compelled to give up local production because there is no assurance that his pictures will come within the "quality quota." To satisfy quota requirements he is compelled to buy native product at a price that may be fixed by the Government (sec. 7 of Australian act).

To satisfy the exhibitor's quota, any exhibitor may reject foreign films (i. e., films which are neither British nor Australian) contracted for before the act was passed (sec. 8). He may also reject 25 percent of all such foreign films contracted for (sec. 9).

Foreign films imported and exhibited in the United States in 1933 totalled 113; in 1934 there were 147 and in 1935 the number increased to 190. Such importations for the past 2 years originated in the following countries (Variety, Jan. 1, 1936):

	1935	1934
German.....	59	59
Spanish.....	38	20
British.....	33	33
French.....	19	7
Russian.....	16	12
Hungarian.....	12	4
Swedish.....	5	4
Polish.....	3	4
Italian.....	3	1
Yiddish.....	1	3
Armenian.....	1	0
Totals.....	190	147

The Daily (London, Jan. 1, 1936), recognizing the handicaps of American producers in foreign countries as contrasted with the equality of foreign and American producers in the United States, says:

The foreign producer, having to pay an import duty to bring his negatives and prints into this country, finds himself the only element in business life which is then subject to another duty—the requirements of the Films Act.

On the other hand, when the British producer—or, for that matter, the producer of any other country—sends his product to America, he is only asked to pay the customary import duty, thus allowing him a free market for the distribution of his pictures.

Foreign nations, by means of suppression and censorship of the press, books, and motion pictures, are seeking to interfere with our democratic process of free inquiry, discussion, and expression in respect of all matters of public interest.

Unlike other countries, we have no national censorship laws. In the States and municipalities where we have censorship, it does not interfere with freedom of speech. Our censorship laws are limited generally to prohibiting obscene, indecent, immoral, inhuman, and sacrilegious matter, or matter of such a character which tends to corrupt morals or incite to crime.

It is the duty of Congress to safeguard our free system from the strait-jacketing influences of alien doctrines of suppression and censorship. Congress can protect our citizenry by appropriate retaliatory amendments to our copyright law. Once we adhere to the Bern Convention, Congress surrenders that power.

INTELLECTUAL SANCTIONS

Notwithstanding the Bern Convention, Italy by way of reprisal has banned copyrighted newspapers, books, and motion pictures, and has forbidden performance of plays of the nationals of the powers that voted for the sanctions against it as the aggressor in the Italian-Ethiopian conflict.

Says the New York Times (Dec. 10, 1935):

BRITISH NEWSPAPERS BANNED

Italy has inaugurated a policy of much greater severity toward newspapers that by unguarded comments on the Anglo-Italian and general European situations are deemed to increase rather than allay international tension. It was revealed today all British newspapers had been banned from Italy, with only four exceptions, including the Morning Post, Daily Express, Daily Mail, and Sunday Observer.

The question is now being examined whether subscribers to banned newspapers shall be allowed to receive their copies. They have not been doing so hitherto.

This ban on British newspapers is declared temporary, and it is said the advisability of repealing it will be examined every week.

Replying to an inquiry, the Ministry of Press and Propaganda said there was at present no idea of repealing the ban against the New York Times on account of its editorial policy.

The New York Times of January 3, 1936, reports:

ITALY ADMITS THE TIMES—LIFTS BAN ON NEWSPAPER—ENDS CURB ON CHICAGO TRIBUNE, TOO

ROME, January 2.—The ban on the New York Times, applied last June, was officially lifted today and the Ministry of Home Affairs has been instructed to cease seizing copies that come in through the mails. The Chicago Tribune, banned at the same time, is also again permitted to enter the country.

The initiative for today's action was attributed to Capt. Galeazzo Ciano, Minister of Press and Propaganda, who is in Rome on a brief leave from the Eritrean front. After having consulted the Italian Embassy in Washington he proposed to Premier Mussolini that the order be rescinded, and the Premier immediately agreed.

Under a new policy the government will decide week by week on the strength of the editorials and the news each paper publishes which will be allowed to enter the country and which will not. It is understood all Italian diplomatic representatives abroad have been instructed to send their recommendations in this regard to the Ministry of Press and Propaganda.

There is a possibility that sanctions will be applied against American copyright owners if Congress forbids oil and other articles capable of being used for war purposes to be exported to Italy under any new neutrality program. (New York Times, Jan. 4, 1936.)

Gayda, editor of the *Giornale d'Italia*, unofficial press spokesman for Premier Mussolini, opened the campaign of condemnation of President Roosevelt's stand on neutrality by the declaration (New York American, Jan. 7, 1936)—

Roosevelt's proposal (neutrality) would signify not only clear intervention by the United States in conflict against every principle of neutrality, but also their adherence to a League policy in direct submission to British policy.

Continues the New York American:

Premier Mussolini's approval of the bitter attacks [against President Roosevelt] was seen by observers because the Government suppresses newspapers when it disapproves what they say.

Says the Hollywood Reporter January 4, 1936:

ITALY BAN HITS U. S. PIX—EDICT AGAINST ALL FILMS WITH BRITISH FLAVOR—PARAMOUNT'S "BENGAL LANCER" FIRST KILLED

LONDON.—Many American pictures will be banned by Italy as a result of its newest edict on films, resulting from the League of Nations sanctions and the current friction with Great Britain.

The newest order issued not only bans British-produced pictures but also any others which are of British nationalistic flavor, no matter where or by whom made. The first victim of the ban is Paramount's "Lives of a Bengal Lancer."

Film observers here say that the new ban will seriously hurt the American companies so far as the Italian market is concerned, on account of the unusually large number of Hollywood films produced recently which extol British institutions and background and can be considered of a propaganda nature in the eyes of other countries.

Some of the recent pictures which have not yet played Italy and which are predicted to fall under the ban are "Mutiny on the Bounty", "Captain Blood", "Perfect Gentleman", and the two Dickens' pictures, "David Copperfield" and "Tale of Two Cities."

London film men look upon the situation as more serious than would be assumed on the surface, especially in view of the plans of American companies to come to England to make pictures for the European market.

RACIAL DISCRIMINATION—THE "ARYAN" DECREES

Germany, openly and notoriously in defiance of treaty obligations, discriminates against the literary, cultural, and scientific works, including drama, motion pictures, music, and the plastic arts of non-Aryans.

The ban on the public pursuit of a person's artistic or cultural activities has been made to apply to foreign non-Aryans (New York Times, Feb. 2, 1936).

The New York Post (Jan. 16, 1936) reports:

RACE BANS ALSO HIT ALL FOREIGN CITIZENS

The Ministry of Propaganda has informed foreign consulates that the anti-Jewish laws apply to all Jews in Germany, including foreign nationals.

The statement was made in reply to protests by the consulates to the Ministry against an order requiring all Jews, German and foreign, to dispose of printing plants and publishing houses. * * *

ULTIMATUM TO PUBLISHERS

The Propaganda Ministry's order gave the publishers the alternative of either liquidating their businesses or selling them to Aryan citizens. The order hits a number of publishing houses of international reputation.

This destroys one of the fundamental rights granted under all copyright laws, namely, the right to publish and vend. American "non-Aryans" are barred from printing and selling their own copyright works in Germany.

To eliminate non-Aryans from the "intellectual and cultural life of Germany", foreign newspapers, books, music, and motion pictures have been barred from that country.

The New York American, January 30, 1936, states:

Hans Frank, minister without portfolio, told the German Academy's economic counsel: "We do not care what the world says about our Jewish legislation. * * * The Jew may do business in Germany unhampered, but he must under no circumstances deposit his intellectual excrements with us."

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There is a law forbidding the publishing, selling, performing, or broadcasting of "Jewish music" no matter if it is Mendelssohn, Offenbach, or Gilbert, and in addition thereto there is a ban on "Negro jazz" (Variety, Jan. 1, 1936). "Negro jazz" is essentially the creation of American composers.

The American-made pictures starring the American comedian Eddie Cantor—Whoopie, the Kid from Spain, and Roman Scandals—have been banned by the Nazi Government.

Concerning such bannings and wholesale censorship of American pictures abroad, the Hollywood Reporter of December 24, 1935, says:

DEFY FOREIGN CENSORS—INDUSTRY UNITED ON STAND AGAINST EUROPEAN MEDDLERS; WILL APPLY OWN "SANCTIONS"

The film industry is all set to take a firm and united stand against the foreign countries which have recently been making unreasonable censorship demands on American films.

With bannings and wholesale censoring of pictures growing, the industry leaders, both here and in New York, realize the serious situation that will arise unless some means are taken to curb the practice. They have now reached a uniformity of mind not to knuckle down in future on any censorship demands that are at all unreasonable.

Officials of the various companies, both in the distribution and producing ends, have tacitly agreed to make an issue of the next flagrant case that arises, with talk of withholding all American pictures from the particular country involved in the same way that the industry stood together in withdrawing films from Mexico over the recent tax squabble.

The stand taken by Spain over the Paramount picture *The Devil Is a Woman* was the first indication to the industry of just how serious a country's dictatorial policy could be. This, in conjunction with the Turkish stand on MGM's *Musa Dagh*, the Italian attitude on Warners' *Stiletto*, and the French dictates on *Paths of Glory* has aroused the top industry executives to a point where they are ready to stand together as a unit and fight the next flagrant issue with a boycott of the country involved.

A number of the nations have entered into alliances for mutual reciprocal action on films claiming to offend national sensibilities. So that if one nation declares itself to be offended on whatever slight grounds, all other nations are bound to apply sanctions against the aggressor picture company. The situation is reviewed in *Variety*, January 1, 1931:

INSULTS

Spain became worried about censorship and "insults" in films. Made alliances with Mexico, Nicaragua, and practically all the South American countries for mutual reciprocal action on films when "affronted." If any country anywhere makes a picture that any of the participant nations dislike, all of them mutually act against the offender. It's the first international film pact of the sort and affects all the Spanish-speaking countries of the world. Censorship was increasingly tough around the world but continued its curiously haphazard way, making decisions for producers difficult. Thus, a film which was banned in one spot was accepted with open arms in another. Hungary turned thumbs down on *I Cover the Waterfront* (UA), *Caravan* (Fox), *Merry Widow* (M-G). Madrid didn't like *Don Juan* (UA). Cuba objected to *Rumba* (Par.). China banned *Bengal Lancer* (Par.). Budapest also banned *Whoopie* (UA) and *Rain* (UA). Algeria banned *Lancer*. Sydney wouldn't let in *G-Men* (WB) or *Let 'Em Have It* (UA). Copenhagen nixed *Little Miss Marker* (Par.). Capetown refused *Let 'Em Have It* entrance. There were many more in many parts of the world.

It all wound up in one big scrap over *Devil Is a Woman* (Paramount) which Spain resented to the point that it threatened Paramount with a ban from the country of all its product if this picture wasn't removed from the world market. Paramount held out until the last minute. This all broke heaviest as Major Herron (Hays office) was in France on the decree law trouble. He rushed to Madrid, but the matter couldn't be straightened out easily. Only way out was to give in, and Herron used the phone to convince Paramount in New York. Picture was withdrawn from the world market.

Some nations have been charged with using the power of censorship as a means of mutilating American pictures for no other purpose than to destroy their box-office value. Says the Hollywood Reporter (Jan. 8, 1936):

AUSSIE CENSORS CHARGED WITH KNIFING UNITED STATES FILMS—MALICIOUS CUTS TO HELP OWN INDUSTRY

Increased evidence of foreign censors unreasonably cutting and eliminating American films in order to help their own picture industries has extended to Australia, according to producers. They notice a growing tendency there to mutilate American pictures since the Antipodes became active in building up its own film production.

Australian censors, it is claimed, are following the procedure of some European censors in ordering cuts for which there can be no excuse on the grounds of morality, politics, or injury to national pride; and to which no reason can be ascribed other than a malicious intent to lessen a picture's box-office popularity.

As a result of this growing tendency on the part of the censors of almost every country, it is no secret that the producers are growing more and more befuddled as just what will be or will not be accepted abroad. A check-up has shown that the same censors will allow one thing to be shown in one picture and yet delete it from another. This is proof to the American picture makers that censorship abroad is a hit-and-miss affair, almost wholly aimed at crippling American business.

One of the most flagrant instances lately of alleged unreasonableness in censorship in Australia is reported on Alice Adams, a Radio picture that got a 100-percent clean bill here from the Hays office, yet which has been ordered severely cut in that country.

Cuts were ordered in minor scenes, such as the moving of furniture around the room; Katherine Hepburn powdering her nose; Hepburn in a party dress; and other footage that had not the least sex implication or any connection with other legitimate reasons for deletion. One of the orders was to shorten certain dialogue between Hepburn and her leading man, a matter purely editorial and not within the legitimate scope of a censor.

These discriminations are of great concern to the American picture industry.

Two years ago American films averaged 60 percent of their net from the foreign markets. At one time it was higher, some countries being as high as 75 percent. (Variety, Jan. 1, 1936.)

But this has been badly cut by the various devices resorted to by foreign governments to restrict and curb American pictures.

These measures are very costly to American citizens because the cost of motion pictures varies from \$15,000 to \$2,000,000; for example, Mutiny on the Bounty. The average cost of producing a feature picture is \$250,000 (U. S. Department of Commerce Reports in Motion Pictures Abroad, May 15, 1935).

The situation has been so critical that in some countries, notably Czechoslovakia and Mexico, American film companies withdrew from those markets.

GERMANY

Germany was the first country to adopt a quota law or "kontingent" (contingent licenses) directed against foreign films, particularly those coming from the United States. A German law of February 15, 1925, provided that no foreign films should be given a permit entitling them to be censored unless the importer agreed that it would distribute one German film of the same length as the foreign film for each foreign film imported.

As a result a traffic grew up in the purchase and sale of inferior German-made pictures which had no value, which were never distributed or exhibited but shelved. Their only use was to meet the "kontingent" requirement. These films could be bought for approximately \$4,000—a sum really paid for the privilege of importing one foreign picture.

In addition to the purchase of a German picture to meet the "kontingent" picture requirement, a decree was issued in November 1934 by the Nazi Government fixing the price of kontingent licenses payable to the Government at 20,000 Rm., effective immediately.

The Film Daily Year Book of 1935 states at page 1055:

This price in effect places the German market for American films in the prohibitive class and may ultimately result in forcing a decision from the American companies either for a greater participation in domestic production, through producing themselves or distributing locally made product or shut up shop.

The Motion Picture Daily of November 13, 1934, carries the following article:

New tax may mean United States to quit Berlin.

Twenty thousand mark levy apt to prove last straw.

Withdrawal of American companies from Germany is a strong probability unless a new tax of 20,000 marks (approximately \$8,000) on all features sent into that country is reduced or made noneffective.

Several foreign managers were stunned by the news and at the outset refused to credit the information. While all of them declined to talk for publication, their remarks, made in private and independently of each other, hit it off in complete unanimity. Typical of the comment was:

"This looks like the last straw. This move appears to be a deliberate step to crowd us out of that market, which is O. K. with us. We can't get our money out of Berlin anyway, so what's the difference?"

Universal some months ago disposed of its German business. Warners are virtually out of the market, having been in the process of liquidation since the early days of the Hitler regime.

* * * Fear was expressed that the Berlin decision may influence identical action on the part of neighboring nations, such as Austria and Hungary.

All but three of the American film companies have discontinued their branches in Germany.

The New York Times, February 2, 1936, states that the severe restrictions placed upon foreign films through contingent regulations admit not an inch more of the celluloid strip than is absolutely necessary to fill the gap left open by the realm's own industry.

With the introduction of sound and talking films, it became necessary for American film manufacturers to remove the sound track containing dialogue in English and to substitute a sound track containing dialogue in the language of the country into which the film was imported. In order to accomplish this substitution, it is necessary to have the speeches of all actors duplicated in the particular foreign language, so that the substituted sound track will coincide with the lip movements of the actors whose original speech was in English. This process of substitution is called "dubbing."

Since 1932 Germany has required that all dubbing of films into German must be done in Germany, and that only 50 percent of the number of permits issued for importation of films may be used for the release of such dubbed films in Germany.

Permits may be issued for foreign educational and cultural sound films only on the basis of a simultaneous distribution of twice the length of German educational and cultural sound films.

Before contracts are closed granting the right to exhibit foreign films to German exhibitors, the film must be once publicly shown in Germany. This provision does not apply to domestic German productions. (Sec. 4, decree of June 28, 1932.)

The law provides that import permits may be refused for films, the producers of which distribute on the world market, films whose tendency or effect is detrimental to German prestige. The same applies to films in which actors appear who have appeared in other films that were adjudged detrimental to Germany.

The effect of these restrictions on the exportation of American pictures to Germany is reflected in the following tabulation showing imports of films into Germany since 1926:

1926	229
1927	192
1928	205
1929	142
1930	97
1931	80
1932	43
1933	68
1934	37
1935 (8 months)	22

Even if a film is admitted into Germany, there is no guaranty that the film can be distributed. It must be first approved by the censor, who may reject the film at his whim or caprice. Under the guise of censorship, many foreign films are kept out, notwithstanding the fact that the exporter has committed himself to the distribution of one German film for every foreign film imported and for which "kontingent" he has paid \$4,000.

According to the United States Bureau of Foreign and Domestic Commerce, the German censor approved films of the following origin for the first 8 months of the year 1934-35:

	Feature films
Germany	87
United States	22
France	6
Austria	6
Czechoslovakia	5
England	3
Hungary	2
Denmark	1
Poland	1
Switzerland	1

In startling contrast with the German importations of 22 American pictures in 1935 are the importations of American films to other non-English-speaking countries for the same year:

	Total	American
Egypt.....	300	250
Greece.....	300	200
Palestine.....	200	150
Poland.....	600	300
Rumania.....	350	250
Yugoslavia.....	300	200

The requirement that foreign-made films are admitted into Germany against "kontingents" costing \$4,000, together with the cost of "dubbing" and the cost of securing a permit to censor the film, coupled with the fact that there is no assurance that the film will be approved, is sufficient to keep all but a few very profitable American pictures out of Germany. These requirements make the importation of the average American picture unprofitable and prohibitive.

A film that has passed the censor may subsequently be barred under section 12 of the German film law of February 16, 1934, "in order to exclude from German film theaters all films which are not in harmony with the spirit of the new time" (Nazi regime). The law gives the Reichminister for Culture and Propaganda the power to cancel any decision of the censorship bureau by ordering a reexamination of any film and prohibiting the exhibition of the film pending the new decision of the censor. Where a reexamination for the censor is ordered, the ultimate fate of the film is a foregone conclusion. Such fate was meted out to Eddie Cantor's picture the Kid from Spain.

Retroactive laws have been passed revoking all licenses for importation granted prior to January 30, 1933. The revocation of such importation licenses is made notwithstanding the fact that the distributor has been compelled to pay the cost of acquiring a German film for each foreign film imported and to pay the cost of the censorship and "dubbing" in Germany.

All films admitted to Germany prior to January 30, 1933, must again be submitted to the censor, and a new fee paid, with a great likelihood that the film will be banned from Germany.

If a foreign (American) producer employs a non-Aryan writer, composer, director, or player for a picture for world-wide distribution and exhibition, he runs the risk of having the picture banned from Germany. The reason for this is given by the special deputy for supervising the cultural activities of non-Aryans, Hans Hinkl (Frankfurter Zeitung, Aug. 11, 1935; Geistiges Eigentum, vol. 1, no. 3, p. 323):

The question as to our attitude toward the foreign film, in which Jewish artists are employed, is very simple and can be answered without equivocation. In the first place, our measures for the elimination of the Jewish influence on our cultural and artistic life are entirely an internal German affair which is not to be confused with questions of international film economy. Secondly, in a foreign country the Jews do not in intellectual and artistic fields hide behind straw men, because they may there express themselves openly and unhindered. On the contrary, if in other film-producing countries Jewish artists are employed, that is solely an internal affair of the respective countries.

Following out this view, the importer of a foreign film is required to furnish an affidavit to the German film censor listing each participant in the picture as to his being Aryan or non-Aryan—manifestly to assure the elimination of non-Aryans "from intellectual and cultural life."—New York Times, December 30, 1935.

The most far-reaching measure to bend the cultural life of Germany to the purposes of an exclusive racialism was the establishment in September 22, 1933, of a Reich Chamber of Culture, with subdivisions devoted to literature, the press, broadcasting, the theater, music, and the plastic arts. * * * Exclusion from membership in the Chamber of Culture invoked a ban on the public pursuit of a person's artistic or cultural activities. * * * The Minister for Enlightenment and Propaganda ruled that non-Aryans were not entitled to admission to the Chamber, because non-Aryans did not possess the necessary reliability and capacity for cultural work (Annex, McDonald letter of resignation, p. 9).

Manifestly having excluded its own from engaging in these pursuits, the Nazi Government will not permit non-Aryans from other lands to disseminate in Germany their cultural, intellectual, and artistic works despite their copyrights.

The Motion Picture Daily (Mar. 18, 1935) states:

German censors do not permit the importation of German-language talkers made in Budapest [Hungary] into Germany, on the ground that too much non-Aryan talent is employed.

Dr. Kurt Zimmereimer, court assessor in Berlin, states—Geistiges Eigentum [copyright], May 1935, volume 1, pages 56, 69:

Any film which represents concepts at variance with the fundamental doctrines of the nationalist-socialist movement as expressed, e. g., in the 25 points, in the programmatic speeches of the leader, and in the writings of Alfred Rosenberg, are held to offend against National Socialist concepts. Films have been held to offend where the principal characters are played by Jewish performers, whatever their nationality, and where these performers are portrayed as heroes of sports and moral victors or where German emigrants are employed as leading players.

Even after a film has been imported and approved by the censor and has met all other requirements, there is no chance of securing payment owing to foreign exchange restrictions, such as "blocked" marks, bartering, and other restrictions intended to prevent the exportation of German currency. American producers secure payment for films shown in Germany in marks goods only for the purchase of German-made goods.—New York Times, January 9, 1936, page 30. This results in "dumping."

"Dumping" has caused price disruptions, creating havoc in our domestic market and tending to break down our wage scales and our standards of living (New York American, Feb. 10, 1936).

If our Government permits this practice, the United States will be swamped with German industrial products, sold necessarily at "dumping" prices, in competition with legitimate American industries, while the last ounce of financial advantage is being extracted by Germany from the large sums which American distributors must pay for the privilege of distributing their pictures in Germany.

