state commerce in which it was contemplated the fraudulent bills would circulate. As the power to regulate the instrumentality of interstate commerce ... authority to regulate is not to be denied; that the right to exert such authority for the purpose of guarding against the injury which results from the making of bills of exchange and credits on the occasion of the instrumentality must be equally extensive." (Italics supplied.)

Reference to the Court’s decision in the case of First National Bank v. Union Trust Co., which appears at the end of the first paragraph quoted from the opinion in the Ferger case, is significant here. It is the case discussed elsewhere in this opinion, wherein the Supreme Court upheld the right of Congress to grant trust powers to national banks in order to enable them to compete with similar activities of trust companies. While that decision was made with a somewhat different exercise of power, the Supreme Court recognized that it afforded a good illustration of the application of the power to the business subject to Congress in the case of interstate commerce. Conversely, it would seem that the Court would not hesitate to apply the principle underlying its decision in the Ferger case to the subject of banking.

If bills of lading are instrumentalities of interstate commerce, as are checks and the banks upon which they are drawn, and if Congress has the right to prohibit and to punish the fraudulent making of spurious bills of lading in order to protect and sustain the vast volume of interstate commerce operating and moving in reliance upon genuine bills, then Congress must have the right to enact legislation to safeguard the use of checks in order to protect and sustain the vast volume of interstate commerce, which is consummated by payments made by means of checks. Since the safe use of checks depends primarily upon the solvency of the bank upon which they are drawn, Congress has the right to enact legislation to promote the safer and more effective operation of commercial banks.

Congress prevented from exercising this power by the fact that part of the business of commercial banks is purely local in character, but the power to regulate interstate commerce *** *** and with a host of other acts which, because of their relation to and influence upon interstate commerce, come within the power of Congress to regulate, although they are not interstate commerce in and of themselves."

If Congress in its wisdom should find that our heterogeneous banking structure, which has given rise to more than 10,000 bank failures in the last 12 years, constitutes a burden upon or an obstruction to interstate commerce, therefore, there can be no doubt that Congress has the constitutional power to correct this situation by bringing all commercial banking business into a single, effective regulation, to be carried out by the Federal Reserve System, as directed and supervised by the Federal Reserve Board, and the Federal Reserve System, by repealing undesirable amendments to the National Bank Act and Federal Reserve Act which grew out of the desire to restrict the activities of commercial banks with adequate powers to enable them to perform their functions more effectively, and adopting such other measures as might be deemed appropriate.

Respectfully,

WALTER WYATT
General Counsel.

WASHINGTON, D.C., December 5, 1932.

REPORT OF THE JUDICIARY COMMITTEE—THE HARRIMAN NATIONAL BANK OF NEW YORK

Mr. STEPPHENS, from the Committee on the Judiciary, to which was referred the resolution (S.Res. 55) to investigate the delay in prosecuting alleged law violations by the Harriman National Bank, New York City, reported it with an amendment, and it was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

INVESTIGATION OF BANKING BUSINESS AND SECURITY EXCHANGE

Mr. BYRNEs. On behalf of the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably with an additional amendment the resolution (S.Res. 56) to investigate the matter of bank operations and practices, the issuance and sale of securities, and the trading therein.

The VICE PRESIDENT. The resolution will be placed on the calendar.

Mr. FLETCHER. Mr. President, the Committee to Audit and Control the Contingent Expenses of the Senate has reported with an additional amendment a resolution, which the Banking and Currency Committee reported on yesterday. I ask unanimous consent for its present consideration.

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

The Chief Clerk read Senate Resolution 56.

The amendments were, on page 1, line 2, after the word "authorized," to strike out "subcommittee" and insert "subcommittee"; on page 2, line 20, after the word "telephone," to strike out "and" and insert "the radio, and"; and on page 3, after the word "such," to strike out "expenditures" and insert "expenses"; and then after the words "per hundred words," to insert "the expenses of the investigation shall be paid out of the sum heretofore made available for the investigation authorized under S.Res. 84, S.Res. 239, and S.Res. 371, Seventy-second Congress;" so as to make the resolution read:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, in addition to the authority granted under S.Res. 84, Seventy-second Congress, agreed to March 11, 1932, and continued in S.Res. 239, Seventy-second Congress, agreed to June 21, 1933, and further continued by S.Res.
371, Seventy-second Congress, agreed to February 28, 1893, shall have authority and hereby is directed—
(1) to make a thorough and complete investigation of the operations, propositions, specifications, company, association, corporation, or other entity, of the business of banking, financing, and extending credit; and of the business of issuing, offering, or selling securities;
(2) to make a thorough and complete investigation of the business conduct and practices of security exchanges and of the members thereof;
(3) to make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of securities which is practiced in upon the various security exchanges, or on the over-the-counter market, or on any other market; and of the values of such securities; and
(4) to make a thorough and complete investigation of the effect of all such business operations and practices upon interstate and foreign commerce, upon the industries and the financial credit system of the United States, and upon the operation of the national banking system and the Federal Reserve System, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such business and any such securities, and the desirability of limiting or prohibiting the use of the mails, the telegraph, the telephone, the radio, and any other facilities of interstate commerce or communication with respect to any such operations and practices deemed fraudulent or contrary to the public interest.
For the purpose of the resolution the committee, or any duly authorized thereof, is authorized to call for depositions, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the first session of the Seventy-third Congress, and until the beginning of the second session thereof, to employ such experts and clerical, stenographic, and other assistants, to require by subpoena or otherwise, the attendance of such witnesses and the production and impounding of such books, papers, and documents, to administer such oaths or other forms of testimony and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 20 cents per hundred words.
The expenses of the investigation shall be paid out of the sum herefore made available for the investigation authorized under S.Res. 64, S.Res. 329, and S.Res. 371, Seventy-second Congress.
The amendments were agreed to.
The resolution as amended was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:
By Mr. SHEPPARD:
A bill (S. 1128) granting a pension to Mary L. Robinson; to the Committee on Pensions.

