

Congressional Record

SEVENTY-THIRD CONGRESS, FIRST SESSION

SENATE

THURSDAY, MARCH 9, 1933

The first session of the Seventy-third Congress met this day at the Capitol, in the city of Washington, in pursuance of the proclamation of the President of the United States of the 5th day of March, 1933.

JOHN NANCE GARNER, of the State of Texas, Vice President of the United States, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. Z. Barney T. Phillips, D.D., offered the following

PRAYER

Father of life, who givest to our dust the breath of being, who unfoldest to our growing mind the greatness of our world; make Thou our hearts true homes of prayer, our lips the gates of praise as we bow before Thy presence and await with quiet gladness the mandates of Thy love.

O blessed Savior of the world, who hast worn the mantle of our flesh, revealing in its human folds the glory of divinity, give to our President, Vice President, the Members of the Congress, and to all others in authority, wisdom and strength to know and to do Thy will, and grant that they and all the people of the United States may come unto the fullness of the stature of that manhood which is Thine.

Breathe on us, breath of God, in this our day of national consecration, as we pray:

Come Holy Ghost, our souls inspire,
And lighten with celestial fire.
Thou the anointing spirit art,
Who dost Thy sevenfold gifts impart.
Thy blessed unction from above,
Is comfort, life, and fire of love.
Enable with perpetual light
The dullness of our blinded sight.

Anoint and cheer our soiled face,
With the abundance of Thy grace.
Keep far our foes, give peace at home:
Where Thou art guide, no ill can come.
Teach us to know the Father, Son,
And Thee of both to be but One:
That through the ages all along,
This may be our endless song;
Praise to Thy eternal merit,
Father, Son, and Holy Spirit.

Amen.

PROCLAMATION

The VICE PRESIDENT. The hour having arrived of the day on which, in accordance with the proclamation of the President of the United States, an extraordinary session of the Congress of the United States is to be convened, the Secretary of the Senate will read the proclamation.

The Chief Clerk (John C. Crockett) read the proclamation, as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 9th day of March 1933 to receive such communication as may be made by the Executive.

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the city of Washington on the 9th day of March 1933 at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the city of Washington this 5th day of March in the year of our Lord nineteen hundred and thirty-three, and of the independence of the United States the one hundred and fifty-seventh.

FRANKLIN D. ROOSEVELT.

By the President:

[SEAL]

CORDELL HULL,
Secretary of State.

CALL OF THE ROLL

The VICE PRESIDENT. The Secretary will call the roll of the Senate to ascertain whether there is a constitutional number of Senators present for the transaction of business.

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

Adams	Coolidge	Keyes	Reynolds
Ashurst	Copeland	King	Robinson, Ark.
Austin	Costigan	La Follette	Robinson, Ind.
Bachman	Couzens	Lewis	Russell
Bailey	Dale	Logan	Sheppard
Bankhead	Davis	Loneragan	Smith
Barbour	Dickinson	Long	Steiwer
Barkley	Dieterich	McAdoo	Stephens
Black	Dill	McCarran	Thomas, Okla.
Bone	Duffy	McGill	Thomas, Utah
Borah	Fess	McKellar	Townsend
Bratton	Fletcher	McNary	Trammell
Brown	George	Murphy	Tydings
Bulkley	Glass	Neely	Vandenberg
Bulow	Goldsborough	Norbeck	Van Nuys
Byrd	Gore	Norris	Wagner
Byrnes	Hale	Nye	Walcott
Capper	Harrison	Overton	Walsh
Caraway	Hayden	Patterson	White
Carey	Hebert	Pittman	
Clark	Johnson	Pope	
Connally	Kean	Reed	

Mr. TOWNSEND. I desire to announce the necessary absence of my colleague the Senator from Delaware [Mr. HASTINGS].

Mr. NORRIS. I desire to announce that my colleague the junior Senator from Nebraska [Mr. HOWELL] is detained from the Senate on account of illness. I ask that this announcement may stand for the day.

Mr. FESS. I desire to announce the necessary absence of the Senator from North Dakota [Mr. FRAZIER], the Senator from Delaware [Mr. HASTINGS], the Senator from West Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], the senior Senator from Minnesota [Mr. SHIPSTEAD], the junior Senator from Minnesota [Mr. SCHALL], the Senator from Wyoming [Mr. KENDRICK], the Senator from New Mexico [Mr. CUTTING], and the Senator from Montana [Mr. WHEELER].

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a constitutional number of Senators is present for the transaction of business.

LIST OF SENATORS BY STATES

Alabama.—Hugo L. Black and John H. Bankhead.
Arizona.—Henry F. Ashurst and Carl Hayden.

Arkansas.—Joseph T. Robinson and Mrs. Hattie W. Caraway.

California.—Hiram W. Johnson and William Gibbs McAdoo.

Colorado.—Edward P. Costigan and Alva B. Adams.

Connecticut.—Frederic C. Walcott and Augustine Lonergan.

Delaware.—Daniel O. Hastings and John G. Townsend, Jr.

Florida.—Duncan U. Fletcher and Park Trammell.

Georgia.—Walter F. George and Richard B. Russell, Jr.

Idaho.—William E. Borah and James P. Pope.

Illinois.—J. Hamilton Lewis and William H. Dieterich.

Indiana.—Arthur R. Robinson and Frederick Van Nuys.

Iowa.—L. J. Dickinson and Louis Murphy.

Kansas.—Arthur Capper and George McGill.

Kentucky.—Alben W. Barkley and M. M. Logan.

Louisiana.—Huey P. Long and John H. Overton.

Maine.—Frederick Hale and Wallace H. White, Jr.

Maryland.—Millard E. Tydings and Phillips Lee Goldsborough.

Massachusetts.—David I. Walsh and Marcus A. Coolidge.

Michigan.—James Couzens and Arthur H. Vandenberg.

Minnesota.—Henrik Shipstead and Thomas D. Schall.

Mississippi.—Pat Harrison and Hubert D. Stephens.

Missouri.—Roscoe C. Patterson and Bennett Champ Clark.

Montana.—Burton K. Wheeler.

Nebraska.—George W. Norris and Robert B. Howell.

Nevada.—Key Pittman and Patrick McCarran.

New Hampshire.—Henry W. Keyes and Fred H. Brown.

New Jersey.—Hamilton F. Kean and W. Warren Barbour.

New Mexico.—Sam G. Bratton and Bronson Cutting.

New York.—Royal S. Copeland and Robert F. Wagner.

North Carolina.—Josiah William Bailey and Robert R. Reynolds.

North Dakota.—Lynn J. Frazier and Gerald P. Nye.

Ohio.—Simeon D. Fess and Robert J. Bulkley.

Oklahoma.—Elmer Thomas and Thomas P. Gore.

Oregon.—Charles L. McNary and Frederick Steiwer.

Pennsylvania.—David A. Reed and James J. Davis.

Rhode Island.—Jesse H. Metcalf and Felix Hebert.

South Carolina.—Ellison D. Smith and James F. Byrnes.

South Dakota.—Peter Norbeck and W. J. Bulow.

Tennessee.—Kenneth McKellar and Nathan L. Bachman.

Texas.—Morris Sheppard and Tom Connally.

Utah.—William H. King and Elbert D. Thomas.

Vermont.—Porter H. Dale and Warren R. Austin.

Virginia.—Carter Glass and Harry Flood Byrd.

Washington.—C. C. Dill and Homer T. Bone.

West Virginia.—Henry D. Hatfield and M. M. Neely.

Wisconsin.—Robert M. La Follette, Jr., and F. Ryan Duffy.

Wyoming.—John B. Kendrick and Robert D. Carey.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 2), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. The Chair appoints as the committee to wait upon the President the Senator from Arkansas [Mr. ROBINSON] and the Senator from Oregon [Mr. McNARY].

NOTIFICATION TO HOUSE OF REPRESENTATIVES

Mr. McNARY submitted a resolution (S. Res. 3), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 4), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

ELECTION OF PRESIDENT PRO TEMPORE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 5), which was read and considered by unanimous consent, as follows:

Resolved, That Hon. KEY PITTMAN, a Senator from the State of Nevada, be, and he hereby is, elected President pro tempore, to hold office during the pleasure of the Senate in accordance with the resolution of the Senate adopted on the 12th day of March 1890 on the subject.

Mr. McNARY. Mr. President, on behalf of the Republican minority conference I move to strike out the name of KEY PITTMAN and insert the name of ARTHUR H. VANDENBERG.

The amendment was rejected.

The resolution was agreed to.

ELECTION OF SECRETARY OF THE SENATE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 6), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Edwin A. Halsey, of Virginia, be, and he is hereby, elected Secretary of the Senate.

ELECTION OF SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 7), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Chesley W. Jurney, of Texas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate.

NOTIFICATION TO PRESIDENT

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 8), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the President of the United States be notified of the election of Hon. KEY PITTMAN, a Senator from the State of Nevada, as President of the Senate pro tempore, and Edwin A. Halsey, of Virginia, as Secretary of the Senate.

NOTIFICATION TO HOUSE OF REPRESENTATIVES

Mr. McNARY submitted a resolution (S. Res. 9), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the House of Representatives be notified of the election of Hon. KEY PITTMAN, a Senator from the State of Nevada, as President of the Senate pro tempore, and Edwin A. Halsey, of Virginia, as Secretary of the Senate.

ADMONITION TO OCCUPANTS OF THE GALLERIES

Mr. LEWIS. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. Mr. President, I hesitate to make any complaint against anyone anywhere, but I think it is timely in the position with which I am honored by the majority to take the liberty of calling attention to the fact that the occupants of the galleries are received in this body as a courtesy. It is not intended that merriment should be indulged in to the extent that the voice of our leader [Mr. ROBINSON of Arkansas] or of the eminent Senator from Oregon [Mr. McNARY], on the other side, should be drowned out. I take the liberty to request the honorable President of the Senate to direct whatever officers he feels appropriate to inform the occupants of the galleries that order and quietude are necessary for the transaction of the business of the Senate in a dignified manner and are owed in due respect to the Members of the Senate.

The VICE PRESIDENT. The point of order is well taken. Let the Chair state to the occupants of the galleries—and in so stating he is sure he speaks for the Senate—that as guests of the Senate they are welcome; but it is hoped that they will be considerate enough to abide by the rules of the Senate, which prohibit any demonstration, verbal or otherwise, during the course of the proceedings of the Senate. The Chair expresses the hope that the galleries will take notice.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas and Mr. McNARY appeared, and Mr. ROBINSON of Arkansas said: Mr. President, your

committee appointed to notify the President that a quorum of the Senate is present, and that the Senate is ready to transact business, beg leave to report that we have communicated with the President, and he will immediately transmit to the Senate a message in writing.

ELECTION OF SECRETARY FOR THE MAJORITY

Mr. ROBINSON of Arkansas submitted a resolution (S. Res. 10), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Leslie L. Biffle, of Arkansas, be, and he is hereby, elected secretary for the majority of the Senate.

ELECTION OF SECRETARY FOR THE MINORITY

Mr. McNARY submitted a resolution (S. Res. 11), which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Carl A. Loeffler, of Pennsylvania, be, and he is hereby, elected secretary for the minority of the Senate.

ADMINISTRATION OF OATH TO PRESIDENT PRO TEMPORE AND SECRETARY

The VICE PRESIDENT. If it is agreeable, the Chair will administer the oath to the Senator from Nevada, elected President pro tempore, and to Mr. Halsey, elected Secretary of the Senate.

Thereupon, Mr. PITTMAN, escorted by Mr. ROBINSON of Arkansas, and Mr. Halsey, escorted by Edwin P. Thayer, retiring Secretary of the Senate, advanced to the Vice President's desk and the oath was administered to them.

STANDING COMMITTEES OF THE SENATE

Mr. ROBINSON of Arkansas. Mr. President, I offer a resolution having relation to the representation of the majority and of the minority on the standing committees of the Senate, and ask that it may be reported and considered.

The VICE PRESIDENT. The Senator from Arkansas submits a resolution, which the clerk will report.

The Chief Clerk read the resolution (S. Res. 12), as follows:

Resolved, That paragraph 1 of rule XXV of the Standing Rules of the Senate be, and it is hereby, amended so as to read as follows:

"1. The following standing committees shall be appointed at the commencement of each Congress, with leave to report by bill or otherwise:

"Committee on Agriculture and Forestry, to consist of 19 Senators.

"Committee on Appropriations, to consist of 23 Senators.

"Committee to Audit and Control the Contingent Expenses of the Senate, to consist of five Senators, to which shall be referred all resolutions directing the payment of money out of the contingent fund of the Senate or creating a charge upon the same.

"Committee on Banking and Currency, to consist of 20 Senators.

"Committee on Civil Service, to consist of 10 Senators.

"Committee on Claims, to consist of 13 Senators.

"Committee on Commerce, to consist of 20 Senators.

"Committee on the District of Columbia, to consist of 15 Senators.

"Committee on Education and Labor, to consist of 13 Senators.

"Committee on Enrolled Bills, to consist of three Senators, who shall examine all bills, amendments, and joint resolutions before they go out of the possession of the Senate, and which shall have power to act jointly with the same committee of the House of Representatives, and which, or some one of which, shall examine all bills or joint resolutions which shall have passed both Houses, to see that the same are correctly enrolled, and, when signed by the Speaker of the House and President of the Senate, shall forthwith present the same, when they shall have originated in the Senate, to the President of the United States in person, and report the fact and date of such presentation to the Senate.

"Committee on Expenditures in the Executive Departments, to consist of seven Senators.

"Committee on Finance, to consist of 20 Senators.

"Committee on Foreign Relations, to consist of 23 Senators.

"Committee on Immigration, to consist of 14 Senators.

"Committee on Indian Affairs, to consist of 13 Senators.

"Committee on Inter-oceanic Canals, to consist of eight Senators.

"Committee on Interstate Commerce, to consist of 20 Senators.

"Committee on Irrigation and Reclamation, to consist of 17 Senators.

"Committee on the Judiciary, to consist of 18 Senators.

"Committee on the Library, to consist of 10 Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Manufactures, to consist of 13 Senators.

"Committee on Military Affairs, to consist of 17 Senators.

"Committee on Mines and Mining, to consist of 13 Senators.

"Committee on Naval Affairs, to consist of 17 Senators.

"Committee on Patents, to consist of seven Senators.

"Committee on Pensions, to consist of 10 Senators.

"Committee on Post Offices and Post Roads, to consist of 19 Senators.

"Committee on Printing, to consist of seven Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Privileges and Elections, to consist of 17 Senators.

"Committee on Public Buildings and Grounds, to consist of 14 Senators, which shall have power to act jointly with the same committee of the House of Representatives.

"Committee on Public Lands and Surveys, to consist of 15 Senators.

"Committee on Rules, to consist of 13 Senators.

"Committee on Territories and Insular Affairs, to consist of 17 Senators."

Mr. ROBINSON of Arkansas. Mr. President, my attention has been called to the fact that a proviso to rule XXV has been heretofore adopted, and I wish to modify the resolution so as to incorporate that proviso, as follows:

: *Provided*, That any such resolution relating to substantive matter within the jurisdiction of any of the standing committees of the Senate shall be first referred to such committee.

I ask that that proviso may be incorporated immediately following the provision relating to the Committee to Audit and Control the Contingent Expenses of the Senate and before the period.

The VICE PRESIDENT. Without objection, the modification will be made; and, without objection, the resolution as modified is agreed to.

Mr. ROBINSON of Arkansas. On behalf of the majority I present an assignment to committees for the majority Members of the Senate and ask that it may be read.

The VICE PRESIDENT. The clerk will read as requested.

The Chief Clerk read the majority assignments.

Mr. McNARY. Mr. President, from the minority conference I submit a report containing the Republican assignments to various committees, and ask for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the minority assignments.

Mr. ROBINSON of Arkansas. Mr. President, I move the adoption of the following order.

The order was read and agreed to, as follows:

Ordered, That the following shall constitute the standing committees of the Senate of the Seventy-third Congress:

On Agriculture and Forestry: Ellison D. Smith, of South Carolina (chairman); John B. Kendrick, of Wyoming; Burton K. Wheeler, of Montana; Elmer Thomas, of Oklahoma; George McGill, of Kansas; John H. Bankhead, of Alabama; W. J. Bulow, of South Dakota; Hattie W. Caraway, of Arkansas; Homer T. Bone, of Washington; Louis Murphy, of Iowa; James P. Pope, of Idaho; George W. Norris, of Nebraska; Charles L. McNary, of Oregon; Arthur Capper, of Kansas; Peter Norbeck, of South Dakota; Lynn J. Frazier, of North Dakota; H. D. Hatfield, of West Virginia; Bronson Cutting, of New Mexico; Henrik Shipstead, of Minnesota.

On Appropriations: Carter Glass, of Virginia (chairman); Kenneth McKellar, of Tennessee; John B. Kendrick, of Wyoming; Royal S. Copeland, of New York; Carl Hayden, of Arizona; Sam G. Bratton, of New Mexico; Elmer Thomas, of Oklahoma; James F. Byrnes, of South Carolina; Millard E. Tydings, of Maryland; Richard B. Russell, Jr., of Georgia; Marcus A. Coolidge, of Massachusetts; Alva B. Adams, of Colorado; Patrick McCarran, of Nevada; John H. Overton, of Louisiana; Frederick Hale, of Maine; Henry W. Keyes, of New Hampshire; Gerald P. Nye, of North Dakota; Frederick Steiwer, of Oregon; Peter Norbeck, of South Dakota; Porter H. Dale, of Vermont; L. J. Dickinson, of Iowa; John G. Townsend, Jr., of Delaware; Robert D. Carey, of Wyoming.

To Audit and Control the Contingent Expenses of the Senate: James F. Byrnes, of South Carolina (chairman); John B. Kendrick, of Wyoming; Millard E. Tydings, of Maryland; Simeon D. Fess, of Ohio; John G. Townsend, Jr., of Delaware.

On Banking and Currency: Duncan U. Fletcher, of Florida (chairman); Carter Glass, of Virginia; Robert F. Wagner, of New York; Alben W. Barkley, of Kentucky; Robert J. Bulkley, of Ohio; Thomas P. Gore, of Oklahoma; Edward P. Costigan, of Colorado; Robert R. Reynolds, of North Carolina; James F. Byrnes, of South Carolina; John H. Bankhead, of Alabama; William Gibbs McAdoo, of California; Alva B. Adams, of Colorado; Peter Norbeck, of South Dakota; Phillips Lee Goldsborough, of Maryland; John G. Townsend, Jr., of Delaware; Frederic C. Walcott, of Connecticut; Robert D. Carey, of Wyoming; James Couzens, of Michigan; Frederick Steiwer, of Oregon; Hamilton F. Kean, of New Jersey.

On Civil Service: W. J. Bulow, of South Dakota (chairman); Kenneth McKellar, of Tennessee; Walter F. George, of Georgia; M. M. Logan, of Kentucky; M. M. Neely, of West Virginia; William H. Dieterich, of Illinois; Porter H. Dale, of Vermont; Hamilton F.

Kean, of New Jersey; Wallace H. White, Jr., of Maine; Roscoe C. Patterson, of Missouri.

On Claims: Josiah William Bailey, of North Carolina (chairman); Park Trammell, of Florida; Hubert D. Stephens, of Mississippi; Hugo L. Black, of Alabama; Marcus A. Coolidge, of Massachusetts; M. M. Logan, of Kentucky; ———; Arthur Capper, of Kansas; Robert B. Howell, of Nebraska; John G. Townsend, Jr., of Delaware; Wallace H. White, Jr., of Maine; Frederic C. Walcott, of Connecticut; Warren R. Austin, of Vermont.

On Commerce: Hubert D. Stephens, of Mississippi (chairman); Duncan U. Fletcher, of Florida; Morris Sheppard, of Texas; Royal S. Copeland, of New York; Robert J. Bulkley, of Ohio; Josiah William Bailey, of North Carolina; Hattie W. Caraway, of Arkansas; Bennett Champ Clark, of Missouri; Louis Murphy, of Iowa; John H. Overton, of Louisiana; ———; Charles L. McNary, of Oregon; Hiram W. Johnson, of California; Porter H. Dale, of Vermont; Gerald P. Nye, of North Dakota; Arthur H. Vandenberg, of Michigan; Roscoe C. Patterson, of Missouri; Robert B. Howell, of Nebraska; Wallace H. White, Jr., of Maine.