This scheme was devised by Germany to assist German exports. If successfully pursued, other nations will follow the example.

An editorial in the New York Times of December 11, 1935, states:

* * * No country in the world within the last few years has shown half as much ingenuity in devising new methods of blocking the free flow of world trade as Germany. She has taken the leadership in quotas, complicated "blocked" currency, bilateral dickerings, and the requiring of special licenses to import. * * *

* * * This drastic reduction of purchases from the United States was achieved by the German official policy of not permitting imports without special license.

* * * All her ingenuity and lack of scruples in recent years in repudiating debts, rigidly controlling imports and subsidizing exports, have not helped her in creating an export excess.

The Supreme Court of Naumburg, Germany (Jan. 5, 1935) held that a native of Germany need not pay an uncontested debt to a foreign non-Aryan, on the ground that it would result in taking money out of Germany and placing it in the hands of such foreign non-Aryan (New York Post, Aug. 22, 1935). The decision reads:

According to the actual purified conception of the law, a debtor is entitled to refuse execution of an obligation, even if that which is to be performed is neither contrary to law nor to morals, if it could be used, without cogent reason, for bringing parts of the national property, particularly immovables, into the hands of a non-Aryan foreigner and thereby deprive the national community.

Under this theory, any German could infringe at will the copyright of any non-Aryan American without making any payment for the piracy.

James G. McDonald, in resigning his League of Nations post as High Commissioner for Refugees Coming from Germany, pointed out this and similar decisions "explain why Jews and other 'non-Aryan' elements can no longer look to the law for protection of their elementary civil rights." (Annex accompanying Letter of Resignation, pp. 29-30.)

The term "non-Aryans" is not limited to Jews but is "a more comprehensive term which has disqualified numerous

persons who are Christians and have had no relations with the Jewish community" (New York Times, Dec. 30, 1935.) Of the treatment of non-Aryans by the German courts, Mr. McDonald states:

This development of their function has been made possible through the avowed abolition by the Nationalist Socialist regime of the three cornerstones of judicial morality: Equality of all men before the law; independence of judges, and the doctrine that only those acts are to come under the prohibitions of the law for which the law specifically provides (the maxim, in criminal law, *nullum crimen nulla poena sine lege*).

These fundamental guarantees of civilized justice have been rejected as non-German, "non-Aryan", and as Judeo-Roman in origin. * * *

Under the new Nuremberg legislation, the courts are bound to apply as a fundamental law the principle of the inequality of race and blood as a decisive judicial rule in all cases brought before them. The rights of a German "Aryan" citizen must, necessarily, be accorded the greatest weight in any judicial proceeding, and must be given precedence over those claimed by "non-Aryan."

This method of administering justice is in conformity with the definition of the law given by Alfred Rosenberg, leader of the department of foreign affairs of the National Socialist Party: "Law is what the 'Aryan' man deems to be right; legal wrong is what he rejects." The protection of the rights of the "Aryan" against the "non-Aryan" is, therefore, the principal purpose and function of the law and the courts. * * *

On the basis of these declarations, it may be concluded that apart from any specific legal disabilities imposed by legislation, the judges of Germany are bound by law and by the terms of their office to regard "non-Aryan" as a dangerous and fundamentally criminal element, devoid of morality, biological and intellectual inferiors, and deserving of no protection for whatever civil or legal rights they may still dare to claim. * * *

Whatever small minimal rights might still be claimed by Jews or non-Aryans, however strong the evidence presented, or clear the terms of the laws to which appeal was made, the courts of Germany have on racial grounds denied those rights, overlooked the evidence brought to sustain them, have, wherever possible, rendered the laws more harsh or have, wherever necessary, on their own authority filled the lacunae in the system of legislative discrimination.

What measure of redress can an American non-Aryan secure in the German courts against a German Aryan literary pirate? Of what earthly value is a copyright in a country where such shocking doctrines are practiced?

The German Government has excluded certain American, British, and other important newspapers from Germany, on the ground that at one time or another they carried news items or editorials not in harmony with Nazi doctrine and ideology.

Unless foreign non-German newspapers, books, and motion pictures are in sympathy with the Nazi doctrine and ideology and willingly goose-step to Nazi music, despite their copyrights, they are in danger of suppression in and exclusion from Germany.

The New York Post—December 24, 1935—reports the following penalties for importing foreign newspapers:

Nuremberg: A 20-year-old Catholic was sentenced to 15 months' imprisonment for importing foreign newspapers.

Cologne: A member of the Convent of St. Lagarus has been sentenced to 5 months' imprisonment for importing foreign newspapers.

Germany is notorious for ignoring treaty obligations. Says the New York Times, February 10, 1936, in article headed "Munich Cardinal Assails Nazi Press 'Lies'":

The Cardinal declared it was time for responsible officials to see to it that the Government's [Germany] signature was honored.

He referred to the Concordat with the Vatican.

SPAIN

The Premier announced the Government's intention of setting up a quota system for foreign films; exempting all domestic film activity from any class of tax, direct or indirect, and requiring each exhibitor to present a certain proportion of native films.—Motion Picture Herald, December 28, 1935.

In March 1934 a proposed bill was submitted to the Council of Ministers placing restrictions on the importation and distribution of foreign films and providing for a 5-percent quota on exhibitors which may be increased every 6 months; prohibiting foreign-language films in Spain 6 months after promulgation as a law; requiring that foreign films be dubbed in Spain with 90 percent Spanish personnel; and taxing first and second run theaters one-half centimo per

meter on foreign films and subsequent run theaters one-quarter centimo per meter on such films. The Minister of Industry and Commerce will be empowered to adopt such complementary measures as he deems convenient.

There is now a discriminatory turn-over tax against motion pictures produced in foreign countries. The tax on foreign pictures was 7½ percent as against the tax of 1½ percent on pictures produced in Spain. Commencing January 1, 1936, the tax on foreign pictures is reduced to 3 percent, while the tax on pictures produced in Spain remains 1½ percent.

All foreign exchange is controlled by the Spanish Government, and permits to export money are granted only as and when foreign currency is available.

Foreign companies must make application every week for permission to transfer money abroad. The delay in allocating foreign currency is very great and steadily increasing. The delay is now more than 11 months, such delay increasing at the rate of about 3 weeks every 2 months.

Under a decree published in the Gaceta de Madrid on October 27, 1935, the minister of the interior of Spain has been authorized to prohibit the exhibition of all motion pictures produced by companies which within or outside of Spain distribute pictures which tend to misrepresent historical facts, or to impair the prestige of Spanish institutions or personalities.

Prior to the pronouncement of this edict, Spain had barred the American picture *The Devil Is a Woman* on the ground that an officer of the civil guard was shown drinking in a cafe. (See New York Times of Nov. 24, 1935; Motion Picture Daily Nov. 1, 1935.)

Spain threatened to keep all Paramount pictures out of that country and to confiscate Paramount's prints unless *The Devil Is a Woman* was withdrawn from world circulation. Paramount was forced to withdraw the picture from world circulation and to destroy the master print because of the threat to ban all of its pictures from all Spanish-speaking countries, as well as from Spain, by reason of an agreement between such countries that if one Spanish-speaking country objects to a certain film, the producer company's product will be barred in the whole Spanish-speaking world.

The Motion Picture Herald (Nov. 23, 1935, p. 61) reports:

The Spanish Government issued an ultimatum threatening to confiscate all of Paramount's prints in that country and to bar the company's pictures from exhibition in Spain if the company refused to discontinue world circulation of the Marlene Dietrich picture and destroy the prints.

The American State Department interceded and, taking cognizance of the official protest over the "insults to the Spanish armed forces", advised Adolph Zukor, Paramount chairman, "to withdraw the film as soon as possible." While the Madrid Government described the edict as "very satisfactory", it has advised its embassies throughout the world to observe the progress of the withdrawal of the film and to expedite it where possible.

Paramount is taking steps immediately to comply with the demand and will negotiate individual settlements with exhibitor accounts who had the picture under contract but have not played it. The master print was burned last Thursday in the presence of the Spanish consul general in New York.

TURKEY

Turkey, following the example set by Spain, has threatened to bar the Metro-Goldwyn-Mayer picture, *The Forty Days of Musa Dagh*, which portrays Turkish maltreatment of Armenians during the Great War. The New York Times of November 24, 1935, says:

The case of *Musa Dagh* is engaging us at the moment, and it may be the final protest that will set off the explosion and force the Government to take some action. * * * If Turkey does bar American films because Metro makes *Musa Dagh*, the loss in itself will be slight. But one film must be made an issue. The feeling in Hollywood is that this picture, which gives evidence of being one of the greatest the industry has made, should serve as the means of bringing the whole thing into the open. There is nothing objectionable in the script. It is pro-Armenian rather than anti-Turkish. The studio has done everything it can, without distorting history, to put the Turks in as favorable a light as possible. But it does present facts.

Martin Quigley, editor of the Motion Picture Herald says (*Motion Picture Herald*, Dec. 7, 1935):

This incident of *The Forty Days of Musa Dagh* brings into sharp focus an exceedingly difficult problem which confronts mo-

tion-picture producers. The very existence of the motion picture is dependent upon the picturization of suitable story material. Such material is exceedingly scarce. There are instances of stories which contain excellent dramatic situations which must be sacrificed because of lack of suitability for the general audiences which comprise the patronage of motion-picture theaters. There are other stories which are essentially acceptable but for which no suitable treatments are to be found. In Musa Dagh, however, the material is of right character and it is a story that readily lends itself to motion-picture treatment. In addition, it has been one of the famous best sellers of recent years. But the Turkish Government says, "No."

The objection of the Turkish Government is based on the fact that the story portrays Turkish persecution of the Armenian people—an historical fact which is about as plain as, say, the German invasion of Belgium in 1914. Yet the Turkish Government, brushing aside the plain facts of history, ignoring the essential truth of the story, simply introduces arbitrary objection to which, of course, is added at least an intimation of exerting the full measure of its influence against the producer in event the story is produced.

In view of the negligible importance of the Turkish market and other markets directly influenced by Turkish authority, it would be easy for M-G-M to ignore the protest and proceed with the picture. But the complication does not end here. * * * Every foreign government which is friendly to Turkey might also accept Turkish representations and exclude the picture

It is not too much to say that if existing circumstances are allowed to go on indefinitely, it will not be long before the producer becomes so hemmed in in his selection of story material that the result will be a severe curtailment in the interest and entertainment value of the motion picture.

FRANCE

The Hollywood Reporter of November 14, 1935, says:

WASHINGTON SEES FILMS AS FOREIGN-TREATY FOOTBALLS—FRANCE, TURKEY IN "MUSA DAGH" FACT.

According to State Department representatives in Europe, the matter of harnessing American films now quite often figures in political agreements between countries. It is reported that in a recent trade and political treaty between Turkey and France the matter of the filming of Musa Dagh by MGM figured prominently to the extent where France is said to have agreed to ban the showing of such a picture in that country if it is made into a picture.

MUSA DAGH TRADE

Musa Dagh treats of Turkish atrocities on Armenians during the regime of a former Turkish Government, but in no way could give offense to France. If the picture is made and France should ban it as called for in the reported agreement, it would be further proof to Washington that Hollywood-made films are to be used for bartering purposes in diplomatic negotiations between countries.

Similar agreements as to films exist between Spain and Spanish-language countries in South and Central America. If any one of these countries should object to anything in a picture, then, according to treaties, the picture is subject to banning by all the countries.

Only 94 "dubbed" films may be shown in France for each 6-month period. All "dubbing" must be done in France, within a period of 4 months from the date the request to "dub" is made, coupled with the payment of the required tax. Foreign pictures cannot be exhibited in their original version except in 5 theaters in Paris and 10 in the rest of France.

When pictures are dubbed, American copyrighted songs and musical scores must be eliminated, and French musical scores and songs substituted.

It costs about \$20,000 to launch a "dubbed" film even modestly, including "dubbing" and printing costs.

Although American citizens have invested huge sums in engaging French studios and French labor, there is no assurance against further restrictions and burdens that may force them to withdraw from France.

In 1934 the duty on foreign films was increased 100 percent.

A decree formulated in 1935 required foreign producers of film to send to France a complete version of the film as made in the United States in English. Changes are often made here after a picture is completed and oftentimes after its first public showing. Notwithstanding such changes the complete film would have to be imported into France, only to have further changes made there. The decree would require all dubbed pictures to bear all the original English titles together with an exact translation into French. Exact translations, especially of idioms or colloquialisms often make little or no sense in a foreign tongue. This require-

ment can have no other object than to handicap films of foreign origin.

This decree also provided for the exclusion of all pictures of any producer, actor or author who at any time or in any place might publish, write, or produce anything that might be regarded as contrary to French national interests.

Article 36 of the decree would prohibit American—as well as other foreign—producers from distributing their own films in France.

Articles 39 and 40 of the decree required that 30 percent of all films exhibited must be made in France by French producers, actors, and authors.

The decree was finally held in abeyance but there is now a movement to revive it.

The Film Daily of September 24, 1935, reports the temporary demise of this decree as follows:

Last week they nearly pulled a fast one in France. A bill was hurried through and on the verge of signature that would have practically closed the industry to American product.

The Motion Picture Herald (Nov. 30, 1935) points out the possibility of the danger of the new decree as follows:

While the Government has permitted the decree for regulation of the industry to die, by refusing to give its approval, the menace has not been permanently removed. A law for governmental control will be proposed when the new Parliament comes into session, but for the present, at least, the industry has recovered its breath.

The sponsors of the measure had expected to begin by forcing all cinemas to show a minimum of 30 percent French films.

Americans would have been restricted on importations and a newly established national agency would have collected all the money due American companies for rental and the Americans might have been called upon to finance production of French films.

The unanimous protests caused Mario Roustan, Minister of National Education, to eliminate some of the most severe proposals, such as the national agency.

Even after compromise, however, the decree would have been a blow to American companies.

PETSCHKE TO PRESENT NEW BILL

With the report that Maurice Petsche will present a new control bill before the new Parliament, there is every need of maintenance of the united front displayed by film interests.

The Motion Picture Daily (Dec. 24, 1935) has the following article:

SEE NEW FRENCH LAWS

PARIS, December 23.—French producers supported by labor and reform elements are planning new legislative assault on American film importations. The new measure which will probably be introduced at the winter session of Parliament is expected to parallel the provisions of the attempted decree law which was blocked last fall by French distributors and exhibitors working in conjunction with American film interests.

If the decree, which was suspended in October, should be reenacted, American motion-picture producers would be compelled to withdraw from France.

The French quota system was criticized by N. D. Golden in Film Outlook Abroad at the Turn of the Year (Film Daily Year Book, 1935, p. 1013) as follows:

In July 1934 the French quota, which formerly was on an annual basis, became a semiannual affair, and in November of 1934 a decree was published extending the regulations of July for the first 6 months of 1935. Short-term contingents of this type handicap American exporters in setting their sales program, as there is no telling what the next law will bring forth to curtail imports of American films.

ITALY

Italy forbids the showing of any film in any language other than Italian. Even film with Italian written subtitles but with foreign spoken dialog are forbidden. The result is that the track of all American films must be completely removed when imported into Italy and a complete Italian version substituted. This "dubbing" must be done in Italy by an exclusively Italian artistic and executive personnel.

For each film "dubbed" in Italy, a tax of 10 percent of the gross receipts must be paid. Originally, the maximum tax was 25,000 lire (about \$2,025), and there was no tax for "dubbing" of short subjects. Recently, however, the maximum was removed, so that on a film that grosses 500,000 lire, a "dubbing" tax of 50,000 lire (about \$4,050) must be paid.

On all films greater than 1,000 meters in length, a minimum tax of 15,000 lire (about \$1,200) for each film must be paid, in any event.

Although the "dubbing" tax imposed upon foreign pictures was increased, there was a prohibition against passing this tax on to the exhibitor.

The Motion Picture Herald, March 31, 1934, says:

There are 300 foreign films needed in Italy every year at present. The cost of dubbing runs around lire 50,000 so that the total cost of dubbing 300 foreign films would be about 15,000,000 lire, of which 60 percent, or 9,000,000, would be paid by American companies.

\$1,120,000 COST TO AMERICANS

Adding the cost of dubbing, 9,000,000 lire, to the total of the new tax of lire 5,000,000, we have a total of 14,000,000 lire (about \$1,120,000), which American companies will have to spend in Italy to carry on their business.

Of course, the probable answer will lie in the direction of reduced American film exports to Italy. Only the big first-rate films, for which high rentals can be charged, will be exported. The reduction of film imports here generally considered likely will be from 25 to 40 percent.

All Italian theaters must show one Italian picture for every three foreign films. (Film Daily Year Book, 1935, p. 1061.)

The recent increase in the "dubbing" tax imposed an additional financial burden upon American film producers.

In October 1935 the importation of foreign films was further restricted by limiting them to 25 percent of the footage imported the preceding year. This applies only to films imported from America, Germany, Austria, and Hungary, since films from all other countries are barred by the application of Italian sanctions.

In applying sanctions, Italy has banned all British-made pictures, as well as American pictures dealing with British subjects. Among the American pictures banned by Italy are Lives of a Bengal Lancer and Clive of India.

CZECHOSLOVAKIA

On April 23, 1932, Czechoslovakia promulgated a decree retroactive to November 13, 1931, requiring of importers of film two permits for each film brought in, until a sufficient number had been acquired to cover features imported since November 13, 1931. The permits could be bought only from producers of domestic features at a price of 21,000 crowns (\$840) each. Domestic producers were given seven permits by the Government for each sound feature produced in Czechoslovakia (not more than 120 foreign films to be imported into Czechoslovakia).

This regulation made the cost of importing pictures into Czechoslovakia prohibitive, with the result that all American film companies withdrew from that country. Prior to 1931 American film companies received \$700,000 annually from distribution of pictures in Czechoslovakia.

Sam E. Woods, the American commercial attaché at Prague, states in the Department of Commerce publications of motion pictures abroad (Feb. 15, 1935):

AMERICANS LEAVE THE MARKET

As a result of the high prices charged for "kontingentscheine" [quota permits], the five American companies maintaining distributing organizations in Czechoslovakia found it unprofitable to bring in their products and stopped importing on May 5, 1932.

The shortage of American pictures was not serious during the first half of 1932, but it became more noticeable later in the year.

In 1933 the absence of American pictures resulted in serious disturbances, and local exhibitors approached the Government on several occasions, requesting that imports of American pictures be made possible.

On November 16, 1934, a new system was introduced, which is described as follows by Mr. Woods:

Under the new regime the quota system was abandoned and imports put on an unlimited basis. The erstwhile "kontingentscheine", were replaced by a registration fee of 20,000 crowns (\$800) payable through the Czechoslovak Association of Film Industry and Trade into a special fund with the Provincial Bank of Bohemia, the fees to be used for subsidizing domestic production to the extent of 140,000 crowns (\$5,600) per feature picture produced in the Czech language and an additional 40,000 crowns (\$1,600) for each foreign language version of the film produced locally. Further provisions of the instruction stipulated that for every five sound features brought in during a 12-month period the importer was required to offer for distribution one cultural propa-

ganda short produced according to the suggestion of the film advisory committee created under the new system. Imports of pictures were permitted only in the language of the country of origin and dubbing of imported pictures to be shown locally was permitted only in the Czechoslovak language. Importers of news reels had to include Czechoslovak subjects in a minimum of 20 percent of the total length.

Even this concession did not warrant the return of the American film companies, and a further concession was made enabling American companies to bring in one picture "dubbed" in German for every eight American features (for which a total registration fee of \$6,400 must be paid). This gave American companies a limited market for pictures compulsorily "dubbed" in Germany.

All films imported into Czechoslovakia must be registered at the Association of the Film Industry and Commerce in Prague. The films must pass a precensorship board, which determines whether or not a film is suitable for the Czech market. If passed, a fee of 20,000 crowns, plus a "handling fee" of 200 crowns, must be paid for each film.

HUNGARY

The quota law of Hungary is similar to that which prevailed in Czechoslovakia from 1932 to 1934.

The quota is applied by requiring that at least 15 percent of all films exhibited must be Hungarian speaking. One-third of such pictures must be entirely Hungarian-made, and the remaining two-thirds may be produced in foreign countries but must be "dubbed" in Hungary.

All films must be censored. Feature films will be censored only upon presentation of import licenses. These licenses are issued only to those who produce or "dub" films in Hungary.

For every film produced or "dubbed" in Hungary, seven import licenses are issued. These licenses or permit tickets can be bought at a price between 1,000 and 1,300 pengoes (about \$300).

Says Motion Picture Herald, October 26, 1935:

The second edict rules that features over 1,200 meters of length may be admitted only on presentation of one permit ticket. In other words, the producer of one Hungarian film or Hungarian language synchronization is entitled to import seven foreign pictures on the basis of the tickets received as a premium. Thus the local branches of American producing firms, which do not produce or synchronize pictures here, are compelled to buy the permit tickets from the local distributors who also go in for production. The market price of these permit tickets is between 1,000 and 1,300 pengoes (roughly, \$300), meaning that local producers get a premium of 8,000 pengoes for each picture made or synchronized here, while importation expenses for nonproducing firms are increased on the average by 1,000 pengoes a picture.

The duties on the importation of films are as follows (Film Daily Yearbook, 1935, p. 1014):

In further modification of the original decree of 1932, Hungary in October 1934 raised the duty on films for which titles were prepared abroad from 50 fillers to 1 pengo per meter. In addition there is charged a regular censorship fee of 4 fillers per meter on films made in Hungary and 10 fillers if made abroad. These funds are turned in to the Hungarian film fund, which is used to subsidize Hungarian production in competition with American films.

Says Motion Picture Herald (Jan. 4, 1936):

This is an extremely difficult market, owing chiefly to the strict currency decree which makes it almost impossible for local branches of American companies to take money out of the country. The other difficulty which American film companies have to cope with is the decree in accordance with which 10 percent, and from January on 15 percent, of the films shown must be Hungarian or locally synchronized in Hungarian. American distributing companies are collectively against such synchronization for two reasons. For one thing, it does not pay to have films synchronized for Hungary only. Then, again, Rumania, Czechoslovakia, and Yugoslavia refused for political reasons to admit films synchronized in Hungary, even though the Hungarians living in these countries would gladly welcome them. Secondly, if American companies should start synchronizing their pictures in Hungarian, other smaller countries would demand the same thing, citing the Hungarian example.