By Mr. STEPHENS:
A bill (S. 1129) to amend sections 361, 392, 406, 407, 408, 409, 410, 411, and 412, of title 48 of the United States Code relating to the construction and inspection of boilers, unfired pressure vessels, and the appurtenances thereof; to the Committee on Commerce.

By Mr. WALSH:
A bill (S. 1130) to incorporate the National Society of Women Descendants of the Ancient and Honorable Artillery Co.; to the Committee on the Judiciary.

By Mr. ASHURST (by request):
A bill (S. 1131) to amend the probate law; to the Committee on the Judiciary.

By Mr. ASHURST:
A bill (S. 1132) for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.; to the Committee on Claims.

By Mr. DILL:
A bill (S. 1133) to provide a preliminary examination of the dairy, livestock, and its tributaries, in the State of Washington, with a view to the control of their floods; to the Committee on Commerce.

By Mr. FRAZIER:
A bill (S. 1134) restoring to tribal status and allotments certain lands on Standing Rock Indian Reservation in the States of North Dakota and North Dakota.

A bill (S. 1135) to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended; and

A bill (S. 1136) authorizing the Secretary of the Interior to erect a monument as a memorial to the return from Canada and surrender to the Government of the United States of the Sioux Indian chiefs, Sitting Bull, Gall, Rain in the Face, and Crow King, with their several bands of followers, in 1861; to the Committee on Indian Affairs.

By Mr. ERICKSON:
A bill (S. 1137) for the relief of Ruth J. Barnes; to the Committee on Military Affairs.

By Mr. WHEELER:
A bill (S. 1138) authorizing transfer of an unused portion of the United States Range Livestock Experiment Station, Mont., to the State of Montana, for use as a fish-cultural station, game reserve, and public recreation ground, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:
A bill (S. 1139) authorizing the Court of Claims to investigate and determine the facts in connection with the claim of the First National Bank of Billings, Mont.; to the Committee on Claims.

A bill (S. 1140) granting an increase of pension to Louise Hatch; and

A bill (S. 1141) granting an increase of pension to Dora W. Wipff; to the Committee on Pensions.

(Mr. SHEPPARD introduced Senate bill 1142, which was referred to the Committee on Agriculture and Forestry and appears under a separate heading.)

By Mr. BONE:
A bill (S. 1143) granting a pension to Leonard C. Huntington; to the Committee on Pensions.

By Mr. SCHALL:
A bill (S. 1144) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

RELIEF OF UNEMPLOYMENT

Mr. SHEPPARD. Mr. President, I desire to introduce a bill relating to unemployment. I ask that the bill be set out in the Reco and, following the bill, a memorandum explaining it which was prepared at my request by Mr. George B. Pickett, president and general manager of the Cooperative Colony, Newlano, La., who suggested to me the introduction of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 1142) for the purpose of providing industrial and agricultural communities for the absorption of unemployed citizens of the United States, and for issuance of self-liquidating bonds for the establishment thereof, was read twice by its title, referred to the Committee on Agriculture and Forestry and ordered to be printed in the Reco, as follows:

Be it enacted, etc., That there be, and there hereby is, created a corporation which shall be known as the United Communities:

Sec. 2. That the purpose of the said corporation shall be to establish a series of communities throughout the United States, at such locations as may be deemed proper and convenient, and to secure land, housing, machinery, and other equipment as the same may be required for the accommodation, employment, and maintenance of families and individuals, citizens of the United States, who shall be engaged in productive employment under the direction of the said corporation.

Sec. 3. That it shall be the policy of the said corporation to direct the productive and other activities of the said communities to the end that the products thereof shall be destined for, and only for, consumption by the residents of said communities, so as to provide, save, and excepting when said products may be exchanged at a fair market value for commodities of which there is an insufficient production in said communities to meet the actual need within said communities, or which commodities are found to constitute a surplus over and above the current consuming and purchasing capacity of the general markets at any given time; and/or when said products constitute a surplus over and above the needs of the residents and of the operation of the said communities.

Sec. 4. That the machinery, tools, and equipment of industry and of agricultural production within such communities shall be of such type and grade as shall be prescribed by the Bureau of Standards of the Federal Government at Washington, and the said machinery, tools, and equipment shall be calculated to produce the largest quantity of approved products with the smallest expenditure of man-hours of labor.

Sec. 5. That the working time of the residents of said communities shall be adjusted to meet the actual need of the said communities, or wherein the total man-hours per week required to produce such and so much in quantity as shall be sufficient to meet the necessities and convenience of said residents, whether in direct distribution of said products or by exchange for and distribution of the products of