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SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, JANUARY 20, 1932

Rev. Allen A. Stockdale, D. D., pastor of the First Congregational Church of the city of Washington, offered the following prayer:

Almighty God, Father of all Humanity, we are deeply grateful for the heritages and privileges of our Nation. May the love of righteousness and religion prevail among our people. May we understand the position of leadership which gives us opportunity to serve the world. Give all servants of government that spirit of trust and noble perseverance that brings to earth its richest blessings. Guide us in the deliberations of this day. Give us faith and hope to go honestly and courageously through the paths of life. May we find peace and prosperity in serving Thee. We ask it in the name of the Father who loves all His children. Amen.

THE JOURNAL

The legislative clerk proceeded to read the Journal of the proceedings of the legislative day of Monday last, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. 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	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Dickinson	Kendrick	Sheppard
Bankhead	Dill	Keyes	Shipstead
Barbour	Fess	King	Smith
Bingham	Fletcher	La Follette	Smoot
Black	Frazier	Lewis	Steilwer
Blaine	George	Logan	Thomas, Idaho
Borah	Glass	McGill	Thomas, Okla.
Bratton	Glenn	McKellar	Townsend
Brookhart	Goldsborough	McNary	Trammell
Bulkeley	Gore	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberge
Byrnes	Harris	Neely	Wagner
Capper	Harrison	Norbeck	Walcott
Caraway	Hastings	Norris	Walsh, Mass.
Carey	Hatfield	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Waterman
Coolidge	Hebert	Patterson	Watson
Copeland	Howell	Pittman	Wheeler
Costigan	Hull	Reed	White
Couzens	Johnson	Robinson, Ark.	

Mr. LOGAN. I desire to announce the necessary absence of my colleague the senior Senator from Kentucky [Mr. BARKLEY] on official business. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION 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 joint resolution (S. J. Res. 79) to provide an appropriation for expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932, and it was signed by the Vice President.

EFFECT OF DEPRECIATION OF FOREIGN CURRENCIES

Mr. HARRISON. Mr. President, yesterday afternoon I was not in the Chamber at the time of the passage of the resolution (S. Res. 143) which was offered by the Senator from Pennsylvania [Mr. REED] calling on the Tariff Commission to make an investigation into the effect of the depreciated exchanges and trend of international trade. I desire to move to reconsider the vote by which that resolution was passed; and if the resolution has already gone to the Tariff Commission, I ask to have it recalled.

The VICE PRESIDENT. The Chair is advised that the resolution has been transmitted to the Tariff Commission.

Mr. REED. Mr. President, I do not think the Senator from Mississippi has standing to move a reconsideration of the resolution, when he himself states in his motion that he was out of the Chamber.

Mr. HARRISON. Yes; the Senator from Mississippi said he was out of the Chamber at the time, but, of course, there are other Senators here who were in the Chamber and who could make the motion.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Mississippi if there was a record vote?

Mr. HARRISON. No; there was no record vote.

Mr. ROBINSON of Arkansas. Then any Senator, under the well-established rule of the Senate, may move a reconsideration.

The VICE PRESIDENT. That is a correct statement of the rule.

Mr. HARRISON. The Rules Committee, of which the Senator from Pennsylvania is a member, as I am, too, reported out a resolution providing for a change of the rule so that all resolutions providing for investigations should be referred first to the regular committee for preliminary investigation. If my motion prevails, I desire to have the resolution referred to the Finance Committee, because in my opinion it ought to be amended in certain respects. It is a matter of some importance, and I hope the Senator will not insist upon a technicality.

Mr. REED. It is merely a resolution asking for information.

Mr. HARRISON. I understand.

Mr. REED. For years it has been our custom to pass such resolutions almost as a matter of course.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit me?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Arkansas?

Mr. HARRISON. Certainly.

Mr. ROBINSON of Arkansas. The Senator from Mississippi referred to the Senator from Pennsylvania having raised a technical objection, namely, that he, the Senator from Mississippi, did not vote for the resolution. It has already been pointed out that where no record vote is taken any Senator may move a reconsideration.

Mr. REED. That is true.

Mr. HARRISON. I will submit the motion, and I hope the Senator from Pennsylvania will not resist it.

Mr. REED. I shall not make any point of order.

Mr. HARRISON. I renew my motion that the vote by which the resolution was passed be reconsidered and that the papers be recalled from the Tariff Commission.

Mr. REED. Mr. President, is that motion debatable?

The VICE PRESIDENT. A motion to reconsider is debatable.

Mr. REED. In that event I would like to have the Senator from Mississippi tell me what is his objection to getting the information.

Mr. HARRISON. The Senator in his resolution calls on the Tariff Commission to render an opinion as to the effect of the depreciation in currencies of various countries on international trade and on our own importations. He confines it to the year 1930. It is, as the Senator appreciates, a matter of a great deal of importance. The Senator certainly had some object in asking for the passage of the resolution. I think it ought to go to the Committee on Finance so we can study it and determine whether we want to call on the Tariff Commission for this particular information alone, whether we want to confine it to the year 1930 or have it cover a series of years.

Mr. REED. Mr. President, I can not imagine why the Senator should object to the Senate having the information. Ten years ago the Senate passed a similar resolution at the time exchanges were demoralized, and received very valuable information in reply to it. Only a month ago we passed a similar resolution with regard to the effect on importations of lumber. Everybody knows that the depreciation of the currencies in foreign lands affects their ability to produce cheaply. It enables them to produce more cheaply than before their currency was depreciated. Everyone knows that a tariff established in the days when the currencies were at par is not adequate to meet such a situation as that which obtains to-day. Why should we not have the information?

Mr. HARRISON. The Senator knows very well that the depreciation in currencies has vacillated from one month to another month, and that information we might get next week with reference to it might not be of much value three months from now. The Senator appreciates that fact.

Mr. REED. No; I do not appreciate that. I appreciate very well that if the Tariff Commission should find that with the British pound at \$3.45, as it is at this minute, Great Britain has gained an advantage over us of some 25 per cent in production costs, the sooner the Congress knows it the better.

Mr. HARRISON. Yes.

Mr. REED. And the Senator from Mississippi himself this morning in the Finance Committee urged prompt action and early consideration of the tariff bill which the Democrats have sent from the House of Representatives. How can we act on it wisely or intelligently without knowing what is the effect of these recent disturbances in production costs abroad?

Mr. HARRISON. Then it is my understanding that the Senator desires the Finance Committee not to take any action upon the House tariff bill until we can secure all this information from the Tariff Commission?

Mr. REED. We ought to have the information just as quickly as they can give it to us. My objection to a reconsideration is that it will postpone for two or three days anyway the preparations of the Tariff Commission in its effort to secure and furnish us that information. If we are going to act on the tariff, let us, for Heaven's sake, get a little information, and act on information and not on guesses.

Mr. HARRISON. We have plenty of information, but, of course, the Senator will not accept the information at hand with reference to the tariff.

Mr. REED. I am not trying to suppress any information, as the Senator from Mississippi appears to be doing.

Mr. HARRISON. Does the Senator think that the Tariff Commission could get all this information in two or three days and give us the value of their opinion as to the effect of the depreciation of foreign currencies on international trade and on importations into this country?

Mr. REED. Does the Senator mean to imply by that question that it is proposed to pass the Democratic tariff bill from the House in two or three days?

Mr. HARRISON. We propose to pass it, yes, but not by the aid of the Senator, of course.

Mr. REED. In two or three days?

Mr. HARRISON. I do not know. It is hoped that we can pass it as soon as possible. I hope that we can get it reported out of the committee at a very early date. That is why I made a motion this morning to take it up on Friday.

Mr. REED. It is going to be very interesting news to the business interests of the country that the Senator proposes to change our tariff system on two or three days' consideration.

Mr. HARRISON. I do not propose to precipitate the Senate into a discussion of the tariff at this time. We talked on that subject here for about 18 months, as I recall.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Mississippi permit me to ask the Senator from Pennsylvania a question?

Mr. HARRISON. I yield.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania has repeatedly assumed in his questions to the Senator from Mississippi that the latter Senator objects to the consideration of the resolution by the Senate. The Senator from Mississippi has stated that he desires to have amendments considered. What is the objection of the Senator from Pennsylvania to giving the committee, of which he himself is a member, the Finance Committee, which would have jurisdiction of the matter if the motion of the Senator from Mississippi to reconsider and to refer should prevail, the opportunity to amend the resolution and to make it conform to the view the Finance Committee entertains regarding the subject?

Mr. REED. My only objection is the loss of time that would be involved, since we are notified by the Senator from Mississippi that we are not to lose any time in considering the new tariff bill. If the Senator from Mississippi wants additional information, I should be delighted to support any resolution that might be offered to that effect; but if he wants to suppress information for which I am asking, then, of course, I shall have to resist such action.

Mr. HARRISON. Why does the Senator think I am trying to suppress information when I am asking for reference to the committee of which he is a very influential member?

Mr. REED. But the only purpose in referring the resolution to the committee would be to amend it or kill it. If the Senator wants to amend it by asking for more information, all he need do is to offer now a resolution asking for that additional information.

Mr. HARRISON. I move that the vote by which the resolution was adopted be reconsidered and that the papers sent to the Tariff Commission be recalled. I will follow that up by a motion to refer the resolution to the Committee on Finance.

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

Mr. HARRISON. I yield to the Senator from Oregon.

Mr. McNARY. Mr. President, let me remind the Senator from Mississippi that a resolution parallel in character to the one now under discussion was offered and adopted without opposition by the Senate a week ago, restricted, however, to pulpwood, pulp, and newsprint. I offered that resolution. The Senator from Pennsylvania wanted to expand it, but, at my request, he did not do so at that time. The information he desires is, of course, just as important as the information called for by the resolution to which I have referred. The particular point I want to urge is—

Mr. HARRISON. Mr. President—

Mr. McNARY. If the Senator will yield to me just a moment further, let me say that the particular point I want to urge is that the resolution that I offered was presented largely at the instance of newsprint and pulp manufacturers of the South and West. I saw the perilous condition in which they were because of the so-called debased money of Canada, a competitive country, and in Norwegian countries. If desirable to obtain information as to the industries mentioned, which are important to the South, how can there be objection when a similar, and, in fact, almost identical prop-

osition is offered here, though general in nature and not restricted in scope?

Mr. HARRISON. There are several differences. As I understood, the resolution of the Senator asked for information as to the difference in the cost of production here and abroad.

Mr. McNARY. Due to the debasement of the money, which does affect the cost of production in this country, of course.

Mr. HARRISON. The resolution of the Senator from Pennsylvania seeks the opinion of the Tariff Commission as to the effect of the depreciation of currencies and variation in exchanges on commodities, not only on importations into this country but on international trade generally.

Mr. McNARY. Exactly so. My resolution affected one of the great industries of the South, and it is just as essential to other industries throughout the country, as well as those in the South and West, that the Tariff Commission should make a study of the effect of present conditions on them. In all fairness, I appeal to the Senator to permit action at this time upon the resolution.

Mr. HARRISON. The Senator must see that this resolution is far more important than the resolution he submitted pertaining to wood pulp.

Mr. BORAH. Mr. President—

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

Mr. HARRISON. I yield.

Mr. BORAH. Mr. President, if the proposed investigation by the Tariff Commission should disclose that by reason of Great Britain going off the gold standard she has secured a very great advantage in the matter of trade and commerce, is it intended upon the part of anyone to raise the tariff rates to protect that situation?

Mr. HARRISON. That may be the object of the Senator from Pennsylvania, I may say to the Senator from Idaho.

Mr. BORAH. Unless it is proposed to do that, what would the information be worth to us?

Mr. REED. Mr. President, if whoever has the floor will yield to me for a moment—

The VICE PRESIDENT. The Senator from Mississippi has the floor. Does he yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield.