AUSTRIA

The quota system in Austria is similar to that in Hungary. The Motion Picture Herald (Jan. 4, 1936) states:

* * * The import is free except for the contingent tax to be paid on distributed prints, which costs 1,560 schillings if the titles are made abroad, and 1,200 schillings if they are made in a local laboratory. In case of two prints, 2,160 schillings and 1,800 schillings are to be paid.

BELGIUM

It is proposed to establish first a quota—at first small, to be gradually increased—on Belgium cinemas, forcing them to show a fixed percentage of Belgian films.

GREAT BRITAIN

Great Britain has a quota law requiring at least 20 percent of the pictures distributed by any company to be British made. This means that for every four pictures imported into England one British picture must be acquired by the distributor.

Says the Motion Picture Daily (Dec. 23, 1935):

* * * The quota situation means that one-fifth of available dates are compulsorily filled with British films. The American distributor has open to him, for American films, only 80 percent of the market; the practical effect is much the same as if he were allowed to book only to 3,200 of the Kingdom's 4,000 houses. He approaches this artificially restricted market with a product compulsorily diluted by 20 percent of British films. To these difficulties of marketing are added the further one that, whereas the earning powers of big pictures tend to increase, due to the public's willingness to patronize them even in very late runs, the programmer becomes a more and more difficult problem. Where it is a question of just filling a date, the second-rate British picture is apt to get the business; it is not much worse as entertainment than the American, and it helped the exhibitor with his quota.

In addition to the quota on imports, there is a further quota applying to exhibitors. At least 20 percent of the pictures exhibited in each motion-picture theater must be British-made. As applied to smaller theaters, the actual operation of the quota requires that approximately 33 percent of the pictures shown be British.

Says the Daily (London, Jan. 1, 1936):

To qualify for quota at present, exhibitors practically have to rely upon features. As the act applies to the entire program, and we are unable to get sufficient good British shorts, it necessarily follows we must book that amount of features to come within the act. To the small hall which is showing 104 pictures a year at 2 a week, the quota is almost 1 in 3 in their features, which, on the face of it, is more than 20 percent.

No film may be exhibited in Great Britain unless it has previously been registered with the board of trade.

After a film has been registered it must be trade-shown before any contracts can be made for the licensing of the picture.

NEW ZEALAND

In New Zealand there is a 20-percent-quota law on the importation of films and a 20-percent quota on the exhibition of films.

AUSTRALIA

As of October 1, 1935, New South Wales adopted an import quota requiring the distribution of 5 percent of domestic films the first year and ranging up to 15 percent in the fifth year. Exhibitors are required to show 4 percent domestic pictures the first year, rising to 12½ percent in the fifth year. All quota films must be registered by the distributor within 7 days of the date of acquisition.

A similar law has been passed in Victoria, and it is expected that a similar bill will be introduced shortly in Queensland.

Says Motion Picture Herald (May 11, 1935):

British films receive preferential treatment under the provisions of the bill, as do the distributors of British films. British distributors in Australia are not obliged to release Australian-produced quota films, and exhibitors are not allowed to reject British pictures to make room for their Australian quota films, British product being exempted from the rejection clause.

Variety (Jan. 1, 1936) states:

AUSTRALIAN FILM QUOTA IN EFFECT JANUARY 1 IS TOUGH ON AMERICAN PICTS

That [film quota] doesn't make things easy for the Americans down here. They must have pictures, but if there aren't any they must make them. And, of course, the majority of American distributors don't want to go into local production. They feel that it is unnecessary expenditure and will tie up a lot of money which may or may not be returnable to them.

What makes it even tougher from the standpoint of Americans down here is that even the production of a local film for quota purposes isn't enough. After a film is produced it must be submitted to a governmental jury which rules on its quality and has

the right to reject it for quota or any distribution purposes if it doesn't figure the film "good enough." In other words, after spending coin for the production of a local film the film might be thrown on the scrap heap and still not qualify for either coin-return or quota-law satisfaction.

Another angle that distribs here point out as "inequitable" is that films acceptable in England for quota purposes there are not acceptable here. England, of course, will accept locally made films for the quota in England, but Americans are afraid that if they switch their production of British quota productions down here, England will reciprocate with some sort of tougher quota in London and complicate the problem even more.

BRAZIL

All exhibitors must show a minimum of 100 meters of Brazilian-made film at each performance.

All films must be censored, the fee being 400 reis per meter for foreign films, and one-half that sum for domestic films.

There is also a law requiring 50 percent of the music broadcast by Brazil stations and played in Brazil theaters, cafes, and restaurants to be by Brazilian composers.

MEXICO

High duties on the importation of foreign films and taxes on remittances to foreign countries have compelled American producers to withdraw from Mexico.

Film Daily (Dec. 17, 1935) states:

DEADLOCK OVER TAX CAUSING UNITED STATES FIRMS TO QUIT MEXICO

In view of their deadlock situation with the Mexican Government in negotiations designed to modify that country's excessive taxes, major American distributors have decided to shut up shop completely in Mexico and are giving their employees there the usual 2 weeks' notice. These companies suspended film deliveries on September 30, but retained their staffs.

There is a duty ranging from 25 to 75 pesos per kilo for each print of sound film imported.

A tax of 2 percent must be paid on all remittances to persons outside of Mexico. In addition, there is a 10-percent tax on the gross income of foreign motion-picture companies.

CANADA

In addition to all other taxes imposed by the Canadian law, a tax of 5 percent is imposed on all persons who are nonresidents of Canada in respect of all royalties payable to such nonresidents on account of the use in Canada of the copyrighted works of such nonresidents. The amount of the tax is required to be deducted by the Canadian debtor from the amount paid or credited to such nonresidents. Specifically, the tax applies as payable on royalties accruing from the sale of books, music, periodicals, newspapers, motion pictures, and so forth.

TRINIDAD

An ordinance was enacted in 1932 requiring that 20 percent of ordinary films and 50 percent of the newsreels exhibited shall be of British origin.

CONCLUSION

American film companies have a capital investment of \$2,500,000,000. Twenty-eight thousand people are regularly employed in the production of motion pictures in the United States in addition to 25,000 extras or supernumeraries. Hollywood's annual pay roll is \$75,000,000. The industry spends \$120,000,000 annually for supplies and other requirements (U. S. Department of Commerce Reports on Motion Pictures Abroad, May 15, 1935).

The importance of the motion picture has been emphasized by President F. D. Roosevelt in these words:

You have done important work in an important field. Your program for the enhancement of the average quality of motion pictures, and particularly for their heightened usefulness in the educational and juvenile spheres, is to be commended. Intelligent friends of the motion picture should strive to direct its influence toward ends that are recognized as socially desirable.

While necessarily conforming to the normal requirements of entertainment, I believe that our motion pictures should be sane and salutary, enlightening and mentally stimulating, expressive of the best ideals of our community consciousness. This undoubtedly can be accomplished without subjecting the industry to onerous restrictions. (New York Times, Feb. 9, 1936.)

The production schedules for the 1935-36 season provide for 443 feature pictures. (Variety, Jan. 15, 1936.)

The burdens now imposed upon the motion-picture industry in the form of quota laws, restrictions, prohibitions, and so

forth, show that it is of the greatest urgency that the House of Representatives should not adopt any bill designed to give foreign nations a strangle hold on this industry.

The frantic appeals of our Government officers to the offending nations to remedy these practices are met by the stereotyped and almost universally used diplomatic phrase, "Interference in internal policies and affairs by outside nations cannot be permitted."

Congress should be free from the restraints of the Bern Convention, so that it may place restrictions upon the protection afforded under the Copyright Act to the nationals of any country enacting discriminatory or oppressive measures against owners of American copyrights. The only power Congress has to effectively safeguard American copyrighted works against discrimination abroad is by amendment of the copyright laws if, as, and when the occasion arises. Adherence to the Bern Convention bars Congress from the exercise of this salutary power. Congress should not obligingly surrender this power and thereby lead foreign nations to believe that their discriminatory practices against American copyrighted works may continue with increased intensity and even multiply.

A refusal to pass the enabling act (the Duffy bill) for the avowed reason that the discriminations practiced against American copyrighted works by some nations are intolerable will be more effective than the futile and feeble protests of our foreign representatives. Defeat of the Duffy bill will make the nations which are so anxious for us to join the Bern Convention rudely awake to the fact that there is a limit to which these discriminations can go. [Applause.]

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield to my distinguished colleague from Pennsylvania.

Mr. DALY. Am I correctly informed that the Copyright Act of 1909 contains the manufacturing clause the gentleman refers to, which compels the printing of all of these works in American printing establishments?

Mr. SIROVICH. That is right.

Mr. DALY. And that clause is in the Duffy bill as well?

Mr. SIROVICH. That is right; but Senator TRAMMELL offered the manufacturing clause on the floor of the Senate. It was not in the original Duffy bill. It is now in the Duffy bill, but I call attention to the fact that in order to enter the Bern Convention it must be taken out, otherwise we cannot be parties to that convention.

Mr. DALY. That is just the point I wanted to raise. The Duffy bill also would compel us to go into the Bern Convention.

Mr. SIROVICH. Yes.

Mr. DALY. And that would nullify the manufacturing clause.

Mr. SIROVICH. Yes; and the American Federation of Labor is for the manufacturing clause to protect 250,000 American printers and is against going into the Bern Convention.

Mr. DALY. I should also like to ask the gentleman from New York if the Copyright Act of 1909 does not contain the punitive damage clause of \$250 to be paid to an association of composers known as the American Association by anyone who pirates or violates their copyright?

Mr. SIROVICH. That is true. Let me give you the history of the American Society of Composers, Authors, and Publishers. In 1909 the Supreme Court of the United States, through Judge Oliver Wendell Holmes, rendered a decision in the case of Victor Herbert, the great musical composer, against Shanley's Restaurant, in which he stated that anyone who used music for the public performance for profit must pay a royalty to the author and composer whose work he uses.

After that great decision was rendered by Judge Oliver Wendell Holmes most of the great authors and composers of our country assigned their copyrights to an organization which they founded and which they called the American Society of Composers, Authors, and Publishers. The purpose of this organization was to give the cumulative works of all these talented creative geniuses to anyone who is desirous of using their musical and artistic creations.

It was impossible for one author or composer to ascertain who was using his compositions in the different cities of our Nation. The cost of detecting those pirates who used music without having a license to do so would be beyond the financial resources of any author or composer. It is, therefore, the duty of this American Society of Composers, Authors, and Publishers to license every user of music in our country. The collected funds are then divided among the 45,000 authors and composers. Accordingly the 15,700 motion-picture houses pay royalties of 5 cents, 10 cents, and 15 cents a year for each seat and can use the millions of copies of music in their theaters. A theater that has 300 seats would pay 10 cents a year for a seat which would give a license of \$30 a year to use the entire repertoire of this organization.

From all these motion-picture houses the American Society of Composers, Authors and Publishers collected \$860,000 during the fiscal year 1935. Most of the hotels of the United States use music for the public performance for profit. People come there to eat and dance. The total amount of money collected from all the hotels of the United States for the utilization of the music that is in the catalogue of the American Society of Composers, Authors and Publishers is the sum of \$186,000 a year for the fiscal year of 1935. Any hotel that has no orchestra pays no royalty. If a hotel, restaurant, cabaret, tavern, or saloon has only a radio set to bring in music no fee is charged by this society. It is only when an orchestra of more than two pieces with or without vaudeville entertainment is used in any of these hotels, restaurants, or taverns that a license fee is charged to collect royalties for the use of the compositions of 45,000 authors and composers. The minimum fee charge for a tavern is \$20 a year. The average hotel pays \$60 a year and can use all the music of these 45,000 authors and composers. The highest amount of money paid as a license fee to the American Society of Composers, Authors and Publishers is paid by the Waldorf-Astoria Hotel, that has eight large dance restaurants, wherein music is used for public performance for profit. This hotel pays \$1,400 a year license fee. The 616 radio stations that use music from early morning, through the afternoon and late into the night, which have collected over \$100,000,000 in advertisements, have paid to this society during the fiscal year 1935 the sum of only \$2,500,000. So that the sum of between three million and a half and four million dollars represents the total amount that has been collected by the American Society of Composers, Authors and Publishers to be distributed amongst 45,000 authors and composers who have contributed to the entertainment of our American people in the homes, hearths, firesides, motion-picture theaters, hotels, and restaurants of our Nation.

When Congress in 1909 passed the last Copyright Act it inserted a statutory damage fee amounting to \$250 as a minimum damage to anyone who would steal or pirate the music and infringe upon the rights of authors and composers. In 27 years since this copyright law was passed, in spite of all the propaganda which has saturated the offices of most of the Members of Congress, the amount of \$8,800 has been levied against those who attempted to steal the music of our authors and composers. This statutory damage fee of \$250 was placed upon the statute books simply to deter anyone from using property that did not rightfully, legally, and justly belong to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SIROVICH. May I have more time, Mr. BLANTON?

Mr. BLANTON. Mr. Chairman, how much time does the gentleman want?

Mr. SIROVICH. I should like to answer any question from any Member, and I think I need 20 minutes.

Mr. BLANTON. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. DALY. Am I correctly informed, I ask the gentleman from New York, that the Duffy bill eliminates that \$250 punitive clause and substitutes a clause to the effect that the composer whose copyright has been violated and whose music has been stolen may have recourse only to what damages he can prove?

Mr. SIROVICH. The question that my distinguished friend from Pennsylvania has propounded to me contains the real meat in the coconut. The \$250 minimum statutory fee, which is not contained in the Duffy bill, would be instrumental in destroying the only rights and protection that an American author and composer today possesses. This minimum statutory law was expressly put into the copyright bill to prevent thieves from stealing the copyrighted works of artists, composers, and writers. If you eliminate the \$250 fee from a congressional bill, there would be no way of proving damages in any Federal court. Federal judges have decided over and over again that there is no way to prove damages an author would entail when his musical compositions are stolen. Honest men protect the property rights of their fellow citizens. This statutory fee of \$250 is intended to protect the innocent composer against the deliberate thief who would illegally steal property that does not belong to him.

I appeal to the loyalty and to the justice of every Member of Congress when I say to you, help and protect the author by not abolishing the \$250 minimum fee. It is the only thing that he has that will protect him from making the great pilgrimage over the hill to the poorhouse.

Several Members rose.

The CHAIRMAN. Does the gentleman yield further, and to whom?

Mr. SIROVICH. I yield to my friend from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, the gentleman made a statement a moment ago to the effect that under the Duffy bill an author who would produce a creative work, as the gentleman would—he is a dramatist and an author—would get only 2 cents, or at least would get only 1 cent, and someone else would get the other cent. Does not the Duffy bill provide that they must go to court if there is an infringement and prove damages, and if the damages are \$20,000, then the author can recover \$20,000, whereas under the present law the author can get only \$5,000.

Mr. SIROVICH. Mr. Chairman, I yielded for a question and not for a speech.

Mr. ZIONCHECK. Then I will ask the question.

Mr. SIROVICH. Oh, the gentleman has asked the question. He has placed several questions in there, and which one does the gentleman want me to answer?

Mr. ZIONCHECK. This one.

Mr. SIROVICH. The first question that the gentleman asked was absolutely irrelevant to the second, because it dealt with compulsory licensing. In 1909 Congress inserted a section in the copyright law to the effect that when one manufactured a phonographic record, all the author could collect from the producer, the manufacturer of the record, was 2 cents, and one of those cents went to the author and one of them went to the manufacturer of the record. Mr. Chairman, that compulsory license of 2 cents was absolutely unconstitutional, because article 1, section 8, paragraph 8, of the Constitution, states that Congress shall have the power to promote the useful arts and sciences by securing to every author and every inventor for a limited number of years the exclusive right to his writings and discoveries. Therefore, if he has an exclusive right, then we have no right to hang a millstone of 2 cents around his neck, which is being used today in the greatest little Ethiopian joker in the Duffy bill, which protects mechanical reproduction through television and wired wireless records that will destroy the royalties of every author.

When television comes out you can take the work of any great orchestra or band and send it over the wired wireless, and give the author only 2 cents; and that is what, unconsciously, the gentleman from Washington is advocating, because I know Brother ZIONCHECK, and I know that he is not a bad-hearted fellow and is kind-hearted, generous, and fair, but he is being used as a tool today by exploiting and commercial interests against the greatest creative geniuses in our Nation.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield further?

Mr. SIROVICH. I gladly yield further to my good friend and colleague.

Mr. ZIONCHECK. The present copyright law, which has not been changed since 1909, provides for \$250 minimum damages, regardless of how much damage is proved, and now let me ask a question: Has not the Ascap Corporation, or Association, used that particular provision as a club to blackmail people into damages?

Mr. SIROVICH. Let me answer that question. I want to say here and now that I resent once and for all the calling of the greatest writers of our country racketeers, gangsters, and crooks because they are fighting for justice and protection of their legal and constitutional rights. [Applause.] It is an outrage. These men, who are today the greatest writers—

Mr. ZIONCHECK. I never said anything about authors. I referred to the Ascap Corporation.

Mr. SIROVICH. The Ascap is an organization known as the American Society of Composers, Authors, and Publishers. They have such men on their roster as Victor Herbert, John Philip Sousa, Irving Berlin, George Gershwin, Gene Buck, Sigmund Romberg, Rudolph Friml, Rudy Vallee, George M. Cohan, Carrie Jacobs Bond, Fritz Kreisler, Rachmaninoff, and countless other men who are as eminent in their respective lines of endeavor as we are Members of Congress. They are working for their livelihood. They ought to be protected by you, and you ought not do what your State is doing in violating the law that was put there by Congress to protect the copyright rights of the creative talent of our Nation.

Mr. KRAMER. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. KRAMER. Does the gentleman know that in Germany Hitler has forbidden the showing of Charlie Chaplin's picture because there is a similarity of his mustache to Hitler's mustache? [Laughter.]

Mr. SIROVICH. Apropos of that question, it might interest my distinguished friend from California, since he visited Germany recently, to know that Adolf Hitler is the president of the Ehar Publishing Co. of Munich, Germany, which controls the largest printing plant of books, pamphlets, and periodicals in Germany. He is hoping our country will join the Bern Convention so that he can send English books printed in his printing establishment to the United States flooding the markets of our country and putting more unemployed printers upon the dole and relief.

It is estimated that Hitler draws at least \$1,000,000 profit out of this business every year and invests this money in securities of foreign nations.

I want to call the attention of my distinguished colleague to the fact that in Germany and other of these dictatorial governments they insist on dubbing out of every selection of American authors and composers. They displace and take out the pictures of American men and women who may not be the Aryans that the German people want. The German Government wants you to join the Bern Convention. You Members of Congress who represent the greatest nation of the world are asked to vote your country into the League of Nations that is using vicious, cruel, and brutal sanctions against helpless men and women, whose only crime is the crime that they are using their brains to make the world better in which they live.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed, that Members do not interpolate remarks unless they have the recognition of the Speaker.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. ZIONCHECK. The gentleman from New York was very much interested in the prohibition question. Now, there is some inconsistency in the question I am going to ask. This Ascap Corporation has sued beer parlors for using phonographic records, and has put a lot of them out of business. How can the gentleman reconcile his previous action?

Mr. SIROVICH. I reconcile that in the same way. For 10 years I stood upon the floor of this House, as a man who never drank and never smoked, fighting for the liberty and

freedom for those who wanted to have an opportunity of having the eighteenth amendment repealed.

I spoke scientifically on the basis that you could accomplish what you want through education and not through legislation. Let me send this message to the fine, honorable people of the State of Washington. In behalf of the American Society of Composers, Authors, and Publishers, I challenge any Member of Congress, at the expense of this society, to bring any owner of a tavern, beer saloon, hotel owner, or restaurant keeper before our committee to prove that one penny has been charged to them as a license fee unless they used an orchestra of two or more pieces for the public performance for profit. I repeat again, Mr. Chairman, I challenge you to bring any witness before the Committee on Patents and let him prove he has ever been called upon to pay one cent unless it was for a public performance for profit, in which an orchestra was used. I leave that to you, Mr. ZIONCHECK, and to any Member of Congress. We will have hearings for the next 3 weeks. Bring us one person to prove these allegations and the society will pay the expense.

Mr. ZIONCHECK. Will the gentleman yield further for a question?

Mr. BOILEAU. Will the gentleman not yield to me? He has yielded several times to the gentleman from Washington.

Mr. SIROVICH. I must yield to some other Members. I gladly yield to the gentleman from Wisconsin.

Mr. BOILEAU. I should like to say to the gentleman that in Wisconsin, in the last several years, the American Society of Authors, Composers, and Publishers, through their attorney in the State, arbitrarily places an assessment upon all dance halls and other places of public amusement in the State, who play this copyrighted music. It is an arbitrary figure. They will ask for \$100 from some little isolated dance hall out in the country. When this payment is refused, there will be an offer to accept \$50, and probably they will compromise at \$60, or something like that.

It is an arbitrary system of collecting fees. I think the authors and composers should be protected, but I do not believe they should have the absolute right to say to a user of their music, "You pay what we ask you for this music, regardless of the number of dances you have", and give to the user or property owner no protection whatever. I know of one case where they sued a man operating a country dance hall for playing copyrighted music. They were unable to prove their case in court. The man came to me and asked me as a public official, more or less, to make an offer for him to the Society of Authors and Composers. I offered a certain amount—I think \$25—for a year's license. They said they would not give him the privilege to play that music unless he paid \$101 and some cents, which was the cost involved in the case they lost. They tried to hijack this man. That was not the authors and composers themselves, but it was done through their organization.

Mr. SIROVICH. Let me answer the gentleman's question as sincerely and earnestly as he has brought it to my attention, because we have had this testimony every day, and the gentleman knows what a personal esteem I have for his statements. Now, let us get the facts.

The State of Wisconsin has contributed to the American Society of Composers, Authors, and Publishers, for all of its hotels, restaurants, taverns, the sum of \$10,000.

Mr. BOILEAU. Is that what goes to the attorneys or to the association?

Mr. SIROVICH. That goes to the society.

Mr. BOILEAU. That is, after the attorneys' fees are deducted?

Mr. SIROVICH. Let me answer the question. I will bring out the point the gentleman has in mind so clearly and fully that the gentleman will appreciate my answer.

Mr. BOILEAU. I thank the gentleman.