On the District of Columbia: William H. King, of Utah (chairman); Carter Glass, of Virginia; Royal S. Copeland, of New York; Millard E. Tydings, of Maryland; Thomas P. Gore, of Oklahoma; J. Hamilton Lewis, of Illinois; John H. Bankhead, of Alabama; ———; Arthur Capper, of Kansas; Hamilton F. Kean, of New Jersey; Robert D. Carey, of Wyoming; Warren R. Austin, of Vermont; James J. Davis, of Pennsylvania; James Couzens, of Michigan.

On Education and Labor: David I. Walsh, of Massachusetts (chairman); Royal S. Copeland, of New York; Park Trammell, of Florida; Hugo L. Black, of Alabama; Louis Murphy, of Iowa; Elbert D. Thomas, of Utah; ———; William E. Borah, of Idaho; Jesse H. Metcalf, of Rhode Island; Frederic C. Walcott, of Connecticut; Robert M. La Follette, Jr., of Wisconsin; James J. Davis, of Pennsylvania.

On Enrolled Bills: Hattie W. Caraway, of Arkansas (chairman); Augustine Lonergan, of Connecticut; Arthur H. Vandenberg, of Michigan.

On Expenditures in the Executive Departments: J. Hamilton Lewis, of Illinois (chairman); Hubert D. Stephens, of Mississippi; Robert F. Wagner, of New York; Frederick Van Nuys, of Indiana; Daniel O. Hastings, of Delaware; Hamilton F. Kean, of New Jersey; Phillips Lee Goldsborough, of Maryland.

On Finance: Pat Harrison, of Mississippi (chairman); William H. King, of Utah; Walter F. George, of Georgia; David I. Walsh, of Massachusetts; Alben W. Barkley, of Kentucky; Tom Connally, of Texas; Thomas P. Gore, of Oklahoma; Edward P. Costigan, of Colorado; Josiah W. Bailey, of North Carolina; Bennett Champ Clark, of Missouri; William Gibbs McAdoo, of California; Harry Flood Byrd, of Virginia; Augustine Lonergan, of Connecticut; David A. Reed, of Pennsylvania; James Couzens, of Michigan; Henry W. Keyes, of New Hampshire; Robert M. La Follette, Jr., of Wisconsin; Jesse H. Metcalf, of Rhode Island; Daniel O. Hastings, of Delaware; Frederic C. Walcott, of Connecticut.

On Foreign Relations: Key Pittman, of Nevada (chairman); Joseph T. Robinson, of Arkansas; Pat Harrison, of Mississippi; Walter F. George, of Georgia; Hugo L. Black, of Alabama; Robert F. Wagner, of New York; Tom Connally, of Texas; J. Hamilton Lewis, of Illinois; Nathan L. Bachman, of Tennessee; Elbert D. Thomas, of Utah; Frederick Van Nuys, of Indiana; F. Ryan Duffy, of Wisconsin; James F. Pope, of Idaho; ———; William E. Borah, of Idaho; Hiram W. Johnson, of California; Arthur Capper, of Kansas; David A. Reed, of Pennsylvania; Simeon D. Fess, of Ohio; Robert M. La Follette, Jr., of Wisconsin; Arthur H. Vandenberg, of Michigan; Arthur R. Robinson, of Indiana; Henrik Shipstead, of Minnesota.

On Immigration: Marcus A. Coolidge, of Massachusetts (chairman); William H. King, of Utah; Royal S. Copeland, of New York; Hubert D. Stephens, of Mississippi; George McGill, of Kansas; Richard B. Russell, Jr., of Georgia; ———; Hiram W. Johnson, of California; Henry W. Keyes, of New Hampshire; David A. Reed, of Pennsylvania; Gerald P. Nye, of North Dakota; H. D. Hatfield, of West Virginia; Roscoe C. Patterson, of Missouri.

On Indian Affairs: Burton K. Wheeler, of Montana (chairman); Henry F. Ashurst, of Arizona; John B. Kendrick, of Wyoming; Sam G. Bratton, of New Mexico; Elmer Thomas, of Oklahoma; W. J. Bulow, of South Dakota; ———; Lynn J. Frazier, of North Dakota; Thomas D. Schall, of Minnesota; Robert M. La Follette, Jr., of Wisconsin; Frederick Steiwer, of Oregon; Peter Norbeck, of South Dakota.

On Interoceanic Canals: Thomas P. Gore, of Oklahoma (chairman); Park Trammell, of Florida; Bennett Champ Clark, of Missouri; ———; Thomas D. Schall, of Minnesota; Felix Hebert, of Rhode Island; W. Warren Barbour, of New Jersey.

On Interstate Commerce: Clarence C. Dill, of Washington (chairman); Ellison D. Smith, of South Carolina; Burton K. Wheeler, of Montana; Robert F. Wagner, of New York; Alben W. Barkley, of Kentucky; M. M. Neely, of West Virginia; William H. Dieterich, of Illinois; Augustine Lonergan, of Connecticut; Huey P. Long, of Louisiana; Fred H. Brown, of New Hampshire; ———; James Couzens, of Michigan; Simeon D. Fess, of Ohio; Robert B. Howell, of Nebraska; Jesse H. Metcalf, of Rhode Island; Hamilton F. Kean, of New Jersey; Daniel O. Hastings, of Delaware; H. D. Hatfield, of West Virginia; Wallace H. White, Jr., of Maine.

On Irrigation and Reclamation: Sam G. Bratton, of New Mexico (chairman); Morris Sheppard, of Texas; John B. Kendrick, of Wyoming; Key Pittman, of Nevada; Clarence C. Dill, of Washington; Henry F. Ashurst, of Arizona; John H. Bankhead, of Alabama; Alva B. Adams, of Colorado; James F. Pope, of Idaho; Patrick McCarran, of Nevada; John H. Overton, of Louisiana; Charles L. McNary, of Oregon; Hiram W. Johnson, of California; Robert B. Howell, of Nebraska; John G. Townsend, Jr., of Delaware; Robert D. Carey, of Wyoming; Bronson Cutting, of New Mexico.

On the Judiciary: Henry F. Ashurst, of Arizona (chairman); William H. King, of Utah; Hubert D. Stephens, of Mississippi; Clarence C. Dill, of Washington; Sam G. Bratton, of New Mexico; Hugo L. Black, of Alabama; M. M. Neely, of West Virginia; Huey P. Long, of Louisiana; Frederick Van Nuys, of Indiana; Patrick McCarran, of Nevada; ———; William E. Borah, of Idaho; George W. Norris, of Nebraska; Arthur R. Robinson, of Indiana; Daniel O. Hastings, of Delaware; Felix Hebert, of Rhode Island; Thomas D. Schall, of Minnesota; Warren R. Austin, of Vermont.

On the Library: Alben W. Barkley, of Kentucky (chairman); Kenneth McKellar, of Tennessee; Elmer Thomas, of Oklahoma; Hattie W. Caraway, of Arkansas; ———; Simeon D. Fess, of Ohio; Robert B. Howell, of Nebraska; Peter Norbeck, of South Dakota; W. Warren Barbour, of New Jersey.

On Manufactures: Robert J. Bulkley, of Ohio (chairman); Ellison D. Smith, of South Carolina; Burton K. Wheeler, of Montana; Morris Sheppard, of Texas; Edward P. Costigan, of Colorado; Richard B. Russell, Jr., of Georgia; Fred H. Brown, of New Hampshire; John H. Overton, of Louisiana; Charles L. McNary, of Oregon; Jesse H. Metcalf, of Rhode Island; Robert M. La Follette, Jr., of Wisconsin; Bronson Cutting, of New Mexico; W. Warren Barbour, of New Jersey.

On Military Affairs: Morris Sheppard, of Texas (chairman); Duncan U. Fletcher, of Florida; Hugo L. Black, of Alabama; J. Hamilton Lewis, of Illinois; Marcus A. Coolidge, of Massachusetts; M. M. Logan, of Kentucky; Robert R. Reynolds, of North Carolina; Nathan L. Bachman, of Tennessee; F. Ryan Duffy, of Wisconsin; Elbert D. Thomas, of Utah; David A. Reed, of Pennsylvania; Bronson Cutting, of New Mexico; Roscoe C. Patterson, of Missouri; Robert D. Carey, of Wyoming; L. J. Dickinson, of Iowa; Warren R. Austin, of Vermont; W. Warren Barbour, of New Jersey.

On Mines and Mining: M. M. Logan, of Kentucky (chairman); Key Pittman, of Nevada; Carl Hayden, of Arizona; Duncan U. Fletcher, of Florida; W. J. Bulow, of South Dakota; James F. Pope, of Idaho; Elbert D. Thomas, of Utah; ———; Arthur R. Robinson, of Indiana; Lynn J. Frazier, of North Dakota; Roscoe C. Patterson, of Missouri; H. D. Hatfield, of West Virginia; James J. Davis, of Pennsylvania.

On Naval Affairs: Park Trammell, of Florida (chairman); David I. Walsh, of Massachusetts; Millard E. Tydings, of Maryland; Ellison D. Smith, of South Carolina; George McGill, of Kansas; Richard B. Russell, Jr., of Georgia; Homer T. Bone, of Washington; Harry Flood Byrd, of Virginia; William H. Dieterich, of Illinois; ———; Frederick Hale, of Maine; Jesse H. Metcalf, of Rhode Island; Phillips Lee Goldsborough, of Maryland; Hamilton F. Kean, of New Jersey; James J. Davis, of Pennsylvania; Henry W. Keyes, of New Hampshire; Hiram W. Johnson, of California.

On Patents: Robert F. Wagner, of New York (chairman); Ellison D. Smith, of South Carolina; Clarence C. Dill, of Washington; Park Trammell, of Florida; George W. Norris, of Nebraska; Phillips Lee Goldsborough, of Maryland; Felix Hebert, of Rhode Island.

On Pensions: George McGill, of Kansas (chairman); Burton K. Wheeler, of Montana; David I. Walsh, of Massachusetts; Robert J. Bulkley, of Ohio; Augustine Lonergan, of Connecticut; Elbert D. Thomas, of Utah; Thomas D. Schall, of Minnesota; Lynn J. Frazier, of North Dakota; Arthur R. Robinson, of Indiana; and Henrik Shipstead, of Minnesota.

On Post Offices and Post Roads: Kenneth McKellar, of Tennessee (chairman); Park Trammell, of Florida; Carl Hayden, of Arizona; George McGill, of Kansas; Josiah William Bailey, of North Carolina; W. J. Bulow, of South Dakota; James F. Byrnes, of South Carolina; M. M. Logan, of Kentucky; Fred H. Brown, of New Hampshire; ———; Porter H. Dale, of Vermont; Thomas D. Schall, of Minnesota; Lynn J. Frazier, of North Dakota; Felix Hebert, of Rhode Island; Arthur Capper, of Kansas; Robert M. La Follette, Jr., of Wisconsin; W. Warren Barbour, of New Jersey; and James J. Davis, of Pennsylvania.

On Printing: Carl Hayden, of Arizona (chairman); Duncan U. Fletcher, of Florida; David I. Walsh, of Massachusetts; ———; Arthur H. Vandenberg, of Michigan; L. J. Dickinson, of Iowa; and Henrik Shipstead, of Minnesota.

On Privileges and Elections: Walter F. George, of Georgia (chairman); William H. King, of Utah; Ellison D. Smith, of South Carolina; Sam G. Bratton, of New Mexico; Tom Connally, of Texas; Robert J. Bulkley, of Ohio; Thomas P. Gore, of Oklahoma; M. M. Logan, of Kentucky; Nathan L. Bachman, of Tennessee; Fred H. Brown, of New Hampshire; F. Ryan Duffy, of Wisconsin; Daniel O. Hastings, of Delaware; Felix Hebert, of Rhode Island; Warren R. Austin, of Vermont; Frederic C. Walcott, of Connecticut; and L. J. Dickinson, of Iowa.

On Public Buildings and Grounds: Tom Connally, of Texas (chairman); Henry F. Ashurst, of Arizona; Park Trammell, of Florida; Millard E. Tydings, of Maryland; David I. Walsh, of Massachusetts; Huey P. Long, of Louisiana; William Gibbs McAdoo, of California; ———; Henry W. Keyes, of New Hampshire; Simeon D. Fess, of Ohio; L. J. Dickinson, of Iowa; Warren R. Austin, of Vermont; W. Warren Barbour, of New Jersey; and Henrik Shipstead, of Minnesota.

On Public Lands and Surveys: John B. Kendrick, of Wyoming (chairman); Key Pittman, of Nevada; Henry F. Ashurst, of Arizona; Robert F. Wagner, of New York; Clarence C. Dill, of Washington; Sam G. Bratton, of New Mexico; ————; ————; Peter Norbeck, of South Dakota; Porter H. Dale, of Vermont; Gerald P. Nye, of North Dakota; Bronson Cutting, of New Mexico; Frederick Steiwer, of Oregon; and Robert D. Carey, of Wyoming.

On Rules: Royal S. Copeland, of New York (chairman); Joseph T. Robinson, of Arkansas; Pat Harrison, of Mississippi; Kenneth McKellar, of Tennessee; M. M. Neely, of West Virginia; Hugo L. Black, of Alabama; Alva B. Adams, of Colorado; Harry Flood Byrd, of Virginia; Frederick Hale, of Maine; Porter H. Dale, of Vermont; David A. Reed, of Pennsylvania; Frederick Steiwer, of Oregon; and Felix Hebert, of Rhode Island.

On Territories and Insular Affairs: Millard E. Tydings, of Maryland (chairman); Key Pittman, of Nevada; Carl Hayden, of Arizona; William H. King, of Utah; Joseph T. Robinson, of Arkansas; Bennett Champ Clark, of Missouri; Robert R. Reynolds, of North Carolina; Homer T. Bone, of Washington; ————; ————; Hiram W. Johnson, of California; Arthur R. Robinson, of Indiana; Gerald P. Nye, of North Dakota; Jesse H. Metcalf, of Rhode Island; Arthur H. Vandenberg, of Michigan; Bronson Cutting, of New Mexico; and Charles L. McNary, of Oregon.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

(The message was received by Mr. Biddle and handed to the Vice President.)

REGULATION OF BANKING OPERATIONS (H.DOC. NO. 1)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read as follows:

To the Senate and House of Representatives:

On March 3 banking operations in the United States ceased. To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the Government has been compelled to step in for the protection of depositors and the business of the Nation.

Our first task is to reopen all sound banks. This is an essential preliminary to subsequent legislation directed against speculations with the funds of depositors and other violations of positions of trust.

In order that the first objective—the opening of banks for the resumption of business—may be accomplished, I ask of the Congress the immediate enactment of legislation giving to the executive branch of the Government control over banks for the protection of depositors; authority forthwith to open such banks as have already been ascertained to be in sound condition and other such banks as rapidly as possible; and authority to reorganize and reopen such banks as may be found to require reorganization to put them on a sound basis.

I ask amendments to the Federal Reserve Act to provide for such additional currency, adequately secured, as it may become necessary to issue to meet all demands for currency and at the same time to achieve this end without increasing the unsecured indebtedness of the Government of the United States.

I cannot too strongly urge upon the Congress the clear necessity for immediate action. A continuation of the strangulation of banking facilities is unthinkable. The passage of the proposed legislation will end this condition, and I trust within a short space of time will result in a resumption of business activities.

In addition, it is my belief that this legislation will not only lift immediately all unwarranted doubts and suspicions in regard to banks which are 100 percent sound but will also mark the beginning of a new relationship between the banks and the people of this country.

The Members of the new Congress will realize, I am confident, the grave responsibility which lies upon me and upon them.

In the short space of five days it is impossible for us to formulate completed measures to prevent the recurrence of the evils of the past. This does not and should not, however, justify any delay in accomplishing this first step.

At an early moment I shall request of the Congress two other measures which I regard as of immediate urgency. With action taken thereon we can proceed to the consideration of a rounded program of national restoration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 9, 1933.

The VICE PRESIDENT. The message will lie on the table and be printed.

SECURITY OF BANK DEPOSITS

Mr. GORE. I introduce a joint resolution and ask that it be referred to the Committee on Banking and Currency. I should like to have it printed in the RECORD also.

The VICE PRESIDENT. Without objection, that order will be made.

The joint resolution (S.J.Res. 2) to strengthen the security of deposits in certain banks, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That (a) this act shall apply to all banks which are members of the Federal Reserve System, which for the purposes of this act shall be designated as active member banks. (b) This act shall apply to State banks and banking associations which are eligible under existing law to become members of the Federal Reserve System subject to the conditions herein prescribed, which banks for the purposes of this act shall be designated as associate member banks. (c) Any bank described in the preceding paragraph which is otherwise qualified may with the approval of the Comptroller of the Currency become an associate member bank for a period of two years unless sooner terminated by the comptroller without subscribing to the capital stock of the Federal reserve bank in the district in which it is located, upon agreeing to comply with all applicable provisions of the Federal Reserve Act, as amended: *Provided, That* the Comptroller of the Currency with the approval of the Secretary of the Treasury may relieve such bank from compliance with the provisions of said act which are inapplicable or which are unnecessary for the purposes of this act.

Sec. 2. The Comptroller of the Currency shall have power until the adjournment of the first session of the Seventy-third Congress to prescribe and enforce suitable rules and regulations with the approval or upon the order of the President to maintain or strengthen the security of deposits in both active and associate member banks, or any of them.

Sec. 3. It shall be the duty of the Federal Reserve Board, the Reconstruction Finance Corporation, and any other agency or officer of the Government to aid in carrying out the rules and regulations made in pursuance of this act and such Executive orders and proclamations of the President as may be issued prior to the adjournment of the first session of the Seventy-third Congress to carry into effect the provisions and purposes of this act.

Sec. 4. The Government undertakes to indemnify the depositors of any bank complying with the provisions of this act against any losses which may be directly caused by or due to such compliance alone, and the Comptroller General is empowered to ascertain and determine finally the amount of such losses, if any, in any particular case, and he is authorized, with the approval of the President, to prescribe and promulgate suitable rules and regulations to carry out the purposes of this act.

Sec. 5. That the provisions of Public 91 of the Sixty-fifth Congress, as amended, are hereby reenacted and revived in so far as applicable and appropriate to the execution of this act and not peculiar to a state of war, and the President is empowered by proclamation to declare and publish from time to time such provisions of said act as are found to be necessary to the execution of this act during the continuance of the present national emergency.

The reports required to be made by the Reconstruction Finance Corporation pursuant to subsection (b) of section 201 of the Emergency Relief and Construction Act of 1932 with respect to loans and advances to banks and trust companies shall be made public by the President whenever he shall deem it to be in the public interest.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, it is expected that the bill which is the primary subject of the President's message will be ready for presentation and reference within a very short time.

I therefore move that the Senate take a recess until the hour of 1:30 o'clock.

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

The motion was agreed to; and (at 12 o'clock and 41 minutes p.m.) the Senate took a recess until 1:30 o'clock p.m., when it reassembled and the Vice President resumed the chair.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Coolidge	Keyes	Reynolds
Ashurst	Copeland	King	Robinson, Ark.
Austin	Costigan	La Follette	Robinson, Ind.
Bachman	Couzens	Lewis	Russell
Bailey	Dale	Logan	Sheppard
Bankhead	Davis	Loneragan	Smith
Barbour	Dickinson	Long	Steinwer
Barkley	Dieterich	McAdoo	Stephens
Black	Dill	McCarran	Thomas, Okla.
Bone	Duffy	McGill	Thomas, Utah
Borah	Fess	McKellar	Townsend
Bratton	Fletcher	McNary	Trammell
Brown	George	Murphy	Tydings
Bulkley	Glass	Neely	Vandenberg
Bulow	Goldsborough	Norbeck	Van Nuys
Byrd	Gore	Norris	Wagner
Byrnes	Hale	Nye	Walcott
Capper	Harrison	Overton	Walsh
Caraway	Hayden	Patterson	White
Carey	Hebert	Pittman	
Clark	Johnson	Pope	
Connally	Kean	Reed	

Mr. NYE. I desire to announce that my colleague [Mr. FRAZIER] is unavoidably absent on official business of the Senate.

Mr. CAREY. I desire to announce that my colleague [Mr. KENDRICK] is absent on official business.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

REGULATION OF BANKING OPERATIONS

Mr. FLETCHER. Mr. President, I introduce a bill to provide relief in the existing national emergency in banking, and for other purposes, and move its reference to the Committee on Banking and Currency with instructions to report on this calendar day.

The VICE PRESIDENT. The clerk will read the bill by its title.