Mr. REED. I certainly would advocate such action. If I found that by debasing its currency any country had captured the American market from American workmen and had put its workmen to work supplying American needs while American workmen walked the streets; indeed, I would. France has done it. France has a provision in her tariff law, apparently, which allows her to put on an emergency tariff to last only during the period of the emergency; and when she found that her cotton mills in northern France, in Roubaix, Tourcoing, and Lille were all idle and that the Lancashire mills because of their depreciated wages were able to capture all that French market, she clapped on an emergency tariff, and she has put her people back to work. We can not do it under the terms of our present tariff; but if we find that depreciated currencies have had the effect suggested, I should be in favor of doing it here.

Mr. HARRISON. France clapped on her tariff law after the Senator's party passed the 1930 tariff act.

Mr. REED. French action had nothing whatever to do with the 1930 tariff act. It is perfectly obvious that it had not.

Mr. BORAH. Mr. President—

Mr. HARRISON. I yield to the Senator from Idaho.

Mr. BORAH. I do not desire to debate the matter and delay consideration of the motion of the Senator from Mississippi. I only wondered if it is true that we are going to undertake to meet this situation by increasing tariff rates in this country? I think if we undertake to meet the situation which has developed in England in that way and in no other way, we are only riding to certain disaster.

Mr. HARRISON. Mr. President, I ask for a reconsideration of the vote whereby the resolution was adopted.

The VICE PRESIDENT. Ordinarily the first motion, where papers have gone out of the possession of the Senate, is to recall the papers, which is not debatable. The question to reconsider, however, is debatable.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. The Senator from Arkansas.

Mr. ROBINSON of Arkansas. I think there is involved here a question of importance relating to our procedure, and that in ruling upon the issue as to whether a motion to recall is required, consideration should be given to the express language of the rule. It is found in Rule XIII, the second subdivision, which reads as follows:

2. When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same; which last motion shall be acted upon immediately, and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

I raise the parliamentary issue whether, under the language of the rule, a motion to recall the resolution from the Tariff Commission is essential. The language of the rule is limited expressly to resolutions and other measures passed by the Senate and transmitted to the House of Representatives; the method of recall is limited to measures that have gone to the House. It involves, therefore, a construction of the rule and an extension of its principles by implication to hold that before the Senate can reconsider the vote by which the resolution was passed it must recall the resolution from the Tariff Commission. I invite the attention of the Chair to the language of the rule.

The VICE PRESIDENT. The Chair has read the rule. The Chair was going to state that there was no rule with reference to resolutions directed to a department. Of course, it is for the Senate to determine whether or not it will proceed to recall the papers or whether it will first vote on the motion to reconsider.

Mr. ROBINSON of Arkansas. If I understand the Chair, I think the effect of his ruling is that a motion to recall in this instance is not prerequisite to a motion to reconsider.

The VICE PRESIDENT. The Chair had not finished his statement. He was going on to state—

Mr. ROBINSON of Arkansas. I beg the Chair's pardon. I thought he had concluded.

The VICE PRESIDENT. The rule in regard to the matter has specific reference only to measures which have gone to the House. There is no rule of the Senate in reference to Senate resolutions calling for information and papers from the different departments or from any commission. It is for the Senate to say whether or not it will consider the two questions together. The question is on the motion of the Senator from Mississippi.

Mr. REED. On that I ask for the yeas and nays.

The VICE PRESIDENT. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, may the question be stated at length?

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi to reconsider the vote whereby Senate Resolution 143 was adopted and that the papers be recalled from the Tariff Commission.

Mr. WALSH of Montana. That does not give us any information unless we know to what the resolution relates.

The VICE PRESIDENT. The Chair begs the Senator's pardon. The Secretary will read the resolution.

Mr. REED. Mr. President, if the Senate will permit me—

The VICE PRESIDENT. Let the resolution be read.

The legislative clerk read the resolution (S. Res. 143) submitted by Mr. REED January 19 (calendar day January 18), as follows:

Resolved, That the United States Tariff Commission is directed to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into the United States of all of the more important commodities, and the effect of such deprecia-

tion on the general trend of international trade in the same period, and to report to the Senate as soon as practicable the results of such investigation.

The VICE PRESIDENT. The yeas and nays have been ordered on the motion of the Senator from Mississippi.

Mr. KING. Mr. President, just a word, in view of what the Senator from Montana has said. Yesterday when I came into the Chamber the Senator from Pennsylvania had offered his resolution. I was not familiar with it and did not have any chance to read it, but as I caught a few sentences it seemed to me that the resolution was highly improper in the form in which it was couched. I suggested then:

I have no objection at all to the commission inquiring into the fact that imports are being diminished and exports are being diminished, and I have no objection to their inquiring as to the difference in cost of production abroad and at home; but to commit to this commission the consideration of the effect of exchanges upon production, imports, or exports, it seems to me, is giving to them jurisdiction over a matter with which they are not familiar.

I was unwilling to have them give their opinion upon the whole question of exchanges, and I said:

I would rather have the opinion—and I would not care much for it, I will say very frankly—of the experts in the Commerce Department or in the Treasury Department or the banking department of the Government, the Comptroller of the Currency, upon the effect of exchanges upon our relations, than the opinion of the Tariff Commission.

Mr. NORRIS. Mr. President, I think there might be a serious question as to whether we ought to call upon the Tariff Commission to give its opinion on this important subject. I would not have said anything if it were not for that very fact; so that hereafter, if the question should arise and assume important proportions, I do not want to be bound by any opinion that the Tariff Commission gives on this subject. It may be that they are better qualified than anybody else to render an opinion; but it seems to me, as I think of it now, that there are others in the service of the Government who could give an opinion that probably would be more valuable than the opinion the Tariff Commission is prepared or can be expected to be prepared to give.

I only wanted to make that observation so that if the matter should come up in the future, and we wanted to get information on the same subject from somebody else, we would not be confronted with the fact that we had voted to have the Tariff Commission give the information in this instance.

Mr. REED. Mr. President, if Senators will look at page 2229 of the CONGRESSIONAL RECORD—The RECORD of yesterday's proceedings—they will see the language of the resolution which was passed. They will see that it does not call for opinions. They will see, by reference to the debate on it, that a similar resolution dealing with wood products was passed a month ago. They will see that a similar resolution was passed by the Senate after the depreciation of currencies that occurred in such quantity back in 1920 and 1921. They will see that the resolution merely calls for information on the effect on our trade of the depreciation in currencies within the last couple of years.

We have heard a great deal of talk about the necessity of publicity for this or that, the necessity of keeping the public informed about what is going on. Here is something that applies to the daily bread and the welfare of every American, and yet the Senate hesitates to ask for that information. Why? Are we afraid to let America know what is being done to its business by these events abroad? Are we afraid to let the American workman know why the plant at which he works has no orders? Are we afraid to have the fact come out that the tariff on some commodity or other is inadequate? Are we afraid of the publicity—we who have been clamoring for publicity of this and that and the next thing all these years?

I say, Mr. President, that if the Tariff Commission can answer that inquiry—and they seem to be able to, because they have answered prior inquiries of the same sort—then the American people have a right to know that answer, and not have this resolution smothered in some Senate committee.

Mr. NORRIS. Mr. President—

Mr. REED. I yield to the Senator from Nebraska.

Mr. NORRIS. If the remarks the Senator has just made have been brought forth by my suggestions, I should like to say to him that I have no objection to anybody writing an opinion or furnishing information on this subject. I simply wanted to put myself and probably others in the Senate in an attitude where no one could say to us, if we voted for additional information from some other quarter on the same subject, that we had foreclosed ourselves. As a matter of fact, I am going to vote against the motion of the Senator from Mississippi.

Mr. REED. I knew the Senator would when he realized what the question was.

Mr. NORRIS. I intended to do that all the time, just because I agree with the Senator that we ought not to suppress information, no matter where it comes from. I do not want to cast any reflection upon the ability of any member of the Tariff Commission, but it seemed to me they were not so well equipped to give a judgment on this subject as perhaps other commissions or other officials of our Government.

Mr. REED. Mr. President, if the Senator can find anybody else with an equal opportunity to express a valuable opinion, or a better opportunity or better capacity to give us information, I will join with him enthusiastically in asking for that information.

Mr. NORRIS. That is the only purpose of my remarks—to pave the way if any such suggestion is ever offered by anybody.

Mr. REED. I thank the Senator.

Mr. SMOOT. Mr. President, I desire to call the attention of the Senate to the fact that the Tariff Commission has experts in every country in the world. They know this subject thoroughly. It is their business to find out the difference in the cost of producing goods in a foreign country and in America. There is no other agency of the Government that is so well fitted or has the information so well in hand as the Tariff Commission, as provided for in the resolution. It seems to me that if this resolution were referred to any other agency of the Government, they would have immediately to call upon the Tariff Commission to give the greater part of the information they would submit to the Senate in answer to the resolution.

I am going to take just a moment to call the attention of Senators to the daily statement of the United States Treasury of January 16, which is on their desks. Look on the second page. What do we find as to the receipts of the fiscal year 1932 as compared with the corresponding period of the fiscal year 1931? Remember, I am speaking now of the fiscal year.

In 1931 there were collected from customs \$215,636,995.74 up to January 16 of that fiscal year. In this fiscal year, up to the same date, there have been collected from customs \$213,512,999.21—a difference of only \$2,000,000. In other words, the goods that have come into the United States up to this date pay within \$2,000,000 of the same amount of duty as was paid in the same period in the previous fiscal year, notwithstanding the conditions of trade in all the world, in foreign countries and in America as well.

The fact that Great Britain has depreciated her pound sterling nearly 30 per cent gives her manufacturers that much advantage over the American manufacturer, who still has to pay his employees a dollar that is worth 100 cents. Not only has England that advantage, but all her colonies that have their money on the same basis, and other countries with depreciated currencies have that advantage against the United States, whose dollar now is just exactly the same as it was when the tariff act was passed.

I hope the resolution will be sent to the agency of our Government that is absolutely prepared to answer it very quickly indeed. Suppose the resolution went to the Treasury Department, or suppose it went to the Department of Commerce. They would immediately have to call upon the Tariff Commission for the information. They have not it; and if we want the information, and want it within a

reasonable time, the resolution ought to go just where it has gone, to the Tariff Commission.

Mr. ROBINSON of Arkansas. Mr. President, it is perfectly apparent that the issue involved in the motion of the Senator from Mississippi has been involved in confusion; and it is also perfectly apparent that the object underlying the resolution is to initiate a movement for such increases in existing tariff rates as may be found desirable on the part of those who favor high tariff protection to overcome any real or imaginary changes in alleged benefits arising under the existing tariff law due to foreign exchange. The Senator from Idaho [Mr. BORAH] was entirely correct in the implied assumption in the question he asked the author of the resolution, the Senator from Pennsylvania [Mr. REED].

Mr. President, this resolution, at the time it was called before the Senate, could not have been considered except by unanimous consent. A single objection would have carried it over, or would have compelled its author to invoke the judgment of a majority of the Senators as to whether the Senate should proceed to its consideration.

During many years' experience in this body there have been only one or two instances in which a Senator has secured the passage of a resolution at a time when many Senators were absent, at a time when the Senate was proceeding by a unanimous-consent arrangement to deal with unobjection bills on the calendar. The purpose of the motion, as stated by the Senator from Mississippi, is to afford the Finance Committee an opportunity to consider the resolution. The majority in this Chamber have recently introduced and reported from the Committee on Rules an amendment which, if the Senate had acted upon it, would have made impossible the procedure taken by the Senator from Pennsylvania in the passage of this resolution.

Realizing that under the custom that has prevailed here numerous measures of investigation and others have been referred to the Committee on Audit and Control of the Contingent Expenses of the Senate, which committee never considers the merits of a resolution, and passed without the advice of the standing committee to which such resolutions should properly be referred, the Committee on Rules unanimously reported a resolution providing that hereafter measures of the character of this resolution must first be referred to the standing committee of the Senate having jurisdiction of the subject.