Mr. SIROVICH. The American Society of Composers, Authors, and Publishers in the State of Wisconsin have hundreds of tavern keepers. In New York we call a tavern keeper a beer-saloon keeper, who sells sandwiches, beer, refreshments, and whatever may be sold in an ordinary tav-

ern. The tavern pays for its gas; the tavern pays for its electricity; it pays for its food; it pays for the liquor it sells. All that these authors and composers say to any tavern, not only in the gentleman's State but in all the country, is, in substance, this: "We want nothing from a tavern which uses no music. Neither do we want anything from it if it uses music that comes in on the radio for dancing and for entertainment. If it has one musician playing a violin or an accordion, we do not want anything from it. But, in God's name, if it uses five or six pieces of music to lure people in to hear a fine musical entertainment or to dance, and keeps on playing music that these creative geniuses have given to our country, it is no more than the right and the duty of that place to pay for the music it uses, the same as it pays for its beer, wine, or food." The minimum charge is \$20, and the highest amount paid by any hotel in the United States is paid by the Waldorf-Astoria in New York, which pays \$1,400 a year. This hotel has eight large music auditoriums and pays Rudy Vallee \$5,000 a week and Paul Whiteman \$4,500 a week. It assesses cover charges to all of its patrons.

This great big hotel that uses more music than any hotel in America, pays for all these things for a whole year only \$1,400.

Mr. BOILEAU. Does the gentleman think it is fair to charge a little fellow \$20 for holding one or two dances a year and probably not making \$20 profit out of both of them? Notwithstanding this they have the arbitrary power of saying to the little fellow: "You must pay \$20." They usually ask \$100 but compromise on \$20.

Mr. SIROVICH. I think the gentleman is absolutely right, but the great hotels have organized, they are here en masse now. They refuse to pay their just share to the authors and composers. A large hotel like the Waldorf-Astoria ought to pay at least from \$5,000 to \$10,000 a year. The little fellow ought to pay in conformity with his means; but what are these helpless authors and composers to do when they have an octopus, the greatest organization of America, united against them, flooding Members of Congress with all kinds of letters opposing them?

When a tavern keeper or hotel man is convicted of violating the copyright law, and fined the minimum statutory fee of \$250, the American Society of Composers, Authors, and Publishers does not take this money. All they ask the offender to do is to take out a license which will enable him to use the music and compositions of the greatest and humblest composers. In addition to the license fee they make the offender pay the actual disbursements the society has made to the clerk of the court and to the marshal. They do not take any other fee from the hotel owner or restaurant or tavern keeper.

Mr. Chairman, as an author and dramatist, God reveals Himself to me and to my colleagues in three mysterious, mystical, and inexplicable ways: First, through the life of the universe, which we term "nature"; second, through the thoughts of man, which we term "art"; third, through the precision and exactness of the mind in correct thinking and observation, which we term "science." The cumulative contributions of everything that has been written regarding nature, science, and art constitutes the culture and civilization of the world.

Mr. Chairman, I appeal to you and through you to the membership of this House to help protect and aid the great scholars, authors, writers, and composers who have contributed to science, to art, to literature, to philosophy, and to statesmanship—to all those beautiful ideals that ennoble mankind—to give them adequate copyright protection that will enable them to bequeath to posterity those magnificent contributions in the realm of literature and letters that will make the twentieth century stand out as the great literary age, where writers have been ennobled and mankind bettered for their having lived in it. [Applause.]

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts from newspaper publications.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, a day or two ago the American Federation of Labor reported that in January we had 12,626,000 idle men and women in the United States, and that the number had increased by 1,229,000 from December to January. The federation statement pointed out that while unemployment always increased in January, the increase last year was but 699,000, or one-half, and that the increase in unemployment this year was exceeded only by the month of January 1931, when it was 1,323,000.

President William Green, of the American Federation of Labor, was quoted in Monday's papers as saying, and I quote:

Industry is making no determined effort to put the unemployed to work, and is quite willing to shirk all responsibility for them.

I do not believe that President Green has put his finger on the real spot.

Mr. ROBSION of Kentucky. May I interrupt the gentleman to say that a recent report shows industry in the last 3 years has paid out \$329,000,000,000 and only got back \$220,000,000,000.

Mr. KNUTSON. I thank the gentleman. Mr. Chairman, I shall ask that I be not further interrupted, because my time is limited.

It is generally conceded that the cause is excessive taxation which makes production unprofitable and that in turn reduces employment to the lowest possible level.

Already the Federal and local Governments take from industry practically all its net earnings, in many instances not leaving enough to meet dividend requirements. That is the reason for much of the unemployment in this country, which is growing apace. That is the reason industry is restricting rather than expanding its activities. No individual or industry will expand when there is no profit in sight to provide the incentive.

American industry is pretty much in the same position as are the sons and daughters in a family, who work all week, bring their earnings home each Saturday night, only to have them taken by the father, who goes up town and spends their earnings in a glorious spree. Uncle Sam is on a spending spree. He is spending our money faster than we can earn it. He is throwing it away on unnecessary boondoggling projects, many of which cost millions of dollars and will never liquidate a single penny. At this point it may be pertinent to remind the House that the expenditures of the Federal Government exceed the total incomes of our farms by over \$1,000,000,000.

As I see it, there is only one way whereby the unemployment situation in this country can be materially relieved, and that is for President Roosevelt to adopt a policy calling for rigid economy. Let him discontinue the uncompleted reclamation projects which cannot but aggravate our farm problem; also stop the Tennessee Valley project and the hundreds and hundreds of other projects that are slowly sapping the lifeblood of the American people in the form of confiscatory taxes.

I recognize that there is a certain fixed relief load that the Government must continue to carry for some time. However, there is altogether too much politics mixed in with the administration of relief and the overhead expense in carrying it out is altogether too great. It should be remembered that every dollar that is wasted in the administration of relief deprives some worthy individual of a necessity of life. We cannot and will not let our people starve, but we do protest most emphatically against needless and useless expenditures that are rapidly bankrupting the country.

How many of you Members realize that by July 1 our national debt will exceed by \$3,000,000,000 the total value of all the farms in the United States and their improvements?

How many of you know that it cost one billion dollars more to run the Government last year than was taken off all the farms in the United States? These comparisons should bring

home to each and everyone the true financial situation of our country.

The time has come to lay aside partisanship and to think of the future, unborn generations who will have to carry the crushing tax load that this Congress and administration have created for them to carry.

The time has come to forget patronage and pork for the home district; the time has come to think in terms of our country's future welfare and existence.

It must be apparent to all of you that even with our great resources there is a limit to what we can spend without endangering the credit structure of the country. If we borrow up to the limit, where will we find the money with which to finance the next great emergency, be it a war that threatens our national existence or an epidemic that may decimate our people for the lack of the very money that we are now squandering?

It is well known that one-third of the cost of necessities of life goes to taxes. Were it not for taxes a pair of shoes now retailing at \$6 would only cost the buyer \$4. I merely mention this to show how all this spending by the Federal Government, and its political subdivisions, is constantly making for a lower living standard among our people, who have to pay the fiddler.

My friends, I am speaking as an American, and I appeal to you as Americans to rise above partisanship in this hour when our country is threatened as it has not been threatened since the outbreak of the War between the States. America must be placed back on a sound basis of paying as we go, and that can only be done by substituting the pruning knife for the scoop shovel. [Applause.]

Mr. BLANTON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, I did not know that the gentleman from New York was going to make one of his characteristic historical speeches today. I happened to be in a committee meeting and just came in for a moment and here he was.

Mr. Chairman, I filed petition—no. 26—to discharge the committee of which he is chairman from the further consideration of the so-called Duffy copyright bill which was passed in August of last year. He, as chairman of the Patents Committee, did not see fit to give this matter a hearing until I filed this petition. Then he got very much disturbed.

Hearings have been going on, somewhat in the nature of a circus I admit, and somewhat out of order, for I have never yet in my brief experience in Congress known of a committee to start hearings upon a bill and have the opponents of the bill testify first. The opponents, if you please, are testifying first.

Mr. Chairman, I will make a confession. I filed the petition there, but I do not know much about copyright law. I know more than I did awhile ago, because I have listened to the gentleman from New York, and he knows it by heart. I filed this petition because a radio company asked me to do it. It was at the instance of a radio station friendly to me, KOL, of Seattle, Wash., and some other companies. I never asked one Member to sign the petition. Personally, I signed it because I thought it was a good petition. May I say that if more signatures are not put on there this circus is going to continue until Congress adjourns, and no legislation will be enacted. It is somewhat of a pressure program and the distinguished and learned gentleman from New York is somewhat irritated now because he seems to think it is in the nature of a pinprick that prods him on. He is an author, he is a poet, and he admits it.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Does the gentleman know that there has been a conference, which includes among others, two men from the Copyright Office, two men from the Department of State, and two men from the Department of Commerce, which conference has recommended a revision of the copyright laws?

Mr. ZIONCHECK. Yes; and the gentleman from New York is opposed to a revision unless it is his revision and no one else's.

Mr. Chairman, there is no question but what the Ascap has been a highjacking proposition. I do not mean all of the members thereof. They have good authors and fine people as members of the association, but that organization has made a racket of this proposition. In other words, as has been stated on the floor here, if you buy a musical record and play that record over the radio and someone turns on the radio in a little tavern out here some place, they are subject to prosecution and a possible fine of \$250. The radio organization and the people who listen to it are all subject to a fine of \$250 or more, whether they prove damages or not.

Mr. BOILEAU. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Does not the gentleman believe that if the authors and composers are entitled to more protection than they have at this time, a charge should be levied against the radio company or the orchestra that plays the music, or any other agency that actually plays the music, rather than trying to charge the person who has the music transmitted into their own particular place of business?

Mr. ZIONCHECK. The radio companies want that. The theaters want that. The hotels want that. They say, "If we violate the law, sue us, but do not sue our customers. Do not bring a multiplicity of suits. Do not keep this club over our heads forever."

Mr. BOILEAU. It seems to me any protection the authors or composers might need they could get by charging a higher fee to the broadcasting facilities, for instance?

Mr. ZIONCHECK. The Duffy bill provides the damages may be \$20,000 instead of \$5,000. So it is giving them more benefit.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, inasmuch as what is here said may go out to some of the voters of the district, that they may be advised of their Representative's ideas and activities, and so criticize and offer suggestions as to his future conduct, let me repeat here the statement of which we are so well aware, but which is so often overlooked by political opponents at home. These remarks, if sent out to some of the folks of the district, will be printed at personal, not Government, expense, and the statement at the top of documents of this kind, "Not printed at Government expense", means just exactly what it says.

The Declaration of Independence is supposed to mark a period in our history. That Declaration came from the people of this country, directed to someone across the sea, telling him what they would not do longer. The Emancipation Proclamation that we heard about during the Civil War came from a great President of the United States and it was good news to our citizens.

The message which came down today, March 3, from the President of the United States was another emancipation proclamation. It freed Congress. No longer need we be "rubber stamps." If I read it correctly, it restores to Congress the privilege of appropriating money to pay bills which the President has incurred, or to pay debts contracted upon his recommendation. On page 2 of this message he states:

I leave, of course, to the discretion of Congress the formulation of the appropriate taxes for the needed permanent revenue.

RUBBER-STAMP CONGRESS MADE APPROPRIATIONS

During the last 3 years we were told time and again how much we should appropriate, and when it should be appropriated. The total sum was named for us. We never needed to worry any about that, and it is to be hoped that the Republicans at least now will take some satisfaction in the fact that they are going to be permitted to take part in the legislative proceedings of this body. No longer do you need to wait for the administration or any of those connected with it to tell you what to do. A year or two

ago, like babies unweaned, you were cradle-raised, and at times spoon-fed, wet-nursed, if need be, and put to bed. You were not required to work. You were not required to think. That was all done for you. The President told you, "Give me \$4,880,000,000", and some of you, although you kicked a little, with the help of the gentlemen on the other side, gave him \$4,880,000,000, and you gave him various other sums. All to be spent at his discretion, if he had any. So you had no strain on your minds during those months of trial and tribulation. It was all fixed for you; you did not like it; you objected. But you took it. He was given the money. He spent it, or a part of it at least, with the aid of a Tugwell, a Wallace, and a Harry Hopkins. He spent it for this, that, and the other. He primed the pump with it.

All of you who, in the heat of a campaign, have claimed to be farmers and householders know about priming a pump, especially the old wooden pump with the worn leather. You pour some water down through the spout or the top and you work the handle, and you hear it gurgle and sigh, and the water you poured in goes on down, and then you pour some more water in and you jerk the pump handle and pour and pour, and you sweat and cuss, but you do not get water, except a small part of what you have been putting in, and finally you discover your suction leather is worn out; it has no lifting power, you are wasting your time.

This was about the process this administration followed. If the figures of the American Federation of Labor's man are right, you did not reduce the unemployment very much, but you kept on priming the pump. You wasted millions, yes, billions of dollars.

NOW WE MUST PAY—AND HOW!

The dance is over; the fiddler must be paid. Tugwell, Wallace, Hopkins, and the rest of the boys have been dancing, and to expensive jazz music. Even up in my district they have been dancing, and they have been paying to teach them to dance.

Now we have to pay the bill and the President, in his generosity, magnanimously leaves it to the Congress, and I hope the Members on the Republican side who have been criticizing, the men who have been finding fault about having their right to legislate taken from them, who have been kicking about their lack of opportunity to exercise their ingenuity and display their wisdom to pass legislation, now realize that they have the chance, as in previous times, following Cleveland's administration and other Democratic administrations, when bills were piled up, when a deficit was created—they say history repeats itself—they had the chance, and once more we are going to have the grand and glorious opportunity to pay the bills, and you boys can go as far as you like in devising ways and means to meet the expenditures of these gentlemen who have been enjoying themselves at the peoples' expense, wasting, experimenting, at the taxpayers' expense. There is no question about that. The debt is there. Thirty billion dollars of it. New Dealers spent more than twenty billion of it.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. CHURCH. Is it the intention now to prime the taxpayer and make him gurgle?

Mr. HOFFMAN. I thank the gentleman from Illinois for his contribution. I think the taxpayer has already been gurgling. The Literary Digest poll records something of his protest. But before the President gets through with him, the taxpayer will do something more than gurgle. By the time he pays for the whims and the fancies, the foolishness, the pleantries, and the idiocies of the Tugwells and the Wallaces, the taxpayer will realize that the pleasing personality, the charming smile, the fireside chats, the sweet radio lullabies, have been among the most costly pleasures in all the world, and that once more, like Esau, the citizen has sold his birthright for a mess of pottage.

Mr. CHURCH. Beyond question, it has been expensive and wholly without benefit.

Mr. HOFFMAN. Now, I know what we are always asked, and the thought came in this morning in one of these Townsend letters—"What have you to offer?" They say,

"You often criticize, but you never offer any constructive criticism."

Is it constructive to suggest that you cut down your expenditures until they are within your income?

CONSTRUCTIVE SUGGESTIONS

Time and time again members of the minority have suggested this very thing; in fact, your own members have called your attention to your party pledge to reduce expenditures. Seldom is there opportunity for general debate that you do not hear the same suggestion, the same demand, and that from your own members. On the floor of Congress, Democrats suggest repeatedly, "What have you to offer?" That is a pertinent question. It has been answered many times.

Apparently, constructive suggestions are not recognized, or, more correctly, they are ignored. Constructive criticisms mean critical suggestions looking toward positive conclusions—bettering present conditions. Of these aplenty have been offered by me.

The "gimme" theory has been so universally advocated and, apparently, so widely adopted, that any idea, no matter how beneficial, is no longer regarded as constructive unless it involves the expenditure of more money for the benefit of a particular class, as distinguished from the people as a whole, or a grant of greater power, regardless of its effect.

Apparently those objecting to criticism believe that if a drowning man is pulled out of the water, instead of resuscitation by the emptying out of the water that is in him and the replacement of life-giving air, more water should be poured down him; that if a house is burning, the barn should also be set on fire; that a building, no matter how large, how flimsy, how ill-adapted to the purpose, can only be bettered by making it larger, higher, longer, and wider, regardless of its ultimate utility value.

Every farmer knows that constant cropping of land and the selling of the produce on the market, without any return to the soil, is destructive; but, if we suggest a rotation of crops, an occasional sowing of alfalfa and clover and plowing it under, that to some does not mean anything; it is not constructive.

Now, listen, those of you who are yelling about a failure to offer something constructive.

To the overburdened taxpayer, it is constructive to suggest that, instead of continuing to waste his money, to waste more of it, we let him keep, say, 20 to 25 percent of what he is paying by way of taxation. To the taxpayer, the property owner, translated, it means letting him keep—saving him—giving him, of his own money, if you will, 20 cents of every dollar you now take from him—the very thing which the Democratic platform of 1932 promised to do, but which this administration has failed to do.

If you are given 20 cents out of every dollar, that 20 cents saved will buy just as much as 20 cents given to you from some other source. That suggestion is constructive.

It is constructive to suggest that we have fewer laws and less officials to administer them, less bureaus and departments, and a lessening in the horde of public officials who are now crowding themselves here in Washington like sardines in a box, and who are scattered out all over the country, like a cloud of locusts, until it is said that one in every five is on the Government pay roll.

It is constructive to advocate that the Government have less to do with business, that its minions cease to visit you almost each hour of the day, telling you what to do, what not to do, interfering in your business, and charging you for useless advice and suggestions.

It is constructive to suggest that Government be honest, that it keep its promise. It is constructive to make an honest and a determined effort, as we have been doing, when we know the Government day after day is spending far more than it is receiving, and going deeper into debt, to cry out against such a procedure and ask and vote that we live within our income.

Can a Congressman be constructive only when he heeds the cry of special groups, advocates and votes for more and larger appropriations, when he knows our debt is piling up at the rate of \$420,000 every hour, 24 hours of 6 days a week of every week in the year?

Can he only be of value to you if, instead of advocating honesty, economy, sanity in government, he continually yells his head off for this, that, or the other plan to give some group or groups, at the expense of the people as a whole, special rights and privileges, bonuses, pensions, or benefit payments?

To be a constructive Congressman must he get a scoop shovel and, with might and main, throw out broadcast over the land the money of the wage earner and the property owner, collected by the tax gatherers, to those who may make the loudest noise, the most persistent effort?

Should a Congressman be a broadcast sower of the funds collected from taxpayers by direct and indirect taxes?

It is constructive and it is disagreeable to stand on the floor of the House and object to appropriations giving someone another wad of money and to, day by day, vote against appropriations where the money is to be spent needlessly, where it is to be wasted in all sorts of silly enterprises, such as the teaching of dancing and bridge playing, telling the boys and girls how to skate and sing, building a \$2,500 dog house, improving a race track, spending a half million to make bridle paths in the borough of Queens, N. Y., more attractive.

We have spent billions of dollars "to put people back to work", and still the unemployed list is practically the same. Our percentage of the unemployed returned to jobs is the lowest of any important country in the whole world, with the exception of one, Japan—this, notwithstanding the New Deal priming the pump, interference with which seems to be regarded only as destructive criticism.

It is time to drive or drill a well in some other locality. This one seems to be dry, and the priming process has resulted only in the partial recovery of a portion of the water poured in. The rest has gone down a dry hole, into the pockets of needless officeholders.

It is constructive to assure those who have developed our country, until today, in spite of all the squalling, the fault-finding, and the yapping, the common man is in better position here than he is anywhere else in all the world, that they may proceed, subject only to restrictions against unfair practices, to develop business, give employment, and restore prosperity.

It is constructive to suggest, as I did weeks ago by the introduction of a bill in Congress, that this Government quit purchasing silver at twice its world market price, when the only persons benefited were speculators and mine owners.

Is the height of constructive legislation reached when, and only when, the last dollar of the property owner, of the surplus of the businessman and manufacturer is taken from him and divided among those on relief—when we are all on relief? Is it not constructive to attempt to save the man and the woman who have a little something left from the greedy grasp of the tax collector?

Is it constructive to suggest that we cut down our expenditures until they come within our income, as I did on the floor of Congress some time ago? Is it constructive to suggest, as I did not long ago, that we levy taxes to pay our current bills in order that the people may know what their Government is costing them and so cut our garment according to the cloth we have?

THE PRESIDENT SPENDS—WE PAY

Today the President told us something that most of us have long known and had in mind. The taxpayer must pay for our extravagance. The President is the one who asked for the unheard-of appropriations, all to be spent under his direction, to satisfy his ideas; and now that the fiddler must be paid, he comes back to Congress, throws the bill in our faces, and saddles us with the unpleasant, disagreeable duty of determining when and how the money he spent with charming smile is to be replaced. His not to reason how nor when, his but to spend and spend—and come again for more and more—and on election day let you meet your political death because of the burden you must now put upon the people by tax.

Like Nero of old, he, Tugwell, Wallace, and Hopkins have had a glorious time spending and experimenting, wasting and

broadcasting the taxpayer's money, and now that the day of reckoning is at hand, the power of Congress is restored to it, to the end that the disagreeable and unpopular task of picking the pockets of the taxpayers may be performed by us, although he is the one who sent Congress on its spending mission. The prodigal son, having spent his substance in riotous living, is back waiting for the killing of the fatted calf; that is, the savings of the frugal and industrious individual and corporation, which he recommends we confiscate by taxation of their surplus, thus stripping them of their power to continue in business in times of depression.

We, like monkeys on the end of a string, collecting the pennies for the organ grinder, can take the pennies of those on the sidewalks, climb the porch supports and shake our tin cups in the faces of all, for surely the sweet music of his fireside chats, of his pleasing radio talks, must be paid for, and paid for by the sweat of those who labor.

Here is a little constructive criticism. Let me suggest to some of those who are going to cure all our ills by new-fangled notions, by the giving away of some more tax money—and, after all, it is tax money—that they take some of their own money and engage either in business, in a profession, in farming, or in manufacturing, and demonstrate their ability to do something other than to give off a cloud of hot air.

Is it constructive to have your N. R. A. so that no one dare establish a store or factory?

Mr. DINGELL. Certainly it was.

Mr. HOFFMAN. And it proved itself to be destructive to all the small-business men. As everyone knows, it died long before the Supreme Court killed it, long before your President pronounced a funeral oration over it. The gentleman would not know a constructive suggestion if he met one coming down the middle of the road.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; not until I finish giving the gentleman a few constructive ideas. Is it constructive to let Mr. Ford transact his business in the gentleman's own city and to let the other automobile factories which did not need any regulations through the N. R. A. drag the gentleman's city out of its indebtedness? Was that constructive?

Mr. DINGELL. The administration dragged the city out of debt.

Mr. HOFFMAN. Who did?

Mr. DINGELL. The business administration, before the gentleman was here.