The bill (S. 1) to provide relief in the existing national emergency in banking, and for other purposes, was read twice by its title.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

Mr. NORBECK. Mr. President, what were the instructions—to report when?

The VICE PRESIDENT. To report on this calendar day.

Mr. NORBECK. Does that mean today or tomorrow?

Mr. FLETCHER. Today, if we can get through; to report as of this calendar day, and do it in an hour if we can, or as soon as we can.

Mr. NORBECK. I am not going to object, Mr. President; but when we undertake to frame important banking legislation in an hour we are liable to get ourselves in trouble.

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

Mr. FESS. Mr. President, are printed copies available of the bill that has just been introduced?

Mr. ROBINSON of Arkansas. There are no additional copies. A confidential committee print was made of a limited number of copies. I regret to say that I have been unable to secure a sufficient number to supply them to Senators. I am hopeful that copies will be available within a very short time.

Mr. LONG. Mr. President, as I understand, we are expected to pass on this bill today. It is going to be reported back from the committee today?

Mr. ROBINSON of Arkansas. I am hopeful that that may be done.

Mr. LONG. It has already been referred to the Committee on Banking and Currency, has it not?

Mr. ROBINSON of Arkansas. Yes.

Mr. LONG. I desire to suggest to some Senator who understands this bill that we might have an explanation of it to the Senate as a whole while the committee is considering the bill. I presume the Senator from Arkansas

understands what is in the bill. I have been trying all night and all day to find out what is in it.

Mr. ROBINSON of Arkansas. As far as I am personally concerned, I should prefer not to enter upon the discussion of the bill until the committee has reported. I think that is the best procedure; and I recommend that to the Senator from Louisiana.

Mr. HEBERT. Mr. President, I send to the desk several telegrams from people in the State of Rhode Island, including one from Gov. Theodore Francis Green, on the subject of proposed legislation affecting banking in the United States, which I ask may be printed in the RECORD and referred to the appropriate committee.

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

The telegrams were ordered to be printed in the RECORD and referred to the Committee on Banking and Currency, as follows:

[Telegram]

PROVIDENCE, R.I., March 9, 1933.

Senator FELIX HEBERT,

United States Senate:

If plans are being considered for expanding Federal reserve currency to be secured by certain assets of commercial banks, we strongly urge the new legislation be worded so that receivables of industrial banking institutions, especially Morris Plan banks and companies, be made acceptable for such currency.

HOWARD E. GLADDING,

Secretary Morris Plan Co. of Rhode Island.

[Telegram]

PROVIDENCE, R.I., March 9, 1933.

Senator FELIX HEBERT,

United States Senate:

Urge you to have inserted in currency bill provision that currency may be issued by National and State banks and all other banking institutions under supervision of banking commissioners in several States or of the Comptroller of the Currency. Limitation to banks alone undesirable.

THEODORE FRANCIS GREEN, Governor.

[Telegram]

PROVIDENCE, R.I., March 9, 1933.

HON. FELIX HEBERT,

United States Senate, Senate Office Building:

The following wholesale fruit and produce dealers of Providence urge your most earnest efforts to pass suitable legislation immediately to release our bank deposits, so we may pay drafts on cars perishable commodities, as has been customary in handling all these transactions. Unless we can pay these drafts and this money is made available to shippers at producing end Providence will be in serious danger of food famine within few days. We are doing and will do our utmost to keep food supply coming to Providence, but we must have some means of paying for these perishable goods. You know that food famine might result in serious disorders, and we strenuously urge you make every effort possible to relieve this situation. We must have our frozen bank accounts released for this purpose.

H. B. Fiske & Co., Morris Shore & Co. (Inc.), L. Del Sesto, T. A. Boyle, Frank A. Crossley, J. H. Preston Co. (Inc.), G. A. Mercurio Co., A. M. Tourtellot, Corvase Bros., Providence Brokerage Co., Rocco & Petrocchi, Wm. S. Sweet & Son (Inc.), D. W. Brayton Co., Felix Rocco Est., Terminal Fruit Co., M. Longo & Sons, S. F. Meyers, South Water Fruit Co., United Produce Co., L. J. Gelardi, F. J. Rogers Co., Julius Rosenberg.

MUSCLE SHOALS

Mr. NORRIS. Mr. President, I ask unanimous consent to introduce a joint resolution for reference to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I am going to suggest that the introduction of bills, resolutions, and joint resolutions not having relationship to the present emergency be deferred for the present.

I realize that under the rules of the Senate, of course, Senators can proceed to the introduction of bills and joint resolutions. I do not wish to object to the requests of Senators. There is no order of business that permits the introduction of such measures now; and I merely make that suggestion for the convenience of Senators and of the Senate.

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

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. Would the Senator's request include the introduction of a bill which the Senate passed the other day, known as the Hull-Walcott bill, which it is my purpose to reintroduce?

Mr. ROBINSON of Arkansas. I think we may well defer the introduction of bills for the present, including the bill to which the Senator from Kentucky refers.

Mr. President, some days ago an order was made requiring the organization of the Senate as a court in the impeachment case of Judge Louderback. The order made requires that we proceed in that matter at 2 o'clock. I therefore move—

Mr. NORRIS. Mr. President, will the Senator withhold that motion?

The VICE PRESIDENT. The Senator from Nebraska has the floor, having asked unanimous consent to introduce a joint resolution.

Mr. NORRIS. I have submitted a unanimous-consent request. I would not want to say that the joint resolution I have asked permission to introduce and have referred to the Committee on Agriculture and Forestry has to do with the present depression. I think it does have something to do with the continuation of employment; but I realize that I have to obtain unanimous consent now to introduce it.

I ask that the title of the joint resolution be read by the clerk.

If any Senator objects, of course, I can not introduce it now.

The VICE PRESIDENT. Without objection, the title of the joint resolution will be read.

The CHIEF CLERK. A joint resolution (S.J.Res. 4) to improve the navigability, and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense, by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to object to the request of the Senator from Nebraska, nor did I object to the requests that have heretofore been made. I shall object to the introduction of other bills and joint resolutions unless they appear to be emergent.

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

The joint resolution was read the second time by title and referred to the Committee on Agriculture and Forestry.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until the hour of 2 o'clock p.m.

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

The motion was agreed to; and (at 1 o'clock and 45 minutes p.m.) the Senate took a recess until 2 o'clock p.m., when it reassembled, and the Vice President resumed the chair.

IMPEACHMENT OF HAROLD LOUDERBACK

The Senate, sitting as a Court of Impeachment, met at 2 o'clock p.m. under its previous order.

Mr. NORRIS. Mr. President, I move that the Senator from Idaho [Mr. BORAH] be designated by the Senate to administer the oath to the presiding officer of the Court of Impeachment.

The motion was agreed to; and Mr. BORAH advanced to the Vice President's desk and administered the oath to Vice President Garner as presiding officer, as follows:

You do solemnly swear that in all things appertaining to the trial of the impeachment of Harold Louderback, a district judge for the northern district of California, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. NORRIS. Mr. President, I suggest that the roll be called and the Secretary make note of those who are present in order that the oath may be administered to them.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Couzens	Logan	Russell
Bachman	Dale	Loneragan	Sheppard
Bailey	Davis	Long	Smith
Barbour	Dickinson	McCarran	Steiger
Barkley	Dieterich	McGill	Stephens
Black	Dill	McKellar	Thomas, Okla.
Bone	Duffy	McNary	Thomas, Utah
Borah	Fess	Murphy	Townsend
Bratton	George	Neely	Trammell
Brown	Goldsborough	Norris	Tydings
Bulow	Hale	Nye	Vandenberg
Byrd	Harrison	Overton	Van Nuys
Capper	Hebert	Patterson	Walcott
Caraway	Johnson	Pittman	Walsh
Clark	Keyes	Pope	White
Connally	King	Reed	
Coolidge	La Follette	Robinson, Ark.	
Copeland	Lewis	Robinson, Ind.	

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present. The Chair will swear in the Senators present, and those who arrive later can be sworn in at that time.

Mr. ROBINSON of Arkansas. Mr. President, I ask that all Senators be permitted to take the oath at once at their places in the Chamber.

Mr. BORAH. Mr. President, I have no objection to the request, but I want to make a personal statement before the oath is taken. I feel that I ought not to sit in this matter by reason of some things which transpired at the time of the appointment of Judge Louderback. The question which I wish to submit now is, Should I make that excuse definite at this time or will it be proper after the oath is taken?

Mr. ASHURST. Mr. President, will the Senator from Idaho yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Arizona?

Mr. BORAH. Certainly.

Mr. ASHURST. In my judgment, such statement should be made after Senators shall have taken the oath as members of the court; only the court should excuse Senators from duties to be performed in the court.

Mr. JOHNSON. Mr. President, if the Senator from Idaho will pardon me—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. Certainly.

Mr. JOHNSON. May I differ with my distinguished friend from Arizona? The question has occurred to me, and I was about to rise to ask that I be permitted to stand aside in this trial. I had reached the conclusion that the appropriate time to make the request is before being sworn in as one of the trial judges in the matter of impeachment.

Mr. ASHURST. Mr. President, will the Senator from Idaho yield further?

Mr. BORAH. Certainly.

Mr. ASHURST. Care should be taken as to establishing precedents. It does the two Senators much credit that they have declared to us who are soon to become an impeachment court, that for certain reasons the two Senators feel disqualified. In strict practice, under the English procedure and under the American procedure, there is no such thing as an impeachment juror or Senator escaping from his responsibility to compose the court. Indeed, in the Andrew Johnson impeachment case, Senator Ben. F. Wade, then the President pro tempore, who would have become President had the impeachment succeeded, was asked to stand aside, but it was determined that there was no way by which he, Senator Wade, could be disqualified and thus made to stand aside. But I am sure, if a Senator should declare that he is disqualified, he could not and should not be required to hear evidence or to render a verdict.

Mr. BORAH. Mr. President, I have not familiarized myself lately with the precedents. I should not want to be governed, however, by what took place in the impeachment trial of Andrew Johnson. I felt that the appropriate time to speak was before I become a member of the court, and I

have that strong impression now. However, I am willing to be governed by the decision of the Senate.

Mr. NORRIS. Mr. President, regardless of some precedents to the contrary, which the Senate does not need to follow unless it desires, it seems to me that the Senate may do it as it pleases. The Senate is acting as a supreme body in this respect and can establish any rule it pleases or pursue any course it chooses. We are now organized as a court, or at least partially so. We are assembled as a court and ready to take the oath of office. It seems to me it is very much akin to a juror taking the oath in a court. Before the juror is sworn to try the case is the time when he is excused if he is excused at all.

Senators who feel that they are disqualified to sit and render judgment in the case I think ought to make it known now and ought to ask to be excused now. Whether they could be excused if someone objected would be a different proposition, but I take it that no one would object if any Senator is conscientiously of the opinion that he could not sit and ought not to sit as a judge or as a juror in this case. It seems to me he ought to be excused now, before we take the oath of office.

The oath we are about to take, Senators, is not like the oath a juror takes when he first goes into the box to be examined on his voir dire. The oath we are about to take is the trial oath. It is the final oath we are about to take that we will try this man and try him properly. I believe that any Senator who feels that he can not conscientiously act for any reason satisfactory to himself ought to make it known before the oath is administered.

Mr. JOHNSON. Mr. President, in order that the matter may be brought to a head, I ask unanimous consent of those who sit here as a Court of Impeachment or are about to take the oath as jurors or Senators in the Court of Impeachment, that I be permitted to stand aside in this trial. There are certain incidents which have occurred which, in my opinion, render it improper that I should sit as a judge in this case. I do not wish to detail them, of course, because I feel that in the detailing of them I might do or say something which ought not to be done or said. But while certain of myself, Mr. President, perhaps feeling that I might lean backward one way or the other in a case of this sort, I do not think that I ought to sit in the case, and I ask unanimous consent of the Senate that I may stand aside in the trial of Harold Louderback about to begin.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? The Chair hears none, and the Senator from California is excused.

Mr. BORAH. Mr. President, I feel compelled to make a similar request. I can not go into details regarding this matter, and, as the Senator from California [Mr. JOHNSON] has suggested, I suppose that should not be done, but I feel very strongly that I can not enter upon the trial with that impartial condition of mind which should characterize one who would be a member of the court. I therefore ask unanimous consent that I may be permitted to stand aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Idaho is excused.

May the Chair make the suggestion that if any Senator has entered the Chamber since the roll was called he now make it known, so that the Record and the Journal may show that he has taken the oath?

Mr. LA FOLLETTE. Mr. President—

The Chief Clerk called the name of Mr. LA FOLLETTE, and he answered to his name.

Mr. ROBINSON of Arkansas. Now, Mr. President, I repeat the request made a moment ago, that Senators be permitted to take the oath at their places in the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. Senators will now be sworn.

Thereupon the Vice President administered the oath to the Senators present, as follows:

You do each solemnly swear that in all things appertaining to the trial of the impeachment of Harold Louderback, United States district judge for the northern district of California now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. NORRIS. Mr. President, I ask the adoption of the order which I send to the Secretary's desk.

The VICE PRESIDENT. The order will be read.

The Chief Clerk read as follows:

Ordered, That the Secretary notify the House of Representatives that the Senate is now organized for the trial of articles of impeachment against Harold Louderback, United States district judge for the northern district of California, and is ready to receive the managers on the part of the House at its bar.

The VICE PRESIDENT. The question is on agreeing to the order presented by the Senator from Nebraska.

The order was agreed to.

Mr. NORRIS. Mr. President, in order to afford time to notify the managers on the part of the House and to enable them to be here it will be necessary either that we wait until they come or else take a recess and notify them of the time at which the Senate, sitting as a court, will reassemble. Therefore, Mr. President, I move that the Senate, sitting as a court for the trial of the articles of impeachment against Harold Louderback, now take a recess until 4 o'clock and that the Secretary of the Senate be directed to notify the House of its action.

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. NORRIS. I yield.

Mr. LONG. I understand we just adjourn as a Court of Impeachment, but that the Senate does not adjourn?

Mr. NORRIS. Oh, no; the Senate will reassemble as soon as the Senate, sitting as a court, shall take a recess.

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

The motion was agreed to; and (at 2 o'clock and 20 minutes p.m.) the Senate, sitting as a Court of Impeachment, took a recess until 4 o'clock p.m.

RECESS

The Senate resumed legislative business.

Mr. ROBINSON of Arkansas. Mr. President, I have conferred with the Chairman of the Committee on Banking and Currency and with some other members of the committee. It is hoped that a report may be ready for the Senate by the hour of 4:30 p.m. I therefore move that the Senate take a recess until 4:30 p.m. this afternoon.

Mr. LONG. Mr. President, I hope the Senator will not insist on that motion, for this reason: I know that the Senator from Arkansas understands this bill as well as anybody else understands it. I have read it since it has been brought to my desk, and there are many Members of the Senate who would like to hear an explanation of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I do not feel that the Senate should proceed to the consideration of the bill until after the committee shall have reported. I renew my motion that the Senate take a recess until 4:30 o'clock this afternoon.

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

The motion was agreed to; and (at 2 o'clock and 22 minutes p.m.) the Senate in legislative session took a recess until 4 o'clock and 30 minutes p.m.

IMPEACHMENT OF HAROLD LOUDERBACK

The Senate, sitting as a Court of Impeachment, met at 4 o'clock p.m.

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

The VICE PRESIDENT. The Clerk will call the roll.

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

Ashurst	Davis	McGill	Robinson, Ind.
Bachman	Dickinson	McKellar	Russell
Bailey	Duffy	McNary	Sheppard
Barbour	Fess	Murphy	Smith
Black	George	Neely	Stephens
Bratton	Harrison	Norris	Thomas, Okla.
Bulow	Hebert	Nye	Thomas, Utah
Capper	Keyes	Patterson	Townsend
Caraway	King	Pittman	Tydings
Coolidge	La Follette	Pope	Vandenberg
Copeland	Logan	Reed	Van Nuys
Dale	Long	Reynolds	Walsh
	McCarran	Robinson, Ark.	White

Mr. BLACK. I wish to announce that the following-named Senators are detained in an emergency meeting of the Committee on Banking and Currency:

Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. BULKLEY, Mr. GORE, Mr. COSTIGAN, Mr. BYRNES, Mr. BANKHEAD, Mr. MCADOO, Mr. ADAMS, Mr. NORBECK, Mr. GOLDSBOROUGH, Mr. WALCOTT, Mr. CAREY, Mr. COUZENS, Mr. STEIWER, and Mr. KEAN.

The VICE PRESIDENT. Fifty-two members of the court having answered to their names, a quorum of the court is present.

Mr. OVERTON. Mr. President, I wish to make a statement. I was a Member of the House of Representatives at the time the articles of impeachment were preferred against Judge Louderback. I voted against the impeachment. I thought that matter should be tendered to the Chair and Members of the Senate before the court convened; but another Senator, indeed, perhaps two Senators, occupy the same position that I occupy and I wished to consult with them before making the statement. After consulting with them and consulting with some senior Senators who are experienced in such matters, I have come to the conclusion that under all the circumstances it would be proper that I ask to be excused from sitting as a member of the court, which I accordingly do.

The VICE PRESIDENT. Is there objection to the request of the junior Senator from Louisiana to be excused from acting as a member of the court? The Chair hears none.

Mr. LONERGAN. Mr. President, for the same reasons assigned by the Senator from Louisiana [Mr. OVERTON] I ask unanimous consent that I may be excused from participating in the impeachment proceeding.

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

Will members of the court permit the Chair to make a statement? The Chair presided in the House at the time impeachment proceedings were considered by that body. The Chair did not have occasion to vote or in any way express himself concerning the merits of the case. The Chair thought that members of the court ought to know the situation so that if they have any doubt as to the qualifications of the Chair to act as the presiding officer of the court, they may act accordingly.

Mr. NORRIS. Mr. President, it was expected that at this time the managers on the part of the House would be present. I have discovered, however, that the House has not yet fully organized and has not yet elected managers. The managers elected in the last Congress and who appeared before the Senate on a previous occasion have gone out of office, and it is necessary that the House elect new managers. There is some doubt as to just when the organization of the House will be so fully completed that new managers can be elected. However, the Chairman of the Judiciary Committee of the House has informed me that he thinks that without any doubt they will be able to do that by next Monday.

Before asking for an adjournment of the court, I would suggest to the Chair that there may be present at this time some Senators who have not yet been sworn in as members of the court. If there are, it would be advisable to have them sworn in at this time.

The VICE PRESIDENT. If there are any Senators in the Chamber who have not been sworn in as members of the court, they will please rise and the oath will be administered.

Mr. ROBINSON of Indiana and Mr. REYNOLDS rose, and the oath was administered to them by the Vice President.

Mr. NORRIS. Mr. President, I move that the Senate, sitting as a Court of Impeachment, adjourn until Monday next at 3 o'clock in the afternoon.

The motion was agreed to; and the Senate, sitting as a Court of Impeachment (at 4 o'clock and 15 minutes p.m.) adjourned until Monday, March 13, 1933, at 3 o'clock p.m.

Mr. ASHURST. Mr. President, I ask unanimous consent to introduce a joint resolution and have it read and referred

to the Committee on Appropriations. It relates to the impeachment.

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

The joint resolution (S.J.Res. 5) providing for the payment of the expenses of the Senate in the impeachment trial of Harold Louderback, was read the first time by its title and the second time at length, and referred to the Committee on Appropriations, as follows:

Resolved, etc., That there be appropriated out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, or so much thereof as may be necessary, to defray the expenses of the Senate in the impeachment trial of Harold Louderback.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

(Senate bill 1, introduced by Mr. FLETCHER, was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. POPE:

A bill (S. 2) for the relief of C. M. Williamson, Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased, Lottie Redman, and H. N. Smith; to the Committee on Claims.

By Mr. GORE:

A bill (S. 3) to prohibit members of the Federal Farm Loan Board from serving as officers of Federal land banks; to the Committee on Banking and Currency.

By Mr. TOWNSEND:

A joint resolution (S.J.Res. 1) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

(Senate Joint Resolution 2, introduced by Mr. GORE, was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. LONG:

A joint resolution (S.J.Res. 3) proposing an amendment to the Constitution of the United States to permit the taxation of capital without apportionment among the States; to the Committee on the Judiciary.

(Senate Joint Resolution 4, introduced by Mr. NORRIS, was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, informed the Senate that a quorum of the House of Representatives had assembled; that HENRY T. RAINEY, a Representative from the State of Illinois, was elected Speaker; that South Trimble, a citizen of the State of Kentucky, was elected Clerk; and that the House was ready for business.