In spite of the custom of the Senate giving Senators who may be absent when the body is proceeding as it was yesterday, just before the resolution was taken up, the opportunity to register their views on such resolutions, and in spite of the fact that the majority have initiated a rule which would make impossible the passage of a resolution of this nature without first referring it to a standing committee, the Senator from Pennsylvania has implied that the motion of the Senator from Mississippi is an effort to suppress information, to prevent the Senate from being duly advised touching the subject matter of the resolution. The object of the motion is to take the judgment of a standing committee of the Senate and to afford the privilege of amendment.

In the next place, I challenge with all the power and language at my command the accuracy of the declaration made by the Senator from Pennsylvania that any person with ordinary intelligence reading the resolution will realize that it is a simple resolution calling for information and does not call for an opinion. I invite his attention to his own resolution and express amazement that one so learned in the English language and so skilled in legal interpretation should make such a declaration on this floor. It may be true that his object was to obtain information, but when analyzed it is seen that the language calls for an investigation of facts and the expression of an opinion as to the effect of existing facts on the trade of the United States.

The Tariff Commission is directed to make a thorough investigation of the effect * * * and to report.

If the Tariff Commission were directed to make an investigation of the effect of high tariffs on trade, such direction would involve a conclusion and the expression of an opinion

of the commission. When the Senator asks the commission to report "the effect," his request necessarily implies that the commission shall express its conclusion and opinion after making an investigation of facts. The Senator does not call for a report of the facts found by the commission, but it is to report the effect of those facts, which is a conclusion.

In view of the motive underlying the resolution, which I assert is clearly to justify the initiation of higher tariff rates than those now in force, this becomes an important issue. The Senate ought to have the privilege of considering this resolution, and the Senator from Pennsylvania, considering the method by which the resolution was passed, and the circumstances which surrounded its adoption, should not object to the Senate having that opportunity. He ought to say, "Very well; I called this up at a time when few Senators were in the Chamber. I ask unanimous consent for its reconsideration. Any Senator could have objected to its consideration, and now, having obtained the advantage of that procedure, I am willing to give my colleagues an opportunity to express themselves touching this resolution."

This is not a procedure which fortifies the position of the Senator from Pennsylvania. It is not a position which strengthens him in an attitude of justice and fair legislation.

Mr. REED. Mr. President; perhaps we could simplify this. I would be perfectly willing to agree that the matter be reconsidered and reported to the Finance Committee if, coupled with that, were instructions from the Senate to that committee to report the resolution back within a week with such amendments, if any, as the committee saw fit to add.

Mr. HARRISON. Mr. President, if the motion to reconsider shall prevail, the Senator can take his proposition for instructions to his own committee. The Senator and his party colleagues control the Finance Committee. They are in the majority. They perhaps can do what they want to. If the Senator's proposition ought to be reported favorably without any amendment, he and his colleagues can do that. If they want to accept some amendment, they can do it. So the Senator ought not to feel frightened about his own committee's action upon his own resolution.

Mr. REED. I have discovered by past experience that the Senator from Mississippi is so persuasive that he can sometimes, and rather frequently, command the votes of members on our side of the committee. I am just a little bit afraid that if he is not willing to agree that after the valuable amendments he has in mind have been added to my poor resolution, then the resolution may be reported out; it will never again see the light of day.

Mr. HARRISON. Is that the reason why the Senator yesterday took advantage of the situation and passed his resolution without a reference to the committee; that he was afraid of the action of the committee with reference to the resolution?

Mr. REED. Took advantage of the situation? Just before I called the resolution up there had been a quorum call, at which 86 Members of the Senate answered to their names, including the Senator from Mississippi. Just after the resolution was passed some one again asked for a call for a quorum, and 87 Senators answered to their names, including the Senator from Mississippi. Was that taking advantage of a meager attendance in the Senate, when, with all but eight Members of this body, not including one who has not even been sworn in, sitting here in the Senate, it was called up, discussed with various Senators on the Democratic side, and then passed by unanimous consent?

If the Senator is afraid to have this information made public—

Mr. HARRISON. The Senator is not afraid to have the information made public.

Mr. REED. Then will not the Senator agree that the resolution may be reported back in a week?

Mr. HARRISON. The Senator from Mississippi knows pretty well the Senator from Pennsylvania and the Senator from Utah. I have not the slightest doubt of this very nice

little political scheme in order to evade some of the abuses they have heaped upon the people through the enactment of the 1930 tariff act. The Senator wants to divert public attention from that situation. But I had expected, in the consideration of the House tariff bill, that you would at least call some people in on the depreciated currencies of various countries to show the depreciated exchanges, and so on. I had suspected that the Senator from Pennsylvania and the Senator from Utah would then try to tell the American people that the present depressed condition was due to depreciated currencies in foreign countries. But I did not think the Senator would take this tack.

Mr. REED. Mr. President, the Senator from Mississippi has been so fair and candid telling us these secret suspicions he has entertained—

Mr. HARRISON. Yes; and the whole country has them now.

Mr. REED. I would like to reciprocate and tell him of some secret suspicions I have been entertaining. I shall do it only to be equally fair to him as he has been to me.

I suspect that the Senator from Mississippi intends to go on the stump this year and tell the American voter that all of this depression and unemployment is due to President Hoover and the Republicans in Congress.

Mr. HARRISON. No; I will not tell them all of it is, but I will say about 99 per cent of it is. [Laughter.]

Mr. REED. I have no doubt of it.

The VICE PRESIDENT. A Senator must not interrupt without asking permission.

Mr. REED. I have the floor, Mr. President. I suspect—and I say it very seriously—that that is the Senator's intention, that the Senator does not want the American people to know that this is a world-wide depression, that there is many a factory standing idle in America to-day because the collapse of the currency in foreign lands has enabled them to produce very cheaply and to capture the American market.

If the American people did know that, it would interfere so dreadfully with these intended speeches which smolder in the brain of the Senator from Mississippi that it would spoil those speeches. The American people should know the hard facts. I do not wonder that the Senator wants to pickle this resolution. I do not wonder that he wants to get it into some committee and kill it.

Mr. HARRISON. It is the Senator's committee.

Mr. REED. It is not my committee.

Mr. HARRISON. The Senator from Pennsylvania and the Senator from Utah control the committee.

Mr. REED. Past experience has shown very plainly that the Senator from Mississippi can generally muster a majority for anything he proposes in the committee.

Mr. HARRISON. I hope we can.

Mr. REED. He knows he expects he is going to have a majority for any method of assassination he may decide on to kill this resolution. He does not want the facts to become public.

Mr. ROBINSON of Arkansas. Mr. President, on yesterday, upon the passage of the deficiency appropriation bill, there was an understanding between myself and Senators on the other side of the Chamber that the Senate should proceed to the consideration of unobjection bills on the calendar. I was called from the Chamber for a few minutes. Had I been advised that the resolution of the Senator from Pennsylvania was to be brought forward after that understanding was reached, I should, of course, have remained in the Chamber, and by two words could have secured a vote on the motion to refer the resolution to a committee. I should have objected to its immediate consideration.

The Senator from Pennsylvania attempts to justify the hasty passage of the resolution, as I have already said, on the ground that it merely calls for information. I have already pointed out the fact that it calls for a conclusion or an opinion on the part of the Tariff Commission, and I have cited the language in the resolution to establish my assertion.

Now let me point out to the learned Senator from Pennsylvania and to other Senators that the interpretation of

the language used in the resolution can justify no other interpretation than that the commission is to look into the facts and then express its opinion from the facts as to their effect upon the trade of the United States. The language is that the Tariff Commission shall inquire into "the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into the United States of all of the more important commodities and the effect of such depreciation"—listen to this—"on the general trend of international trade in the same period, and to report to the Senate as soon as practicable the results of such investigation."

How can the general trend of international trade be determined except by a conclusion reached from facts investigated? How can it be other than the expression of an opinion when the Tariff Commission makes its report? So that the Senator from Pennsylvania, instead of having vindicated his high standing as an interpreter of the English language, and particularly as an interpreter of language in connection with law, has demonstrated the fact that he has wholly and certainly placed an erroneous construction on his own language, whether through lack of the astuteness he generally displays or through indifference and lack of appreciation of the intelligence of those who hear him.

The fact is that he wishes to bolster up a movement for a higher tariff—and that is the object of the Senator from Utah—by getting the opinion of the Tariff Commission that there is a necessity and a justification growing out of changes in currency in foreign countries for such high tariff legislation.

Mr. President, the question is not what the Senator from Mississippi or the Senator from Pennsylvania shall say during the approaching campaign. Those are questions which those eminent gentlemen must determine for themselves, though God knows what the Senator from Pennsylvania can say when the subject is to be discussed. [Laughter.]

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. BINGHAM. I merely want to ask the Senator if he would be willing to have the Tariff Commission directed to study the effect of the depreciation of currencies to determine whether in the manufacture of any article it were necessary to raise or lower the tariff because of the change in the cost of production?

Mr. ROBINSON of Arkansas. No; I would have the Tariff Commission investigate whether there has been a change in the cost of production and report to the Congress the extent of that change, and then I would reach my own conclusions. That is the whole theory of the Tariff Commission law.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON of Arkansas. Certainly.

Mr. GLASS. Of what value would a report of the Tariff Commission be with respect to this matter anyhow? The exchange status at the time of the investigation might be entirely different from the condition at the time of its report or a few days after its report. Exchanges are not standard.

Mr. ROBINSON of Arkansas. That has been pointed out by the Senator from Mississippi in his original discussion of the subject. The standard or value of exchange is constantly changing. There is in the resolution no fixed standard to enable the Tariff Commission to determine how it shall proceed to a conclusion and to the opinion which the resolution calls upon it to express.

Mr. HARRISON. Mr. President, may I say to the Senator from Pennsylvania that so far as I am concerned, if the motion prevails to reconsider the vote by which the resolution was agreed to and if my motion for reference of the resolution to the Committee on Finance is agreed to, I shall not interpose any objection to the committee reporting back to the Senate within a week its findings upon the resolution.

THE VICE PRESIDENT. The question is on the motion of the Senator from Mississippi, on which the yeas and nays have been ordered.

MR. HARRISON. Does the Senator from Pennsylvania still ask for the yeas and nays? Will he not permit reconsideration of the motion?

MR. REED. In view of the Senator's statement that he would help me have the resolution reported out within a week by the Finance Committee—

MR. HARRISON. No; I do not commit myself to the Senator's resolution. I say I am perfectly willing for the Finance Committee to take action within a week on the Senator's resolution. Whether it be favorable or unfavorable action is for the committee to determine. Whether there should be any action is for the committee to determine.

MR. REED. Of course, amendments to the resolution would be subject to the committee's discretion. If the Senator will agree with me that final action shall be taken by the Finance Committee within a week, I am satisfied.

MR. ROBINSON of Arkansas. Mr. President, just a moment. I have no objection to any agreement the amiable Senators from Pennsylvania and Mississippi enter into, but I shall certainly not look with approval upon an arrangement of this character when I think as a matter of right, fairness, and justice the Senate ought to have the opportunity to refer the resolution to one of its standing committees.

For my part, while I would not like to object, I shall very reluctantly consent to the proposed arrangement if the Senator from Mississippi enters into it. I would rather have an expression by the Senate as to whether, under the circumstances by which the passage of the resolution was secured, the position of a majority of the Senate is that we shall have no opportunity to reconsider it. If the Senate takes that attitude, I shall change my practice of absenting myself under special arrangements and agreements and shall remain here constantly to watch proceedings in order that I may see that no advantage is taken of my absence.

MR. HARRISON. Mr. President, I thoroughly agree with the Senator from Arkansas in all that he has said. The Senator from Pennsylvania said I was trying to suppress the matter, and that was the reason for my suggestion that so far as I am concerned I am willing for the committee to take its action, whether favorable or unfavorable, within a week.

MR. REED. That is all I ask.

MR. HARRISON. I think we have a perfect right to send the resolution to the committee, and ought to send it to the committee for investigation and consideration.

MR. REED. I shall interpose no objection to the adoption of the motion of the Senator from Mississippi, with the understanding that he individually will collaborate with me in endeavoring to secure final action by the Finance Committee of one sort or another on the resolution within a week.