Mr. HOFFMAN. Oh, the businessmen of Detroit, not the administration brought the city out of debt. Oh, no; all the administration ever did was to dig the hole deeper and deeper until now your President comes to us and says, "You provide the money." As he said, you are not going to get this tax money out of the rich. You are going to get it where the President said you would get it. The President said:

Taxes are paid in the sweat of every man who labors. If they are excessive they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain. Our people and our business cannot carry this excessive burden of taxation.

Mr. DINGELL. And the taxes will still be lower than they were under your administration.

Mr. KNUTSON. Mr. Chairman, I submit the gentleman should secure recognition from the Chair before he addresses the gentleman from Michigan.

The CHAIRMAN. Does the gentleman from Michigan yield?

Mr. DINGELL. Oh, the gentleman does not need any protection from the gentleman from Minnesota.

Mr. HOFFMAN. Mr. Chairman, the only kind of a Congressman the gentleman thinks has a constructive idea is the fellow who will come down here and vote away the shirt, the pants, the socks, the shoes, and the toenails of the taxpayer, crying for something more, just like the Townsend fellow said, "What have you to offer?" And by that is meant: What more, what larger amount can you offer, can you give? The only suggestion they recognize, the only suggestion the gentleman recognizes, is "Give us some more of the same.

Instead of \$200, give us \$250 or \$300 a month." That is what the gentleman wants.

Mr. DINGELL. Let us stick to the burning house.

Mr. HOFFMAN. Oh, sure; and the sinking ship. It would not be right to say that the rats are deserting the sinking ship, because that is not the proper way to refer to anyone, but watch the statesmen getting off the sinking hulk. Check the list, the long, long list, of the Democratic statesmen who have deserted, and are deserting, the New Deal pirate ship.

Perhaps the last to announce his independence is our own former Governor Comstock, of Michigan, who tells us in no unmistakable terms that "Black Flag" Jim Farley and the President do not keep even their political promises.

No; we have a few suggestions. We have tried to make them constructive. The distinguished gentleman from Texas [Mr. BLANTON] said in the beginning of last year, "I am with my President." I, too, am with the President this time, when, even though, in a spirit evidently of petty vindictiveness, he talks about taxes to pay our bills, for I believe in paying as we go, and he knew when he advocated these huge appropriations that some day the bill must be paid. And he knew that this Congress would vote to pay the bonus and to pay it now. And he knew, or he should have known, for he was told often enough, that the levying of the processing taxes, to which he now refers, was illegal and that the present deficit, growing out of the inability to collect those taxes, is due, not to the Supreme Court, but to the passage of an unconstitutional law upon which he insisted.

Do you gentlemen intend to stand by your President and vote to pay the debts which you helped him to incur? When he sends down his tax bill, are you ready to pay the fiddler for the music that he has been making? I am, if the music be discontinued, if needless expenditures are not made, if wasteful experiments be discontinued, the number of Federal employees and Government costs reduced, and the affairs of the Government conducted upon a businesslike basis. Are you?

Mr. DINGELL. Yes.

Mr. HOFFMAN. Yes; if you can put that on the millionaire and the international banker and the Wall Street fellow.

Mr. DINGELL. And the gentleman would want to put them on the workingman.

Mr. HOFFMAN. There is where they will come from; that is where your President says they will come from. Oh, you have tried to fool the workingman all these years, but you cannot do it any longer; and when these taxes come finally they will be paid from the things they eat and wear and the homes they own. That is where they will come from; and when they realize that, that will be the end of this present administration. [Applause.]

Mr. BLANTON. Mr. Chairman, with the permission of the gentleman from Pennsylvania, I yield 10 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to incorporate some excerpts and data.

The CHAIRMAN. Is there objection?

Mr. MICHENER. Reserving the right to object, what are the excerpts and data? That is a pretty broad provision.

Mr. BLANTON. With regard to matters that appear in the hearings on this District appropriation bill.

Mr. MICHENER. But that might include editorials or letters, or most anything.

Mr. BLANTON. If the gentleman objects, I will withdraw the request.

Mr. MICHENER. I will object unless the gentleman limits it to some field.

Mr. BLANTON. With regard to the various subject matters in this bill.

Mr. MICHENER. But does that include editorials, speeches, letters, and telegrams?

Mr. BLANTON. Only such things as are contained in the hearings.

Mr. MICHENER. Oh, there is no objection to that.

The CHAIRMAN. If there is no objection, it is so ordered. There was no objection.

Mr. O'CONNOR. Mr. Chairman, I did not intend to address the Committee this afternoon, but after listening to the distinguished gentleman from Michigan [Mr. HOFFMAN] I am prompted to do so briefly.

Of course, I can appreciate how the gentleman and his Republican colleagues feel upon reading the President's message today. The President's message is directed toward obtaining the bulk of the needed revenue from a tax which primarily affects corporations. That is never pleasing to the minority party, and has never been in all their history, especially to the gentleman from Michigan and his colleagues from that State. When you talk about taxing the surpluses or undivided earnings of corporations, immediately there comes to their minds the names of certain huge corporations domiciled in that State.

I have today introduced a bill, H. R. 11589, to tax surplus incomes of corporations. I was prompted to do that by reason of the President's message. I introduced it in several Congresses. In the Seventy-second Congress it was H. R. 12643; in the Seventy-third Congress, H. R. 1698; and then I got worn out, not getting any action, and I did not introduce it in this Congress. The bill is designed to reach the income of our large corporations which they are concealing and withholding from both their stockholders and the Government through fanciful reserves for depreciation and depletion. Some of the abuses which the act is intended to prevent are indicated in section 5 (b).

It is estimated this act would raise this year between \$500,000,000 and \$1,000,000,000 of new revenues from sources which are unjustly and artfully escaping taxation. For example, it would collect many millions from the income of the United States Steel Corporation. The financial troubles of the United States Government are largely traceable to this sort of tax evasion by our large corporations, which the act is primarily designed to remedy.

For 1935 and subsequent years this act would raise some six hundred to one thousand millions of revenue annually. Incidentally it provides "dividend credits", which would operate powerfully to prevent the cutting of dividends and the reductions of wages which frequently accompany dividend cuts.

To prevent hardships, the act grants a specific exemption of \$500,000 income to each corporation or affiliated group of corporations and wholly exempts banking and insurance institutions. The act will thus apply to less than 1,000 corporations out of the 500,000 which report to the Bureau of Internal Revenue. Conservative restrictions are placed on the deduction of "reserves", although deduction for all actual replacements is permitted. Liberal credit is also provided for dividends distributed, and by all these means the act is limited to the great corporations whose hoarding of funds has notoriously contributed to the depression.

The act provides also for reduction of normal tax rates from 4 and 8 percent to 1 and 2 percent. In addition it establishes credits for taxes paid to the States—like the credit now allowed against Federal estate taxes—thus rendering substantial assistance to the States in tax collection and incidentally relieving further the tax burden upon individuals. The estimates above given as to the productiveness of the tax are after allowance for these tax reductions and credits.

The proposed rate of taxation, 33½ percent, is high, but not in comparison with the newly established surtax rates. Without such an increase in the rate of corporate income taxation the new surtaxes will be universally evaded, except by salaried and professional classes. On the other hand, such high corporate rates are made practicable and justifiable only by the liberal credits allowed in the act to both corporations and individuals, and particularly by the elimination of existing double taxation of dividends. This measure rectifies the present disparity between individual and corporate rates and at the same time furnishes the means through which an early reduction of surtax rates may be attempted.

The proposed act offers the advantages of a sales tax without some of its disadvantages. A sales tax, unless shifted to the consumer, is simply a tax on gross income without deductions. This act permits deduction of all direct costs and also all actual overhead expenses, disallowing only certain overhead reserves which have been abused and are unnecessary.

The tax on corporate surplus income cannot be pyramided or shifted to the consumer. It will not add one cent to the cost of doing business. It will encourage liberal dividend and wage increases, thereby enlarging the buying power of the public. Without any inflation, it will presently force a half billion dollars of existing money into circulation, money now held in stagnant surpluses of giant corporations. Careful study has shown that it will not impose undue strain on corporate finances to pay the tax for 1935 or later years, but the act contains novel provisions to insure against exceptional hardship in any case.

The tax is needed to relieve stockholders, rectify injustices, restore the national credit, provide for necessary relief measures, and relieve the pressure for Federal and corporation wage cuts. It is submitted that at this time few other measures could do more to restore confidence, revive business, and stimulate the normal flow of money and commodities in commerce.

As I understand the President's message, the bill that I proposed in some prior Congresses reaches the same end by taxing the undivided income and accumulated surplus income of corporations, the largest one of which, if I recall correctly, is General Motors, which has more accumulated income than any bank in the world has undivided surplus. I may not be speaking as of this moment, but that was the situation in the past.

The United States Steel Corporation, which, if it had paid its right proportion of income tax in 1932 under such a bill, would have paid from ten to twelve million dollars more in taxes, but instead of distributing it in dividends to income-tax payers who might come within the surtax brackets, they retained it in their treasury and paid the income tax of 12 percent or whatever the rate then was. It is estimated that between a half billion and a billion dollars can be obtained from corporations in one year by this sort of a tax. If you will put that money into circulation, you will somewhat solve any problem, imaginary or otherwise, of the need of additional currency.

Further, if you can pry it loose from the chests of those corporations, you will increase the wages, because they will have less incentive to hoard that money, and instead of distributing it all in dividends, some of it will be reflected in wages.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. O'CONNOR. I yield.

Mr. SNELL. Is it not a fact that a great deal of these surpluses have been distributed during the last few years in helping to keep business going during the depression, when they could not make money out of their businesses? A great many of those organizations, and I speak from very sad experience in regard to some of them, started this depression with a large surplus, but they have used all of that surplus during the depression and that is all that has kept them going. Had it not been for that, they would not have been able to employ the men they have employed during the depression, and conditions would have been much worse than they are. In other words, is the gentleman absolutely opposed to making some provision for the rainy day to come?

Mr. O'CONNOR. Oh, no. I do not follow how the gentleman conceives that the distributing of surplus would help the particular business to continue.

Mr. SNELL. The gentleman misunderstood me. I said the fact that they did not distribute all of their surplus gave them something to work on during the depression.

Mr. O'CONNOR. Oh, that may be. That is true to some extent. It is true that some corporations like the American Telephone & Telegraph Co. have continued their dividends of \$9, in that instance, when they have only earned \$7 or \$8,

but holding on to the surplus does not help the business. Paying dividends out of surplus only goes to help the individual stockholders.

Mr. SNELL. Oh, no. Does it not help to keep men employed during the depression, whom they would not have employed if they had to depend upon their own earnings?

Mr. O'CONNOR. I do not follow at all how the surplus has kept men employed. I do say, and, of course, everybody agrees, that a reasonable surplus or reserve should be maintained. What is reasonable, of course, is for the determination of the people who know that. But it has been recognized for years that many of the huge surpluses have been maintained at the request of large taxpayers who were stockholders.

Some stockholders would be paying as high a tax as 50 percent on the dividend earnings of some of these corporations, whereas the money now is lying idle, and only the normal corporation tax is being paid on it.

Mr. SNELL. Mr. Chairman, will the gentleman yield further?

Mr. O'CONNOR. I yield.

Mr. SNELL. As I understand the proposed program from hearing the President's message read, it is that you are going to tax the surpluses of all these businesses regardless of whether the surplus is needed or not?

Mr. O'CONNOR. I do not believe that is so, and the bill I have introduced does not do so at all.

Mr. SNELL. What does the gentleman's bill provide?

Mr. O'CONNOR. It permits a reasonable reserve.

Mr. SNELL. Who is going to say what is a reasonable reserve?

Mr. O'CONNOR. That is set up in many instances in the present tax law.

Mr. SNELL. I do not know who can tell what a reasonable reserve is better than the man himself who is running the business and who knows something about the dangers and the probable future needs connected with the business.

Mr. O'CONNOR. If it were left to the man who runs the business, the Lord help the Government to get any tax at all. In all tax laws the Government has fixed some exemption after which the tax begins. This is done with individuals. A married man is allowed a reserve or exemption of \$2,500.

Mr. SNELL. I maintain that one of the greatest assets to this country during the last 4 years has been the surplus reserves that were built up by carefully managed organizations and business companies.

Mr. O'CONNOR. That may be, but I do not think the gentleman will deny the fact that some corporations have deliberately refrained from paying taxes. Suppose we have one corporation in this country controlled by two men, and some of the other big ones are controlled by a few men, but assume the case where one individual controls a corporation and the corporation makes \$1,000,000. Some such corporations make more than \$1,000,000. If this money is not distributed all the corporation pays is the corporate income tax, whereas if it went to the individual he would pay the surtax.

Mr. SNELL. Mr. Chairman, will the gentleman yield further?

Mr. O'CONNOR. Yes.

Mr. SNELL. The gentleman is assuming a situation that may possibly exist in a few cases; but when a corporation tax bill is passed by Congress, it affects all corporations in the United States; and 99.99 percent are not covered by the situation used by the gentleman as his illustration.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. O'CONNOR. The gentleman knows from his own experience that the average corporation, the small corporation, has a hard time maintaining any surplus.

Mr. SNELL. I agree with that statement.

Mr. O'CONNOR. That has always been true more or less, but the earnings have been fairly distributed amongst the people interested. In the case of some of the larger corporations, however, where certain people own very substan-

tial interests, the gentleman knows income has been piled up as surplus to avoid the tax that would be paid by the individual taxpayer if the surplus were distributed.

Mr. SNELL. There are not many corporations of that kind, are there?

Mr. O'CONNOR. I do not know, but no more will be hurt than there are.

Mr. SNELL. This applies to all large corporations, and a great many of these large corporations have hundreds of thousands of small stockholders. It is the money of these stockholders it is proposed to tax.

Mr. O'CONNOR. The gentleman will not know, of course, until the bill is presented to Congress how it is going to affect any corporation. I agree with the gentleman that there should be left a reasonable reserve, a reasonable surplus, to which the tax does not apply. These rules can be worked out just as they have been worked out in other features of the income-tax law.

We have heard a lot about taxes here from the gentleman from Pennsylvania [Mr. RICH] with his constant slogan, or bromide: "How are you going to pay for it?" He said the other day that the American people are demanding that we raise taxes to pay for these expenditures.

I wonder if the gentleman from Michigan [Mr. HOFFMAN] who just spoke, voted for the farm bill which makes \$500,000,000 of these taxes necessary? I wonder if he voted for the bonus which makes another \$120,000,000 necessary?

I wanted to ask the gentleman from Pennsylvania [Mr. RICH] the other day, when he was clamoring for a tax bill whether he would vote for it when it came in here. No Member of the minority, of course, is going to vote for a tax bill; they are going to play politics with it.

In the same breath they say, "Why do you not balance the Budget by raising taxes to meet every expenditure?"

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from New York.

Mr. TABER. Why not cut down some of these expenses, such as the \$62,000,000 that the Senate added just the other day?

Mr. O'CONNOR. We cannot go back and take the bread which we gave to the American people. We cannot go back and take the roof from over the heads of the people. That money has been spent.

Mr. TABER. Does the gentleman call the reclamation projects, which are absolutely unnecessary, bread?

Mr. O'CONNOR. Well, I do not know whether they are unnecessary. The gentleman has always been interested in projects in up-State New York. They may not be reclamation projects, but there are other projects, such as rivers and harbors and things like that. When it touches home they are very necessary, the same as the reclamation projects are necessary to those particular parts of the country in which they are situated.

It is agreed by every critic of the administration that we should pay as we go, that we should levy the tax as we go along, and it does not lie in the mouth of anybody now to say: "I am against what you have done. You should try to replevin some of this money. Do not raise new taxes"—and at the same time admit that the taxes are necessary.

Mr. CRAWFORD. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If a corporation surplus-tax law was drawn along the line just indicated, is it not true it would practically not touch corporations which had been free in the distribution of dividends and which maintain a surplus reserve of a reasonable amount to carry on their operations?

Mr. O'CONNOR. It would not harm them at all.

Mr. CRAWFORD. It would only touch those corporations which carry an excess or heavy reserve for the purpose of meeting some emergency that may come 5, 10, 15, 20, or 25 years from now?

Mr. O'CONNOR. Yes; corporations that have evaded payment of taxes through this method.

Mr. Chairman, I yield back the balance of my time.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all Members who speak on the pending bill may have permission to revise and extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, the taxation of undivided profits, as I understand it, has given previous Congresses a great deal of concern. I dislike very much, because of the friendship and high regard I have for the gentleman from New York, who has just spoken, to take issue with him on this very important matter. Possibly I do not take issue with him on the purpose of his bill, but I think at this point it should be called to the attention of Members of the House and of the country at large that in the taxation of undivided earnings and profits we might be striking at the foundation of American business and industry.

From the time when Benjamin Franklin taught us that thrift was the most desirable thing in life, individuals, partnerships, and corporations have been laying aside for the rainy day, and they are continuing to do that. The gentleman referred to certain corporations in my State, and I assume he refers chiefly to the General Motors Corporation and the industries owned and controlled by Henry and Edsel Ford. But I wonder what would have happened to the employees of those companies or the subsidiary companies depending upon those two great industries for a livelihood had the General Motors Co. and the Ford Motor Co. not had some reserves which they had built up in their good years against the depression years? Instead of having 12,000,000 unemployed, we undoubtedly would have had twice that many unemployed.

In passing, may I say that this Nation owes a deep debt of gratitude to the courage, to the foresight, and to the business acumen with which the automobile industry pulled this Nation out of the depression. General Motors, Chrysler, Ford, and all of the other automobile manufacturers got together and agreed that they could not longer rely upon the Federal Government to alone restore business. In spite of the uncertainty in governmental policies which prevailed, despite the fact that they might have their profits taken away from them by confiscatory taxation attending the increasing deficits and a resultant unprecedented increase in the national debt, they decided to make a start. They pulled the textiles with them. They pulled the steel industry with them. At the present time, because of the foresight, the fortitude, and courage of the automobile industry, we are on the way toward the end of this depression.

Mr. Chairman, what did they do it with? They did not do that with the earnings of the current year. They did not do it with the expectation that their earnings would be sufficient within the 6 months' period succeeding to do it. They did it with the reserves which they had built up from their undivided profits. Messrs. Henry and Edsel Ford, Mr. Chrysler and all of the stockholders of the Chrysler Co., and the innumerable, perhaps thousands, of stockholders of the General Motors Corporation forewent this temporary benefit that might have accrued to them as individuals and said, "We will take our share of this burden and put it into this pot which is represented in the surplus and reserves of this corporation, and instead of paying dividends on the stocks we will forego them temporarily and use them to give employment, which will create purchasing power, and thus help to bring the Nation out of the depression."

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WOLCOTT. Mr. Chairman, they said to their directors, "Take the money that you would otherwise pay us as individuals and pull this country out of the depression, and we will take our chances on recuperating our temporary losses from future profits. In years to come we will recoup what temporary losses we have suffered today by reason of

the fact you have taken this money you would otherwise pay us and invest in such a way that increased employment will result." This is what they did.

Now, Mr. Chairman, every concern must build up a reasonable reserve against losses. They must build up a reasonable surplus if employment in this Nation is to be anywhere near constant, and so I think we should approach this subject with a great deal of caution.

I could get up here and demagogue on the fact that, politically, I hope to see you Democrats adopt this program, because I could foresee and prophesy that there would not be a businessman with you on election day if you adopt such a policy; but I do not want to see this done. There is something greater in this than pure demagogy on your part or my part. We are striking at the very foundation of American industry, and I realize that when I stand up here today and try to come to the defense of American industry and business, I am doing it with the danger of being classified with the satellites of entrenched greed we have heard so much about. I am doing it at the expense of being called a follower of Wall Street doctrines. I am doing it at the expense, possibly, of rising in defense of the international banker; but, Mr. Chairman, the American Nation was built around the investments which the people put into industry expecting a fair return, and when the stockholders of corporations are perfectly satisfied to forego a temporary gain in order to build our economic structure higher and higher and continue to employ more men, I think the Congress of the United States should not do anything which will retard that progress, and I know that the gentleman from New York does not want to go as far in his bill as to make it impossible for our industries and our businesses to build up a reasonable reserve.

How, may I ask the gentleman from New York, is he going to determine whether the Ford industry or whether General Motors or whether Chrysler or whether the Murray body or any other concern must put aside \$1,000,000 of reserve or whether they should put aside only \$100,000 of reserve? They know their needs; they know their capital investment; they know their probable losses; they know that if they make a certain profit covering a period of 5 years they can expect to keep men employed during, we will say, 2 or 3 years in the lean period.

It is not for us to say what their reserves shall be. I am not so certain that it is for us to say—and this goes to the fundamentals of our democracy—what their profits shall be.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. WOLCOTT. Yes.

Mr. O'CONNOR. Is the gentleman for a graduated income tax on individuals?

Mr. WOLCOTT. I think so.

Mr. O'CONNOR. Does the gentleman subscribe to the theory that one of the purposes of that is to reach gradually higher what really is a surplus over needs? Does not the same principle apply to some extent to a graduated income tax on corporations which has just been touched upon lately and is another theory that has been considered in this Congress for years?

Mr. WOLCOTT. As I understand the gentleman's suggestion, there is very little relationship between the graduated tax on corporation earnings and the undivided profits of corporations, and as to surpluses and reserves of corporations there is very little relationship between such taxes and a graduated tax on incomes. I do not pretend, as I know the gentleman is, to be an expert on taxation.

Mr. O'CONNOR. No; I am not an expert at all.

Mr. WOLCOTT. About the only experience I have had with taxation has been to try to pay my own taxes, and I have not been any too successful in that.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. O'CONNOR. I do not claim to know but very little about it. However, the gentleman does not claim, does he,

that the use of surplus or undivided profits is accountable for the increased business of the automobile industry?

Mr. WOLCOTT. Yes; I do.

Mr. O'CONNOR. Does that account for the sale of more cars?

Mr. WOLCOTT. Yes; because that surplus or that reserve was used by the automotive industry to go out and build up their market. They took their undivided profits and bought textiles with it, and they bought steel with it, and the steel industry bought coal and everything else that went along with it, which was used to build up their own market for the purchase of their own commodities.

Mr. O'CONNOR. Now, did it ever occur to the gentleman right there that the purchasing power or the money available with which to buy these new cars came from the United States Government directly, to a great extent, in payments to the farmers and from other policies of this administration in increasing farm income?

Mr. WOLCOTT. No; I do not realize anything of the kind.