The message also announced that a committee of three Members was appointed by the Speaker on the part of the House of Representatives to join the committee on the part of the Senate, to wait on the President of the United States and notify him that a quorum of the two Houses had assembled and that Congress was ready to receive any communication he might be pleased to make.

The message further announced that the House had passed a bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, in which it requested the concurrence of the Senate.

FIRST APPEARANCE OF SENATORS

DANIEL O. HASTINGS, a Senator from the State of Delaware, and HENRIK SHIPSTEAD, a Senator from the State of Minnesota, appeared in their seats.

REGULATION OF BANKING OPERATIONS

Mr. FLETCHER. From the Committee on Banking and Currency, I report back favorably, without amendment, Senate bill 1, to provide relief in the existing national emergency in banking, and for other purposes. It is the same

bill as the one transmitted to us a moment ago by the House of Representatives.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senate proceed to the consideration of the House bill.

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

The Senate proceeded to consider the bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, which was read twice by its title.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from Arkansas whether the House bill is the same as the Senate bill.

Mr. ROBINSON of Arkansas. My information is that it is identical with the Senate bill.

The VICE PRESIDENT. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That the Congress hereby declares that a serious emergency exists and that it is imperatively necessary speedily to put into effect remedies of uniform national application.

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders, and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

Sec. 2. Subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat.L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule, or regulation issued thereunder shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

Sec. 3. Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, or gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion, or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

Sec. 4. In order to provide for the safer and more effective operation of the national banking system and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the national banking system and the Federal Reserve System, and to relieve interstate commerce of the burdens and obstructions resulting from the receipt on an unsound or unsafe basis of deposits subject to withdrawal by check, during such emergency period as the President of the United States by proclamation may prescribe, no member bank of the Federal Reserve System shall transact any banking business except to such extent and subject to such regulations, limitations, and restrictions as may be prescribed by the Secretary of the Treasury, with the approval of the President. Any individual, partnership, corporation, or association, or any director, officer, or employee thereof, violating any of the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction

thereof, shall be fined not more than \$10,000 or, if a natural person, may, in addition to such fine, be imprisoned for a term not exceeding 10 years. Each day that any such violation continues shall be deemed a separate offense.

TITLE II

Sec. 201. This title may be cited as the "Bank Conservation Act."

Sec. 202. As used in this title, the term "bank" means (1) any national banking association, and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency; and the term "State" means any State, Territory, or possession of the United States, and the Canal Zone.

Sec. 203. Whenever he shall deem it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors thereof, the Comptroller of the Currency may appoint a conservator for such bank and require of him such bond and security as the Comptroller of the Currency deems proper. The conservator, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such bank, and take such action as may be necessary to conserve the assets of such bank pending further disposition of its business as provided by law. Such conservator shall have all the rights, powers, and privileges now possessed by or hereafter given receivers of insolvent national banks and shall be subject to the obligations and penalties, not inconsistent with the provisions of this title, to which receivers are now or may hereafter become subject. During the time that such conservator remains in possession of such bank, the rights of all parties with respect thereto shall, subject to the other provisions of this title, be the same as if a receiver had been appointed therefor. All expenses of any such conservatorship shall be paid out of the assets of such bank and shall be a lien thereon which shall be prior to any other lien provided by this act or otherwise. The conservator shall receive as salary an amount no greater than that paid to employees of the Federal Government for similar services.

Sec. 204. The Comptroller of the Currency shall cause to be made such examinations of the affairs of such bank as shall be necessary to inform him as to the financial condition of such bank, and the examiner shall make a report thereon to the Comptroller of the Currency at the earliest practicable date.

Sec. 205. If the Comptroller of the Currency becomes satisfied that it may safely be done and that it would be in the public interest, he may, in his discretion, terminate the conservatorship and permit such bank to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as he may prescribe.

Sec. 206. While such bank is in the hands of the conservator appointed by the Comptroller of the Currency, the Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors, on a ratable basis, such amounts as in the opinion of the Comptroller may safely be used for this purpose; and the Comptroller may, in his discretion, permit the conservator to receive deposits, but deposits received while the bank is in the hands of the conservator shall not be subject to any limitation as to payment or withdrawal, and such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time that a conservator was appointed for it, or any subsequent indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits received while the bank is in the hands of the conservator shall be kept on hand in cash, invested in the direct obligations of the United States, or deposited with a Federal Reserve bank. The Federal Reserve banks are hereby authorized to open and maintain separate deposit accounts for such purpose, or for the purpose of receiving deposits from State officials in charge of State banks under similar circumstances.

Sec. 207. In any reorganization of any national banking association under a plan of a kind which, under existing law, requires the consent, as the case may be, (a) of depositors and other creditors, or (b) of stockholders, or (c) of both depositors and other creditors and stockholders, such reorganization shall become effective only (1) when the Comptroller of the Currency shall be satisfied that the plan of reorganization is fair and equitable as to all depositors, other creditors, and stockholders and is in the public interest and shall have approved the plan subject to such conditions, restrictions, and limitations as he may prescribe, and (2) when, after reasonable notice of such reorganization, as the case may require, (A) depositors and other creditors of such bank representing at least 75 per cent in amount of its total deposits and other liabilities as shown by the books of the national banking association, or (B) stockholders owning at least two thirds of its outstanding capital stock as shown by the books of the national banking association, or (C) both depositors and other creditors representing at least 75 per cent in amount of the total deposits and other liabilities and stockholders owning at least two thirds of its outstanding capital stock as shown by the books of the national banking association, shall have consented in writing to the plan of reorganization: *Provided, however,* That claims of depositors or other creditors which will be satisfied in full under the provisions of the plan of reorganization shall not be included among the total deposits and other liabilities of the national banking association in determining the 75 per cent thereof as above provided. When such reorganization becomes effective, all books, records, and assets of the national banking association shall be disposed of in accordance with the provisions

of the plan, and the affairs of the national banking association shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions, and limitations which may have been prescribed by the Comptroller of the Currency. In any reorganization which shall have been approved and shall have become effective as provided herein, all depositors and other creditors and stockholders of such national banking association, whether or not they shall have consented to such plan of reorganization, shall be fully and in all respects subject to and bound by its provisions, and claims of all depositors and other creditors shall be treated as if they had consented to such plan of reorganization.

Sec. 208. After 15 days after the affairs of a bank shall have been turned back to its board of directors by the conservator, either with or without a reorganization as provided in section 207 hereof, the provisions of section 206 of this title with respect to the segregation of deposits received while it is in the hands of the conservator and with respect to the use of such deposits to liquidate the indebtedness of such bank shall no longer be effective: *Provided*, That before the conservator shall turn back the affairs of the bank to its board of directors, he shall cause to be published in a newspaper published in the city, town, or county in which such bank is located, and if no newspaper is published in such city, town, or county, in a newspaper to be selected by the Comptroller of the Currency published in the State in which the bank is located, a notice in form approved by the Comptroller, stating the date on which the affairs of the bank will be returned to its board of directors and that the said provisions of section 206 will not be effective after 15 days after such date; and on the date of the publication of such notice the conservator shall immediately send to every person who is a depositor in such bank under section 206 a copy of such notice by registered mail addressed to the last-known address of such person as shown by the records of the bank, and the conservator shall send similar notice in like manner to every person making deposit in such bank under section 206 after the date of such newspaper publication and before the time when the affairs of the bank are returned to its directors.

Sec. 209. Conservators appointed pursuant to the provisions of this title shall be subject to the provisions of and to the penalties prescribed by section 5209 of the Revised Statutes (U.S.C., title 12, sec. 592); and sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, secs. 202, 203, 204, 205, 206, and 207), insofar as applicable, are extended to apply to contracts, agreements, proceedings, dealings, claims, and controversies by or with any such conservator or the Comptroller of the Currency under the provisions of this title.

Sec. 210. Nothing in this title shall be construed to impair in any manner any powers of the President, the Secretary of the Treasury, the Comptroller of the Currency, or the Federal Reserve Board.

Sec. 211. The Comptroller of the Currency is hereby authorized and empowered, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem necessary in order to carry out the provisions of this title. Whoever violates any rule or regulation made pursuant to this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than 1 year, or both.

TITLE III

Sec. 301. Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency and by vote of shareholders owning a majority of the stock of such association, upon not less than 5 days' notice, given by registered mail pursuant to action taken by its board of directors, issue preferred stock in such amount and with such par value as shall be approved by said Comptroller, and make such amendments to its articles of association as may be necessary for this purpose; but, in the case of any newly organized national banking association which has not yet issued common stock, the requirement of notice and vote of shareholders shall not apply. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in.

Sec. 302. (a) The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding 6 per cent per annum, but shall not be held individually responsible as such holders for any debts, contracts, or engagements of such association and shall not be liable for assessments to restore impairments in the capital of such association as now provided by law with reference to holders of common stock. Notwithstanding any other provision of law, the holders of such preferred stock shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions, as may be provided in the articles of association with the approval of the Comptroller of the Currency.

(b) No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the association is placed in voluntary liquidation or a conservator or a receiver is appointed therefor, no payments shall be made to the holders of the common stock until the holders of the preferred stock shall have been paid in full the par value of such stock plus all accumulated dividends.

Sec. 303. The term "common stock" as used in this title means stock of national banking associations other than preferred stock issued under the provisions of this title. The term "capital" as used in provisions of law relating to the capital of national banking associations shall mean the amount of unimpaired com-

mon stock plus the amount of preferred stock outstanding and unimpaired; and the term "capital stock," as used in section 12 of the act of March 14, 1900, shall mean only the amount of common stock outstanding.

Sec. 304. If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank, or trust company or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank, or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request. The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market or otherwise the whole or any part of the preferred stock of any national banking association, State bank, or trust company acquired by the corporation pursuant to this section. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.

TITLE IV

Sec. 401. The sixth paragraph of section 18 of the Federal Reserve Act is amended to read as follows:

"Upon the deposit with the Treasurer of the United States, (a) of any direct obligations of the United States, (b) or any notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of this act, any Federal Reserve bank making such deposit in the manner prescribed by the Secretary of the Treasury shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, duly registered and countersigned. When such circulating notes are issued against the security of obligations of the United States, the amount of such circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security; and, when issued against the security of notes, drafts, bills of exchange, and bankers' acceptances acquired under the provisions of this act, the amount thereof shall be equal to not more than 90 percent of the estimated value of such notes, drafts, bills of exchange, and bankers' acceptances so deposited as security. Such notes shall be the obligations of the Federal Reserve bank procuring the same, shall be in form prescribed by the Secretary of the Treasury, shall be receivable at par in all parts of the United States for the same purposes as are national bank notes, and shall be redeemable in lawful money of the United States on presentation at the United States Treasury or at the bank of issue. The Secretary of the Treasury is authorized and empowered to prescribe regulations governing the issuance, redemption, replacement, retirement, and destruction of such circulating notes and the release and substitution of security therefor. Such circulating notes shall be subject to the same tax as is provided by law for the circulating notes of national banks secured by 2 percent bonds of the United States. No such circulating notes shall be issued under this paragraph after the President has declared by proclamation that the emergency recognized by the President by proclamation of March 6, 1933, has terminated, unless such circulating notes are secured by deposits of bonds of the United States bearing the circulation privilege. When required to do so by the Secretary of the Treasury, each Federal Reserve agent shall act as agent of the Treasurer of the United States or of the Comptroller of the Currency, or both, for the performance of any of the functions which the Treasurer or the Comptroller may be called upon to perform in carrying out the provisions of this paragraph. Appropriations available for distinctive paper and printing United States currency or national bank currency are hereby made available for the production of the circulating notes of Federal Reserve banks herein provided; but the United States shall be reimbursed by the Federal Reserve bank to which such notes are issued for all expenses necessarily incurred in connection with the procuring of such notes and all other expenses incidental to their issue, redemption, replacement, retirement, and destruction."

Sec. 402. Section 10 (b) of the Federal Reserve Act, as amended, is further amended to read as follows:

"Sec. 10. (b) In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than 1 per cent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note. No advance shall be made under this section after March 3, 1934, or after the expiration of such additional period not exceeding 1 year as the President may prescribe."

Sec. 403. Section 13 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe, any Federal Reserve bank may make advances to any individual, partnership, or corpora-

tion on the promissory notes of such individual, partnership, or corporation secured by direct obligations of the United States. Such advances shall be made for periods not exceeding 90 days and shall bear interest at rates fixed from time to time by the Federal Reserve bank, subject to the review and determination of the Federal Reserve Board."

TITLE V

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of \$2,000,000, which shall be available for expenditure, under the direction of the President and in his discretion, for any purpose in connection with the carrying out of this act.

SEC. 502. The right to alter, amend, or repeal this act is hereby expressly reserved. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. FLETCHER. Mr. President, I simply desire to state that the bill of the House is identical with the Senate bill which the Banking and Currency Committee had under consideration and which was favorably reported this afternoon. It is therefore in order to substitute the House bill for the Senate bill, as has been done. It is very important, I think, that we act on the measure promptly. Of course we may be said to be speeding the matter somewhat, but the Senate realizes that at 12 o'clock tonight the President's proclamation closing the banks of the country expires, and we want to make it safe to proceed regularly with the banking business tomorrow.

Mr. VANDENBERG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I yield.

Mr. VANDENBERG. I have heard it stated that the purpose of the measure is to clothe the Comptroller with authority to permit only such banks to open tomorrow as, in his judgment, are solvent as of today. May I ask the Senator whether he has any information for the enlightenment of the Senate as to the prescription which the Comptroller contemplates under the language on page 4 of the bill—which seems to be a blanket authorization to permit him to prescribe, as he sees fit—what shall happen to the banks of the Nation? Can the Senator tell me what is contemplated under that exercise of that power?

Mr. FLETCHER. Mr. President, this simply specifies the power of the Comptroller of the Currency with respect to the banks, and is nothing more, really, than the power he now possesses. Under the national banking act the Comptroller can close any bank that he considers insolvent. Here he is given authority to pass upon that question.

Mr. VANDENBERG. If the Senator will bear with me, I fully understand the fact to which the Senator adverts.

The Senator is equally familiar with the fact that there has been a sympathetic administration of many of these regulations up to date. We have been told that it is now the purpose deliberately to force out of business all save those banks which are 100 percent solvent as of today. I am inquiring of the Senator whether he can tell us if that is the expectation.

Mr. FLETCHER. I cannot agree with that. Undoubtedly the Comptroller will, I presume, though the law does not require it, know by the records in his office what banks are absolutely insolvent today. He will notify them what to do perhaps, if he desires to do that, because the proclamation expires at midnight tonight, anyhow. He may notify those to proceed which are solvent, and in respect to those that he may consider in a doubtful condition he may require some further regulation. I am not advised as to what course he will pursue.

Mr. VANDENBERG. May I ask the Senator for his own judgment as to whether it would be fair or proper to assess a rule of solvency against the values as of this afternoon?

Mr. FLETCHER. I should say not.

Mr. VANDENBERG. The Senator would not anticipate that any such rule would be contemplated under the language of the act?

Mr. FLETCHER. I should say not.

Mr. VANDENBERG. Will the Senator tell me what happens under this bill to the State banks which are not members of the Federal Reserve System?

Mr. FLETCHER. Under the provisions of the bill such banks are not affected directly. They are not made members under the provisions of the bill. They are left entirely free, as they are under the law today, to the control of the State authorities. There are some provisions in the bill whereby they may receive some indirect benefit; but they may or may not as they see fit, as in the case of capital-stock increases. We have a provision which may benefit the State banks.

Mr. VANDENBERG. Of course, any State bank a member of the Federal Reserve System would be benefited.

OFFER TO PROTECT STATE BANKS

Mr. LONG. Mr. President, will the Senator from Florida yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. Certainly.

Mr. LONG. I want to know if at this time I may offer an amendment? Does the Senator object? While the Senate was discussing the bill I have prepared an amendment, which I intend to ask to have inserted in the third section from the last, reading as follows:

Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions, requirements, and limitations as the President may prescribe.

In other words, there is no greater power to be conferred upon the President than this bill is going to give him over other banks. I propose to give the President the right to save the State banks.

Mr. FLETCHER. Have not the State banks that privilege now?

Mr. LONG. They would be required to subscribe to the capital stock and comply with other requirements which today they can not meet.

Mr. President, the condition of our State banks is due to the impositions of the big banks. They have loaded us down with their own collateral that they did not want themselves. They have filled our banks with German bonds and German marks. They have given us everything they did not want themselves. We have understood what they recommended to be a total loss. Whoever defied the works and powers and ultimatums of the big banking interests of this country could not remain in existence. The country banks were undertaking to finance farmers and mortgages and homes. The people of this country with little businesses today find themselves faced with a proposal which will open many big banks, but which will be nothing but an order for closing the little State banks in the country and many in the cities.

In order that the President of the United States, where it is justified, may take care of State banks, I simply propose to clothe him with power in similar language to that used in the bill by providing that where the President thinks it is proper he will have the right, on terms and conditions that he thinks proper, to protect the State banks, to enable them to receive the benefits of this act. Otherwise, tomorrow will not be a bank-opening day for State banks. It will be a black sunrise to 90 percent of the population of my State. Therefore I send the amendment to the desk and ask that it may be incorporated at the proper place in the bill.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. The Senator from Louisiana offers the following amendment:

SEC. 501. Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions and requirements and limitations as the President may prescribe.

Mr. BARKLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Does the Senator's amendment contemplate that the State banks shall enjoy the circulating privilege, similar to that enjoyed by national banks?

Mr. LONG. If the President of the United States in his wide wisdom and having in mind the welfare of the country thinks it necessary, I think he could go that far. I have proposed this in order that the President of the United States can protect all the people.

Mr. BARKLEY. Does the Senator think it is in the interest of sound banking, wise and expedient banking, to allow State banks, all sorts of State banks, all sizes and character of State banks, to enjoy the right to issue circulating money?

Mr. LONG. I have not done that.

Mr. BARKLEY. But the Senator proposes to give the President the power to permit them to do it.

Mr. LONG. The President has been given power to go into the stockings of the people at the forks of the creek and see what they have there. We have not proposed to give him a bit more power than the Senator has proposed to give him. We do not debate or question the power the President has been given. He has the right to go down into the pocket of the Senator from Idaho [Mr. BORAH] right now and see what is there. There is no limit to that. I do not mean the Senator has anything there, of course. [Laughter.]

I am not going to urge taking away from the President any power that is given him. In order to convince my friend from Kentucky that I am not undertaking to give the President undue power, I would ask that he turn and read the first section of this bill where he will find in section 2, subdivision (b) the President is given the right to make any kind of examination he desires to see if anybody is hoarding money, or to do anything in any realm the President may deem proper. While I was not one of those consulted with regard to this legislation, I am not willing to say that the possibilities of distress are not such as to require these unusual, extortionate powers to be given the President of the United States at this time. I do not believe that he should be given any power to amalgamate and concentrate, but I do believe that he is being given power in a manner that forces the closing of 95 percent of the State banks of the United States tomorrow morning, unless he is given the right to save them, too.

What will the little banks do in the little county seats? They have been lending money to farmers and also buying securities that have been sent to them from New York. They have filled their coffers full with German marks, bonds of Brazil, bonds of Argentina. They have had to do it. They would not have had credit otherwise. The word of Charles E. Mitchell was law. Now the Senator comes with a bill which will permit the bank of Charles E. Mitchell to hoist the flag of purity tomorrow morning under the sanction and protection of the Government of the United States and to close 95 percent of the State banks at the forks of the creeks of this country which have been guilty of no such practices as have the banks which the Senator proposes to save.

I do not propose to make it a blanket proposition. I propose that the President of the United States, in his power and in his wisdom, shall be allowed the right to include the banks of a State as members entitled to the provisions of this act, subject to the limitations, subject to the restrictions, and subject to the terms and conditions, either generally or specifically, which the President may see fit to prescribe. I should like to know where there is an injustice in that. Where is there a single act of injustice in it? I do not say that the President of the United States is going to grant any particular right or any limitation of rights as to any one of these banks that he may or may not wish to exercise, but let us not preclude him from having the right to do it.