MR. HARRISON. I do not care to bind myself to getting action on the resolution. I say I shall not interpose any objection to action being taken by the Finance Committee within a week. We can take it very soon. Friday morning we will have the tariff bill up for consideration. I think we ought to get it out of the way before we take up this matter, and it ought not to take very long to dispose of the tariff bill.

MR. REED. Does the Senator really mean that we ought to act on the tariff bill before we get this information—before we even act on the request for it?

MR. HARRISON. Is it the Senator's object to have us wait until the Tariff Commission makes this investigation into the trend of international business and the effect of all these questions upon our own importations, and hold up consideration of the tariff bill until we get that information?

MR. REED. Just this moment I have received information that the Tariff Commission is at work on the matter already.

MR. HARRISON. Then why pass the resolution?

MR. REED. If we recall the resolution we stop that work, and that is why I would like to have it acted upon promptly.

I am surprised that the Senator should expect to act on the tariff bill Friday morning without any information whatever.

MR. HARRISON. I do not say that. I want quick action on the tariff bill. I thought probably the Senator might favor that particular piece of legislation.

MR. SHIPSTEAD. Mr. President, the resolution provides:

That the United States Tariff Commission is directed to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into the United States of all of the more important commodities and the effect of such depreciation on the general trend of international trade in the same period, and to report to the Senate as soon as practicable the results of such investigation.

If this goes to the committee, as I think it should, I desire to call the attention of the committee to the fact that the resolution as it is now worded would be one-sided, in my opinion, ex parte, worthless, and meaningless unless it also takes into consideration the effect of the deflation of the credit system as operated by the banks in the last three years in the United States resulting in the appreciation of the value of the dollar. The resolution should provide for certain information as to the effect of that appreciation upon increase in the cost of production in the United States. It will not be of much value unless we investigate and get the facts not only concerning the depreciation of foreign currency but also the appreciation of American currency having the opposite effect upon production in the United States. I respectfully call that to the attention of the Finance Committee in order that we may have both sides of the question determined and brought to the attention of Congress.

MR. GORE. Mr. President, I merely wish to observe that in view of the present depressed condition of our international trade it seems to me that any discussion or investigation of the subject is very largely academic.

THE VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

MR. HEBERT (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. HAWES]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

MR. MOSES (when his name was called). I have a general pair with the senior Senator from Louisiana [Mr. BROUSSARD]. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

MR. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If permitted to vote, I would vote "nay."

MR. VANDENBERG (when his name was called). On this vote I have a temporary pair with the senior Senator from Massachusetts [Mr. WALSH]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

MR. LOGAN (after having voted in the affirmative). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS]. I understand he is absent. Therefore I withdraw my vote. If permitted to vote, I should vote "yea."

MR. TYDINGS (after having voted in the affirmative). Has the senior Senator from Rhode Island [Mr. METCALF] voted?

THE VICE PRESIDENT. That Senator has not voted.

MR. TYDINGS. Then I am compelled to withdraw my vote. I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea."

MR. JONES. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the day. Therefore I am compelled to withhold my vote. If permitted to vote, I would vote "nay."

MR. HATFIELD (after having voted in the negative). Has the senior Senator from North Carolina [Mr. MORRISON] voted?

THE VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. JONES. I understand that I can transfer my pair with the senior Senator from Virginia [Mr. SWANSON] to the senior Senator from California [Mr. JOHNSON], which I do, and vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY]; and

The Senator from California [Mr. SHORTRIDGE] with the Senator from North Carolina [Mr. BAILEY].

The result was announced—yeas 43, nays 32, as follows:

YEAS—43

Ashurst	Connally	Harris	Pittman
Bankhead	Coolidge	Harrison	Robinson, Ark.
Black	Copeland	Hayden	Sheppard
Blaine	Costigan	Hull	Shipstead
Borah	Couzens	Kendrick	Smith
Bratton	Dill	King	Thomas, Okla.
Brookhart	Fletcher	La Follette	Trammell
Bulkeley	Frazier	Lewis	Wagner
Bulow	George	McGill	Walsh, Mont.
Byrnes	Glass	McKellar	Wheeler
Caraway	Gore	Neely	

NAYS—32

Austin	Fess	Keyes	Schall
Barbour	Glenn	McNary	Smoot
Bingham	Goldsborough	Norbeck	Stewert
Capper	Hale	Norris	Thomas, Idaho
Carey	Hastings	Nye	Townsend
Cutting	Howell	Oddie	Walcott
Dale	Jones	Patterson	Watson
Dickinson	Kean	Reed	White

NOT VOTING—20

Bailey	Hawes	Morrison	Swanson
Barkley	Hebert	Moses	Tydings
Broussard	Johnson	Robinson, Ind.	Vandenberg
Davis	Logan	Shortridge	Walsh, Mass.
Hatfield	Metcalf	Stephens	Waterman

So Mr. HARRISON's motion to reconsider was agreed to.

Mr. HARRISON. I move that the resolution be referred to the Committee on Finance.

The motion was agreed to.

PERSONAL EXPLANATION

Mr. MCKELLAR. Mr. President, I rise to a question of personal privilege.

THE VICE PRESIDENT. The Senator will state it.

Mr. MCKELLAR. Mr. President, on yesterday a Representative, on page 2274 of the RECORD, repeated a false statement that had been made in the newspapers about me. As a matter of fact, I had, on the 15th of January, 1932, as shown on pages 2014 to 2220 of the RECORD, demonstrated the falsity of this newspaper statement. Notwithstanding the facts as set out on pages 2014 to 2220, inclusive, of the RECORD, this Representative chose to repeat the newspaper falsehood. If this Representative is a gentleman, he will apologize. If he is not a gentleman, he will not apologize, but will probably try to repeat the falsehood.

CONSTRUCTION PROJECTS UNDER EXECUTIVE DEPARTMENTS

THE VICE PRESIDENT laid before the Senate a letter from the Postmaster General, in response to Senate Resolution 128 (agreed to January 7, 1932), stating "That under the provisions of existing law, construction projects authorized to meet the needs of the Postal Service are estimated for and supervised by the Treasury Department," which was ordered to lie on the table.

PETITIONS AND MEMORIALS

THE VICE PRESIDENT laid before the Senate House Joint Memorial No. 4 of the Legislature of the State of Arizona, requesting that a public hearing be granted by the Ways and Means Committee of the House of Representatives on House bills numbered 317 and 266, upon the subject of copper, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented on the 18th instant by Mr. ASHURST, pp. 2126-2127, CONGRESSIONAL RECORD.)

THE VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial signed by E. B. Danielson, manager of the Main Street Theater, Russell, Kans., remonstrating against the placing of an admission tax on theater

tickets sold at less than 60 cents, which was referred to the Committee on Finance.

He also laid before the Senate a telegram signed by Ben V. Lamborn, president of the Hutchinson (Kans.) Real Estate Board, indorsing in principle House bill 5090, relative to a home loan discount bank act, which was referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the Indiana George Washington Bicentenary Commission, requesting the United States George Washington Bicentennial Commission to concentrate all its efforts on the distribution of the literature publicly promised, even if other features of its plans must be abandoned, which were referred to the Committee on the Library.

He also laid before the Senate a letter embodying a petition from R. D. Foster, of Aurora, Mo., praying for the issuance of Government bonds in small denominations, like currency, without interest, in connection with financing public works, making such bonds receivable for all debts, public and private, and to be retired from circulation at the will of Congress, except that 5 per cent of such bonds shall be retired each year until the issue has been withdrawn, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Englewood First Methodist Episcopal Church, of Chicago, Ill., opposing the resubmission of the eighteenth amendment of the Constitution, to be ratified by State conventions, etc., and favoring the making of adequate appropriations for law enforcement and for education and law observance, which was referred to the Committee on the Judiciary.

Mr. ROBINSON of Indiana presented the petition of Rev. Albert Holcomb, pastor of the Pilgrim Holiness Church, and sundry other citizens of Leisure, Ind., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. HALE presented a petition of sundry citizens of Jonesport, Farmington, Phillips, Livermore Falls, South Portland, Bangor, Rangeley, Garland, East Corinth, Temple, and Mars Hill, all in the State of Maine, praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented resolutions adopted by the Long Beach Real Estate Board, of Beach Haven, N. J., opposing the imposition of additional taxes on real estate and favoring the legalization of light wines and beer and the immediate repeal of the Volstead Act, etc., which were referred to the Committee on Manufactures.

Mr. WALSH of Massachusetts presented a letter in the nature of a petition from Local Union No. 186, Journeymen Barbers' International Union of America, of Worcester, Mass., praying for the passage of legislation for the closing of barber shops on Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of sundry citizens of South Lancaster, Mass., remonstrating against the passage of legislation for the closing of barber shops on Sunday in the District of Columbia, or any other compulsory Sunday-observance legislation, which were referred to the Committee on the District of Columbia.

Mr. COPELAND presented petitions numerously signed by sundry citizens of Arkport and Circleville, N. Y., praying for the maintenance of the prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

TARIFF ON SHINGLES

Mr. JONES. I send to the clerk's desk a telegram and ask unanimous consent that it may be read.

THE VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

KELSO, WASH., January 19, 1932.

Senator WESLEY L. JONES,

Washington, D. C.:

The last shingle-mill pay roll in Kelso has closed down and is on the verge of moving to British Columbia on account of no tariff on Canadian shingles; and as a committee representing

Kelso Chamber of Commerce, we demand that some action be taken at once to protect this very important industry of the Northwest. We appreciate friendly letters and realize the opposition by nonproducing lumber sections, however small. Industries in the East receive the protection of the whole United States while the shingle industry of the Northwest gets nothing; and as voters of your constituency we demand definite and immediate legislation which is absolutely necessary to save this industry for the Northwest.

COMMITTEE KELSO CHAMBER OF COMMERCE.

Mr. JONES. Mr. President, I ask that the telegram be referred to the Committee on Finance, but let me, in connection with it, for the RECORD, remind the chamber of commerce at Kelso that tariff legislation must originate in the House of Representatives, and unless some bill changing the tariff rates comes over to the Senate no action can be taken.

The VICE PRESIDENT. Without objection, the telegram will be referred to the Committee on Finance.

LOANS TO CITIES UNDER RECONSTRUCTION FINANCE CORPORATION BILL

Mr. LEWIS. Mr. President, I beg to tender a telegram from the mayor of Chicago, quoting a message received by him from the mayor of Boston, and ask that it go through the regular course and be printed in the RECORD. It deals with the important matter of providing aid for cities under the Finance Corporation bill.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

CHICAGO, ILL., January 18, 1932.

HON. JAMES HAMILTON LEWIS,

United States Senator, Washington, D. C.:

I am in receipt of the following telegram from Mayor Curley, of Boston:

"Passage of the reconstruction bill without the inclusion of provision for loans to municipalities of the United States or the rediscounthability of the same by the Federal reserve will result in greater hardship to the people of America than that which took place as a consequence of the closing of banks. Indications are, in New England at least, that banking institutions will refuse in many cases to make loans to municipalities in anticipation of taxes. The investment agencies that have purchased these short-time loans in anticipation of taxes in the past are not in a position to do so at the present time, and the banks are the only possible source for securing this money, which is necessary for the conduct of the activities of every American municipality. Relief for the municipalities is possible provided there is a provision in the reconstruction loan which will permit of the corporation making loans to municipalities in anticipation of taxes. The injurious effects resulting from the closing of financial institutions in America can in no wise be compared with the tremendous injury that will result in the event that provision is not made for the safeguarding of the municipalities of America. As a rule taxes are levied for collection in the fall of the year, generally about October 1, and short-time loans are necessary between January 1 and October 1 to conduct municipal departments until taxes are paid in the fall of the year. The security pledged against these loans represents the entire assets of each municipality and is the highest type of security possible. Failure to provide the measure of protection necessary means added hardship in every section of America and a prolongation of the depression. The adoption of the amendment as here presented is vital, since a suspension of health, police, and fire protection and abandonment of welfare work and educational activities would be disastrous. I have memorialized the United States Senate and leaders in Congress, including the House Committee on Appropriations and Speaker GARNER, in behalf of the municipalities of America. If in your judgment the facts as set forth in the telegram which I have sent appeal to you, I trust you will do likewise."