Mr. O'CONNOR. The gentleman does not agree to that?

Mr. WOLCOTT. No; because I realize that your boondoggling activities by which you pay a man \$40 a month or \$30 a month, does not give him the wherewithal to buy a \$25 five-year-old Ford, to say nothing about a new car.

Mr. O'CONNOR. I am talking about the farmers.

Mr. WOLCOTT. The farm population of this Nation today is not in a position to buy automobiles. The big sale of automobiles during the last 3 years has been made in the industrial centers, which have benefited by the investments of surpluses and reserves of the automobile industry in the commodities of the different localities.

Mr. O'CONNOR. And does that apply to New York City?

Mr. WOLCOTT. Yes; it applies to New York State. The farmer has benefited only by getting the dribblings from those industries, because they used the money paid for these cars to buy agricultural products.

Mr. O'CONNOR. And will the gentleman tell me what product the automobile industry buys in New York City? I have never heard of it, and the sales of automobiles in New York City, with industry probably as low in employment as any place in the country, have continually risen for 1 or 2 years.

Mr. WOLCOTT. Possibly I did not understand the gentleman's question. I do not know that the automobile industry buys one cent of stuff in New York City, but I do know that, if we build up ability to purchase automobiles in the United States, then the gentleman's city benefits probably more than any other locality in the United States from that.

Mr. O'CONNOR. It has probably benefited the least today of any part of the Nation.

Mr. WOLCOTT. Oh, I was up there 2 months ago, and they still were running streetcars and taxis, and they seemed to be getting around very comfortably.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. KLEBERG. For instance, Mr. Edgar Smith, vice president of the General Motors Export Corporation, might speak with authority as to the value of the farm programs to the automobile industry. If so, I suggest that the gentleman read an article I inserted into the RECORD by Mr. Smith in a speech delivered here by me on February 20, just passed. A table in the same speech on automobile registrations of 1932 and 1935 is also significant.

Mr. WOLCOTT. I might say in answer to the gentleman that we will never have permanent prosperity in the automobile industry until we do give the farmers purchasing power. That is what we are all striving to do. We realize that just as well as the gentleman does.

Mr. KLEBERG. Of course, but I did not want the gentleman to go astray.

Mr. WOLCOTT. And let me say further that when we do that, we perhaps will then have taken care of most of our economic ills.

Mr. ENGEL. And is it not a fact that General Motors is spending now in Michigan \$50,000,000 out of that sur-

plus, including a new factory in Grand Rapids, Mich., which will employ 2,000 people?

Mr. WOLCOTT. I understand that to be the case and I know that if it were not for the surplus of Chrysler and General Motors and Ford there would not be an automobile-parts factory running in my district today.

Mr. CRAWFORD. The gentleman does not mean to include General Motors in that list of corporations that do not pay dividends.

Mr. WOLCOTT. No.

Mr. CRAWFORD. Is it not true that with their liberal policy of making a distribution to their stockholders from time to time and the payment of cash dividends, they are contributing very liberally toward prosperity?

Mr. WOLCOTT. I understand that this is a taxation matter, and if they pay liberal dividends to stockholders, it enables stockholders in turn to pay that much more to the Federal Government from individual income.

Mr. CRAWFORD. And I think that is one corporation in the country that does pay liberal dividends.

Mr. HOFFMAN. And did not General Motors pay the men in their factory a bonus not long ago?

Mr. WOLCOTT. Yes; I understand they did.

Mr. HOFFMAN. Amounting to \$25,000,000.

Mr. WOLCOTT. Instead of paying it as taxes into the Federal Treasury, they took all over their reasonable surplus and divided it in the form of a bonus to the workmen in their factories.

Mr. HOFFMAN. And that was something like \$25,000,000?

Mr. WOLCOTT. I think so.

Mr. BANKHEAD. And does the gentleman take the astounding position that the increase of more than \$3,000,000,000 in income of farmers last year over 1932 had no appreciable effect on the business of the country?

Mr. WOLCOTT. No; and if I did take that position, it would be astounding.

Mr. BANKHEAD. I understood the gentleman to take that position because the principal automobile sales were in the cities of the country.

Mr. WOLCOTT. Oh, no; I said the largest sales in the automotive industry were in the industrial centers. Of course, the agriculturalists were benefited by the purchase of automobiles because in those localities some of those benefits trickled down to the farmers and enabled them to buy more automobiles than they would have otherwise had the automobile industry not taken the lead in bringing us out of this depression. What I mean to convey is that if we remove the disparity between agricultural and industrial prices, then we will establish a permanent market, perhaps, among the agriculturalists for our automobile industry, and our economic ills will then take care of themselves.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOFFMAN. Is it not true that this increase in the income of the farmers came from crops that did not fall under the jurisdiction of the A. A. A.?

Mr. WOLCOTT. I think probably the gentleman is correct.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. O'CONNOR. If it is true that the export business in automobiles has increased during the last year or two, would the gentleman give any credit to the reciprocal-trade agreements for that?

Mr. WOLCOTT. No; I would not.

Mr. MICHENER. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MICHENER. There has only been one reciprocal-trade agreement in effect long enough to have any effect. Is that not true?

Mr. WOLCOTT. That is true.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BLANTON. Mr. Chairman, I yield 17 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks by inserting a table showing the number of banks in the United States from 1921 to 1935, the number of deposits in banks suspended from 1921 to 1935, and the number of licensed banks in the United States compared with the number of insured banks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, because I belong to the most maligned and most demagogued committee in the House, one that I think has been the victim of more arguments without merit, it gives me pleasure to say a few words in regard to some of the constructive legislation that I think has come from that committee.

We have heard much criticism from our colleagues on the other side of the aisle in regard to the alleged mistakes of the Democratic Party.

Events have moved rapidly during the Presidency of Franklin D. Roosevelt; great problems have presented themselves; unusual remedies had to be applied to unprecedented conditions. It would certainly be very unusual if the party that has been compelled to meet this situation had made no mistakes.

However, there has been one legislative act that I do not think is subject to legitimate criticism—an act that has been far reaching in its effect, perhaps more far reaching than any other legislation we have passed, because upon it has been based the recovery we have attained.

Without the passage of this act a financial debacle unparalleled in history, I am confident, would have resulted.

President Roosevelt came into office on the 4th of March 1933. Confidence had been destroyed in our financial institutions. All the banks in the United States, because of the serious financial conditions that prevailed, were on March 6 ordered closed by Executive proclamation.

Not prosperity but a major catastrophe seemed to be just around the corner. The Emergency Banking Act was passed and became a law on March 9, 1933. The banks that could qualify were opened; confidence in our financial institutions, to a certain extent, was restored. The whole economic condition of the Nation seemed to change immediately.

The present attacks being made upon the fiscal policies of the administration appear to come from those who shouted the loudest for financial help in 1933. I am therefore prompted to remind them that if it were not for the help given by the Federal Government to our financial system the great economic recovery that has already been made would have been impossible.

The critics of the present administration seem to overlook the fact that almost all banks in the United States were in serious trouble when it went into office. They seem to forget that further catastrophe and ruin were averted by the prompt and courageous steps taken by President Roosevelt to restore the confidence of our people in the Nation's banks. To my mind, one of the outstanding achievements of the Democratic Party in its long record of meeting the needs of our citizens was the enactment of the plan of Federal Deposit Insurance Corporation to insure depositors from loss resulting from bank failures. The possibility of providing such insurance or guaranty of bank obligation had been discussed from time to time for more than a century. The adoption by the Federal Government in 1933 of the principle of insurance of deposits was the direct result of the severe banking crisis and of the large volume of bank deposits which had been lost or tied up in closed banks during the preceding 3 years. It was believed by those supporting the insurance of bank deposits that such insurance was essential for the reestablishment of confidence in the banking structure of the United States. It was also desired to provide a speedy method of release of deposits tied up in suspended banks.

To serve these purposes the Corporation was authorized to insure the deposits of banks operating under the laws of the United States or of any State, to act as receiver for closed banks, and to operate for a limited time new national banks chartered for the purpose of making available to depositors of closed banks the in-

sured portions of their deposits. The Corporation was also authorized to purchase assets of and enabled to make loans to closed banks members of the Federal Reserve System.

It is recognized that a function of insurance organizations is to attempt to reduce the risk of loss from the contingencies against which protection is provided. The Federal Deposit Insurance Corporation has a direct financial responsibility in 95 percent of all the licensed commercial banks in the United States. Those responsible for the policies of the Corporation have been concerned, therefore, not merely with the expeditious settlement of claims of depositors in closed banks, but also with the problems of sound operation of insured banks and of reduction of losses resulting from bank failures.

The board of directors of the Corporation is now composed of Hon. Leo T. Crowley, chairman, who has frequently appeared before the Banking and Currency Committee. He has demonstrated fine capacity and a comprehensive grasp of the problems of this great Corporation; former Senator Phillips Lee Goldsborough; and Hon. J. F. T. O'Connor, Comptroller of the Currency. The personnel of the organization at the close of 1935 consisted of 742 employees, of whom 237 were in the Washington office, 505 in the field, and at the 12 regional offices throughout the country, as against 2,622 at the end of 1933 when there were 211 in Washington and 2,411 in the district offices.

The present financial set-up of the Insurance Corporation consists of capital stock, of which \$150,000,000 is held by the Secretary of the Treasury, and about \$140,000,000 subscribed by the 12 Federal Reserve banks. Under the existing law the banks which are members of the Corporation pay an assessment of one-twelfth of 1 percent of their total deposits, which amounts to about \$33,000,000 a year. Under the Banking Act of 1935 the Corporation is authorized to issue obligations up to three times the amount received by it in payment of its capital stock and in payment of the assessments by insured banks for the year 1936. The Secretary of the Treasury and the Reconstruction Finance Corporation are also authorized to purchase securities issued by the Corporation in an amount not to exceed \$250,000,000. It thus has a potential fund for the payment of losses of over a billion dollars.

Its financial statement as of the close of business on December 31, 1935, showed the following: Government securities owned, \$297,386,836; its income from investments, including profit of about one and one-fourth of a million dollars from the sale of securities, amounted to \$9,259,035; its administrative expenses were \$2,613,072; deposit insurance losses and expenses totaled \$3,509,029. The Corporation's daily income from investments, amounting to \$22,000 a day, has been used to pay current losses and to create a reserve for future losses.

Estimates as of December 31, 1935, showed there were 14,207 banks insured by the Corporation out of a total of 15,722 banks in the entire United States. These insured banks had total deposits of over forty-two billions, of which over eighteen billions were insured. In other words, fifty-one millions of depositors were protected by deposit insurance. Fifty millions were fully insured by the \$5,000 limit and 1,000,000 were partially insured. The 1,515 licensed banks which are not insured had deposits of ten billion. Of the total number of insured banks 5,395 were national banks, 1,001 were State banks which were members of the Federal Reserve System, and 7,801 were nonmember State banks. I should like to have permission at this point to insert a tabulation which gives a preliminary estimate of the number of insured and uninsured banks in each State.

These figures, to my mind, are eloquent proof of what can be accomplished by beneficent legislation and intelligent administration. As a member of the Banking and Currency Committee, I am naturally very happy to see this new agency play such an important and prominent part in the daily lives of our people and in the improvement and strengthening of our entire banking system.

These magnificent results were not reached, however, without a great deal of laborious work. The original directors of the Corporation first met on September 11, 1933, and were faced with the gigantic task of examining and qualifying over 7,800 State nonmember banks before January 1, 1934, the date upon which the temporary Federal deposit

insurance fund became effective. Without going into any great detail, it is sufficient for me to point out that this huge task was efficiently and expeditiously carried out with the help of a field force of over 2,500 people working out of the various 47 field offices which had to be set up.

The original law provided that all applying nonmember banks were to be insured upon the presentation of a certificate of solvency from the appropriate State supervising authority, and if they were found upon examination by the corporation to have assets sufficient to cover all liabilities to depositors and other creditors. About 1,000 banks were found to have insufficient assets to meet this test. They were, however, made eligible by the raising of local funds and the purchase by local interests of bad assets, and through the investment by the Reconstruction Finance Corporation of capital obligations. There were about 140 banks which could not gain admission.

The directors of the Corporation wisely decided early in 1934 to reexamine all the insured commercial banks which did not belong to the Federal Reserve System and which had been found to have a weak capital structure. As a result of these reexaminations more than 6,000 banks were rehabilitated by the purchase of capital obligations amounting to more than \$800,000,000 by the Reconstruction Finance Corporation and through the contribution of local capital amounting to several hundred millions of dollars. By thus placing the insured banks in a strong capital position the Corporation was able to proceed with the plan of deposit insurance on a firm foundation. I am told that this program has now been largely completed so that, from the standpoint of capital structure, the banks of the country today are perhaps in a better condition than they have been for many years. The report of the Reconstruction Finance Corporation of January 20, 1936, by Jesse H. Jones, its chairman, contains the following:

Loans in the aggregate amount of \$1,350,044,820.73 were authorized to 4,950 banks which were open when the loans were made; \$1,142,590,340.69 of these authorizations were disbursed; and \$975,587,748.53, or 85.4 percent, have been repaid. Loans to 1,170 of these banks that closed after the loans were made have been paid in full.

Of \$1,071,348,339.23 disbursed for the purchase of preferred stock, capital notes, and debentures in 6,057 banks and trust companies, including \$30,375,000 for nine insurance companies, \$141,679,200.73 has been repaid.

Such authorizations were made to 6,840 banks and trust companies in the aggregate amount of \$1,328,633,169.41.

Of \$876,124,844.81 disbursed for distribution to depositors in closed banks, \$630,399,741.51, or 72 percent, has been repaid. Total authorizations for this purpose have been \$1,170,031,738.40. These sums, I understand, were advanced with the advice and in cooperation with the Federal Deposit Insurance Corporation.

While the Corporation was expending great efforts to better the condition of the banks which it insured, it was at the same time actively engaged in its attempts to bring about a greater unification and harmony between the Federal and State agencies charged with the supervision and regulation of the Nation's banks. It has done much to eliminate the criticisms which were aimed at the duplication of efforts of the different supervising authorities. It should be remembered that the Federal Deposit Insurance Corporation, except in rare cases, only examines those insured banks which do not belong to the Federal Reserve System; in other words, State banks. The Comptroller of the Currency examines the national banks and the Federal Reserve Board examines the State banks which belong to the Federal Reserve System. There is, thus, no real duplication by any of the Federal agencies, contrary to a misunderstanding which seems to exist in some quarters. The Corporation has gone out of its way to cooperate with the bank commissioners of the several States. This fine spirit of cooperation has met with splendid support. Many of the States are now using the examination form of the Corporation and are also conducting joint examinations with the

field forces of this Federal Department. Many conferences have been held with the officials and members of the National Association of Supervisors of State Banks regarding mutual banking problems as well as with representatives of the American Bankers Association and the different State organizations.

Legislation to enable State banks to participate in the benefits of Federal deposit insurance has been prepared by the Corporation's legal department, which has been favorably acted upon in a great many States of the Union. I think it can be fairly said that the Corporation's activities in this and other matters have done much to bring about a better understanding and a more friendly spirit of cooperation on the part of State officials interested in the permanent improvement and stabilization of our country's banking system.

Perhaps the most impressive phase of the Corporation's functions has been the payment of the claims of depositors in the insured banks which have closed since January 1, 1934. A total of 33 insured institutions closed their doors for the 2-year period from January 1, 1934, to January 1, 1936. These banks had total deposits of \$10,906,972 and insured deposits of \$7,053,667. Approximately 32,379 depositors have been paid the sums due them. The total insured deposits paid reached the figure of \$6,369,128.

When an insured bank closes the Corporation can discharge its liability to depositors by making available to each depositor a transfer deposit in a new bank in the same community or in another insured bank equal to the insured deposit of such depositor, and subject to withdrawal on demand, or in such other manner as the board of directors of the Corporation may prescribe. Whenever an insured national bank closes, the Comptroller of the Currency must appoint the Corporation receiver for such closed bank. The Corporation is authorized to act as receiver whenever an insured State bank closes and is eligible for such appointment in 30 States either by virtue of their general laws or special acts. In two States, Louisiana and Mississippi, the appointment of the Corporation as a receiver has been made mandatory.

Deposit insurance has changed the administration of bank receiverships particularly by the substitution of the Corporation as a single claimant in place of a large number of depositors whose accounts have been paid by the Corporation. The appointment of the Corporation as receiver simplifies procedure, eliminates duplication of records, and fixes responsibility for liquidation in the largest creditor whose interest is to obtain the maximum possible recovery. Under the law it is the duty of the Corporation as receiver of the closed insured bank "to realize upon the assets of such closed bank, having due regard for the condition of credit in the locality."

The striking contrast between this new and simple method and the procedure followed under the old practice is at once apparent. Probably one of the greatest compliments the American public has paid to the Insurance Corporation is the manner in which it now receives the news of the closing of an insured bank. It was only a few years ago when the closing of a bank meant trouble and disaster to a community. In those days a run upon a bank was looked upon with deep and universal apprehension. It not only embarrassed the particular institution involved but also brought worry to the depositors and management of the other banks in the locality. If the bank which had the run finally closed, there was no assurance that some of the neighboring banks might not have to do likewise. In any event, there was a long period of painful liquidation, which meant that the depositors had to wait months and even years to get back only a part of their funds. Instead of an orderly liquidation of the assets, there was ordinarily much forced selling, which imposed great hardships upon the economic life of the neighborhood.

Now when an insured bank closes the Deposit Insurance Corporation begins to pay the claims of depositors in full, usually within 10 days after the bank closes, in the absence of any legal complications. The Corporation, on account of

its vast resources, can afford to await the return of improved conditions before it attempts to reimburse itself for the claims it has paid. This has enabled it to effect almost 60 percent recovery in the 33 banks which have closed since January 1, 1934. In one case there was a recovery of 100 percent, and in a few others an almost equal amount.

I suppose the best place to get a true idea of the public's attitude toward the plan of Federal deposit insurance would be in those cities throughout the United States where the 33 closed insured banks are located. I have no doubt that any person seeking the truth would find that public opinion in those centers was all one way, namely, that deposit insurance has been the salvation of the depositors of those banks which failed during the last 2 years. Even in those parts of the country which have not had any failures of insured banks as yet there is almost a unanimous enthusiasm and good will for this protection to depositors. A recent impartial survey made by the National Emergency Council disclosed the interesting fact that out of some 38 States reporting every one was found to have been in favor of the plan of giving Federal protection to those who had money in the country's banks.

The results of 2 years' operations have demonstrated that the Insurance Corporation can and will be a powerful factor for good in the future development of our banking system. It is generally conceded that the amendments which have been made to the original law, and particularly those adopted at the last session of Congress, will go a long way toward making the permanent insurance law more effective. As of July 1, 1934, the insurance protection was increased from \$2,500 to \$5,000 for each depositor. This limitation was retained in the Banking Act of 1935 for the reason that more than 99 percent of all depositors are fully protected by this limit and because it was felt that the Corporation should not be subjected to an increased liability resulting from a higher maximum of insurance.

A regular payment by insured banks has replaced the original stock-subscription provision and the unlimited liability for assessments when losses occur. The premium has now been fixed at one-twelfth of 1 percent of the total deposits of the insured banks. Under the original law the assessment amounted to one-half of 1 percent of the insured deposits.

The Corporation has been given the power to protect itself against incurring excessive risks by controlling admissions to the fund and by dismissing from the insurance benefits any bank which is found to be engaging in unsound practices. Under the old law, if the bank was merely solvent, it was eligible for insurance. The standards of admission now embrace the convenience and needs of the community in which the bank is located, the capability and integrity of the management, its earnings possibilities, and the financial and general condition of the bank.

It has also been given the right to control capital changes, pass on mergers and consolidations, and to require insured banks to carry adequate burglary and fidelity insurance. Defalcation or burglary has been the principal cause of failure in the majority of insured banks which have already closed.

Another important provision added by the Banking Act of 1935 gives the Corporation the right to purchase assets of banks where such purchase will facilitate mergers and consolidations and thus avert a threatened loss to the Corporation or reduce its risk. This power has recently been exercised by the Corporation in Ann Arbor, Mich., and Bethlehem, Pa. If the banks involved in those cities had been allowed to close, it is certain that considerable distress would have been created and final loss to the Corporation would have been considerably greater than it will be under the arrangement agreed upon.

Other changes in the original law have been designed to give the Corporation greater flexibility in the payment of claims of depositors in order that these operations may be conducted with a maximum of efficiency and a minimum of expense and to facilitate the administration of the Corporation's affairs.

From January 1, 1934, to October 31, 1935, only 83 commercial banks with forty-five millions of deposits suspended. These dates cover the period from the inauguration of the

plan of Federal deposit insurance to almost the end of its second year of operation. When you compare this showing with the number of closings of the years gone by, you begin to get a true picture of what deposit insurance has meant to this country. From January 1, 1865, the date of the commencement of our national banking system, to December 31, 1920, about 3,700 banks suspended operations. From January 1, 1921, to March 15, 1933, the date of the banking holiday, 11,225 banks closed. Approximately 4,500 banks closed from March 15, 1933, to December 31, 1933, including banks which closed during the banking holiday and were not licensed by April 12, 1933. In other words, from January 1, 1865, to December 31, 1933, nearly 20,000 banks were closed. Of these, about 10 percent were reorganized and reopened. The rest ceased to function. Over ten billions of dollars of deposits were involved. It is estimated that the depositors of the country suffered a loss of about three and one-half billions of dollars. In the face of these appalling losses, there is no wonder that people of this country are so strongly in favor of Federal protection for their deposits.

I submit that no other party in the history of this country has ever given more effective legislative and financial assistance to the American system of banking than has the present administration. While it is true that deposit insurance is no cure-all for the weaknesses of the banking system nor for the unstable business conditions which have in the past brought about periodic bank crises, nevertheless, it must be conceded that the banking program of the present administration has been effective and constructed upon a basis which enables the depositors of this country to place their money in banks secure in the belief that their funds are protected. Let those who are now finding fault with what has been done remember that.

There is no doubt that the passage of the bill creating the Federal Deposit Insurance Corporation is one of the greatest achievements of this or any other administration.

Its salutary effect is generally admitted by all of our citizens irrespective of party. It was a great constructive measure. It can be with reason said that it saved our institutions from the greatest financial catastrophe in the history of the Nation.

It will be interesting to consider what is the position of the Republican Party with reference to this measure.