I stepped over into the Finance Committee room in time to hear one remark today. That remark was that 60 percent, I believe it was, of the banking deposits are covered by the Federal Reserve System. That may be true, Mr. President; 60 percent of the deposits may be covered by the big banks; but the little banks in the counties and in the parishes and in the States are most in need of protection; and if we close up all these banks tomorrow and take away from them the means of credit and the means of circulation and force those means into the financial centers, we shall have done a far greater travesty here, I fear, than we are going to do with the relief we are going to give to the big banks.

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

Mr. LONG. I yield to the Senator.

Mr. BARKLEY. Does the Senator's amendment contemplate conferring upon the Federal Government, either through the President or Secretary of the Treasury or the Comptroller of the Currency, power to examine local State banks or check their business?

Mr. LONG. Yes, sir.

Mr. BARKLEY. Does the Senator think Congress has any such power as that over State banks?

Mr. LONG. Yes, sir.

Mr. BARKLEY. Under what provision has it such authority?

Mr. LONG. Because whenever such a bank makes itself a member of the Federal Reserve System, it is subject to the President of the United States, and he would have the right to declare State banks to be members of the Federal Reserve System, and the same as this proposed act gives him the right to investigate and appoint conservators over the members of the Federal Reserve System, he would have that right as to State banks.

The only difference is that if these banks were to be made members of the Federal Reserve System, there are certain requirements imposed that we know they could not meet today. We all know what those requirements are. Particularly they could not keep all the reserves that member banks are required to keep; they could not contribute to the capital stock the amount that they would be required to contribute; and, possibly, they could not stand the initial examination that would be required; but I desire that the President—and I have no objection so to modify the amendment as to provide that he may act through the Secretary of the Treasury or the Comptroller of the Currency—that the President of the United States, who is being vested with these broad general and specific powers, will have the right under such limitations, terms, and conditions as he may see fit to prescribe to save these State banks, if he can. There will, of course, be some that he can not save.

Mr. BARKLEY. Will the Senator allow me to ask him one more question?

Mr. LONG. Certainly.

Mr. BARKLEY. I appreciate the sincerity of the Senator in offering his amendment, and I am in sympathy with the predicament in which the State banks are found; but, as a matter of fairness among the State banks, does the Senator think, even in an emergency of this sort, it is quite fair to the State banks that have taken on certain obligations on coming into the Federal Reserve System voluntarily and have complied with the requirements of the law that now those that have remained out, whether they are large or small, should be covered in, as an Executive order can cover in Government employees to the civil service, without undertaking the requirements and obligations that go along with membership in the Federal Reserve system?

Mr. LONG. I think it is manifestly fair. I think the Senator fails to appreciate that the pending bill is designed to permit members of the Federal Reserve System to open. There is not any difference, in fairness, in this proposed act. The mere fact that one of them qualified and one of them did not qualify, back at some far day in the distant past, does not make any difference; every one of them is holding money of the people of the United States. Whether they

are or are not members of the Federal Reserve System does not make a bit of difference in the world. Their correspondents are members of the Federal Reserve System, and there has been no such thing as a separate unit-banking operation in any State under the Federal Reserve Act.

The serious thing is this: I am not pleading for the banks; I am pleading for the little depositors in the banks in every community in this country. I am not talking about fairness to the little bank at Pelahatchee or the big bank in New York City; I am talking about the men and women, the bootblacks, the farmers, and widows who have money in these little State banks, just the same as other depositors have their money in big banks. You are proposing to take every dime they have away from them, and when Friday morning comes it will be a hanging day for that kind of people. Instead of there being a sunrise with the banks open, we will have opened the big banks, but the little State banks will not have a chance to open in many cases, because they may not be put under the banking receivers of the United States. We require the President to reach out and seize the gold and issue certificates that big banks may live, but the little banks of the States of this country have got to be closed up while the big ones are saved. That is what this bill means.

Mr. ADAMS. Mr. President, will the Senator permit one bit of good news?

Mr. LONG. Yes, sir; but I know what good news the Senator is going to tell me.

Mr. ADAMS. The premise of the Senator's argument is that for a large number of State banks tomorrow is to be a bad day. I merely want to say that there is one State in the Union to which that statement does not apply. In the State of Colorado the State banks are sound; they are going to open; they are not filled with German marks or any bad securities. I know the Senator will be glad to get that information.

Mr. LONG. I thank the Senator, and I certainly am glad to get that information; but the trouble is that the Senator from Colorado, instead of myself and my successors, has not been running Louisiana. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Chair warns the occupants of the galleries that there must be no applauding or laughing by them.

Mr. LONG. I wish all our banks were in the shape in which the Senator from Colorado says the banks of his State are, and I want to congratulate him upon being able to make such a statement. I certainly am happy if the people of the State of Colorado are in that condition and have had an administration that has no doubt reflected such credit on them, although none of us can claim it for our own States; but I can say for the State of Alabama and the State of Tennessee and the State of Michigan and the State of Louisiana—and I hate to admit it for the State of Louisiana—that we got along all right, particularly in the State of Louisiana, until the big banks broke down. We had a few bank failures, but we were getting along all right until the black flag went up over the high financial masters of America. Then we went down with a catastrophe that carried America down, and now we who have fallen beneath the debris of the big man who took us along with the little man cannot open our banks, but the National City Bank will open.

Mr. COUZENS. Mr. President—

Mr. LONG. I yield to the Senator from Michigan.

Mr. COUZENS. It may help the Senate to understand what the Senator from Louisiana intends to accomplish by the substance of his amendment if the Senator will enumerate, in case the President should permit the State banks to join the Federal Reserve System, just what benefit they would get, according to the understanding of the Senator from Louisiana.

Mr. LONG. Mr. President, as I understand the benefits of this act—and if there are no benefits in it I will say to the Senator from Michigan there is not any use passing it for anybody, but I conceive it to have intended certain benefits—the President is given certain broad sweeping powers.

As an example, as I read the bill—and I hope the Senator will not expect me to have a mind that can grasp such a measure any quicker than his own—I only saw this bill the minute the Secretary began to read it and with a mind that is slow to move, and even when it does move does not catch very fast or very securely, I only thought I found the following things that we can point to that might be of benefit: The President is allowed to appoint a conservator over the banks, to receive deposits for the bank and to separate them from those that have already been received, thereby adding greater security for the man who wishes to deposit from this time on. Then they are allowed two other privileges. They are allowed first to deposit their bonds of the United States Government and to receive circulating currency; and then if they have not got bonds, they can deposit their bills of exchange, drafts, and notes and receive circulating currency up to 90 percent of the estimated value of those securities. That is my understanding. Have I stated that correctly?

Mr. COUZENS. May I ask the Senator to refer to page 5, section 202, under the title which is cited as the Bank Conservation Act? The Senator will observe that that is not extended to any other agencies than the National Banking Association and those in the District of Columbia and is not extended to member banks.

Mr. LONG. Does the Senator mean the right to issue circulating currency to member banks of the Federal Reserve System?

Mr. COUZENS. The Senator was referring to the right to appoint conservators?

Mr. LONG. Yes.

Mr. COUZENS. That is not granted the member banks under title 2.

Mr. LONG. I see that.

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

Mr. LONG. Yes, sir.

Mr. BARKLEY. Under the State laws governing the operation of State banks the banking department of any State may take over a State bank and thereby perform the duties of a receiver. If the President should exercise the authority conferred upon him by the Senator's amendment, the President could issue a proclamation superseding the authority of all the State banking departments by authorizing the appointment of conservators for State banks under this proposed act. Is not that true?

Mr. LONG. I do not say that the President has the authority to appoint conservators; I was on my way to detailing what I understood to be the benefits; but I will say to the Senator that the President did issue a proclamation closing all the banks—National and State—whether belonging to the Federal Reserve System or not. Did he not do that the other day?

Mr. BARKLEY. There may be some question as to whether he had the power to close State banks.

Mr. LONG. Whether he had the power or not it has been done.

Mr. BARKLEY. Most of them were closed under proclamations of the governors and not by the President; most of them had already been closed under proclamations of the governors of the States. But, waiving the question of legality, if the Senator's amendment shall be adopted, it will authorize the President to issue a proclamation taking these banks into the Federal Reserve System and thereby substitute the national law as to either receivership or conservation for the State laws.

Mr. LONG. I would not undertake at this time, the Senator being much better versed in constitutional law than myself, to argue the question as to what would be the limitation of that power. I do not undertake to define it in this amendment. I assume, and I presume that the President, with good advice and the lights before him, will act constitutionally in what he does, but whether he appoints a conservator or not—and I am not by any means convinced that he can not do so, because the banks undertaking to become members of the Federal Reserve System would come into the

system under the terms and conditions he might prescribe—the bank would have the right to deposit bonds and get money; it would have the right to take the notes of farmers and get money on them; it would have the right, Mr. President, to participate in the liquidating fund that is set up, supposed to be in the amount of \$500,000,000, so that if a bank has got to close it can pay the little depositor who has on deposit less than \$1,000, 50 per cent and pay those who have more than \$1,000, 25 per cent. Those are benefits, or they are supposed to be benefits, of which the farmers' banks, and the community banks, and the State banks, little and big, old and young, would have the right to avail themselves under this proposed act which they will not have if we pass this bill without any amendment to include State banks.

Mr. THOMAS of Oklahoma. Mr. President—

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

Mr. LONG. I yield first to the Senator from Oklahoma, and then I will yield to the Senator from Kentucky.

Mr. THOMAS of Oklahoma. Mr. President, I have just received a telegram from two prominent citizens of the State of Oklahoma, and I ask the Senator from Louisiana to yield that I may ask unanimous consent to have the telegram read at the desk.

Mr. LONG. I have no objection, Mr. President.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the Secretary will read.

The Chief Clerk read as follows:

OKLAHOMA CITY, OKLA., March 9, 1933.

Senator ELMER THOMAS,

Senate Office Building:

Announced plan of opening good banks and deferring opening of doubtful or bad banks means that every bank whose opening is delayed will have received death sentence. We believe opening of all banks not positively known to be insolvent is necessary, even though withdrawals are restricted to extremely low percentage. Failure to open some banks will also make heavier runs on those opened. We believe issuance of clearing-house certificates or other paper resembling checks or drafts would cause people to spend their money more rapidly and pay debts than the issuance of new money. They will hoard the new money but would not hoard certificates.

E. K. GAYLORD.
GEORGE D. KEY.

Mr. GORE. Mr. President—

Mr. LONG. I now yield to the Senator from Kentucky.

Mr. GORE. Mr. President, I merely wish to make a request.

Mr. LONG. I yield then to the Senator from Oklahoma.

Mr. GORE. Mr. President, I received a similar telegram to that submitted by my colleague and from the same gentlemen. I should like to have printed in the RECORD at this point the answer which I sent.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

MARCH 9, 1933.

Mr. E. K. GAYLORD,

Oklahoma City, Okla.:

I agree with you entirely in regard to issuance clearing-house certificates or certified checks. I fear the reaction on all State banks reserving from the bill just reported. Those who formulated the bill and the committee took the position that the Congress could not regulate or coerce State banks. The resolution which I introduced the other day would have permitted State banks to become temporarily members of the Federal Reserve System without subscribing to the stock of the Federal Reserve banks. It was elastic and adjustable. The bill just reported should expire with the present session. That would constitute a motive to enact more matured and, as I think, more judicious legislation.

T. P. GORE, United States Senator.

Mr. BARKLEY. Mr. President, getting away, for the time being, from the question of the appointment of a conservator for banks that are in trouble, another title of this act provides that national banks may issue preferred stock, and that stock may be purchased by either the present stockholders or others or it may be subscribed by the Government for the purpose of providing a greater capital for those national banks. Would the Senator say that under his

amendment, if the President should exercise all his powers, he would have the right to issue a proclamation authorizing State banks to issue preferred stock in States where the law of the State does not permit them to do it?

Mr. LONG. The Senator is propounding a technical constitutional question that I must confess my inability to answer at this time.

Mr. BARKLEY. Oh, no; that is a simple question.

Mr. LONG. I am going to answer the Senator. I would not undertake to state—and I trust Senators will understand, in my very limited practice of constitutional law that I could not tell exactly—what the powers of the President are in this emergency. I notice, though, for the benefit of the Senator from Kentucky, that even this bill has probably been written with some of its authors doubting all of its constitutionality, because they have provided a saving clause to the effect that if any part of this act shall be held to be unconstitutional it shall not affect the balance of the act.

Mr. BARKLEY. That is a thing that has been done many times in the Congress.

Mr. LONG. Many times; yes. I have done it myself. We do that quite frequently, but we do it as a saving matter.

To answer the Senator's question, however, what my amendment stipulates is that our President—our great President, and he is bound to be a great President for us to confer any such power as this on him, and I am one among the many who take the view that he yet is a great President, although I should like to see him have more advice than he is getting but he has not the time to take it—that our President shall have the right to say to a State bank, "You have not been condemned to death on Friday." Now, Friday is our usual hanging day in my State. [Laughter in the galleries.] It has been a custom for many years—

The PRESIDENT pro tempore. Will the Senator suspend a minute?

The Chair wishes to say to the occupants of the galleries, as was said this morning by the Vice President, that they are guests of the Senate, and that they must preserve order or it will be necessary to exclude them from the galleries. That has not been done often, and no one wants it done; but the occupants of the galleries must not engage in conversation, nor laugh, nor applaud. It is a courtesy that they owe the United States Senate to refrain from any demonstration.

Mr. LONG. Friday is generally known as "Black Friday." I almost have some superstitions about trying to open up the banks on Friday. We want to hurry to try to open them on Friday; but I know, Mr. President, that if we open up the big banks, the Federal Reserve banks, and say to the State banks, "You can not open tomorrow"—and, I tell you, they do not dare open; if they should open tomorrow morning they would be closed before the hour of 12 o'clock comes around—if we say to those banks, "You can open on your own responsibility," there is not one of them with any kind of discretion, or with the slightest understanding of human psychology or banking, that dares to think that his doors are going to remain open 3 hours tomorrow morning.

We are not saving many banks with this bill if we do not include the State banks, as we should. We are saying to the State banks, "You have been condemned to death, and you are doomed."

I do not want to argue the points that the Senator from Kentucky brings up. I believe he thinks about this matter exactly as I think about it. I know he wants to save every bank that he can; but we have had a very short time, Mr. President, and we must of necessity act in haste, I understand, on this legislation. In acting in haste, however, surely we ought not to leave out the State banks, and close them up, when all I have proposed to do is to empower the President to afford these provisions that are supposed to be good—and I think some of them are bound to be good—to the State banks instead of closing them.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Louisiana [Mr. Long].

Mr. GLASS and Mr. GEORGE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Virginia.

Mr. GEORGE. I wish to offer an amendment to the amendment. That was my purpose in rising.

The PRESIDENT pro tempore. The Senator will have an opportunity to do so later.

Mr. GLASS. Mr. President, Congress is dealing in an unprecedented way with an extraordinary and desperate situation in the country.

Under the proclamation of the President and of the governors of many of the States, all the banks in the country are now closed. The proclamation of the President automatically expires at midnight tonight; and, unless some remedial legislation is enacted before that hour, we will have an indescribable condition of distress in the United States tomorrow.

This bill undertakes to apply, in the emergency, remedial powers vested in the President of the United States, the Secretary of the Treasury, and the Comptroller of the Currency. It broadens—in a degree that is almost shocking to me—the currency and credit facilities of the Federal Reserve Banking System, and largely extends these facilities to State banks which are not members of the Federal Reserve Banking System, that have never endured one penny of the expense of the establishment of the system or of its maintenance, and do not do so today.

This talk about closing all the State banks is based upon a total misunderstanding of the provisions of the bill. We do not close, by act or by implication, a single, solitary State bank in the United States—not one. These banks are within the jurisdiction and under the authority of the respective States, and every one of them may be opened at daybreak tomorrow morning by authority of the respective States.

Mr. COUZENS. Mr. President, will the Senator yield there?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. I do.

Mr. COUZENS. Is it not possible by indirection, under this bill, to enable the State banks more easily to open, because they will have more liberal opportunities to borrow from national banks?

Mr. GLASS. From their correspondents in the Federal Reserve System.

Mr. COUZENS. That is true.

Mr. GLASS. Yes; undoubtedly so.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. Yes.

Mr. VANDENBERG. In the final analysis, would it be fair to say that the effect of the bill will be largely determined by the interpretation given its administration by the Comptroller?

Mr. GLASS. Ninety per cent of the effectiveness of this and of almost any other legislative measure depends upon its administration.

Mr. VANDENBERG. And the answer to the question as to whether State banks or other banks are affected largely comes down to a question of interpretation of the language defining the powers of the Comptroller?

Mr. GLASS. The State banks are not affected in any disadvantageous way by the text of the bill or by any fair implication that may be drawn from the bill.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. GLASS. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Is it not true that the bill not only contains provisions which will enable State banks to obtain loans from member banks, but there is also a provision in the bill which will enable State banks, for reorganization purposes, to obtain capital from the Reconstruction Finance Corporation?

Mr. GLASS. It authorizes the Reconstruction Finance Corporation, upon the initiative of the Secretary of the Treasury and the approval of the President, to subscribe to the preferred stock of State banks.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. GLASS. I will.

Mr. REED. All of us have been deluged today with inquiries from State banks that are not members of the System. Am I correct in understanding that the effect of this bill upon the opening of those banks will be that they will not have to receive permission from Washington; they will not have to receive permission from the Comptroller; they will look, as before, to the State banking authorities of the respective States for permission to open; and, if they get that permission, there is nothing to stop them from opening up at the end of the holiday?

Mr. GLASS. The Senator has stated the case precisely.

Mr. LONG. Mr. President—

Mr. REED. Just a minute. May I ask a further question? Is it not a fact that instead of impeding their opening and their operation, the bill will add certain resources to them, such as the Senator has described—the possibility of issuing preferred stock, if they see fit, and selling it to the Reconstruction Finance Corporation—and, in addition to that, the bill makes eligible for rediscount with the Federal Reserve System any secured notes which these State banks may give to their member correspondents? Is that correct?

Mr. GLASS. Undoubtedly it does that and does other things that will facilitate the opening of State banks, and will largely aid State banks.

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

Mr. GLASS. I yield to the Senator.

Mr. COUZENS. I think there has been a misstatement or a misunderstanding, because I understood the Senator from Virginia to say that preferred stock would be issued by State banks and sold to the Reconstruction Finance Corporation. I do not so read the bill. As I understand the bill, it is confined to national banks.

Mr. GLASS. Oh, no; it is not confined to national banks.

Mr. COUZENS. What does title III mean?

Mr. GLASS. If the Senator will look on page 13, line 20, I will read the section:

If in the opinion of the Secretary of the Treasury any national banking association or any State bank or trust company is in need of funds for capital purposes either in connection with the organization or reorganization of such association, State bank, or trust company, or otherwise, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock in such association, State bank, or trust company, or to make loans secured by such stock as collateral, and the Reconstruction Finance Corporation may comply with such request.

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

Mr. GLASS. I yield.

Mr. COUZENS. I did not intend to confuse the issue. Of course, this is only by permission of the President; but section 301 of title III does limit it to national banks by authority of the Comptroller of the Currency without consent of the President.

Mr. BYRNES. He could not authorize State banks.

Mr. COUZENS. I understand what the Senator from South Carolina means, of course—unless the State enacted legislation permitting issuance.

Mr. BYRNES. That is exactly what I mean.

Mr. REED. Mr. President, will the Senator permit me to answer that?

Mr. GLASS. I yield.

Mr. REED. Of course the Congress has no power to regulate the internal affairs of a State corporation. We can not prescribe the method for it to increase or issue its stock. That authority has to come from the State.

Mr. COUZENS. We all understand that.

Mr. REED. And that is why section 301 is limited to national banks.

Mr. LONG. Mr. President—

Mr. GLASS. Now may I proceed, Mr. President?

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. I do.

Mr. LONG. As I understand, the State banks, under the observation of my distinguished friend from Pennsylvania, are allowed to borrow from member banks. I should like to know about how much help they are going to get from member banks when they are closed today, and it is taking all the power of the Government to enable them to open.

Mr. GLASS. They are not going to get anything today, and they will not get anything tomorrow if this legislation is defeated here in the Senate; but if this legislation is enacted, they will have access to banks representing 64 percent of the resources of the Federal Reserve Banking System.

Now as to the proposition embodied in the amendment sent to the desk, authorizing the President of the United States to compel State banks to become members of the Federal Reserve Banking System, there is not a layman sitting in his seat here who does not know that that would be utterly invalid.

Mr. LONG. Mr. President, the Senator has misstated the facts. It does not compel them; it permits them to become members. The Senator wants to get his record straight.