A. J. CERMAK, Mayor.

AID TO CITIES UNDER THE RECONSTRUCTION FINANCE CORPORATION BILL

Mr. WALSH of Massachusetts. I have received several telegrams and a letter from mayors of cities in the Commonwealth of Massachusetts requesting that the borrowing privilege be extended to municipalities through the corporation about to be set up under the reconstruction finance corporation measure. I ask that the telegrams and letter may be printed in the RECORD.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

WESTFIELD, MASS., January 18, 1932.

DAVID I. WALSH,

Washington, D. C.:

Include in reconstruction bill, if possible, a provision for loans to municipalities.

RAYMOND H. COWING,
Mayor of Westfield.

WALTHAM, MASS., January 18, 1932.

HON. DAVID I. WALSH,

United States Senate, Washington, D. C.:

Kindly give special scrutiny to reconstruction bill. Should it not include provision for loans to municipalities.

PATRICK J. DUANE,
Mayor of Waltham.

NEW BEDFORD, MASS., January 18, 1932.

SENATOR DAVID I. WALSH,

Washington, D. C.:

Strongly endorse Mayor Curley's recommendations regarding reconstruction bill for cities.

CHARLES S. ASHLEY, Mayor.

EVERETT, MASS., January 18, 1932.

DAVID I. WALSH,

United States Senate, Washington, D. C.:

Mounting expenses for assisting the unemployed throughout the country make it imperative that municipalities obtain relief. Reconstruction bill should include extension of credit to municipalities; otherwise dire consequences may result. Banks refuse to make customary loan in anticipation of taxes because of their own situation, resulting virtually in bankruptcy for many, many Massachusetts cities and towns. Heartily commend your stand in the Senate Monday morning in furtherance of such legislation.

MICHAEL C. O'NEIL,
Mayor of Everett.

GARDNER, MASS., January 19, 1932.

DAVID I. WALSH,

Senate Office Building, Washington, D. C.:

Passage of reconstruction bill without provision for loans to municipalities is but a futile gesture. Most cities of this State have excellent credit, but can not borrow cash in anticipation of tax receipts to pay workingmen. Banks have plenty of cash but no courage. Reconstruction bill should advance courage to banks and cash to municipalities.

GEORGE E. SWEENEY,
Mayor of Gardner.

SALEM, MASS., January 19, 1932.

SENATOR DAVID I. WALSH,

Washington, D. C.:

Situation facing Massachusetts cities and towns very critical. Unable to borrow money in anticipation of taxes, no matter how good financial condition they are in. Some relief must be devised, otherwise public employees will be unable to secure their wages for possibly months if condition continues. It has been suggested by leading bankers here that provisions should be inserted in reconstruction bill permitting cities to borrow money in anticipation of taxes. I am sure you must realize how far-reaching this thing will be if employees are unable to meet their obligations if pay roll for them is not available. Please give this your most serious attention.

GEORGE J. BATES,
Mayor of Salem,
President of Mayors Club of Massachusetts.

NORTH ADAMS, MASS., January 19, 1932.

HON. DAVID I. WALSH,

Senator:

I believe the reconstruction bill should carry a clause authorizing municipalities to make loans. Trust you will do all possible to protect our interests.

WILLIAM JOHNSON, Mayor.

GLoucester, MASS., January 19, 1932.

SENATOR DAVID I. WALSH:

Believe that it is of paramount importance to our cities and our people that Mayor Curley's proposal of aiding them through an added provision to the Federal reconstruction bill be adopted.

JOHN E. PARKER, Mayor.

OFFICE OF THE MAYOR,
City of Quincy, Mass., January 18, 1932.

HON. DAVID I. WALSH,

Senate Chamber, Washington, D. C.

MY DEAR SENATOR: In the pending reconstruction bill no provision is made for financial aid to cities. At present we are all finding it difficult to finance our tax anticipation notes, and if congressional aid is not given many cities will be entirely destitute of funds to carry on until taxes are due.

Under present conditions the few cities which have negotiated these loans have been compelled to pay an excessive rate of interest.

If Congress will include municipalities within its provisions we will be allowed to float these loans at a fair interest rate, more particularly so if tax liens are treated as negotiable issues.

Sincerely yours,

THOMAS J. MCGRATH.

CONDITIONS IN HAWAII

MR. COPELAND. Mr. President, I have a letter in the nature of a petition from a veterans' organization in my

State. It relates to a matter of great moment at the present time. I ask that it may be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The legislative clerk read as follows:

NORTH CASTLE VETERANS' CLUB,
TOWNSHIP OF NORTH CASTLE,
Westchester County, N. Y., January 14, 1932.

Hon. ROYAL S. COPELAND,

United States Senate Building, Washington, D. C.

DEAR SIR: It was unanimously resolved, and so voted, by the North Castle Veterans' Club, at a regular meeting held last evening, that you, in the capacity of this district's United States Senator, be informed of the club's attitude, namely: That conditions in Hawaii such as countenance and allow affairs similar to the present Massie case are deplorable and disgraceful, and that you be asked to exert all possible influence in correcting them, and also to do all in your power toward securing fair and honest treatment of the principals in the said Massie case.

For the North Castle Veterans' Club:

ARTHUR E. HENDRY, Adjutant.

The VICE PRESIDENT. The communication presented by the Senator from New York will be referred to the Committee on Territories and Insular Affairs.

Mr. COPELAND. Mr. President—

Mr. BINGHAM. Mr. President, will the Senator yield to me to present something further in connection with the Hawaiian case?

Mr. COPELAND. I yield for that purpose.

Mr. BINGHAM. I merely wish to say to the Senator that I am about to introduce a joint resolution which would give the Governor of the Territory of Hawaii the power to appoint prosecuting officers and dismiss them if they did not properly perform their duties. I think it may be necessary to pass such a measure in order to correct the situation growing out of prosecuting officers being elected by the people. I shall introduce the joint resolution when that order is reached.

Mr. COPELAND. Mr. President, so far as I am concerned, I am in favor of any measure which will afford some hope of clearing up conditions in Hawaii. The people of my State are agitated over the situation there, and are anxious that it should be remedied.

Mr. MCKELLAR. Mr. President, before we leave this particular matter, will the Senator from New York yield to me just to make a very short statement?

The VICE PRESIDENT. Does the Senator from New York yield for that purpose?

Mr. COPELAND. I yield.

Mr. MCKELLAR. Mr. President, the newspapers stated a few days ago that the Republican administration, through four members of the Cabinet and through the majority of the Committee on Territories and Insular Affairs, have shelved or squelched—"squashed," some people might say—my resolution to investigate the conditions of law enforcement in Honolulu and have themselves taken over exclusively the job of settling that burning question. For the present I will say to the Senator from New York and to the Senate that I am content to leave it in their hands. Frankly, contented or not, I do not think I could now take it out of their hands, as there seems to be a desire upon their part to squelch my resolution.

Mr. VANDENBERG. Mr. President, will the Senator from New York yield to me before we leave this subject?

Mr. COPELAND. I yield.

Mr. VANDENBERG. I think the statement just made by the Senator from Tennessee is wholly without justification in any manner or form. The majority of the Committee on Territories and Insular Affairs is just as keenly and uncompromisingly concerned as is the Senator from Tennessee in getting all the facts and evidence that can possibly bear upon an adequate correction of the tragic situation that has been disclosed. I would not yield to him a single inch in my sharing of his desire to clean up the lamentable conditions in Honolulu. The job must be thorough, sweeping, fearless, and effectual. But, Mr. President, it is represented to the Committee on Territories and Insular Affairs that the Department of Justice, acting under prior order of the Senate, is proceeding with all the great forces of the Federal Gov-

ernment to Hawaii for the purpose of doing the precise thing the Senator from Tennessee and I both want done, and which this pending resolution would simply duplicate.

The Senate on yesterday promptly adopted an amendment to the deficiency bill appropriating \$15,000 to finance that particular inquiry. I voted for it. So did every other Senator. We were advised in our committee meeting that this inquiry will be pressed not only by a prominent and dependable and highly efficient Assistant Attorney General of the United States, who already is on his way to Honolulu, but also by investigators from the Bureau of Investigation and by other capable, competent, earnest, and dependable men, who, like the Senator from Tennessee and myself, are eager to get at the realities and who likewise are on their way to Hawaii. I can assure him that if he has the remotest idea that those of us who are temporarily awaiting the first report from these experienced investigators before launching a duplicating Senate investigation have any thought in our minds of squelching or squashing or whatever the rest of the verbs were that the Senator reiterated here—

Mr. MCKELLAR. "Shelving."

Mr. VANDENBERG. "Shelving" the investigation, he is wholly mistaken. We would shelve nothing. We would facilitate the speediest possible results by concentrating the probe in competent hands and avoiding the confusion of rival investigations.

Mr. MCKELLAR. Mr. President, if the Senator from New York will yield to me—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. MCKELLAR. I am glad to know the Senator from Michigan takes that position. I hope he will persist in it, but the Senator knows that four members of the President's Cabinet were called before his committee. The Senator is a member of the Committee on Territories and Insular Affairs, is he not?

Mr. VANDENBERG. The Senator from Michigan is a member of that committee.

Mr. MCKELLAR. And that it was stated by the newspapers—and I am merely quoting their statements; I can not vouch for them, although I suppose they are accurate—that the Committee on Territories and Insular Affairs had concluded to let one of the members of the Cabinet make the investigation and that further proceedings on behalf of the Senate investigation had been postponed. I am glad to hear the Senator say that the resolution has not been postponed indefinitely. I do not know what kind of a report we are going to get from the investigation now proceeding; I hope that it will not be a whitewashing report; but if it shall be, I am quite sure the Senator from Michigan, with the vim and energy and ability of a Young Turk, will certainly bring out something, so that these very trying conditions, these very shameful conditions in the Hawaiian Islands, may be developed and means may be taken to correct them.

Mr. VANDENBERG. If the Senator from New York will permit a further word—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Lest the latest observations of the Senator from Tennessee might be construed as a criticism of the attitude of the four Cabinet members to whom he referred. I say to him in final comment that they have fully demonstrated that they share with him all possible zeal and anxiety to get at the same facts that he wants disclosed and to make the same reforms for which he prays.

Mr. MCKELLAR. Mr. President, I again say, with the permission of the Senator from New York—

Mr. COPELAND. I yield.

Mr. MCKELLAR. I am glad to hear the Senator say so. Even though the zeal is somewhat belated, I am glad to hear that it exists.

Mr. COPELAND. Mr. President, I had not expected that there would be such a display of fireworks following the

petition which I presented, but I am glad of the discussion. I feel that we should go forward as rapidly as we can in this matter.

I am glad to be told, as we have been this morning, that the matter is in competent hands; but certainly so far as the people of the Nation are concerned I am confident that they are looking to Congress to take some effective action in connection with this outrageous state of affairs in Hawaii.

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

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Georgia?

Mr. COPELAND. Yes.

Mr. HARRIS. What I did not like about Governor Judd was the fact—which I developed in the hearing before the Committee on Territories and Insular Affairs, of which I am a member—that he did not mention to them or any members of the Senate committee any apprehension as to conditions existing in Hawaii. I asked the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Postmaster General, who appeared before our committee last Monday, if Governor Judd on his recent visit here had expressed to them any alarm as to the deplorable conditions there, and they replied that Governor Judd did not mention to any of the members of the committee with whom he conferred anything about the alarming conditions existing there. On the other hand, Admiral Pratt said that he was there with his fleet a year before and knowing conditions that existed then that he would not have been surprised at any time of serious trouble taking place. It developed that Governor Judd, while here recently, urged the Navy Department to send a fleet there so the people of Honolulu would benefit by the money the sailors spent, but he made no mention of any likelihood of trouble. In this connection let me say that those people are helpless in selecting governors, and it is all the more important that we select our best men to fill that position.