The Republican national platform of 1932 contains the following:

In contrast with the Republican policies and record we contrast those of the Democratic, as evidenced by the House of Representatives, under Democratic leadership and control, which includes (amongst other things) the guaranty of bank deposits.

Candor impels me to say that many Republican Members of the House voted for this measure and were heartily in favor of it. Many of the Republican members of the Banking and Currency Committee were very active in its support, and it is my recollection that it was unanimously reported favorably, but the Republican Party as a party, with its well-known characteristics, is officially on record as being opposed to it.

The Republican Party has become the party of opposition and obstruction. The prophet of old said, "Where there is no vision the people perish." This applies with equal force to political parties. Political parties when they become but the instruments of criticism, opposition, and obstruction lose their vision.

They then become seized with legislative blindness. I am not criticizing our Republican colleagues personally, but the party to which they belong has become the victim of that affliction.

The Republican Party has absolutely no constructive program itself, and it cannot see or appreciate constructive legislation when proposed by the Democratic Party.

The bitter denunciation of the Federal Deposit Insurance Corporation law by the Republican Party certainly weakens the effect of its constant criticism and bitter abuse of other Democratic measures.

Mr. FIESINGER. Will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FIESINGER. The gentleman is a very valuable Member of this House. The question occurred to me whether the great metropolitan banks of the country are still opposed to this measure. I know they were at one time very hostile to it.

Mr. SPENCE. I do not know their attitude now, but at the time the bill was passed the metropolitan banks were bitterly opposed to it. Of course, the percentage of insurance with

reference to the metropolitan banks—that is, the total amount of deposits—is not as high as it is in some of the other banks. The percentage of deposits insured in New York banks is 23 percent, but I feel that every dollar in every bank has the benefit of this insurance. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The statements referred to are as follows:

Preliminary report of Federal Deposit Insurance Corporation

NUMBER OF LICENSED BANKS IN THE UNITED STATES COMPARED WITH THE NUMBER OF INSURED BANKS AS OF DEC. 31, 1935

State	National banks licensed ¹	State Federal Reserve members licensed ¹	Nonmember banks			Mutual savings banks			All banks ¹			Percent insured to total
			Uninsured	Insured	Total licensed	Uninsured	Insured	Total licensed	Uninsured	Insured	Total	
Alabama	69	18	10	120	130				10	207	217	95.4
Arizona	8	3		5	5					16	16	100.0
Arkansas	50	7	9	156	165				9	213	222	95.9
California	123	16	10	106	116				10	245	255	96.1
Colorado	81	5	15	55	70				15	141	156	90.4
Connecticut	54	6	16	45	61	73		73	89	105	194	54.1
Delaware	16	4	2	24	26				2	4	44	91.7
District of Columbia	9	2		11	11					22	22	100.0
Florida	51	3	1	94	95				1	148	149	99.3
Georgia	57	25	22	176	198				22	258	280	92.1
Idaho	24	10	3	24	27				3	58	61	95.1
Illinois	299	65	19	502	521				19	866	885	97.9
Indiana	125	8	43	367	410	1	4	5	44	504	548	92.0
Iowa	118	26	76	438	514				76	582	658	88.4
Kansas	190	16	268	254	522				268	460	728	63.2
Kentucky	100	9	43	283	326				43	392	435	90.1
Louisiana	30	4	2	114	116				2	148	150	98.7
Maine	40	6	9	16	25	26	6	32	35	68	103	66.0
Maryland	63	10	3	111	114	11	2	13	14	186	300	93.0
Massachusetts	128	30	4	40	44	193		193	197	198	395	50.1
Michigan	84	91	28	274	302				28	449	477	94.1
Minnesota	205	15	36	429	465		1	1	36	650	686	94.8
Mississippi	25	3	10	171	181				10	199	209	95.2
Missouri	87	51	51	509	560				51	647	698	92.7
Montana	46	21	1	52	53				1	119	120	99.2
Nebraska	137	9	60	231	291				60	377	437	86.3
Nevada	6		1	3	4				1	9	10	90.0
New Hampshire	52	1	9	3	12	47		47	56	56	112	50.0
New Jersey	237	53	7	100	107	11	14	25	18	404	422	95.7
New Mexico	22	4	1	14	15				1	40	41	97.6
New York	459	119	8	190	198	133	2	135	141	770	911	84.5
North Carolina	44	10	2	182	184				2	236	238	99.2
North Dakota	66		11	127	138				11	193	204	94.9
Ohio	249	72	21	308	390		3	3	21	693	714	97.1
Oklahoma	214	1	18	173	191				18	388	406	95.6
Oregon	45	6	2	43	45				2	95	97	97.9
Pennsylvania	709	74	10	259	308	5	1	7	15	1,094	1,099	98.6
Rhode Island	12	2	2	7	9	9		9	16	16	32	50.0
South Carolina	20	4	33	86	121				33	112	145	77.2
South Dakota	52	23	1	124	125				1	199	200	99.5
Tennessee	72	5	10	238	248				10	315	325	96.9
Texas	455	53	79	305	384				79	613	892	91.1
Utah	13	19		27	27					59	59	100.0
Vermont	43			33	33		14	14		90	90	100.0
Virginia	132	24	4	166	170				4	322	326	98.8
Washington	63	26	9	93	102		3	3	9	185	194	95.4
West Virginia	79	19	11	72	83				11	170	181	93.9
Wisconsin	106	15	18	472	490	1	4	5	19	597	616	96.9
Wyoming	26	8		25	25					59	59	100.0
Total	5,395	1,001	4,103	7,755	8,758	512	56	568	4,515	14,207	15,722	90.4

¹ All banks members of Federal Reserve System are insured.

² Excludes 172 private banks and 58 Morris Plan and industrial banks.

³ 2 Alaska banks and 1 Hawaii bank not members of the Federal Reserve System are insured, but not included herein.

⁴ Includes 1 bank in New Hampshire which Rand McNally reports in process of liquidation.

Source: (1) Report of all insured banks issued by the Corporation. (2) Card records of uninsured banks maintained by the Division.

Number of banks

June 30	All banks ¹	Member banks		Nonmember banks	
		National	State	Mutual savings	Other
1922	30,158	8,244	1,648	630	19,636
1923	29,833	8,236	1,620	628	19,349
1924	28,996	8,080	1,570	625	18,721
1925	28,479	8,066	1,472	623	18,318
1926	27,854	7,972	1,403	621	17,858
1927	26,765	7,790	1,309	618	17,048
1928	25,941	7,685	1,244	616	16,996
1929	25,110	7,530	1,177	611	16,792
1930	23,852	7,247	1,068	606	14,931
1931	21,903	6,800	982	600	13,521
1932	19,046	6,145	835	594	11,472
1933 ²	14,519	4,897	709	576	8,337
1934	15,835	5,417	958	578	8,882
1935	15,994	5,425	985	571	9,013

¹ Includes national banks, State commercial banks and trust companies, mutual and stock savings banks, and all private and industrial banks included in abstracts issued by State banking departments.

² Beginning June 30, 1933, all figures (other than for mutual savings banks) relate to licensed banks only, with some exceptions as to nonmember banks.

Number and deposits of banks suspended, 1921-35

Year	Number	Deposits
1921	505	\$172,188,000
1922	367	93,043,000
1923	646	149,601,000
1924	775	210,151,000
1925	618	167,555,000
1926	976	260,378,000
1927	699	199,329,000
1928	499	142,580,000
1929	659	230,643,000
1930	1,352	853,363,000
1931	2,294	1,690,669,000
1932	1,456	715,626,000
1933 ¹		
1934	87	36,937,000
1935	94	10,158,000

¹ Figures for bank suspensions in the year 1933 are difficult to put on a basis comparable with other years. From Jan. 1 to Mar. 15, 1933 (the time of the banking holiday) 449 banks with \$215,341,600 of deposits suspended. On Apr. 12, 1933, there were 4,194 banks which had not been given licenses to operate on an unrestricted basis. These banks had \$3,977,530,000 of deposits at the nearest call date prior to the banking holiday. It is known that 2,100 of these with deposits of \$2,522,175,000 were subsequently placed in receivership or liquidation, and in the case of many of those which were reorganized or reopened in one way or another depositors did not receive the full amount of their claims. Of the banks which were licensed subsequent to the banking holiday 179 with deposits of \$145,710,000 suspended between Mar. 16 and Dec. 31, 1933.

Mr. BLANTON. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. Mr. Chairman, I am glad to see all Members in their seats ready and willing to hear what I have to say.

I want to discuss a matter today which, in my opinion, is most important. Since 1930, because of the depression, the Federal Government has been required to make enormous expenditures of money. During the Hoover administration the national debt was increased a little over \$6,000,000,000, because the revenues derived from taxation were not sufficient to meet the regular operating expenses of Government and the emergency expenditures made necessary by the depression.

The Roosevelt administration has been faced with a similar situation. The net debt has been increased up to December 1, 1935, by about \$6,000,000,000, because the taxes collected under this administration have been insufficient to meet the ordinary operating expenses plus the extraordinary expenses caused by the depression. I think the time has come when we must meet the issue squarely and fairly. We must either cut down the expenditures of the Federal Government to meet the income from taxation or we must increase the income. No Federal Government, no State government, no county government, no municipal government, and no individual or group of individuals can continue indefinitely to spend more than their income without facing the proposition sooner or later of disastrous results. It is for this reason that I bring this question before you.

Congress has unlimited power to levy taxes for the purposes of operating the Government under all its ramifications, as provided for by the Constitution, but has no power to levy taxes against its citizens for purposes of paying for activities not covered under the Constitution. The taxing power of Congress is covered by section 8 of the Constitution, which reads as follows:

Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

This means that Congress can levy taxes to regulate commerce, to establish a uniform rule of naturalization, and uniform laws on the subject of bankruptcies; to coin money and regulate the value thereof; to provide for the punishment of counterfeiting; to establish post offices and post roads; to promote the progress of science by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries; to constitute tribunals inferior to the Supreme Court; to punish piracies and felonies on the high seas; to declare war; to support armies; to maintain a navy; to provide for the calling of the militia, and for governing such part of them as may be employed by the United States; to provide the necessary expenditures for the operation of the District Government; and further, to provide for the expenses incident to the executive, legislative, and judicial branches.

It is very plain to me that we have been collecting taxes from our citizens for a great many activities which, in my opinion, are not provided for under the Constitution, and for your information I desire to discuss this angle briefly. The Federal Government, during the fiscal year of 1935, made appropriations in grants to States and Territories under 22 different items, as follows:

1. Agricultural experiment stations.
2. Agricultural extension work.
3. Payments to States and Territories from the National Forest Fund.
4. Payments to school funds—Arizona and New Mexico.
5. Forest-fire cooperation.
6. Cooperative distribution of forest planting stock.
7. Cooperative construction of rural post roads.
8. Federal aid highway system.
9. National industrial recovery highway funds.
10. Colleges for agriculture and mechanic arts.
11. Payments to States from receipts under Mineral Leasing Act.
12. Five-, three-, and two-percent funds to States.
13. Payment to States under certain special funds.
14. Cooperative vocational education and rehabilitation.
15. United States Employment Service.

16. State marine schools.
17. American Printing House for the Blind.
18. National Guard.
19. Payments to States under Federal Water Power Act.
20. States and Territorial homes for disabled soldiers and sailors.
21. Federal Emergency Relief Administration grants.
22. Federal Emergency Administration of Public Works grants.

The expenditures by the Federal Government under these headings for the fiscal year ending June 30, 1935, are as follows:

Alabama	\$39,450,166.46
Alaska	936,220.05
Arizona	13,085,787.77
Arkansas	35,444,356.52
California	107,555,783.21
Colorado	83,193,664.85
Connecticut	18,019,760.26
Delaware	3,202,676.50
District of Columbia	10,386,721.74
Florida	30,247,845.05
Georgia	40,863,490.67
Hawaii	4,534,747.04
Idaho	15,202,367.08
Illinois	130,386,521.06
Indiana	45,567,671.56
Iowa	26,534,665.73
Kansas	42,095,526.39
Kentucky	26,119,811.10
Louisiana	30,952,820.58
Maine	12,278,156.68
Maryland	22,212,645.68
Massachusetts	77,848,641.50
Michigan	78,196,590.13
Minnesota	62,448,564.10
Mississippi	27,377,332.13
Missouri	58,499,052.27
Montana	23,117,926.90
Nebraska	26,517,685.44
Nevada	7,278,506.27
New Hampshire	6,336,232.14
New Jersey	66,946,763.57
New Mexico	19,262,821.92
New York	285,378,465.91
North Carolina	32,994,765.72
North Dakota	29,676,262.71
Ohio	123,112,512.80
Oklahoma	39,183,391.37
Oregon	17,385,595.41
Pennsylvania	192,025,666.83
Philippine Islands	297.43
Puerto Rico	12,396,221.06
Rhode Island	5,976,176.94
South Carolina	23,736,874.09
South Dakota	32,447,402.83
Tennessee	30,390,269.37
Texas	88,682,605.48
Utah	17,006,357.81
Vermont	4,379,912.41
Virgin Islands	497,700.00
Virginia	23,073,115.39
Washington	27,649,248.45
West Virginia	26,844,255.14
Wisconsin	54,317,990.90
Wyoming	12,056,603.92

These Federal grants to States amount to the enormous sum of \$2,221,313,214.34. This does not include any grants made to States under the Agricultural Adjustment Act, which I pointed out in my remarks on February 19, 1936, amounted to the enormous sum of \$1,108,322,870.30, covering a period from May 12, 1933, to December 31, 1935. It is assumed that the expenditures made for this purpose for the fiscal year 1935 amounted to at least five or six hundred million dollars. Therefore our total grants to States during the fiscal year of 1935 amounted to approximately \$2,750,000,000.

In my remarks on February 19, 1936, I showed that the total taxes collected by the Federal Government under income taxes, miscellaneous internal-revenue taxes, and agricultural adjustment taxes for the fiscal year of 1935 amounted to the enormous sum of \$3,299,435,572.18. To this should be added other revenues, which brings the grand total to \$3,800,467,201.96. It, therefore, will be seen that there was very little left from the general revenue funds of the Federal Government after the grants to States were made.

During the fiscal year of 1935 the regular expenses of Government required an expenditure of \$3,721,234,634.76. The so-called expenditures not provided for in the Constitution amounted to \$3,654,590,530.81, making the total expendi-

tures for the fiscal year of 1935, \$7,375,825,165.57, or a net deficit of \$3,575,357,963.61. Therefore, if the grants to States as made in 1935 were discontinued our revenues and our expenditures for the ordinary operating expenses of the Government would not be far apart, and with the increased business now apparent, no doubt in the next fiscal year would nearly reach a balance.

I am therefore of the opinion that we have reached the point where we must give consideration to the proposition of whether we are to continue these State grants or whether we are to discontinue them. If we continue them we must increase our revenues, and to a substantial amount—and by this I mean an increase of at least 100 percent from what they now are. If we discontinue them, we need no additional revenue, in my judgment. I am of the opinion that the States of this Union are in a position to take care of their own problems, and that it is not the function of the Federal Government to levy taxes against the citizens of a State and then pay back to the State only a portion of the taxes collected. Quite large sums of the amounts collected are dissipated by the Federal Government in enormous administrative expenses. If the States were left their own problems and were permitted to levy taxes for these same activities, I am honestly of the opinion that there could be a great saving made by them. After all, the taxes must be collected from the States in either event. Why not let the States do the job in the first place?

We are soon to have a tax bill, and all I know about it is the President's message and what I read in the newspapers. I am on the Ways and Means Committee, the committee of the House in which should originate all tax measures. I have not learned of a single member of the committee who knows definitely what it is to be. It is further reported that the tax bill is only to cover a levy that will pay the expenses that are to be entailed as a result of the Soil Conservation Act, which I and many others believe is unconstitutional, and the bonus; but no attention is being paid or contemplated in levying a tax which will pay for the general operating expenses of the Government. The general expenses of the Government, as I pointed out sometime ago, are now being paid by borrowed money. I am in favor of levying a tax for activities of the Government as provided for under the Constitution which will result in a balanced Budget, but I am not in favor of levying a tax which has for its purpose taxing one class of citizens for the benefit of another class.

I urge the Congress of the United States to give consideration to what our future policies shall be, which, as I see it, are as follows: Shall we confine the activities of the Federal Government to the items provided for under the Constitution, or shall we continue to do as we are now doing by adding a lot of expenses for activities which are not covered under the Constitution? The questions I humbly suggest should receive the undivided attention of the legislative branch of the Government in the immediate future.

It is the duty of the legislative branch of the Government to provide taxes that will raise sufficient revenue for all appropriations passed. In fact, we have a statute on the books which expressly prohibits anyone else having anything to do with it unless expressly requested to do so. I quote the law:

No estimate or request for an appropriation, and no request for an increase in an item for any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress.

In view of this fact I ask, Why should we be waiting for someone to suggest a tax plan?

This afternoon the Ways and Means Committee met. We delegated a subcommittee to consider sources of taxes that we should raise. In the President's message this afternoon he indicated some sources of revenue that might be reached. Among them was a tax on surpluses of industries. Right in connection with that I want to say that if we are ever going to put the unemployed in this country back to work on a sound substantial basis, it must be with industry. [Applause.]

Any tax law that destroys industry or that destroys the possibility for profit, and that takes away from industry its protection of a surplus, I say will lead to the destruction of industry. I venture the assertion that 75 or 80 percent of the business of this country has not made a nickel since 1929. Some big industries, as was pointed out today, may have made a great deal of profit, but, when you talk about business, Mr. Chairman, you are talking not only about big business but you are talking also about little business. I wish the time were here now when we would have more little business and not so much big business. I claim any taxing program that tends to destroy confidence in business, confidence in investments in business, is no good. That is what I have to say about that.

We hear some other programs suggested, such as the relieving of processing taxes. For what purpose? For the purpose of paying people for doing the things that we should not ask them to do. That is what we are levying taxes for. We should have considered the question of raising taxes to pay the Soil Erosion Act before we passed the bill. I did not vote for that bill. I cannot vote for a bill that tends to lower production in this country when I do not believe we have overproduction, with 30,000,000 people hungry. So I say the most important thing we have to consider is what we are going to tax. I am for a tax bill and I will vote for a tax bill, but I want a constructive tax bill; not one that will make conditions worse instead of making conditions better. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, 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. 11581, the District of Columbia appropriation bill, 1937, had come to no resolution thereon.

CONSERVATION OF FLOODWATERS—THE ANSWER TO DROUGHT

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a plan for the conservation of flood waters set forth in a pamphlet issued by the conservation flood waters committee of the South Omaha Merchants' Association.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following plan for the conservation of flood waters set forth in a pamphlet issued by the conservation of floodwaters committee of the South Omaha Merchants' Association:

Our purpose is to awaken in the people a sense of danger from drought which is no longer a dream but a menacing fact which has already taken a heavy toll and, no doubt, will continue with increasing violence if something is not done to relieve or prevent the scourge.

Up to this time nothing that gave any plausible promise of relief has been suggested, but now we have good reason to hope. The dread curse can be battled with by nature's own agencies and in time defeated and supplanted by conditions better than any in the past or than anyone less than an extreme optimist could have hoped for.

If the trouble has been caused by the drainage of our natural watersheds, as the intelligence of the country seems to think it has, then we know what can be done. It is simplicity itself, but it calls for action in the whole Middle West and south central Canada, if we can get Canada to cooperate.

Here is the plan (nothing to buy but labor, and Uncle Sam is looking for opportunities): We have lots of roads, and every road has two drainage ditches, one on each side. Our plan is to convert the drainage ditches into flood-water conservation pools. This can be done without increasing the danger of floods or any other danger. In fact, it will be a lessening factor. No dams are contemplated. Instead, it is proposed that sways be scraped out in the present ditches 10 to 15 inches deep and as long as the contour of the ground will afford a fairly level base. These ponds may be divided in any lengths by leaving spaces untouched that would serve as dams. The better phases of these will suggest themselves as the work proceeds.

One of the very good features of this system is that the water can be impounded on the high ground from where it will naturally find its way down to the lower levels.

The chief barriers in the way of making this change in road ditches are found in the plans and specifications furnished State and county engineers by Federal and State highway commissioners. They specify drainage plans that are diametrically opposed to water conservation. Nothing constructive can be done before these ditch specifications are amended or removed, but this should be easy where the promise of so much good is apparent and no cause for opposition in sight.

This is not scandal. It is a healthy baby, but it won't travel alone or talk for itself. If you are a private citizen, talk. If you are a writer, don't forget. If you are a lawmaker, act. Push! Give the baby a hand. There is no promotive money. It is your interest. It is everyone's job and should be promoted with the most selfish aggressiveness.

There is an old-timer on this committee now almost 80 years old. The sweetest thing in the world to him would be to see this thing operating before he leaves. Let us see what we can do for him.

The heavy snowfall of 1936 may have a depressing effect on some who in case of a dry winter might be good boosters for our plan, or may be the basis for some to talk in opposition with apparent wisdom. But let us not be fooled or thwarted. This snow or any number of snows or rains, is not going to replace the water in the earth and bring it back to normal as long as our drainage conditions remain as they are.

In the face of all the big questions agitating the minds of the Government, its lawmakers, and the people generally, we believe this is the most important. What will all the others amount to if we continue to dry up and we get a few more years like 1934 or perhaps a series of them such as they had in South Dakota? If this plan is worked out, as we hope it will be, it may be the solution of unemployment. Better and more regular crops would be an irresistible inducement to the farmers who were driven from their homes by short crops and shorter prices. There would be lots of others who would want to farm if they could see an opportunity where by industry and frugality they could win a decent existence away from idleness and doles.

In the face of the inroads modern machinery is making in the many fields of labor, the thought of getting back to normal on present plans is just foolish. It just can't be. "Back to the farm" is the solution, and no one need fear overproduction. Give the farmer a chance to produce and consume and the country is safe. Destroy that and our beautiful America must become a Nation of idleness, pauperism, and crime.

Dr. A. L. Lugin, University of Nebraska, a national authority on underground water, is now preparing a favorable report upon the above plan.

Mr. Good Citizen, put in your best licks for the conservation of flood waters.

SOUTH OMAHA MERCHANTS ASSOCIATION,
JOHN FLYNN,
Chairman, Conservation Flood Waters Committee.