Mr. GLASS. The Senator has his record quite straight, and the Senator does not relish having the Senator from Louisiana say that he has misrepresented anything.

Mr. LONG. The Senator is mistaken on the facts.

Mr. GLASS. Then the Senator had better be more civil when he first starts out.

Mr. LONG. The Senator is honestly in error on the facts.

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. I do not.

The PRESIDENT pro tempore. The Senator from Virginia has the floor.

Mr. GLASS. There is not a desirable State bank in the United States which is not authorized to make application and gain membership in the Federal Reserve Banking System before noon tomorrow—not one. But it is idle to talk about the President issuing an edict declaring State banks to be members of the Federal Reserve System—State banks which have persistently for 18 years remained outside of the fold and protection of the Federal Reserve Banking System; State banks over which the Federal Government has not even the power of examination or espionage of any description; State banks which may do a variety of banking business not tolerated in the Federal Reserve Banking System. Yet it is proposed that the President of the United States, destitute, necessarily, of any knowledge of the condition of these banks, with no possible opportunity in weeks and weeks to ascertain their condition, shall cover them in arbitrarily by a blanket order and have them become members of the Federal Reserve Banking System, enjoying all the privileges of the System.

I said a while ago that there are provisions of this bill so broad and so liberal that no friend of the Federal Reserve Banking System, in ordinary times, would tolerate them for a moment. Under the provisions of the bill, when member banks shall have exhausted their eligible paper they may then bring their "cats and dogs," if you please, to the Federal Reserve bank, and with the assent of the Federal Reserve Board have them discounted under this bill, the whole thing submitted to the judgment of the Federal Reserve Board and banks.

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

Mr. GLASS. I yield.

Mr. REED. Lest there be some misunderstanding of what the Senator has just said, I am sure the Senator does not mean to intimate that those loans would be made by the Federal Reserve banks without collateral which they believed to be strictly good.

Mr. GLASS. Oh, no. It is a question of judgment, it is a question of administration; but in dire and distressful times like these, the Senator knows as well as I know that the Federal Reserve Board and banks would be very liberal in their interpretation of this power and in their dealings with these banks.

Not only that, but it is provided under this measure, and a provision of law passed by the last Congress, that individuals shall be permitted to do business with the Federal Reserve banks, something that has never been done before since they were organized, individuals who have eligible paper in their possession, and who can not get accommodation at the member bank, permitted to take it directly to the Federal Reserve banks and be accommodated.

Mr. FLETCHER. Mr. President, the Senator referred to "cats and dogs." He means that paper which has not heretofore been eligible to rediscount may come in under this bill?

Mr. GLASS. Undoubtedly, under two provisions of the bill; and it will come in, in large degree.

An outstanding provision of the bill is that dealing with the issue of new currency. Senators will understand that there are two different kinds of Federal Reserve notes. Federal Reserve notes are required to be buttressed with 40 per cent gold reserve. But there is what the act calls a Federal Reserve bank note which requires no reserve whatsoever. It is on a par with national-bank notes. It is secured by bonds of the United States, and we have authorized in this bill the issuance of some billions of dollars of Federal Reserve bank notes to relieve the situation.

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

Mr. GLASS. I yield.

Mr. BORAH. Is this additional amount of currency which is to be issued to be secured alone by Government bonds?

Mr. GLASS. It may be secured by other collateral than United States bonds.

Mr. BORAH. But it does not require any gold basis?

Mr. GLASS. It does not require any gold basis. Therefore, it is not a drain upon the gold reserves, so far as the gold reserves are concerned. I am coming to have less and less respect for a gold reserve which can not be used when it is needed to relieve the country. What is a reserve? It is a sum of money retained in the banks to meet emergencies, and yet when an emergency arises a banker will tell us he can not use his reserves except under penalty. The Federal Reserve Board is authorized by law to suspend all reserves for a period of 90 days, and then for an additional period of 90 days, covering a period of 6 months; and I have been urging them for 6 months to make the suspension, and they did it just 3 or 4 days ago.

There is talk about closing the State banks. The Senator from Pennsylvania has the correct idea. There is not a State bank in a State of this Union which will not be privileged to open tomorrow morning if it wants to do so, under State authority, and there is nothing the President of the United States or the Congress of the United States can do to prevent it.

There may be proclamations made, and some of us are disposed to think that most of these proclamations have been invalid and unconstitutional.

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

Mr. GLASS. I yield.

Mr. VANDENBERG. The Senator used a figure a short time ago which I wish he might repeat and amplify. He made some reference to the fact that under this bill 64 percent of the Federal Reserve member bank resources would be released to-morrow. Was that the Senator's statement?

Mr. GLASS. Banks will be opened which represent approximately 64 percent of the banking resources of the System.

Mr. VANDENBERG. Does that indicate, then, that the Comptroller already has made the rule under which he proposes to open the banks?

Mr. GLASS. It indicates that the Comptroller of the Currency is accurately informed as to this class of banks, and would issue a blanket order right away.

Mr. VANDENBERG. Is it known precisely what banks will open and what banks will not open under the terms of the measure?

Mr. GLASS. The whole body of banks which come within the classification I have indicated will be reopened, and very shortly, promptly, we are assured by the Comptroller of the Currency, that larger body of banks, with somewhat impaired capital structure, will be opened, very likely within a few days; and only those banks which are literally rotten, and which ought to have been permitted to fail long ago, will not be allowed to be opened.

Mr. VANDENBERG. Those that will open in the course of a few days, to which the Senator refers, are in addition to the 64 per cent?

Mr. GLASS. In addition, aggregating nearly 5,000 of the 5,900 banks in the Federal Reserve Banking System.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. GLASS. Yes; if it is not technical.

Mr. REED. It is not very technical. Some attention has been called to the fact that there is no gold reserve behind these Federal Reserve bank notes.

Mr. GLASS. No.

Mr. REED. Lest the impression get out that that is a novelty in the field of finance, I want to ask the Senator if it is not true that they were issued during the World War, to some extent secured entirely by Panama Canal bonds, and if it is not true that in English finance such notes have been repeatedly issued by the Bank of England, so that there is nothing novel about them?

Mr. GLASS. The history of the case is just this, in a word. For 50 years the whole banking community and business public denounced our bond-secured currency, and effort after effort was made to rid us of it, so that when the Federal Reserve law was enacted we provided that the Federal Reserve banks might purchase from the member banks their United States 2's, which carried the circulation privilege, in an amount not exceeding \$25,000,000 per annum, in order that we might literally and eventually abolish the bond-secured currency, and substitute for it the Federal Reserve currency, issued upon commercial, industrial, and agricultural transactions, which would be emitted upon those transactions, and automatically retired at the maturity of the transactions.

Before the Federal Reserve banks could make large purchases of these bonds the World War came on and interrupted the whole proceedings. So that the Federal Reserve banks now have a very limited amount of these bonds upon which they are authorized by the law to issue Federal Reserve bank notes.

In the pending bill we very tremendously enlarge the authority of Federal Reserve banks to issue Federal Reserve bank notes on United States bonds, whether they carry the circulation privilege or not.

Mr. REED. What I am driving at, Mr. President, is that bond-secured currency is not a new thing in the world.

Mr. GLASS. Not by any means.

Mr. REED. Although we would all like to see it done away with.

Mr. GLASS. We would like to see it done away with, but it will be a long time now before it will be done away with.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the national-bank currency is secured only by 2 percent consols and a 5 per cent redemption fund?

Mr. GLASS. That I have said.

Mr. THOMAS of Oklahoma. Not necessarily gold.

Mr. GLASS. It has no gold reserve behind it at all, nor would the new currency we are proposing here have any gold reserve behind it.

About the only really arbitrary provision of the bill is that provision which authorizes the President, under the act of October, 1917, to embargo gold payments and to penalize the hoarding of gold and currency. I do not know who there is with wit or wisdom enough to define hoarding. Under that provision of the bill any Senator who drew his salary 3 or 4 days ago and kept it in his pocket might be regarded as a hoarder and fined \$10,000 or put in the penitentiary for 10 years if the act should be administered in that unwise way.

But there is no difficulty in the world about following gold withdrawals to their destination and penalizing those people who are so unpatriotic as to accentuate this desperate situation by undertaking to deplete the gold of the banks. The banks themselves should have done that long ago. They have not lifted their little fingers to help the situation. They have swooped down here to Washington to have the Federal Government help them instead of helping themselves and helping the business of the country. Every man who stands behind a bank counter and is worthy of the name of banker knows perfectly well, when his customer comes in to rake gold over the counter, what he wants with it. He knows that ordinarily that customer does not want it for business purposes, but he wants to hide it away and hoard it. Under that provision of the bill I anticipate very little difficulty in tracking the gold down and in punishing, by fine and imprisonment if necessary, people who thus hoard their gold.

So largely with currency. Every banker ought to know the business of the patrons of his bank. They do in Great Britain. They do in Canada. In Canada at the beginning of the fiscal year every patron of a bank, every business man, has to file with the bank his budget for the year and his probable requirements in credit and currency. If during the year he undertakes to exceed his requirements as filed, he has to give to the banker a reason for it.

"Little banks"? Little corner grocerymen who run banks, who get together \$10,000 or \$15,000, as it may be, and then invite the deposits of their community, and at the very first gust of disaster topple over and ruin their depositors! What we need in this country are real banks and real bankers. If a struggling young man wants to get a place here in Washington as a stenographer or typist, he has to have a civil-service examination; and yet we have people all over the country from one end to the other calling themselves "bankers," and all they know is how to shave notes at an excessive rate of interest. They are not bankers.

Mr. President, I do not want to delay the consideration and enactment of this bill into law. I want to refer to just one further aspect of the problem. I have never known in the history of this country, except in time of war, such nonpartisan concert, such a desire upon the part of every reasonable man to cooperate and to relieve the situation. At the White House last night we had assembled there the leading representatives of both political parties in both Houses of Congress. With one voice they all agreed, almost if not quite without qualification, in saying that they would unite to enact this legislation before midnight tonight, and that if there might be discovered in it any defects, they should be remedied later. But let us do today what will result in the opening tomorrow or within the next few days of 5,000 member banks of the Federal Reserve System, which banks in turn will give out their facilities in an indirect way to their correspondent nonmember State banks and thus help the whole banking situation in the country.

There are provisions in the bill to which in ordinary times I would not dream of subscribing, but we have a situation that invites the patriotic cooperation and aid of every man who has any regard for his country and for its business interests. I appeal to you, Senators, not to load it down with amendments. Let us accept the bill, almost if not unanimously passed by the House of Representatives, and not alter it and have to go into controversial conference that might take us beyond the time when aid is imperatively needed.

Mr. KING. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Utah?

Mr. GLASS. Certainly.

Mr. KING. I am sure it will be gratifying to the Senator from Virginia, as well as to other Senators, to know that within the past hour, as news has been flashed throughout the country of the terms of the bill, there have been a large number of applications by State banks to come into the Federal Reserve System. I am informed by Dr. Miller that they are coming in now by wire and that yesterday \$350,000,000 of gold was restored to the banks in New York and large quantities today are being poured into the banks throughout the United States.

Mr. GLASS. The very psychological effect of the prompt enactment of this legislation will be tremendous. In my view it will do more than anything that has been suggested to restore confidence, and what we need, after all, is the restoration of confidence. I say to you, Senators, that it is the least objectionable of all the multitude of suggestions that have been presented. We have been trying in mass meetings to frame a banking bill, which is an utterly futile undertaking. Not until last night and extending into the early hours of this morning, with the assistance of experts, of actuaries, of practical banking men, were we enabled to frame a bill.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. Not yet. Although the responsibility in no sense is mine officially, I was there as an unofficial observer. I say that this is the least objectionable of any proposal that was made. I have not slept an hour since night before last, and now to be pestered with attempts to pinprick a great measure like this is not at all agreeable.

I yield to the Senator from Louisiana.

Mr. LONG. How many banks are there in the United States?

Mr. GLASS. When I had the last report there were about 19,000.

Mr. LONG. And you are going to open 5,000 and close 14,000.

Mr. GLASS. We are not going to close one, and the Senator does not know what he is talking about when he says "close 14,000." There is not a line or a sentence in the bill that authorizes the closing of any bank. They are all closed now, are they not?

Mr. LONG. Will the Senator yield further? Were you not told that this would mean that 5,000 national banks could open, that if this subscription of preferred stock were allowed they could open 5,000, and without it they will open 2,400, but even with it all 900 national banks would not open and 14,000 State banks would stay closed?

Mr. GLASS. No; I was not told anything of the kind, and if anybody who would tell me there is a word or sentence in the bill that closes a State bank, I would tell him he did not know what he was talking about.

Mr. LONG. I ask the Senator if he has not understood that under this bill, or was it not told to the Senator and did he not understand that under this bill, of the 19,000 banks in America, 5,900 of which are national banks, 900 national banks would not open and 14,000 State banks would not open?

Mr. GLASS. The Senator from Louisiana has such ignorance of the whole problem and such a lack of appreciation of things that he wants the President of the United States to cover 14,000 State banks into the Federal Reserve System without knowing a thing in the world about them.

Mr. President, I do not care to detain the Senate further. I simply implore Senators to subordinate their convictions, if it may be so, and to yield their prejudices upon these questions, and let us go forward and do the best we can, and then remedy the situation hereafter if the pending measure does not completely cure it.

Mr. GEORGE. Mr. President, if the amendment of the Senator from Louisiana is to be adopted, I think it should be amended. The amendment reads as follows:

Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may be declared a member of the Federal Reserve System and thereby receive the benefits and protection of this act, but under such conditions, requirements, and limitations as the President may prescribe.

I move to amend, in line 3, after the word "may," by inserting the words "with its consent," so it would read "any State bank may with its consent be declared," and so forth. I think the Senator from Louisiana would not object to that.

Mr. LONG. I accept the amendment.

Mr. GEORGE. Reading further: "And thereby receive the benefits and protection of this act," I move to amend by inserting the words "in so far as applicable to the State banks."

Mr. LONG. I have no objection to that amendment. I accept it.

Mr. GEORGE. The amendment, as thus modified, would read:

Upon such terms and conditions as the President of the United States may see fit to prescribe, either generally or for a specific case or cases, any State bank may, with its consent, be declared a member of the Federal Reserve System and thereby receive all the benefits and protection of this act in so far as applicable to State banks, but under such conditions, requirements, and limitations as the President may prescribe.

Mr. REED. Mr. President, in common with other Senators, I have found in the bill certain passages which I dislike and which do violence to my belief, but I am so impressed with the necessity of the case as it has been told us by the Senator from Virginia [Mr. GLASS] that I am not even going to mention those things to which I take exception. That can be corrected later when time is not so precious as it is at this moment. It suffices to say, Mr. President, that if this bill shall pass tonight, then every depositor in every one of the thousands of banks which will reopen tomorrow will know that by virtue of the provisions of the bill, currency is available to his bank which will be sufficient to pay every penny of every deposit in every one of the member banks that open. The resulting confidence will be so great that I shall feel amply justified in having postponed the relatively petty criticisms which I would otherwise be impelled to make at this moment.

Mr. ROBINSON of Indiana. Mr. President, I note on the first page of the bill language that seems to me to be much broader than will be necessary. I read section 1, title 1, line 7:

SECTION 1. The actions, regulations, rules, licenses, orders, and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the act of October 6, 1917, as amended, are hereby approved and confirmed.

Mr. President, as I read this section, I assume it to mean that in matters of this kind the Congress will practically abdicate all authority and, for that matter, all its duties in the future, because it specifically approves and confirms everything, all the "actions, regulations, rules, licenses, orders, and proclamations" that may be promulgated, made, or issued by either the President or the Secretary of the Treasury heretofore or hereafter.

It seems to me that the words "or hereafter" could very well come out of that section. I assume that Congress certainly does not desire to confirm and approve everything the President may do in the future as well as what he has done in the past.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. ROBINSON of Indiana. I yield.

Mr. NORRIS. I think most of us will agree that under any ordinary circumstances the words the Senator has indi-

cated should come out, but the section, as I look at it, is not really as bad as it appears on its face. All of those acts, whether done now or whether they are going to be done in the future, come under section 5 of the act of October 6, 1917.

Mr. ROBINSON of Indiana. Then I would say to the Senator the authority is provided now, and the proclamations which have been issued have been issued under that particular law.

Mr. NORRIS. The President could issue other proclamations.

Mr. ROBINSON of Indiana. So long as they are pursuant to law.

Mr. NORRIS. But they would have to be under that particular section, so that it is not so broad. I was shocked when I first read the words, but if the Senator will follow the language and notice the reference, the action must be taken under section 5 of the act of October 6, 1917, which gives to the President certain authority. So I do not believe the provision is nearly so bad as it looks on its face.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. ROBINSON of Indiana. I yield.

Mr. REED. The Trading With the Enemy Act is today of doubtful validity; no one knows definitely whether it was repealed by the Knox resolution. It is reenacted by section 2 of this bill. Section 2 as it stands now reenacted would have authorized all that President Roosevelt has done. Of course, what we are doing is merely ratifying those actions that he has taken and that would have been valid if section 2 had been in effect.

The inclusion of the words "or hereafter" is not good draftsmanship; that we all know; it is surplusage, because we do not confirm and approve any future act unless it is in compliance with section 5 of the act of October 6, 1917, as amended.

Mr. ROBINSON of Indiana. And that is already authorized.

Mr. REED. That is already authorized; it is pure surplusage.

Mr. ROBINSON of Indiana. Would it not be just as well to eliminate the words "or hereafter"?

Mr. REED. They are surplusage, as I say.

Mr. ROBINSON of Indiana. If that is all it amounts to, I shall not insist on my point.

Mr. REED. If President Roosevelt should go beyond the section of the Trading With the Enemy Act, the approval we are giving him would be of no effect.

Mr. LONG. Mr. President, I hesitate to consume any more of the time of the Senate, but the Senator from Virginia [Mr. GLASS] has practically given us to understand that it is almost an act of treason to question his mistaken remarks. If his argument is good, it is no different from the argument he made for 6 days some weeks ago, which was almost unanimously repudiated by all sections of the country, when by his own words he advocated closing State banks by preferring others to them. But the Senator has made one admission that I want Senators to recall. They will be voting, not under my statement, but they will be voting under the admission that has been made here by the Senator from Virginia that this vote means we will leave closed 14,900 of the 19,000 banks of the United States tomorrow morning, and once we leave them closed we have given a death blow to more than two thirds of the banking facilities, if not the banking resources, of this country.

The PRESIDENT pro tempore. The question is—

Mr. LONG. Just a moment, Mr. President; I have not half finished; I want to talk just a little bit more, and I will not exceed the time taken by the distinguished Senator from Virginia.

I know that rising here to speak for the little man at the forks of the creek is perhaps to be howled down the wind, and it probably is a little bit timetaking; but the authority which I have asked, Mr. President, is not anything beyond what the Senator from Virginia contends for within reasonable province. He has made a plea that the President

of the United States be given authority to exercise the power to open the National City Bank tomorrow morning; he called upon every man who is patriotic to stand up and be counted in favor of opening the 5,000 big banks of the country tomorrow; but, as may be inferred from his remarks, it is an act of treason for anyone to stand up here today and plead for the cause of opening 14,000 banks that he calls pawnshops and corner grocery stores, though they have not got a bad nickel in them, they have not marketed German marks, they have not marketed bonds of Brazil, they have not used the United States Treasury, they have not financed the war between Japan and China. Mr. President, they may not represent to exceed 40 percent of the banking resources of the country, because the larger part of our banking resources is concentrated in the big financial centers of the East, and I do not wonder that my friend from Pennsylvania [Mr. REED] feels satisfied. Under the influence of the atmosphere of Pittsburgh and Philadelphia I might feel likewise; but coming from the broad, open spaces of the State of Louisiana, I say what the Senator from Virginia does not deny, but, on the contrary, what he even asserts on the floor of the Senate, that the United States Government is going to let 14,900 banks in America go to the bowwows, to eternal damnation, if what is being done here shall be consummated.

I am not disputing that it is better to have 5,000 banks than to have none; but what reason is the Senator going to give for opposing the amendment which I have proposed which merely allows the President of the United States to take into the Federal Reserve System banks that cannot, because of this emergency, meet the particular requirements? Why can they not meet them? Because they have been led to depend upon the banks of New York and Philadelphia and Pittsburgh; because they have sent on their collateral and securities to the banking centers; and since the gigantic financial operators of the country have closed the big banks and therefore have closed the little banks, the little banks cannot today comply with the requirements of the law and become members of the Federal Reserve System.