In the case of the Governor of Porto Rico who preceded Col. Theodore Roosevelt, members of the committee failed in their duty when we did not bring to the attention of the Senate conditions existing in Porto Rico under the predecessor of Colonel Roosevelt. His predecessor was a splendid man who had served well and faithfully in Congress and other positions of trust but was too old and infirm to hold down a position of such responsibility.

I was glad to see Colonel Roosevelt appointed Governor of the Philippine Islands. He made a splendid record as Governor of Porto Rico. The people of my State are proud of all the Roosevelts. We are proud of the former President. His mother was born in our State, a member of the distinguished Bulloch family. We are proud of the Governor of New York, the other Roosevelt. I think the people of this country ought and will elect him President. I think he would make just as good a one as his cousin.

Mr. BINGHAM. Mr. President, will the Senator permit me merely to observe that the Governor of Hawaii was aware of the situation, as is shown by the fact that two years ago he appointed a crime commission to study the situation in Honolulu? This crime commission made recommendations for changing the laws, which were submitted to the last session of the legislature, and the governor was unable to secure the passage of the necessary legislation.

The legislature to-day is in session; and I hope very much that the governor's views will prevail, and that the requisite legislation will be passed. If it is not, I am sure the Congress will see to it that the organic act is changed accordingly.

Mr. LA FOLLETTE. Mr. President, I merely wish to make a brief statement concerning the joint resolution which the Senator from Connecticut [Mr. BINGHAM] is about to introduce. It provides for disfranchising the people of Hawaii so far as the election of their prosecuting officers is concerned. I personally would resist any such change in the organic law. I would not, however, resist incorporation in the organic law a provision which is contained in most of the State statutes providing that the governor may remove prosecuting or other law-enforcing officers upon showing cause for such action.

CONVICT-MADE GOODS

Mr. WALSH of Massachusetts. Mr. President, there has been a good deal of discussion lately about goods being admitted into this country in violation of the convict labor law. I have had occasion to take the matter up with the Commissioner of Customs and inquire from him whether or not existing laws were sufficient to remove from importation this particular class of goods. He replies as follows:

It is considered appropriate to state that so far as convict-made goods are concerned, section 307 of the tariff act could hardly be made more stringent, because it absolutely prohibits the importation of merchandise affected by this class of labor. Any difficulties in the way of promptly and strictly enforcing the prohibition against the importation of convict-made goods is due solely to the difficulty in some cases of ascertaining the facts.

I ask that this letter, which is explanatory of the department's attitude, be printed in the RECORD.

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

The letter is as follows:

TREASURY DEPARTMENT,
BUREAU OF CUSTOMS,
Washington, January 9, 1932.

Hon. DAVID I. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: Receipt is acknowledged of your letter dated December 8, 1931, inclosing a letter from the Cundy-Bettoney Co. dated December 4, 1931, regarding the use of convict labor in connection with the manufacture of clarinets and other musical instruments in France.

An investigation of the complaint of the Cundy-Bettoney Co. has disclosed that convict labor is used in connection with the manufacture of clarinet parts at Poissy, France, and that some of these parts are used in connection with the manufacture of clarinets at La Couture-Boussey, France.

In view of the above, the department has issued a finding in accordance with the facts developed, and in the future clarinets originating in La Couture-Boussey and clarinet parts originating in Poissy will be subject to the regulations contained in Treasury Decision No. 45357.

Copies of Treasury Decision No. 45357 and the finding above mentioned are inclosed for your information.

In reply to your invitation to furnish suggestions as to the advisability of changing the present law in order to further restrict importations of convict-made goods, you are informed that inasmuch as it is believed that this matter is one solely for the consideration of Congress, it has been the policy of the bureau to refrain from stating any views on this subject. In this particular instance, however, it is considered appropriate to state that so far as convict-made goods are concerned, section 307 of the tariff act could hardly be made more stringent, because it absolutely prohibits the importation of merchandise affected by this class of labor. Any difficulties in the way of promptly and strictly enforcing the prohibition against the importation of convict-made goods is due solely to the difficulty in some cases of ascertaining the facts.

The inclosure of your letter is returned.

Very truly yours,

F. X. A. EBLE,
Commissioner of Customs.

REPORTS OF COMMITTEES

Mr. HASTINGS, from the Committee on the Judiciary, to which was referred the bill (S. 2199) exempting building and loan associations from being adjudged bankrupts, reported it without amendment and submitted a report (No. 120) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1234) to authorize an emergency appropriation for special study of and demonstration work in rural sanitation, reported it with amendments.

Mr. ROBINSON of Indiana, from the Committee on Pensions, to which was referred the bill (H. R. 6596) granting pensions and increases of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported it with amendments and submitted a report (No. 121) thereon.

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

S. 209. An act granting an increase of pension to Mary Willoughby Osterhaus (Rept. No. 122); and

S. 1207. An act granting an increase of pension to Helen K. Snowden (Rept. No. 123).

Mr. KING, from the Committee on Immigration, to which was referred the bill (S. 2656) to exempt from the quota husbands of American citizens, reported it with an amendment and submitted a report (No. 124) thereon.

REPORT ON DISPOSITION OF USELESS PAPERS

Mr. SMOOT. Mr. President, I have a letter from the Secretary of the Treasury inclosing certain papers useless in character. The Senator from Mississippi [MR. HARRISON] and I were appointed a committee on the disposition of such papers. They are of no further use, and I ask that the Senate authorize their destruction.

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

ENROLLED JOINT RESOLUTION PRESENTED

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that to-day, January 20, 1932, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 79) to provide an appropriation for expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932.

EXECUTIVE REPORTS OF FOREIGN RELATIONS COMMITTEE

As in executive session,

Mr. BORAH, from the Committee on Foreign Relations, reported favorably the following convention and treaty, which were placed on the Executive Calendar:

Executive GG, Seventieth Congress, second session, a convention regarding consular agents of American States, adopted at the Sixth International Conference of American States which assembled at Habana, Cuba, January 16 to February 20, 1928; and

Executive KK, Seventieth Congress, second session, a treaty of friendship, commerce, and consular rights with Norway, signed at Washington on June 5, 1928, and an additional article thereto signed at Washington February 25, 1929.

BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. STEIWER:

A bill (S. 3150) relating to the rate of interest on loans to veterans under the World War adjusted compensation act, as amended; to the Committee on Finance.

By Mr. FEISS:

A bill (S. 3151) to authorize reinstatement of war-risk insurance of John D. Deardourff, deceased; to the Committee on Finance.

By Mr. WALSH of Massachusetts:

A bill (S. 3152) for the relief of John B. McGovern; to the Committee on Claims.

By Mr. WATERMAN:

A bill (S. 3153) for the relief of the International Trust Co., of Denver, Colo.; to the Committee on Claims.

By Mr. ODDIE:

A bill (S. 3154) authorizing the conveyance of certain lands to the city of Fallon, Nev.; to the Committee on Public Lands and Surveys.

By Mr. TYDINGS:

A bill (S. 3155) to amend paragraph (4) of section 15 of the interstate commerce act, as amended; to the Committee on Interstate Commerce.

A bill (S. 3156) for the relief of Emory Leonard Downey; to the Committee on Naval Affairs.

A bill (S. 3157) granting a pension to Mary Schlining (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 3158) granting an increase of pension to Joanna A. Small (with accompanying papers); to the Committee on Pensions.

By Mr. KEAN:

A bill (S. 3159) granting a pension to Florence L. Bright;

A bill (S. 3160) granting a pension to Joanna Douglass; and

A bill (S. 3161) granting a pension to Amanda Loper; to the Committee on Pensions.

By Mr. WALCOTT:

A bill (S. 3162) granting a pension to Elmira D. Briggs (with accompanying papers);

A bill (S. 3163) granting a pension to Cora L. H. Duntz (with accompanying papers);

A bill (S. 3164) granting a pension to Ida D. Fletcher (with accompanying papers); and

A bill (S. 3165) granting a pension to Emma J. Hayward (with accompanying papers); to the Committee on Pensions.

A bill (S. 3166) for the relief of Hugh Flaherty; to the Committee on Naval Affairs.

By Mr. WHEELER:

A bill (S. 3167) for the relief of M. M. Twichel; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 3168) to correct the military record of George F. Freeman; to the Committee on Military Affairs.

By Mr. GLENN:

A bill (S. 3169) granting an increase of pension to George Bauman (with accompanying papers); to the Committee on Pensions.

By Mr. HATFIELD:

A bill (S. 3170) for the relief of George E. Kirk, alias George R. Keener; to the Committee on Military Affairs.

A bill (S. 3171) to authorize the disposition of the naval ordnance plant, South Charleston, W. Va., and for other purposes; to the Committee on Naval Affairs.

By Mr. MCKELLAR:

A bill (S. 3172) for the relief of Dr. Thomas J. W. Brown (with an accompanying paper); to the Committee on Civil Service.

By Mr. REED:

A bill (S. 3173) authorizing the President to class as secret or confidential certain material, apparatus, or equipment for military or naval use; to the Committee on Military Affairs.

By Mr. BINGHAM:

A joint resolution (S. J. Res. 85) authorizing the Governor of the Territory of Hawaii to appoint prosecuting officers in said Territory, except United States attorney, and for other purposes; to the Committee on Territories and Insular Affairs.

CHANGE OF REFERENCE

Mr. JONES. On January 5 I introduced, by request, the bill (S. 2657) to secure to unemployed American citizens the right to work advantageously for themselves in the production and mutual exchange of food, shelter, clothing, and commodities. The bill was referred to the Committee on Finance. The author of the bill would like to have it referred to the Committee on Manufactures, so I ask that the Committee on Finance may be discharged from the further consideration of the bill and that it may be referred to the Committee on Manufactures.

The VICE PRESIDENT. The change of reference will be made.

PROPOSED REFERENDUM ON THE PROHIBITION QUESTION

Mr. BINGHAM. Mr. President, I submit a resolution and ask that it may go over, under the rule, in the regular order.

The resolution (S. Res. 144) was ordered to lie over under the rule, as follows:

Whereas several States have already taken appropriate action for the purpose of obtaining a referendum of their people upon the prohibition question; and

Whereas several periodicals and newspapers in the United States have conducted so-called "polls" on the prohibition question, the importance of which polls it is difficult to estimate: Therefore be it

Resolved, That the Senate would welcome any action that the governors of the several States might take in recommending to their respective legislatures that such action be taken by the State as may be necessary to obtain the opinion of the people of the State with respect to (1) the repeal or modification of the eighteenth amendment, and (2) the repeal or modification of the national prohibition act (commonly known as the Volstead Act).

Resolved further, That the Secretary of the Senate be directed to transmit a copy of this resolution to the governor and to the legislature of each of the several States.

MESSAGES FROM THE PRESIDENT

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

ADDRESS BY FORMER SENATOR REED

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD, in regular RECORD type, a speech delivered by a former distinguished Member of this body, Hon. James A. Reed, of Missouri, at the Jackson Day banquet, Springfield, Mo., January 8, 1932.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Mr. President, I understand the Senator to ask that the address be printed in regular RECORD type.

Mr. GORE. Yes.

Mr. SMOOT. That is against the rules.

Mr. GORE. Then I modify the request and ask that the address may be printed in the usual manner.

The VICE PRESIDENT. Without objection, the address will be printed in the RECORD.

The address is as follows:

I come here to-night to appeal for a return to sanity in government.

For years, with ever-increasing speed, we have traveled the road of experimentation. There is scarcely a political nostrum ever conceived in the befuddled brain of man which has not been by some legislative assembly forced down the throat of the American people.

So far have we traveled along this crooked and uncertain path that we are lost in the fogs of speculation and the nebulae of dangerous theories. The original objects of our Government have been forgotten and the landmarks of history lost to sight.

I am asking you to consider old fundamentals. And I am soliciting a return to those sound and sane precepts upon which the Republic was founded.