FILIPINO REPATRIATION

Mr. WELCH. Mr. Speaker, I ask unanimous consent to have published in the CONGRESSIONAL RECORD a statement by Mr. Edward W. Cahill, United States Commissioner of Immigration and Naturalization, at San Francisco, Calif., on the Filipino repatriation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following statement by Mr. Edward W. Cahill, United States Commissioner of Immigration and Naturalization, at San Francisco, Calif., on Filipino Repatriation:

Because of the delay in the execution of the Filipino Repatriation Act, caused by lack of funds, I would now like to review, for the benefit of the Congressmen and their constituents, the reasons leading up to the passage of this act and its provisions. We might well analyze the reactions to the passage of the act on the part of the Filipinos themselves, and of those who are in contact with them in various ways, such as farm-labor contractors, large landowners and growers and their associations, employers of industrial and domestic labor, social and church organizations, missionaries, etc. We should also examine some of the false propaganda which has been disseminated with a view to preventing the full and free execution of the act.

This act is the result of an appeal made by large numbers of Filipinos to the President of the United States for free transportation to their homeland. A petition to the President of the United States, bearing the signature of thousands of Filipinos residing on the Pacific coast and engaged in agricultural pursuits, set forth the unfortunate predicament in which they found themselves, accused by labor of lowering the wage scale yet forced by the corporate growers and labor contractors to work for a lower wage than corresponding white labor, or to be subjected to mob violence, the destruction of their homes, and unwarranted arrest if they took any action to maintain a higher wage scale.

They also recited that they were losing thousands of dollars annually in unpaid wages for employment by citizens of foreign nations, who were organized and represented in this country and were taking advantage of the fact that the Filipinos were not similarly organized and represented as foreigners, nor had they American citizenship with its consequent protection.

This petition indicated that further obstacles to their proper adjustment to American conditions were racial prejudice and discrimination, although they had been educated in Americanized schools in the Philippines and encouraged to esteem and strive for American standards of civilization.

Finally they admitted that their hopes and ambitions which led them to come to America had not been fulfilled, and that they were now disillusioned by the unfortunate social and economic status to which they had been forced. Particularly they cited the wretched living conditions of the farm laborers, in direct violation of the State housing laws.

For all these reasons they petitioned the President to arrange that they might be repatriated at Government expense "so that we may work out our destiny and future among our own people, where we hope and trust that even though it may not afford all the seeming advantages of western civilization it may be more conducive to our future happiness."

The justice of this plea being recognized by the Government of the United States, an act known as the Filipino Repatriation Act (Public, No. 202, 74th Cong.), which I had the honor to introduce as H. R. 6464, was passed by the House of Representatives and the Senate, and was signed by President Roosevelt on July 10, 1935.

The intention of the Congress in passing this act was in harmony with its well-known and recognized policy of justice in granting to the Philippines their independence, an act unprecedented in history. The attitude of the United States toward our good neighbor, the Philippines, is that of friendship and good will, and this is evidenced in our relations with the individual Filipinos no less than toward the Philippines as a nation. This Filipino Repatriation Act is a big brotherly gesture of help and assistance to the Filipinos who have come to the United States and now find themselves in difficulties, whose friendship we have cherished and hope to maintain in the future, whether they decide to return to their homeland or to remain in the United States.

The provisions of the act are very simple. It provides that "Any native Filipino residing in any State or the District of Columbia on the effective date of this act (July 10, 1935) who desires to return to the Philippine Islands may apply to the Secretary of Labor * * * through any officer of the Immigration Service for the benefits of this act. Upon approval of such application the Secretary of Labor * * * shall certify * * * that such Filipino is eligible to be returned to the Philippine Islands under the terms of this act. Every Filipino who is so certified shall be entitled, at the expense of the United States, to transportation and maintenance from his present residence to a port on the west coast of the United States, and from such port to passage and maintenance to the port of Manila, Philippine Islands."

The act further provides that "no application for the benefits of this act shall be accepted by any officer of the Immigration Service after December 1, 1936"; and also that "nothing in this act shall be construed as authority to deport any native of the Philippine Islands, and no Filipino removed from continental United States under the provisions of this act shall hereafter be held to have been deported from the United States."

Therefore we see that the only qualifications necessary are that the Filipino who wishes to return to his homeland shall have been born in the Philippine Islands and that he was a resident of continental United States on July 10, 1935.

The application form is very simple and easy to fill out. There is no charge for it, and the Filipino does not need to pay anyone to help him fill it out, as this service will be given free in any immigration office. The only requirement which will cost the applicant any money is for four small pictures to identify him, which should cost very little.

The act sets a time limit on the repatriation program. The invitation for the free return is not indefinite. All applications must be received by the Immigration Service by December 1, 1936, and December 31, 1936, is the final date for departure from the United States under this plan.

When the application has been accepted by the Secretary of Labor arrangements will be made to send the applicant back to Manila from his present residence in continental United States, wherever that may be. The United States will pay his way from any point in the United States to a port on the Pacific coast and from there to Manila. This includes both transportation and maintenance for the journey.

The act specifically states that this is not deportation. It is purely a voluntary act on the part of any Filipino who wishes to take advantage of the generous offer of the United States Government. There are no strings attached to his acceptance of this offer.

That is all there is to the act. If anyone pretends that other qualifications are necessary he is misinformed. And if he spreads such misinformation he is interfering with the free and full execution of the act. This interference may be innocent, but there may also be certain factions who might wish to destroy the benefits of this act. The spread of this misinformation is working a hardship on the Filipinos. The United States Government wants it distinctly understood that any Filipino who wishes to return to his homeland is invited to apply for free transportation. The United States Government does not ask questions as

to the financial status of the applicant, nor his reasons for wishing to return.

Following the passage of this act the Immigration Service on the Pacific coast began to distribute application blanks, and would have carried on a more vigorous campaign to acquaint the Filipinos with this opportunity if funds had been available. In spite of the lack of funds and the consequent delay, it was interesting and remarkable how many Filipinos asked for application blanks and later sent them in.

The response of these Filipinos was one of gratitude and almost wonder at the generosity of the United States in offering this relief from their difficult situation in America. What had seemed an increasingly hopeless situation was now changed to a golden opportunity to return to their homeland at the very time that the new Commonwealth was being established, and every Filipino longed to take his rightful part in the development of the political and economic strength of his own nation.

The Filipinos, as a people, have a strong love of freedom. Fully appreciating their new liberty, they also recognize the grave responsibility that it carries, and they have committed themselves to a "new national effort for the realization of an ordered and equivalent society—a modest, well-principled effort to approximate a solution of the harassing problem of economic balance and distribution." Facing realities with courage, they need the full strength of their valiant and adventurous citizens whose initiative and desire for a greater opportunity prompted them earlier to come to the United States and now urges their return to their homeland.

Many Filipinos have expressed the thought that not only would they personally be far better off among their own people but also, with the experience and education they have gained in America, they can be of genuine assistance and advantage to the new Commonwealth by disseminating their knowledge to their brothers in the Philippines. Agricultural methods learned first-hand in the United States may be applied to great advantage in the Philippines in some of the districts which are now being actively colonized and cultivated in an attempt to make the Philippines more self-sustaining than they now are. The Government of the Philippine Commonwealth has stated that it will give a hearty welcome to these repatriates.

Many employers of labor like the Filipino because he has been willing to work for low wages and accept housing conditions which would be intolerable to American workers. Naturally, some of the large agricultural interests want to keep the Filipinos here. If large numbers of them should leave this country the employers would be faced with a shortage of cheap labor and the consequent necessity of paying higher wages.

Since the passage of the act those close to the situation have observed the publication of and heard the rumor of propaganda intended to discourage the Filipinos from wishing to return to their homeland. Several types of such propaganda, prejudicial to the full and free execution of the act, have already been detected.

One story published was to the effect that only those Filipinos who are indigent would be eligible to apply for the free transportation. This is entirely false. The matter of indigence is not mentioned in the act, nor is the financial status of the applicant questioned at all.

Another rumor which is being circulated is that if a Filipino takes advantage of this chance to return to the Philippines now he will never be allowed to return. This, too, is false. Any Filipino who later wishes to come back to the United States is at liberty to apply to the American consul in the Philippines for permission to come to the United States under the quota allotted to the Philippines, according to the same practice as is followed in other countries coming under quota regulations.

The propaganda being spread that the Filipinos will have to sign a promissory note payable to the United States to pay back the cost of their transportation to Manila is, of course, another entirely false statement. No reimbursement is asked or expected from the Filipinos.

Let this false propaganda should fail, those responsible for it may also lay plans to persuade the Filipinos, indirectly, of course, that it will be to their advantage to remain in the United States. They may point out that prosperity is returning and offer the inducement of high wages to the Filipinos.

Examining this argument in the light of the facts of the seasonal farm labor, it must be recognized that this work is of very short duration, the picking of a certain crop lasting a few weeks or months at the most. Frequently the Filipinos are brought to a certain district before the crop is ready to be picked; a delay follows, in which they receive no wages and are expected to stand by patiently and await the time when the crop is ready. When the crop has been harvested, the employers then have no further interest in the workers. They are usually not hired direct, but through labor contractors, who receive their cut from the wages of the poor Filipinos. Then follow months of enforced idleness, when the Filipinos are without funds or opportunity to find work.

The big employers of field laborers want an abundant supply of cheap labor available when the crop is ready to be harvested. What happens to these laborers the other months of the year apparently does not interest them. Working under cover, these champions of cheap labor are employing civic bodies and even religious organizations to mislead, confuse, and deceive the Filipinos as to the intent of the United States in granting them this free transportation to the Philippines.

The difficulties of seasonal and migratory labor are serious enough, but another problem may soon appear, and that is the introduction of machines to replace human labor in picking vege-

tables. Already a lettuce-picking machine is demonstrating the trend in this direction. In one district where such machines have been installed, it is claimed that only half as many Filipino laborers will be used in 1936 as were employed in 1935. Such a development may come very rapidly, displacing the Filipinos permanently from such labor. If the machines are introduced widely during the next 5 years, a serious unemployment problem will develop among the Filipinos, and, having neglected this invitation of the United States to return free to their homeland, they may not receive another.

If any Filipinos are in doubt as to the provisions of the act or its application to their individual cases, they should go direct to the nearest immigration office, or write if they cannot go in person. Full information will be given free. The Filipinos should be on their guard against propaganda, coming from apparently innocent sources, which is not true and is aimed to defeat the purpose of this act and deprive the Filipinos of the benefit of this opportunity.

The United States Government is desirous of getting the information to all Filipinos who reside here that this Filipino Repatriation Act is in effect. When the time has passed for application to be made to take advantage of the act, we want to be sure that it will not be the fault of the United States Government or its agencies if any Filipino has not learned of the provisions of the act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROOKS, for 1 week, on account of illness in his family.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3227. An act 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.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Wednesday, March 4, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, Mar. 4, 1936)

A hearing will be conducted by the whole committee Wednesday morning, March 4, at 10 a. m., on H. R. 2890, fixing annual compensation for postmasters of the fourth class.

(Thursday, Mar. 5, 1936)

A hearing will be conducted by Subcommittee No. 1 Thursday morning, March 5, at 10 a. m., on H. R. 2818, promotion of watchmen, messengers, and laborers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

683. A letter from the executive secretary of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to paragraph 5 of the Public Utilities Act of March 4, 1913, its approval in principle of H. R. 10724, "a bill to amend the charter of the Washington Gas Light Co., and for other purposes"; to the Committee on the District of Columbia.

684. A letter from the Secretary of War, transmitting a draft of a bill with two sections, the first section containing an amendment of article of war 50½, and the second section containing an amendment of article of war 70, which the War Department presents for consideration of Congress with a view to its enactment into law; to the Committee on Military Affairs.

685. A communication from the President of the United States, transmitting, pursuant to section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", copies of the laws enacted by the First National Assembly of the Philippines during its inaugural session, from November 25, 1935, to December 21, 1935; to the Committee on Insular Affairs.

686. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Gafford Creek, Ark., with a view to the control of floods, authorized by act of Congress approved July 1, 1935; to the Committee on Flood Control.

687. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers on a preliminary examination of Morris-town Harbor, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

688. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the Race, between Block Island Sound and Long Island, Conn., with a view to removing Valient Rock and other obstructions, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

689. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of channel from Pamlico Sound to Mill Creek, N. C., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

690. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Fair Haven Harbor, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

691. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Hillsboro Inlet, Broward County, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

692. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of waterway from Offatts Bayou to San Louis Pass, Galveston Island, Tex., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

693. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Chehalis River from the mouth of Skookumchuck River to the Grays Harbor County line, Washington, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

694. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Coan River, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

695. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Cayuga Creek and Little River, Niagara Falls, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

696. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Oc-

cupacia Creek, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

697. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Port Huron Harbor, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

698. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Long Cove, Maine, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

699. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 29, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Waiska River, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLANTON: Committee on Appropriations. H. R. 11581. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2118). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 435. A resolution for the consideration of H. R. 3263; without amendment (Rept. No. 2119). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; without amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. H. R. 3369. A bill for the relief of the State of Alabama; without amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 11075. A bill to authorize the Secretary of War to lend War Department equipment for use at the Eighteenth National Convention of the American Legion at Cleveland, Ohio, during the month of September 1936; without amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended"; without amendment (Rept. No. 2123). Referred to the Committee of the Whole House on the state of the Union.

Mr. EDMISTON: Committee on Military Affairs. H. R. 10763. A bill to amend section 2 of the act entitled "An act to amend the National Defense Act", approved May 28, 1928; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 10094. A bill to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for

other purposes", approved June 28, 1934 (48 Stat. 1269); without amendment (Rept. No. 2125). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10538) for the relief of Richard Killman; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 10509) authorizing the President to present in the name of Congress a medal of honor to Harold R. Wood; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 11196) for the relief of Frank P. Barbour; Committee on Military Affairs discharged, and referred to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLANTON: A bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. MARTIN of Colorado: A bill (H. R. 11582) making appropriation for relief purposes; to the Committee on Appropriations.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11583) to improve and complete the construction of the Cordell Hull Highway in Tennessee; to the Committee on Roads.

By Mr. VINSON of Georgia: A bill (H. R. 11584) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. DINGELL: A bill (H. R. 11585) to provide for the construction of one detachable composite aircraft suitable for the use of the Army Air Corps; to the Committee on Military Affairs.

By Mr. LEA of California: A bill (H. R. 11586) to authorize contracts for the use of water on the Orland reclamation project, Calif., and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WHELCHER: A bill (H. R. 11587) providing for refund of taxes collected under the Bankhead Act, and for other purposes; to the Committee on Agriculture.

By Mr. DICKSTEIN: A bill (H. R. 11588) to repeal the act approved July 12, 1932 (47 Stat. 656); to the Committee on Public Buildings and Grounds.

By Mr. O'CONNOR: A bill (H. R. 11589) to equalize taxation, prevent evasion, and provide revenue, and for other purposes; to the Committee on Ways and Means.

Also, a resolution (H. Res. 435) for the consideration of H. R. 3263; to the Committee on Rules.

By Mr. BUCKLER of Minnesota: Joint resolution (H. J. Res. 509) proposing an amendment to the Constitution to provide for the submission of certain judgments of the Supreme Court to the people; to the Committee on the Judiciary.

By Mr. DISNEY: Joint resolution (H. J. Res. 510) for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues; to the Committee on the District of Columbia.

By Mr. SECREST: Joint resolution (H. J. Res. 511) creating a commission for the erection of a memorial building to the memory of the veterans of the Civil War to be known as the Ladies of the Grand Army of the Republic National Shrine Commission; to the Committee on the Library.

By Mr. KENNEDY of New York: Concurrent resolution (H. Con. Res. 44) providing that the Civil Service Commission publish and maintain certain information for public inspection, and for other purposes; to the Committee on the Civil Service.

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 New Jersey, favoring strict neutrality; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BEITER: A bill (H. R. 11590) granting a pension to Julia Fisher; to the Committee on Invalid Pensions.

By Mr. BOYKIN: A bill (H. R. 11591) for the relief of R. L. Scott; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 11592) for the relief of Dominick Edward Lepore; to the Committee on Naval Affairs.

Also, a bill (H. R. 11593) for the relief of William Gionet; to the Committee on Claims.

Also, a bill (H. R. 11594) for the relief of John Inkinen; to the Committee on Claims.

By Mr. CHRISTIANSON: A bill (H. R. 11595) for the relief of Clarence Wolfkill; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 11596) for the relief of Edith Pauli Gardner; to the Committee on War Claims.

By Mr. LANHAM: A bill (H. R. 11597) for the relief of L. A. Peveler; to the Committee on Claims.

By Mr. LEE of Oklahoma: A bill (H. R. 11598) for the relief of John Hamilton; to the Committee on Military Affairs.

By Mr. McFARLANE: A bill (H. R. 11599) for the relief of George Washington Gilmore; to the Committee on Military Affairs.

By Mr. McLAUGHLIN: A bill (H. R. 11600) granting a pension to Eudora Elkins; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 11601) for the relief of Frank Peters; to the Committee on Military Affairs.

By Mr. PATTERSON: A bill (H. R. 11602) granting a pension to Laura Tucker; to the Committee on Invalid Pensions.

By Mr. RANDOLPH: A bill (H. R. 11603) for the relief of Jack J. Wick; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11604) granting an increase of pension to Ellen G. Esken; to the Committee on Invalid Pensions.

By Mr. SPENCE: A bill (H. R. 11605) granting a pension to Margaret Jane Asberry; to the Committee on Invalid Pensions.

By Mr. STARNES: A bill (H. R. 11606) for the relief of Julia D. Penn; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 11607) granting a pension to Ben C. Ash; to the Committee on Pensions.

By Mr. WOLVERTON: A bill (H. R. 11608) granting an increase of pension to Sarah C. Wythe; 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:

10362. By Mr. BLAND: Petition of 245 citizens of the First Congressional District of Virginia, requesting Congress to pass House bill 8739, to restore to the District of Columbia the prohibition law; to the Committee on the District of Columbia.

10363. By Mr. BLOOM: Petition of the teachers of Bayamon, P. R., urging that Puerto Rico be included in any new relief legislation, requesting an extension of the Federal Social Security Act, and favoring an amendment to the organic act so that a public-welfare department be created in Puerto Rico; to the Committee on Insular Affairs.

10364. Also, petition of the members of the Hudson Branch of the American League against War and Fascism, protesting against the passage of the Dies bill (H. R. 5921); to the Committee on Immigration and Naturalization.

10365. By Mr. CRAVENS: Petition of patrons of star route no. 47411 from Langley to New Hope via Athens, Ark., favoring enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis to that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10366. Also, petition of patrons of star route no. 2, Gillham to Dierks, Ark., favoring enactment of legislation to indefinitely extend existing star-route contracts and increase the compensation thereon to an equal basis to that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10367. By Mr. HILDEBRANDT: Resolution of the South Dakota State Federation of Labor, supporting the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

10368. By Mr. LAMNECK: Petition of Mrs. E. C. Bolin, 210 Elmwood Avenue, Columbus, Ohio, president, Columbus Woman's Club, requesting early hearings on motion-picture bills now in Congress, and asking for adequate legal regulation for this industry, including not only the elimination of unfair trade practices but also higher moral standards of production such as those provided in the Culkin motion-picture bill (H. R. 2999); to the Committee on Interstate and Foreign Commerce.

10369. By Mr. MAIN: Petition of Mr. and Mrs. Neil Boekelos and 25 other citizens of Kalamazoo, Mich., and vicinity, requesting passage of an old-age pension law providing for \$200 per month under certain terms and conditions; to the Committee on Ways and Means.

10370. Also, petition of George E. Walworth and 300 other citizens of Hillsdale, Mich., and vicinity, requesting passage of an old-age-pension law providing for \$200 per month under certain terms and conditions; to the Committee on Ways and Means.

10371. By Mr. MARTIN of Massachusetts: Petition of Charles A. Jencks and other members of the Townsend Club of Norton, Mass., urging passage of the McGroarty bill; to the Committee on Ways and Means.

10372. By Mr. MORAN: Petition of citizens and patrons of star route no. 1290, operating between Lincolnville Center and Belfast, Maine; to the Committee on the Post Office and Post Roads.

10373. By Mr. PATTERSON: Petition of the Fredonia (Kans.) Women's Christian Temperance Union, signed by C. W. Thompson and 172 other citizens, of the Third District of Kansas, favoring the enactment of the Guyer bill (H. R. 8739) for liquor control in the District of Columbia; to the Committee on the District of Columbia.

10374. By Mr. PFEIFER: Petition of Abraham & Straus, Inc., Brooklyn, N. Y., concerning the Duffy copyright bill (S. 3047) with the Vandenberg amendment; to the Committee on Patents.

10375. By the SPEAKER: Petition of the Admiral Robert E. Coontz Post, No. 239, Inc., Veterans of Foreign Wars; to the Committee on Appropriations.

10376. Also, petition of the New Orleans Bar Association; to the Committee on the Library.

10377. Also, petition of the committee on citizenship and naturalization, Springfield, Ill.; to the Committee on Immigration and Naturalization.

SENATE

WEDNESDAY, MARCH 4, 1936

(Legislative day of Monday, Feb. 24, 1936)

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

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 3, 1936, was dispensed with, and the Journal was approved.

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.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. BYRD. I announce that my colleague the senior Senator from Virginia [Mr. GLASS] is absent because of illness in his family.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is unavoidably detained from the Senate.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Nevada [Mr. McCARRAN], the Senator from West Virginia [Mr. HOLT], the Senator from New Hampshire [Mr. BROWN], and the Senator from Louisiana [Mrs. LONG] are unavoidably detained from the Senate.

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

COTTON PRODUCTION IN THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, in compliance with Senate Resolution 222 (submitted by Mr. GORE, and agreed to Feb. 24, 1936), copy of the original draft of the manuscript entitled "Cotton Production in the United States", which, with the accompanying document, was referred to the Committee on Agriculture and Forestry.

MEMORIAL

The VICE PRESIDENT laid before the Senate the memorial of the Bankers Grange of Hillsdale County, Mich., remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (S. 813) authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona, reported it with amendments and submitted a report (No. 1631) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3950) to aid in defraying the expenses of the Fourteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937, reported it with amendments and submitted a report (No. 1632) thereon.

PRINTING OF REVISED EDITION OF THE CONSTITUTION, ANNOTATED

Mr. ASHURST, from the Committee on the Judiciary, reported a concurrent resolution (S. Con. Res. 35), which was referred to the Committee on Printing, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Constitution of the United States of America (Annotated), including all amendments thereto, and with citations of the cases