I want to read my amendment as it has been perfected. Here is what it is; here is what Senators are being called upon to vote against:

Upon such terms and conditions as the President may see fit to prescribe, either generally or for specific case or cases, any State bank may, with its consent, be declared a member of the Federal Reserve System and thereby receive all the benefits and protection of this act in so far as applicable to State banks, but under such conditions, requirements, and limitations as the President may prescribe.

Why should Senators vote against this amendment? Will they vote against it because they want to say that the President of the United States shall not have the power to extend this act to protect 14,900 banks that otherwise will have to close tomorrow? Will they say that, because this amendment clothes the President of the United States with authority to protect 14,900 out of 19,000 banks, they believe the President might go too far? Will they say that it is more necessary to open up 5,000 big banks, accommodating the big financial centers, the big financial interests, which are not feeling the pinch and pang of hunger tonight because the last dollar they have is not tied up as is the case with depositors in many little banks? Will you say that because of that situation we should not let State banks be saved, even though in the wisdom of the President of the United States he can save them?

The little man who has a hundred dollars in a country bank—the big bankers do not take that kind of accounts; they are not profitable any more—the little man who has a thousand dollars, Mr. President, that is perhaps everything he has under God's living sun. The little banks of this country at the crossroads and in the county seats may have deposits of \$2,000 or \$3,000 or \$4,000, and even down to as low as a hundred dollars, but those deposits of their customers represent everything that they have under the living

sun shining on God's earth. They represent every cent the depositors have with which to feed and clothe their families.

The customers of the big banks of this country are not hurt so much, because they are big concerns, though at this time they may be under some financial handicap, but when we close 14,900 banks it is not so much the banking institutions you are hurting; you are taking away from the little people of this country everything on God's earth they have with which they may plow the land or send the boy to school or buy something to eat tomorrow night. That is what we are doing when we save the big financial institutions of this country and condemn to death 14,900 State banks that have been guilty of no such operations as the Senator from Virginia would undertake to impute to them. If the Senator from Virginia wants to be so moral about this banking legislation, if he wants to penalize the little country banks because they have not acted in time, why does he not prescribe a rule of law that says that banks that have been guilty of practices that have put them outside the purview of reasonable law should not be covered by this bill? If you did that, you would close up every bank in Wall Street tomorrow morning. Oh, no, you are not going to do that; they are going to hoist the flag of the United States and the Star-Spangled Banner, so far as financial legislation will protect them in the machinations which they have been conducting, but you are going to close two thirds of the banks of the United States without rime or reason just because you are not willing to allow the President of the United States, under the broad powers that he is given, to save the State banks the same as he is saving the rest of them.

I copied something else the Senator from Virginia said:

The leaders of both parties have agreed to this.

I want to vote for the legislation just as much as do the leaders of both parties; I want to vote for it, I confess, as the Senator from Pennsylvania has confessed; while I do not know much about all that is in the bill, I would like just as much to vote for the legislation as would the leaders of the parties. Who are these party leaders? I am some leader myself, Mr. President, but I may not be very much of a one. [Laughter.] I am standing here today speaking for millions of people, whereas the Senator from Virginia is speaking for a handful of people.

If that is to be termed "party leadership," it is poor party leadership for you Republicans and it is poor party leadership for you Democrats to come here and condemn every little bank at the forks of the creek tomorrow morning to a perpetual and an eternal death in order that you may open up the banks in the big financial centers and such other ones as are able to avail themselves of this law, and in the same breath to say that in granting these arbitrary powers to the President of the United States you are not willing to trust him with power enough to save the banks of the States of the United States.

The Senator from Utah [Mr. KING] says that there are applications coming in right now to join the Federal Reserve System. I admit that, Mr. President. Certainly every one of the banks wants to join the Federal Reserve System tonight. That is just what my amendment undertakes to provide for. There is going to be many a one of them that will want to join the Federal Reserve System that is not going to be able to join it because it is not going to be able to get the money to subscribe to the capital stock. They are not going to be able to get enough money to make the proper deposits for legal reserve; and today we all know that there is just as much chance of those fellows getting in the Federal Reserve System as there is of their getting into this act under this legislation as proposed.

Why do you not let them in? Why are you going to keep them out? Why not let the President, the Comptroller of the Currency, and the Secretary of the Treasury—if you want to put those two men in there, I have no objection; he appoints both of them—why not permit them to take them all in, if the circumstances are such that the President of the

United States thinks that in the great public interest and according to their record there could be a way made by which they can come into this System?

My friend from Virginia [Mr. GLASS] has said that the State banks are protected. What is the protection given to State banks under this legislation? They are allowed to borrow money from a member bank. Going to the grave for a savior! Why, they have had that authority all the time. The member banks are closed today, and we will do well enough to keep them open. They have had the authority to borrow from member banks. We all know that that resource is not worth anything at all. That is no resource to save a bank.

Then they have the further authority, that the Senator from Arkansas [Mr. ROBINSON] pointed out in his question to the Senator from Virginia, to borrow money from the Reconstruction Finance Corporation under certain circumstances. We all know that that is not going to avail them very much. That has been exhausted, practically, in its acceptable benefit already. So that if we are going to pass an act here that is intended to benefit the people, certainly we ought to allow the President, in the broad, sweeping power recommended by the Comptroller of the Currency and the Secretary of the Treasury, to include the State banks in this bill.

I have only one more reply to make.

The Senator from Virginia says that I am so unreasonable that I want the President of the United States to take care of 14,000 banks more than he is providing for him to take care of. Is it unreasonable for us to provide that the President of the United States shall have the right to protect the entire banking situation rather than just that of a favored and select class? What is there that is unreasonable about the matter simply because we want the farming communities and the laboring communities and the States and municipalities protected in their own banks? What is unreasonable about it? Is it not better to have the Government go as far as it can to protect them all?

Mr. President, I ask for the yeas and nays on this amendment.

Mr. GORE. Mr. President, I desire to offer a substitute for the amendment offered by the Senator from Louisiana.

I do not mean to delay the passage of the bill, nor do I intend to discuss either his amendment or this substitute. There are several things I should like to say.

I do not agree with the Senator that we can vest in the President power to cover State banks into the Federal Reserve System, much as I should like to see them within that fold.

I offer the first section of this joint resolution, which I have previously introduced, as a substitute for the amendment which the Senator from Louisiana has presented.

Mr. BRATTON. Let it be read, Mr. President.

The PRESIDENT pro tempore. The amendment in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. The Senator from Oklahoma offers the following amendment in the nature of a substitute for the amendment offered by the Senator from Louisiana [Mr. LONG]:

That (a) this act shall apply to all banks which are members of the Federal Reserve System, which for the purposes of this act shall be designated as active member banks.

(b) This act shall apply to State banks and banking associations which are eligible under existing law to become members of the Federal Reserve System, subject to the conditions herein prescribed, which banks for the purposes of this act shall be designated as associate member banks.

(c) Any bank described in the preceding paragraph which is otherwise qualified may with the approval of the Comptroller of the Currency become an associate member bank for a period of 2 years unless sooner terminated by the Comptroller without subscribing to the capital stock of the Federal Reserve bank in the district in which it is located upon agreeing to comply with all applicable provisions of the Federal Reserve Act, as amended: *Provided*, That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, may relieve such bank from compliance with the provisions of said act which are inapplicable or which are unnecessary for the purposes of this act.

Mr. GORE. Mr. President, I realize that the pending bill was prepared in great haste. The consideration which the committee devoted to the measure was necessarily limited. The consideration which it is to receive at the hands of the House and the Senate is necessarily limited. I do not mean to obstruct its speedy passage. I do, however, feel not a little concern as to the effect or reaction which the pending bill may have upon the State banks.

Whether for good or ill, we have a dual system of banking, made up of State and national banks. It is something like the "siamese twins," the death or the illness of either threatens the life or the health of the other.

The substitute which I have offered would permit State banks to become at least temporary members of the Federal Reserve System without being required to subscribe to the capital stock of the Federal Reserve banks. The tenure of such membership is limited to two years, unless sooner terminated by the Comptroller of the Currency. It seemed to me that the State banks might, under this amendment, get under the wing of the Federal Reserve System and enjoy a degree of protection which I fear they may not enjoy under the pending measure. It might serve as a storm cellar during this storm.

My own judgment is that the pending bill itself ought to be limited in duration to the period of the present session, and should terminate when it adjourns. That would make the passage of more matured legislation, and, as I conceive, more desirable legislation, a necessity.

If the time were limited, I should feel less objection to the granting of such unlimited, such plenary power. I realize that under the existing stress and strain this amendment will not be adopted today. Its passage would call for an additional perfecting amendment. I shall not detain the Senate, however.

Mr. FLETCHER. Mr. President, while we may feel sympathetic to some portions of the ideas advanced in this proposed substitute, I appeal to the Senate to let that rest as a subject for future legislation. We can take up later this question of membership and associate membership in the Federal Reserve System, and all that sort of thing; but we must attend now to this situation, which is emergent, and which I hope will be disposed of without any amendment whatever, in order that the bill may become law.

Mr. VANDENBERG. Mr. President, I feel it necessary to submit a brief observation in respect to this measure before I cast my vote upon it.

If it were not for the utterly critical situation in which we find ourselves, and if it were not for the fact that complete cooperation with the Executive seems to be an unavoidable necessity of the moment, whether we like the Executive's prospectus or not, I should hesitate a long, long time before I would sanction with my vote a perilous adventure of the nature here contemplated. I hope and pray that I am mistaken in these apprehensions.

Mr. President, it seems to me that what shall happen to the banking of the Nation under the blanket authority which is about to be voted depends entirely upon the hurried judgment of the Comptroller of the Currency as he may undertake to exercise his judgment during the hours of tonight and before tomorrow comes. With greatest respect for the Comptroller and the Treasury, I say it is tragic that the time is not allowed us in which to require that these judgments shall be exercised in the fashion Congress shall desire.

I should be unwilling to permit that type of exercise of power if it were not, I repeat, for the exigent situation in which we inextricably find ourselves; and even under this impulsion I am reluctant to proceed, because I cannot escape the feeling that the Comptroller is about to decide—and when he has decided, he has decided once and for all, in the present state of the public mind—that the Comptroller is about to decide tonight what banks in America are solvent and what banks in America are not solvent, and he is about to decide upon the basis of the utterly

wrecked market values as they exist on Thursday of this dark week. Under such a rule many an otherwise solvent bank will be branded unjustly and without necessity. Its depositors thereupon are the victims.

I do not believe that this is the way to salvage a maximum proportion of the savings of the American people. I do not believe it is a choice of the lesser evil. On the contrary, I should infinitely prefer to write a formula under which every bank in the Nation, big or little, would divide its own assets into liquid and nonliquid assets, trustee its nonliquid assets against participation certificates distributed to its depositors, and open its liquid assets to the business of its depositors under a Federal insurance which would protect the depositor in respect to that section of the bank's assets, under a Federal insurance which would protect the new business, under a Federal insurance which would be self-sustaining by its own premium contributions. I should infinitely prefer to proceed under a system which, fashioned in that constructive mold, would look toward conservation rather than liquidation, and which would postpone the liquidation to a more orderly process and a happier moment in respect to the values in the market of the day. In such a fashion I should expect to serve the larger needs and advantages of the depositors in all our banks.

I am utterly out of sympathy with the theory upon which we are about to proceed. I think the bill will be a complete disappointment in many sectors of the Nation, and I am inclined to think that one of the sectors where the disappointment will arise will be in my own State of Michigan. I repeat that I hope I am mistaken, but I must express my candid views.

But I have no opportunity to proceed in the direction that I want to go. I have no chance, under summary circumstances such as exist here tonight, to proceed constructively in the fashion that I believe would best conserve the savings of the American people. I must vote either "yes" or "no" upon a formula that I never even saw until 2 hours ago. I must choose either to cooperate under a program whose authors conscientiously think that it has some advantage for many banks, or to decline any aid to any banks at all, and to leave the country with no relief at all.

Therefore, believing as I do that there are in the bill a few sections of distinct advantage, although disbelieving completely in the summary liquidation theory upon which it seems chiefly to be built, solely because this critical moment does require a forward march, I shall vote, reluctantly, "aye."

The new administration is fresh from a popular mandate. It is entitled to an unhampered chance to save the crisis of the approaching zero hour when the Presidential proclamation expires. It has written this answer to our needs. To tie its hands with a refusal of its recommendation would be simply to precipitate chaos worse confounded. Therefore it seems logical to give this formula its chance. But I expect to see new, subsequent needs for a broader and more constructive supplemental program, and I intend to urge that it be built as I have indicated.

Mr. TRAMMELL. Mr. President, while the pending bill does not meet my approval in toto, I am going to support the measure because the emergency makes some measure of relief imperative and immediately necessary. I feel that there are many splendid provisions embraced within the different sections of the bill that will be helpful, but fear it carries with it a spirit of more generosity to the big banks and the large bank centers than it does to the small banks. I believe that with the situation with State banks equally as acute as with the national banks, every possible aid that was legal should have been given to them also. It is exceedingly disappointing to me that in dealing with the great financial crisis in this country, and dealing with our financial system, which is composed of both National and State banks, there are not more specific provisions in the bill calculated to extend the hand of assistance to the State banks of the Nation, which constitute a large percent-

age, at least a very substantial portion, of the financial institutions of the country.

I realize there is a differentiation to be made between the authority and control over national banks and that over State banks, and I also appreciate that those who prepared the bill were working under that restriction. But, in my opinion, provisions could have been written into the bill which would have given the privilege to State banks to come in under the protective wing of the measure, and would most assuredly have gone farther in stabilizing and in settling the present financial condition, and have added to the probability of the pending measure's meeting the high expectations of those who prepared it, and to which a stricken people look with so much hope.

I am going to support the measure, and hope it will be a boon to our people. My regret is that the measure does not more fully cover the entire situation with a system of rejuvenation for all our banking and other ills. Some effort has been made in the bill to assist State banks, all of which effort is to be thankfully received. But I am impressed with the fact that attention should have been paid to providing a system and in drafting legislation which would result in a steadying of conditions in this country, which we all realize are very disastrous at the present time. I think we could have made the beneficent influence of this legislation more widespread by providing more assistance for the State banks than is provided in this bill.

Mr. LA FOLLETTE. Mr. President, I rise with a great deal of reluctance at this urgent hour in the consideration of the pending measure. I believe that no more important vote has been taken since I have been a Member of this body than the one which we are about to cast. In fact, I do not believe a more important vote, in so far as it will affect the future welfare of this country, has been cast since that eventful day on which was enacted the resolution declaring our entrance into the World War.

The closing of our banks and the suspension of the gold standard were, in my judgment, the inevitable culmination of the depression. In 3 years we allowed production in the United States to drop 50 percent and unemployment correspondingly to increase. We allowed credit to be contracted by over \$15,000,000,000, or approximately one third. We allowed the Nation's income to fall from \$85,000,000,000 in 1929 to \$40,000,000,000 in 1932. In 1929 we had about 33 percent more money in the banks than in 1932.

During this period, notwithstanding the ruthless deflation, which was permitted to go on unchecked, and the corresponding and increasing rise in unemployment and decline in purchasing power, many political and financial leaders in the United States reassured us again and again that, nevertheless, and above all else, we enjoyed a sound banking structure and a sound currency. We now learn that bank deposits under the gold standard are no safer than the worker's job. We are faced by the greatest crisis of our history, and I want to remark that no orgy of war inflation in all the history of the world of a credit or currency nature has ever resulted in such a complete and unjustifiable collapse as the present one. We have as many people, we have as many needs, and as much capacity for production, as in 1929. But there is no money in the hands of the great mass of the people with which to supply those needs or buy the products of this great productive mechanism.

In this situation the President has presented us with an emergency banking bill which calls for extraordinary powers for the executive branch of the Government and extraordinary measures to meet the crisis. I acknowledge at once that these measures and these powers are absolutely necessary; but, in this fateful hour, it is essential that these measures be carefully conceived, with a view to meeting adequately the needs of the situation, and to fulfill the demands of social justice, taking the United States and its possessions as a unit.

Mr. President, I realize that I am merely citing these considerations for the record, for I understand that every Senator has determined how he is about to vote, but there

are certain considerations which I venture to leave upon this record before the vote is taken.

The present banking crisis is not a separate problem in our economic depression. It is a part of the whole situation and a natural outcome of the course of events of the past 3½ years. This means that we cannot meet this crisis, in my humble judgment, merely by special measures aimed to relieve present difficulties. We have the experience of the National Credit Corporation and the Reconstruction Finance Corporation to guide us, with the things said by the sponsors of that legislation when it was pending on the floor of the Senate a few months ago. We were told that these institutions and their activities would relieve our financial difficulties. They have been signal and tragic failures. The lesson is that our financial problems cannot be solved merely by specific institutions and measures to correct credit and banking weaknesses or evils. The problem is the restoration of the purchasing power of the people of this country.

It is evident, of course, and I acknowledge it, that the first step in this problem is to restore the functioning of the banks, but it should not be supposed that extraordinary measures taken to reopen banks will assure their future operation in a satisfactory manner or contribute to recovery from the present depression. We must therefore make plans for a financial reorganization which will lay the basis of permanent recovery, as well as reopen the banks. In this undertaking we have to take account of the existing situation of the banks and the available resources of Government to deal with existing problems. The Government can do almost anything with the banks of the country in this situation except to leave them to themselves. We at last have reached a situation in which no one will deny that the Government and the Government alone can restore the financial activity of the Nation. Senators therefore have not for their immediate consideration the question whether the Government shall do something about the banking problem, but what it shall do. The decisions we will make tonight will determine whether or not the normal economic life of the country will be rapidly restored and along what lines wealth and income will be distributed among the people.

It seems to me, therefore, that we should consider exactly how this measure will operate. We should know its objectives. As any action of Government to restore the financial activities of the Nation must involve innumerable and vital problems of equity, let us give especial consideration to the situation of the banks now closed.

The banks of the country, if I read this bill rightly, are to be divided, between now and a few hours hence, into the sheep and the goats, and my fear is that the depositors and the stockholders of the banks of the United States will be subjected to the same classification. Some banks are in a stronger position than others.

During the 15 months ended December 31, 1932, the banks of New York belonging to the Federal Reserve System lost only \$223,000,000 in time deposits, and gained \$391,000,000 in demand deposits. During the same period they increased their investments by 752 millions and their holdings of Government securities by 773 millions. During the same period the member banks of the Federal Reserve System outside of New York lost 2,535 millions in demand deposits and 2,223 millions in time deposits, while their loans were contracted 4,016 millions. Their investments declined 674 millions. This period was one of increasing liquidity for the New York banks and decreasing liquidity for the out of New York banks. Notwithstanding their extreme liquidity, the New York banks could not keep open in the face of the crisis of last week. Nor is their liquidity due to the fact that in the period prior to 1929 they were conducting their business upon sound banking principles. Their liquidity is largely due to their strategic position in our financial structure.

I ask unanimous consent to have printed in the Record at this point a table showing the condition in 1931 and 1932 of the member banks of the Federal Reserve System.

There being no objection, the table was ordered to be printed in the Record, as follows:

Member banks of Federal Reserve System
[Millions of dollars]

Banks	Month	Demand deposits	Time deposits	Loans	Investments
New York.....	September 1931.....	5,546	1,163	5,222	3,032
Do.....	December 1932.....	5,937	940	3,537	3,784
Net change.....		+391	-223	-1,685	+752
Governments—September 1931.....	1,830				
December 1932.....	2,603				
Other Reserve cities.....	September 1931.....	5,805	5,552	8,455	4,561
Do.....	December 1932.....	5,424	4,517	6,164	4,366
Net change.....		-1,381	-1,035	-2,291	-195
Governments—September 1931.....	2,301				
December 1932.....	2,462				
Country banks.....	September 1931.....	4,758	6,259	7,198	4,589
Do.....	December 1932.....	3,604	5,071	5,473	4,111
Net change.....		-1,154	-1,188	-1,725	-478
Governments—September 1931.....	1,159				
December 1932.....	1,474				

SHRINKAGES OR GAINS BETWEEN END OF SEPTEMBER 1931 AND DECEMBER 1932

	New York	Outside New York
Demand deposits.....	+391	-2,535
Time deposits.....	-223	-2,223
Loans.....	-1,685	-4,016
Investments.....	+752	-
Governments.....	+773	+476

Mr. LA FOLLETTE. Mr. President, the fact is that the present crisis finds the New York banks in a stronger position than the banks in the outlying districts of the country, by reason of a policy of continuous deflation pursued for the past 3 years. The pending bill apparently takes account of these fundamental differences between the strong and the weak banks. The bill provides for almost unlimited Government support of the strong banks, and Government "conservation" of the weak banks. It is this "conservation" to which we should give serious thought. The weak banks are to be taken charge of by the Comptroller of the Currency in cases where such banks are national banks. The Comptroller will appoint "conservators"—another term for receivers—for the weak banks. The conservators will have the powers and duties of receivers.