THE PURPOSE OF GOVERNMENT

The sole purpose of free government is to insure the liberty of the citizen. To that end it is necessary that he shall be guaranteed in his right to live, to enjoy the fruit of his labor, to pass freely along the highways of commerce—in a word, to be secure in his property, person, and effects.

Not in derogation but in support of these objects, government may legitimately establish regulations and set up machinery to improve highways, promote education, and to provide for the common defense.

Going beyond these boundaries, government of a republic invariably begins to impinge upon natural rights, and thereby undermines the very purposes for which it was established.

It must be manifest that such a government as I have defined must be expressive of the practically uniform desire of its citizenry.

Our Government was founded upon a civilization which anticipated it and was intended to preserve that civilization.

In substance and effect, it is the agreement of a whole people upon the rules under which they shall live. Such rules, to be effective, must reflect more than the opinion of a majority.

They must embody the expressions of all people who sincerely desire to promote the general good. It must be universally recognized that its laws are founded on justice and wisdom. In a broad sense, government in a republic is universal public desire crystallized into law.

GOOD LAWS ARE SELF-ENFORCING

Such laws are almost self-enforcing. They are readily observed because the overwhelming mass desire to observe them. Their occasional violation insures almost universal resentment against the offender, and an equally universal demand for his restraint or punishment.

This is true because such an offender against the laws is in fact a violator of some right which the universal citizen regards as sacred to himself.

If murder is committed, all men recognize that their right to live is menaced; if theft, that the right to hold property is imperiled; if robbery, that safety to person and property is endangered.

Thus we may proceed through all the graver crimes which, for want of a better term, are described as *malum in se* (wrong in themselves).

But when government abandons that field and embarks upon the ocean of regulation, it substitutes for the right of the citizen to control his own life and guide his own conduct the *ipse dixit* of some legislative body, which seeks to put the public in leading strings, and control its thoughts, its acts, and its destiny.

For many years we adhered to the former of these doctrines. Our laws were simple and direct. Their prohibitions were aimed against acts universally abhorred. Their enforcement was easy because supported by the universal conscience of all decent people. We have departed from that path, and government is to-day sailing the uncharted seas of regulation and experimentation.

We have set up the theory that if by hook or crook, by fairness or by fraud, a law can be once placed upon the statute books that thereby a public benefit has been conferred and that the law will be obeyed.

GOVERNMENT GOES FAR AFIELD

Government has embarked in business; has sought to regulate and control markets; has abandoned the office of protector of rights, and has assumed the prerogative of director general of the energies and lives of millions of people.

We speak of these acts as the acts of the Government. We fail to recognize that these laws are enacted by a very minute majority of the people who happen to temporarily hold public office, and that it often happens that they are passed by such a body by a majority of one or two votes.

Accordingly, we have drifted from a Government engaged in protecting the rights of the people into a Government based upon the fallacy of ancient despots that governments should be paternalistic—a fallacy which in turn is based upon the idea that the masses are incapable of governing their own lives and conduct, which, in turn, is a denial of every principle of the Declaration of Independence and every doctrine upon which our Government was founded.

A RECORD OF FAILURES

Without exception, these departures have been the forerunner of disaster.

We have set up boards and bureaus, interfered in every line of human endeavor. Their story is one of failure and of industrial carnage.

I can not pause to do more than illustrate my theme. Let me give a few glaring examples. Although this Government was established merely for the purpose of protecting the citizen in his natural right to property, and his corresponding right to buy and sell wheresoever he saw fit, the theory was advanced that manufacturing could be promoted by denying to the citizen the right to purchase in the open markets of the world, thus compelling him to purchase from the favored class engaged in running factories.

It was declared that in a short time the infant manufacturer of America would become so prosperous that he would give lower prices to the American citizen than he had theretofore obtained, and that he would become a competitor in the markets of the world and thus furnish labor to an army of American citizens.

From this law two results followed. The manufacturers not only raised their prices to all American consumers, but they combined amongst themselves so as to extort the last possible dollar from a helpless population. At the same time, all of the people not engaged in the favored industry found themselves the helpless victims of this law. It has remained upon the statute books for almost three-quarters of a century.

BANKRUPTING THE FARMER

During that long period of time the farmers of the United States were compelled, as they are still compelled, to sell their surplus products upon the open market of the world.

The law, therefore, compelled them to buy that which they needed in a market artificially raised by law and combination and to sell in a low market regulated by competition.

The gap between these two levels of prices was the gap of bankruptcy through which the American farmer has been driven for three-quarters of a century; and is, in fact, the great basic reason for the present agricultural distress.

From time to time the greed of the manufacturing class has insisted upon increasing the tolls levied upon our people. Each succeeding tariff law has been buttressed by the same false arguments and the same alluring promises, but in each case the high level in which the American farmer and the American citizen generally must purchase has been preserved or elevated, while all producers shipping abroad have correspondingly suffered.

Let it be noted now that this action of our Government was a departure from the principle that government was created to protect man in his natural rights and not for the purpose of promoting the special rights or interests of any class of citizens.

THE FARM-BOARD FIASCO

Since I am upon this theme let me follow it to recent times. Forced to recognize that the farmers of the country were being impoverished, but unwilling to relax the corporate strangle hold upon the Nation, these same philosophers came forward with the proposition to enact a tariff for the protection of the farmer; but these laws were almost entirely abortive because the farmer was an exporter, not an importer.

The years ran by and finally the proposition was brought forward to promote the welfare of the farmer by invading the Federal Treasury for his benefit. Five hundred million dollars was set aside and a board created to stabilize and advance the price of farm products. A board of 10 or 15 men was thus authorized to arbitrarily raise or depress the price of products raised upon all American farms. They were to substitute their will and their judgment for the natural right of the citizen to manage his own business and control his own affairs.

They entered the market; they poured out hundreds of millions of dollars of the taxpayers' money; they accumulated vast holdings in cotton and in wheat, with the inevitable result that they broke the price not only in America but in the world on every variety of product upon the American farm. They created great surpluses which were a menace to the market—no prudent man dare buy freely—resulting in a general paralysis in the markets for farm products.

Wheat has sold at a lower price than at any time within 480 years; hogs have been lower than at any time within 50 years; cotton has struck a level so low that it does not pay for the picking of the complete crop.

The whole farcical business is illustrated by the fact that the man who is at its head has declared that droughts are a blessing and has advocated the plowing up of a part of the acreage of cotton already planted in the fields.

THE NOSE IN EVERY KITCHEN

We have set up boards and bureaus to interfere in almost every activity of life. They are spending the taxpayers' money to teach women how to raise their babies, although every town has its hospitals and its corps of skilled physicians. We are directing them as to the best style of jumpers with which to clothe their children. We are telling housewives, who know more about cooking than the Agricultural Department knows about anything, how to put up preserves and pickles. The Government has its nose in every kitchen and its finger in every enterprise.

As a result, taxes have multiplied and an innumerable swarm of Governmental agents infest the land.

We have undertaken to invade the business of the States upon the assumption that the States can not properly control their own affairs. If that be true, then the people of the States are incapable of self-government; and if the people of the States are incapable of self-government, then the people of the United States are necessarily incapable; and if that be true, then the whole theory of our Government is false and we should never have quit the benefice of British rule.

We were forced into a foreign war which a greater appreciation, employed at the right time, might have avoided; but we entered that war in defense of American rights. No sooner were our soldiers in the field than the doctrine was announced that it was the business of America to make the world safe for democracy. Again that was an abandonment of ancient and sound principles.

OUR FALLACIOUS FOREIGN POLICY

It was not our business to make the world safe for democracy or safe for despotism or safe for Bolshevik forms of government. It was our sole business to make America safe.

The world did not want to be made safe for democracy. England did not desire a democracy such as we have. France preferred her own particular kind of government. China, with her 400,000,000 people, wanted to live her own life and set up her own form of government. The very countries we helped create, for the most part, established kingdoms. What they will be in a few years God knows. Russia preferred to be a Bolshevik Government. We were undertaking a task beyond our legitimate boundaries and doomed to certain failure.

Proceeding upon the false hypothesis referred to, we were told that it was our business to join in an organization to keep permanent control of the nations of the world and, in doing so, to surrender or imperil our own sovereignty. Following that we were told that it was our duty to relieve European nations of \$22,000,000,000 of debts they owed to the American Government, which it, in turn, owed to the citizens of America. We were informed that European governments were poor and could not afford to pay.

THE WAR-DEBT DEBACLE

First and last, without any right whatsoever, except the right of power, the American Congress and administration canceled \$12,000,000,000 of that indebtedness. That is to say, they canceled the obligations of foreign nations to us, but they did not and could not cancel the obligations of our Government to pay the stupendous sum referred to.

This iniquitous and infamous measure was jammed through Congress without ever having it in any form submitted to the American people. It was pretended that these foreign governments could not pay; yet France to-day holds nearly one-half of all the gold of the world—like a great financial giant towers over the economic destiny of Europe. Italy, relieved of nearly 80 per cent of her obligations, maintains a vast standing army, builds and equips a powerful navy, and marches with iron heels over the bodies of a conquered population.

And now, with a deficit in our own Treasury of a billion and a half dollars, we find Congress truculently and ignominiously yielding to the demands of our President-international, that the United States shall, for the year at least, assume the liability of Germany to France and England to the tune of \$270,000,000, and that that burden shall be cast upon the shoulders of the American taxpayer.

But the end is not yet. The movement is well under way to cancel all foreign indebtedness and to fasten permanently upon our people a debt incurred by France, England, Germany, and Italy to the United States, for the payment of which we hold their solemn written pledges.

All of this results from a departure from the fundamental precepts of our Government; namely, the United States should preserve her integrity, protect her coasts and attend to her own business and let the world attend to its business.

But the story does not yet end. As I have stated, they tried to drag us into the League of Nations. They are still determined and fixed in their purpose to make us responsible, not for our own lives, not for our own citizenship, not for our own conduct, but for the conduct of other nations of the world. They undertook, when they formed the League of Nations, to set up a super-government for the world. They proclaimed that it meant peace on earth and good will to men forever and a day. The world has been filled with war and turmoil.

MISDEEDS OF THE LEAGUE

The farcical nature of the experiment is well illustrated in two things: In the purely political decision rendered by the so-called

World Court, in which four or five petty nations, controlled by political considerations, voted with France and denied to Germany and Austria the plainest of national rights—namely, privilege of making treaties of trade and commerce between themselves.

The second incident is shown in the fact that little Japan defied all the powers of the league, and that the league did not dare raise a finger while Japan wrested from China—which had relied upon the protection of the league—the vast Province of Manchuria. Japan is there and Japan will stay there until and unless the brown hosts of China awaken from their century-old lethargy and drive the Japanese back into their island possessions.

Again they came to us with honeyed words and proposed the reduction of navies. At that time we were engaged in building ships which, if completed, would have given us the mastery of the ocean. We entered into a treaty so drawn that at the end England, France, and Japan were able to strengthen their navies, so that to-day the United States is probably a third-rate naval power.

OUR LOST PRESTIGE

All these foolish acts have taken place in defiance of the ancient doctrines of our Government. They have involved us in critical and dangerous situations. They have cost us incalculable sums of money, and at the end America stands in the world with scarce a friend, and with less prestige and less honor than before the first gallant son of America laid down his life upon the soil of France.

Referring again to domestic matters, we have sought to regulate business and brought disaster; we have sought to usurp the powers of the several States and brought chaos. Our Federal courts have been reduced almost to the level of police tribunals.

We have stretched the Constitution to the breaking point at a score of places. We are undertaking to have the Federal Government and the State governments interfere generally with the life and habits of the people.

MUST RETURN TO FUNDAMENTALS

The remedy fundamentally must be a return to the old ideas of Government.

First. Decentralization should be the order of the day. We should begin that by withdrawing the United States from every European controversy in which we are not directly and immediately concerned. We should provide for our own protection, always remembering that while the largest and most powerful nation on earth, we are, nevertheless, unless prepared, an easy victim to the avarice and cupidity of greedy enemies.