There is here, it seems to me, an evident violation of certain fundamental principles of equity and accepted theories of government. If the strong banks could reestablish operations without the aid of Government credit it would be in accord with the theory of our institutions to allow the weak banks to take their medicine. There is, however, an inequality and inconsistency in giving unlimited Government aid and funds to the strong banks and thus enabling them to force on the weak banks reorganization more or less—and, I fear, more—on the terms of the stronger banks.

If the banks of the Nation cannot reopen without Federal aid of an unlimited amount, then it seems to me, in equity and in justice, only fair that the resources and liabilities of all of our banks should be merged respectively. It would then be possible for the Government to lend its aid to reconstruction on bases which are fair to all the people and to all sections of the country.

The reorganization of the banks along the lines indicated in the bill is open to the further objection of dangerous possibilities of abuse of power by the strong banks which are to be aided by the Government in the reorganization work. Reduced to simple language, I am apprehensive that the situation will be as follows: The strong banks, which with the aid of unlimited Government credit made available through a liberalization of the present rediscount facilities of the Reserve System, will have an unfair bargaining power over the weaker banks in the wholesale reorganization of the banking structure of the Nation inevitable under the genesis and theory upon which the legislation is predicated.

Under the bill a percentage of the banks will be able to reopen. They may at once receive from the Reserve banks, under section 401, Federal Reserve notes up to 100 percent of their holdings of Government bonds, regardless of the market price of such bonds, and against commercial paper which they hold in large quantities. Those banks will also profit from a large issue of currency which is soon to be made. On the other hand, the weaker banks of the country, mostly outside of New York City, will either have to close or accept the conditions of the "conservators" appointed by the Comptroller of the Currency.

I fear that the bill will bring about a reorganization of the banks of the country into group-banking units. The terms of such reorganizations must in the nature of things be dictated by the stronger financial interests, which will be able to bargain with the advantage of large liquid resources. The stronger banking interests will be enabled to buy the control of the impaired banks through the acquisition of preferred bank stock, an innovation in banking practice in the United States.

Such preferred stock will give the same voting rights as the common stock and will carry no liability on the part of stockholders for future losses.

It is moreover provided that the Reconstruction Finance Corporation may purchase in unlimited amounts preferred stock of the reorganized banks and subsequently sell such preferred stock in the open market. These powers will vest in the financial interests of New York a virtual dictatorship over the banking of the entire Nation. The financial power and rights so obtained will be obtained with the credit and resources of the United States Government. The losers will be prostrate communities and their stockholders and depositors who are deprived of the financial resources of New York and Washington.

The new preferred-stock issues of banks, a new and, I venture to assert, a dangerous feature in banking, bid fair to be the subject of speculation, manipulation, and abuse by insiders. Through these corporate instruments the control of banking in the interior can be concentrated in New York through the aid of the Federal Government, if I read the measure correctly.

There can be no proper objection, Mr. President, to the extensive powers proposed for the Executive in this emergency, nor can there be any objection to radical measures of assistance to our banks. Let me make it clear that I am not afraid to give power to the Executive in this emer-

gency. My objection is that there is not sufficient control in this measure. Once the liquid banks are permitted to open they are free agents, and, with the printing presses of the Bureau of Printing and Engraving behind them, they will be in a position to buy in the weaker banks at their own price. If I could have my way, I would insure control by the President of these banks during the emergency. The objection is to giving the financial interests of New York and other centers which have become liquid during the period of this deflation a possible stranglehold on the resources of the country, to selling the banks of the country at marked-down prices to interests which will be given money to buy when the rest of the country is penniless.

The measures outlined in the bill do not guarantee deposits or sound banking operation. The Government places its credit at the command of the strong and, I judge, hopes they will deal wisely and gently by the weak. These measures, I fear, will lead to a frittering away of public credit on operations akin to those of the Reconstruction Finance Corporation. Above all else we need our credit resources to provide for extraordinary measures, to bring about reemployment and a re-creation of purchasing power in the United States. We need to create additional purchasing power by State action. That purchasing power must be used to put men to work and not to enable financial interests in New York to acquire financial power and subsequently hoard money and to absorb the new issues of currency and credit as the banks have done during the entire period of this deflation.

I grant that the Government must reopen the banks, and it follows that the Government should retain control and thus assure that it has opened the banks for public service and not for the possible profits or advantage of the few. The Government must mobilize the resources of credit, but if the liability is to be 100 percent that of the Nation, then it should be properly safeguarded so that we might be reassured that 100 percent of the profits will flow to all the people of the country.

The PRESIDENT pro tempore. The question is on the substitute of the Senator from Oklahoma [Mr. GORE] for the amendment of the Senator from Louisiana [Mr. LONG].

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Louisiana.

Mr. LONG. I demand the yeas and nays.

The PRESIDENT pro tempore. Apparently the demand is not sufficiently seconded.

Mr. LONG. May I ask that those who favor the yeas and nays shall stand and be counted? I think there was a sufficient number to second the demand.

The PRESIDENT pro tempore. That can not be done except by unanimous consent. The rule requires that it shall be determined by Senators raising their hands. Is there objection to the request of the Senator from Louisiana? The Chair hears none. Those seconding the request for the yeas and nays will stand and be counted. [After counting.] Not a sufficient number having seconded the request, the yeas and nays are not ordered.

Mr. LONG. Then am I to understand the yeas and nays can not be had?

The PRESIDENT pro tempore. That is the ruling of the Chair. The question is on the amendment of the Senator from Louisiana.

Mr. DALE. Mr. President, assuming that the yeas and nays would be ordered, I had not intended to make any statement respecting the matter. But it is utterly impossible for me to allow this question, which I consider the gravest question with which we have had to deal since the night we voted for war, to be decided without making my position perfectly clear. I am not going to undertake to make a speech.

I am disappointed. It is not because this is a Democratic measure. It is not because it gives wide powers, because if it would do any good I would vote for powers so wide that

they would be far beyond anything I can imagine myself voting for. I believe that this measure will not only fail to do any good, but it will be one of the most disastrous things we can possibly do. For that reason I want to make it perfectly clear that I shall vote against the measure.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Louisiana [Mr. LONG].

The amendment was rejected.

The PRESIDENT pro tempore. Are there any further amendments? There being no further amendments, the question is, Shall the bill be read a third time?

Mr. CONNALLY. Mr. President, I desire to detain the Senate for only a moment. I agree with Senators who have made observations with respect to the momentous character of this legislation. I realize that in time of peace we have perhaps never been called upon to vest such transcendent powers in the Executive as are provided for in this bill. But, Mr. President, I view this emergency as being such as is incapable of being met by the slow processes of ordinary parliamentary procedure. It is an emergency which can be adequately dealt with only by the strong arm of Executive power, and therefore I expect to vote for the bill, though it contains grants of powers which I never before thought I would approve in time of peace.

But let me observe that the responsibility for its execution is also going to rest upon the executive officers charged with its administration. It is important, Mr. President, to open the banks, but it is much more important to keep them open after they are once opened. I want to express regret that no member of the Committee on Banking and Currency has given the Senate any information as to the limitations that will be imposed or as to the methods that will be prescribed by the Treasury Department as to those banks which it is expected will open tomorrow. I want to warn those authorities that if the banks of the country on tomorrow are opened without limitation and without restriction, we shall be presented on the following day with conditions more critical than they are today. I express the hope that the administrative officers yonder in the Treasury, those who are advising them, will act with prudence, with vision, with foresight, because public opinion in America today is excited, it is irritated, it is stirred with reference to the banking situation as it has not been stirred in many years. It is in a state of flux, and if the authorities do not act with wisdom and with caution we may be plunged into a situation more dire than the one which is now presented.

I have appeals from bankers of my own State beseeching the Congress to see that the methods which may be pursued in reopening the banks shall take into consideration the condition and the state of the public mind. Men who were anxious a few days ago to get their deposits from banks and whose anxiety caused this situation, will be more anxious perhaps tomorrow to get those funds when the banks are reopened. It is more important to keep them open when they shall have once been opened than that we shall be in any haste about reopening them on the morrow.

As for myself, I would prefer to see the banks remain closed for another week, if necessary, in order that we might approach this subject with maturity and with deliberation rather than that in our haste we should throw their doors open only to have them slammed again in our faces.

I appeal to those who are in charge of the legislation, I appeal to those who have access to the ears of the Executive, I appeal to those who have an audience with the Treasury, and with the Comptroller, and with the Federal Reserve banks, and all of those charged with responsibility, that when the banks are reopened they be reopened only subject to such conditions and such limitations as will insure their remaining open.

Mr. President, because of the dire extremity with which we are faced, because of the threats to the finances of the whole country, I shall support the bill, though I do so with reluctance because of the far-flung powers which the legislative bodies of the Republic are giving to the Executive. I

do so upon my clear sense of duty, however, that the processes of ordinary parliamentary procedure, the deliberations which are required in the enactment of legislation, are so slow that we cannot at this time provide adequate long-time legislation to cover the situation. The only alternative is for the time being for temporary purposes to vest wide and transcendent discretion and power in the Executive, trusting in his patriotism and in his judgment and in the patriotism and honesty of those who advise with him that those powers shall be wisely, patriotically, and cautiously exercised.

Mr. TYDINGS. Mr. President, I am sorry to have to take just a minute, but I want the RECORD to show that I voted for the amendment offered by the Senator from Louisiana [Mr. LONG]. The legislature of my State unanimously last night adopted a resolution asking that I cast my vote in this fashion. We have approximately 200 State banks in Maryland, and grave consequences may ensue in reference to the effect of this legislation upon those banks. I am glad to say, however, that the Senator from Virginia [Mr. GLASS], who is an authority on banking matters—which I do not claim to be—has assured me that almost all the provisions of this bill, if not directly, will indirectly help and assist those State banks. I did, however, want the RECORD to show that I voted for the amendment, and I shall, without saying more, vote for the bill.

Mr. REYNOLDS. Mr. President, I should like to have the RECORD show that I likewise cast my vote for the amendment submitted by the Senator from the State of Louisiana [Mr. LONG].

The PRESIDENT pro tempore. The question is, Shall the bill be ordered to a third reading and read a third time?

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

Mr. SHIPSTEAD. Mr. President, I should like to ask a question of the Senator who has charge of the bill. The bill evidently is aimed, in part, to reach those who hoard gold. I find nothing in the bill to indicate that it will reach those who have hoarded gold by taking it abroad and buying foreign exchange. I should like to know if there is any provision in the bill to enable the Secretary of the Treasury, when he compels people in the United States who have gold or gold certificates to turn them over to the Treasury, also to compel them to turn over their foreign exchange which they have bought within the last few months, shipping their gold and their capital and their resources out of the country for the purpose of hoarding in foreign countries?

Mr. FLETCHER. Mr. President, I can not see how any one can ship gold unless he can get possession of it somewhere, somehow. Of course, this applies to that very step. One must first get control of the gold before he can ship it.

Mr. GLASS. Mr. President, if the Senator will read section 2 of the bill he will see that the President is there authorized textually, "through any agency that he may designate, or otherwise, to investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise any transaction in foreign exchange." They will be the first people the Treasury officials will go after.

Mr. ROBINSON of Arkansas. Mr. President, the answers, in my judgment, are not responsive to the questions asked by the Senator from Minnesota. The Senator from Minnesota asked in effect whether the penal provisions of the bill relating to hoarding are retroactive. They are not, as I interpret the proposed statute, and I do not believe they could be made retroactive. The provision in section 2 is directed against future acts.

Mr. SHIPSTEAD. What about section 3, subsection (n), on page 3, which reads in part:

(n) Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations.

Why not foreign exchange?

Mr. ROBINSON of Arkansas. I know of no reason why foreign exchange should not have been included. I think it is comprehended, however, in section 2. Of course, the process of hoarding may be a continuing act, and may constitute an offense when the initial act took place some time ago; but with respect to the shipping of gold abroad, I do not see, if the act occurred over 3 months ago, how it could now be penalized.

Mr. SHIPSTEAD. I should like to ask the Senator from Arkansas what is the difference between buying foreign exchange during the last 6 weeks or taking currency out of a bank and putting it in a safety-deposit box?

Mr. ROBINSON of Arkansas. As I understand, under present conditions no effort has been made to penalize hoarding.

Mr. SHIPSTEAD. Heretofore.

Mr. ROBINSON of Arkansas. To penalize hoarding heretofore. Now the effort is to prevent it in the future and to uncover funds that are in hoarding.

Mr. SHIPSTEAD. Does not the Senator think that funds sent abroad or invested in foreign exchange should be uncovered?

Mr. ROBINSON of Arkansas. I think they can be uncovered under this provision, but I do not see how they may be reached if they are out of the jurisdiction of the court.

Mr. GOLDSBOROUGH. Mr. President, as this legislation will affect one hundred and sixty-odd banks in the State of Maryland, I desire to go on record as being in favor of the amendment submitted by the Senator from Louisiana [Mr. LONG], as modified by the amendments of the Senator from Georgia [Mr. GEORGE].

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. ROBINSON of Arkansas. I ask for the yeas and nays. The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when Mr. CAPPER's name was called). The senior Senator from Kansas [Mr. CAPPER] is necessarily absent from the Chamber on account of business connected with the Senate. If present, he would vote "yea."

Mr. NYE (when Mr. FRAZIER's name was called). My colleague [Mr. FRAZIER] is unavoidably absent from the Senate, being out of the city on official business of the Senate. I am not prepared to announce how he would vote if he were present.

Mr. FESS (when Mr. NORBECK's name was called). The Senator from South Dakota [Mr. NORBECK] is unavoidably absent from the Senate. He is paired with the Senator from Illinois [Mr. LEWIS]. I understand if the Senator from South Dakota were present he would vote "nay" and the Senator from Illinois, if present, would vote "yea."

The roll call was concluded.

Mr. BAILEY. Mr. President, my colleague [Mr. REYNOLDS] is necessarily absent. If present, he would desire to be recorded as voting "yea."

Mr. DAVIS (after having voted in the affirmative). I inquire if the junior Senator from Kentucky [Mr. LOGAN] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. DAVIS. I have a general pair with the junior Senator from Kentucky. I am informed that if present he would vote as I have voted, and therefore I will permit my vote to stand.

Mr. BLACK. I wish to announce the necessary absence of the Senator from Montana [Mr. WHEELER] in attendance upon the funeral of his late colleague.

I wish further to announce that the Senator from Illinois [Mr. DIETERICH] and the Senator from Kentucky [Mr. LOGAN] are unavoidably absent. I am not advised as to how these Senators would vote if present.

Mr. FESS. I wish to announce that the Senator from Nebraska [Mr. HOWELL] has a general pair with the Senator from Wyoming [Mr. KENDRICK].

I desire further to announce the necessary absence of the Senator from Vermont [Mr. AUSTIN], the Senator from West

Virginia [Mr. HATFIELD], the Senator from Rhode Island [Mr. METCALF], and the Senator from Minnesota [Mr. SCHALL]. I am not advised how these Senators would vote, if present.

The result was announced—yeas 73, nays 7, as follows:

YEAS—73

Adams	Copeland	Keyes	Russell
Ashurst	Couzens	King	Sheppard
Bachman	Davis	Loneragan	Smith
Bailey	Dickinson	Long	Steinwer
Bankhead	Dill	McAdoo	Stephens
Barbour	Duffy	McCarran	Thomas, Okla.
Barkley	Fess	McGill	Thomas, Utah
Black	Fletcher	McKellar	Townsend
Bone	George	McNary	Trammell
Bratton	Glass	Murphy	Tydings
Brown	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norris	Van Nuys
Bulow	Hale	Overton	Wagner
Byrd	Harrison	Patterson	Walcott
Byrnes	Hastings	Pittman	Walsh
Caraway	Hayden	Pope	White
Clark	Hebert	Reed	
Connally	Johnson	Robinson, Ark.	
Coolidge	Kean	Robinson, Ind.	

NAYS—7

Borah	Costigan	La Follette	Shipstead
Carey	Dale	Nye	

NOT VOTING—15

Austin	Frazier	Lewis	Reynolds
Capper	Hatfield	Logan	Schall
Cutting	Howell	Metcalf	Wheeler
Dieterich	Kendrick	Norbeck	

So the bill was passed.

Mr. ROBINSON of Arkansas. I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow.

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

Mr. FLETCHER. Mr. President, may I ask the Senator from Arkansas to yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. FLETCHER. I move that the bill (S. 1) to provide relief in the existing national emergency in banking, and for other purposes, be indefinitely postponed.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent that Senate bill 1 be indefinitely postponed. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, in order that the Presiding Officer may have the opportunity of signing the bill, it is deemed necessary to take a recess. I do not expect any other business to be transacted, and I now request that the Senate be in recess for 20 minutes.

The PRESIDENT pro tempore. Unanimous consent is asked that the Senate be in recess for 20 minutes. Is there objection? The Chair hears none, and it is so ordered.

The Senate (at 7 o'clock and 30 minutes p.m.), took a recess until 7:50 o'clock, when it reassembled and the Vice President resumed the chair.

RESCINDING OF SENATE RESOLUTIONS AFFECTING DESIGNATED POSITIONS

Mr. HAYDEN submitted a resolution (S.Res. 13), which was ordered to lie on the table, as follows:

Resolved, That all resolutions authorizing payment from the contingent fund of the Senate to persons borne upon the resolution roll for services rendered in designated positions be, and are hereby, discontinued and abolished effective March 15, 1933.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1491) to provide relief in the existing national emergency in banking, and for other purposes, and it was thereupon signed by the Vice President.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, pursuant to the order heretofore entered, I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and the Senate (at 7 o'clock and 52 minutes p.m.) took a recess, under the order previously entered, until tomorrow, Friday, March 10, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 9, 1933

This day, in compliance with the proclamation of the President for the assembling of the first session of the Seventy-third Congress, the Members-elect of the House of Representatives assembled in their Hall, and at 12 o'clock noon were called to order by Hon. South Trimble, Clerk of the last House.

The CLERK. Representatives-elect, this being the day and hour proclaimed by the President of the United States for the convening of the Seventy-third Congress in extraordinary session, the Clerk of the House of Representatives of the Seventy-second Congress will now read the following proclamation:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon, on the 9th day of March, 1933, to receive such communication as may be made by the Executive;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the City of Washington on the 9th day of March, 1933, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the city of Washington this 5th day of March, in the Year of our Lord nineteen hundred and thirty-three, and of the independence of the United States the one hundred and fifty-seventh.

FRANKLIN D. ROOSEVELT.

By the President:
[SEAL]

CORDELL HULL,
Secretary of State.

The Chaplain of the last House, the Reverend James Shera Montgomery, D.D., offered the following:

PRAYER

Almighty God, Thou hast been our dwelling place in all generations, before the mountains were brought forth or ever Thou hadst formed the earth and the world; even from everlasting Thou art God. Here, at the footstool of prayer, we would fortify the life of our souls as we face the sacred duties that await us. In these solemn hours mercifully direct our minds and hearts. With unyielding fidelity may we be absolutely true to the trust which a great people have imposed in us. Amid toil with its unsolved problems, may we approach them with the deepest seriousness. Show us that the very joy of existence is in renouncing ourselves that we may help others. O blessed Lord God, this day let us see the victor's star. Do Thou graciously abide with our Speaker, the Members, the officers, and the pages of this Congress; in all our ways may we acknowledge Thee. Heavenly Father, harken, read our hearts, for words fail as we pray for our President; O hear us as we bear him to the throne of grace; day by day dwell with him; may he have the unswerving loyalty and the cooperation of a true, loyal, united citizenship; thus may our Republic spring anew in the sunlight of God. O flood the arteries of our whole land with truth, knowledge, good will, and a devout patriotism. In love and mercy remember all our citizens and institutions, and let the benedictions of peace and plenty rest upon all our hearthstones. Through Jesus Christ our Lord. Amen.