Second. We should repeal every Federal statute which imposes upon the Federal Government powers or duties that can as well be performed by the several States.

Third. We should wipe out innumerable boards and bureaus and discharge an army of spies, snoopers, and tax eaters.

Fourth. We should cease attempting to either promote, regulate, or destroy the business of the United States. By that I do not mean we should repeal the laws against combinations in restraint of trade, for such laws are themselves protective of trade. Upon the contrary, those laws should be strengthened and every attempt at monopoly or unfair-trade practices should be, in the interests of fair trade, strictly prohibited and punished.

Fifth. We should demand that the Federal reserve banking system should no longer be made the agent and banker of the stock-gambling hells of the Nation, and the fraudulent practices of those institutions should be prohibited and punished.

Sixth. We should immediately lower tariff exactations and, as rapidly as the revenue exigencies of our Government will permit, wipe them out. This must be accomplished in order—

(a) To relieve the present burdens of our people;
(b) In order that our manufacturing industries may be able to compete in the markets of the world, thus furnishing employment for American labor.

Seventh. The laws regulating the habits and lives of the people, in so far as such laws should ever be passed, should be left to the several States; such doctrine of State sovereignty in its high and proper sense should be restored.

NO HOPE IN REPUBLICANISM

These beneficent objects will never be accomplished by the present Republican body. Since the unfortunate election of Warren Harding down to the present hour it has been the hewer of wood and the drawer of water for every selfish interest which has infested and crossed the United States.

In what I have proposed there is not a word of radicalism; there is no attempt to interfere with legitimate business. There is no thought of the unfair treatment of capital or labor. It means the breaking of artificial bonds which have been forged upon the industry and labor of the great Commonwealth.

I would like to see the Democratic Party reject every experimental scheme. I would like to see it proclaim a platform based upon the old and sound principles of government, and upon that platform we can march to a great and beneficent victory.

PROPOSED EMERGENCY CURRENCY

Mr. WALSH of Massachusetts. Mr. President, I have a very interesting letter from and an article by Mr. Henry Hazlitt, which is to be printed in the Nation of this week. The article is entitled "An Emergency Currency," and, in view of the legislation which is pending upon that subject and because of its importance, I ask that the letter and article may be printed in the RECORD.

There being no objection, the letter and article were ordered printed in the RECORD, as follows:

NEW YORK, January 20, 1932.

Hon. DAVID I. WALSH,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I was very much interested to see your bill proposing an emergency currency, and partly because of it and partly because the very generous friendship you showed me at Washington when I was the correspondent for the New York Evening Mail leads me to believe that you would be interested in what I have written on the subject, I am taking the liberty of inclosing an article on an emergency currency which appears in this week's issue of the Nation. This article happened to be written before I learned of your bill. I am thoroughly in agreement with you regarding the need for such a currency in the present crisis, though the kind of currency I am suggesting is somewhat different. I do not believe that there is at present any need of new currency per se, but there is a very great need for it among those banks that are now being and may in future be drained of deposits by panicky depositors. The kind of plan I suggest would allow these banks to take out currency, if necessary, against any part or all of their real assets, whether those assets are in the form of Government bonds, merchants' paper, or State or municipal or private bonds. The defect of an emergency currency secured only by national bonds, as I see it, is that only those banks can take out this currency which happen to hold Government bonds, and they can take it out only to the extent of their Government-bond holdings. This would not help many banks in desperate need—or if it helped them it would not help them adequately. I should like to call your attention to the comparison in my article between what happened in 1907, when Secretary Cortelyou offered \$50,000,000 of Government bonds and \$100,000,000 of 1-year Government notes to provide the basis of new circulation, and what happened in June, 1914, when the Aldrich-Vreeland notes were put out. You will notice that the banks in 1907 took only \$25,000,000 of the bonds and \$15,000,000 of the notes, whereas in 1914 \$380,000,000 of emergency currency notes came into circulation with amazing promptness. The kind of currency I propose is very much of the Aldrich-Vreeland type. Curiously enough, it was not suggested to me by the Aldrich-Vreeland currency; it merely seemed to me the most desirable form of emergency currency; and in refreshing my memory on 1914 I found that the Aldrich notes were of this type. It seems to me a much more elastic kind of currency than the United States bond-secured notes and much better able to deal with the present crisis.

My own feeling is that instead of passing the administration's Reconstruction Finance Corporation bill, it would have been much better for Congress to have authorized that all loans to railroads should be made entirely by the Interstate Commerce Commission, while loans to banks should have been made through an emergency discount bank issuing currency against bank assets instead of forcing more bonds on the market.

However, even now an emergency bank of the type proposed could do many things impossible for the corporation.

With kind regards, sincerely yours,

HENRY HAZLITT.

AN EMERGENCY CURRENCY

By Henry Hazlitt

In a theater fire more people are liable to be killed in the stampede than by the flames. In a financial panic much more damage is done by senseless hysteria than by the inherent weakness of conditions. The suggestion in the present article is put forward as a possible way of dealing with the situation if a sudden irrational lack of confidence in our banks should develop. It must be admitted at the very beginning that the problem is far from a simple one. Most casually suggested plans for protecting the banks against panicky depositors would inevitably bring about the very collapse of credit that their proponents imagine they would forestall. One may take as an example the proposal sometimes put forward in private conversation that if conditions grow worse it may be necessary to declare a "banking moratorium." Passing over the question of how pay rolls would be met and groceries bought during the period of such a moratorium, or of what would immediately happen to trade and values, one has merely to ask what would be the result on the day the moratorium terminated. Nearly every depositor would be in line at every bank to draw his money out.

The plan here suggested is the exact opposite of this. It rests on the assumption that the need in a time of crisis is not to prevent frightened depositors from drawing out their money but to allow them to convert their deposits immediately into cash to any extent they wish. With this need in mind, the present writer proposes the creation of an emergency currency, or, at least, the setting up now of machinery that would make possible the instant issue of emergency currency if that currency should be demanded. Emergency currencies are, of course, not unknown in times of crisis. In the panic of 1893, when a number of banks adopted the extreme measure of refusing to pay cash for the checks of their own depositors, and when it seemed possible that trade might be forced to a basis of barter, a number of large employers of labor made plans to issue a currency of their own, to be redeemed when the banks resumed cash payments. There were actually large

issues of clearing-house loan certificates, which remain in use 19 weeks. In the panic of 1907, \$238,000,000 of such clearing-house loan certificates were issued and remained in use for 22 weeks. Moreover, banks in Pittsburgh and Chicago, where manufacturers' pay rolls created the need for large sums of currency, issued an emergency currency, the amount of which was estimated at upwards of \$96,000,000. Finally the Treasury offered \$50,000,000 of Government bonds and \$100,000,000 of 1-year Government notes to banks with a view to providing the basis of new circulation; \$25,000,000 of the bonds and \$15,000,000 of the notes were taken.

Once more an emergency currency was issued in a crisis; this time in June, 1914. Shortly after the 1907 panic the Aldrich-Vreeland Emergency Currency Act had been passed to make possible the quick issuance of currency in the next crisis. It provided that banks could exchange the contents of their portfolios for currency notes in an actual emergency. To make certain that the currency would not be issued or remain in circulation for longer than the period of emergency, a tax was provided on the use of the notes. The act remained apparently a dead letter until the development of the war crisis; then, "in the first three months after July, 1914, \$380,000,000 worth of the emergency currency notes was put into circulation. Of the total authorized issue, it is interesting to note that 57½ per cent was secured by merchants' notes, 28½ per cent by miscellaneous securities, and 14 per cent by State and municipal bonds. All this currency had been retired and canceled by the end of June, 1915.

The situation to-day, it is true, is in one or two respects radically different. The old bond-secured national-bank notes were an extremely inelastic currency; the present Federal reserve notes are an extremely elastic currency. Nothing could illustrate the difference better than a comparison of the 4 per cent premium on actual currency that existed for a while in 1907, when it was estimated by Secretary Cortelyou that \$293,000,000 of cash was being hoarded, with the increase of \$1,000,000,000 in Federal reserve notes in the last year to take care both of hoarded money and of part of the needs of communities which bank failures have compelled to return temporarily to a cash basis. But the creation of Federal reserve notes is subject to two important limitations. First, these notes can be issued only against various forms of commercial paper having, in general, a maturity of not more than 90 days. Secondly, they can be issued only against the paper held by member banks of the Federal reserve system. It is not intended here to question the soundness of these limitations; the integrity of the Federal reserve system requires them. But it is desirable to raise the question whether, in a crisis of the gravity of the present, it would not be wise to consider the creation of a temporary currency against the assets of nonmember banks and against other assets than 90-day paper.

For this purpose it might be advisable to create a governmental emergency discount bank authorized to rediscount the paper of banks not members of the Federal reserve system, and to issue currency against such paper; while a bank subject to a particularly heavy drain, which had already rediscounted all its available short-term paper, would be permitted to borrow a high percentage against the market value of its bond holdings and other assets and to receive emergency currency for them.

As compared with the Reconstruction Finance Corporation, the emergency discount bank here proposed would have several advantages. It would, of course, deal solely with banks, but its operations would be extremely flexible. It could issue very little currency if very little were called for, and a great deal if a great deal were called for. What is much more important, it would not be necessary for the emergency discount bank to float huge bond issues, as the Finance Corporation is obliged to, at a time when even United States bonds are at a heavy discount. The corporation is authorized to sell up to \$2,000,000,000 worth of bonds. But it was not an easy matter to sell a \$2,000,000,000 bond issue, even with the fervor and pressure of war times; to sell such an issue in one of the greatest crises in a century, and to follow this with other huge Government bond issues necessary to balance the Budget, to say nothing of possible issues for relief or construction, presents a very formidable program. The effect on public confidence would be a serious one if any of these bond issues were not completely subscribed for. As heavy Government bond issues will be unavoidable in any case, the chief problem is to reduce their volume as much as possible. One way to do this is to issue currency and not bonds against the assets of banks seeking help. This method has the further advantage of saving heavy interest charges. Instead of paying out interest on bonds, the discount bank would be receiving interest on the amount of the loans to banks which the currency represented. This interest would be used partly to pay the administration expenses of the bank and partly to absorb possible losses on bad loans; anything above this would be Government revenue.

The emergency discount bank would, of course, discount at "penalty" rates—that is to say, the banks would be called upon to pay slightly higher rates for currency loans than they were receiving for the paper or bonds they were discounting—and these penalty rates would assure a retirement of the currency when the need for it had passed. While the new notes need not be directly redeemable in gold, any more than the still outstanding national-bank notes or United States notes (the "greenbacks") are directly redeemable in gold, they should be kept at a parity with all other forms of currency. They would, of course, have exactly the same physical appearance as other currency, just as a \$5 greenback looks to the casual observer exactly like a \$5 Federal reserve note.

It can not be too emphatically pointed out that what is here suggested is in no sense a proposal to create wealth by the printing press. It is not put forward in the crude belief that the depression is the result of any general money shortage, or that the new currency would raise prices directly. In brief, it is not intended as an inflationary measure; its purpose is, rather, antideflationary. Its aim is not directly to increase the amount of bank credit (though it would tend to do so indirectly) but to transform deposit currency that might be destroyed or locked up into note currency that would circulate. Its effect, in short, would be to substitute unquestioned Government credit for the temporarily questioned credit of individual banks. It would be a form of currency, it is true, that would lack the ideal elasticity and the unquestioned soundness of Federal reserve note currency, but it would be far more elastic than the national-bank notes and incomparably sounder than the existing greenbacks. The emergency notes would be retired as the banks paid up their borrowings, or as the slower assets were liquidated. The penalty interest rates and would eventually compel this paying up and this liquidation. The life of the emergency discount bank and of the notes could, as an additional safeguard, be limited by law to a period of not more than five years, when note issuing could again be left entirely to the Federal reserve banks. I think it in the highest degree inadvisable that the kind of rediscounting and of note issue here proposed be turned over to the Federal reserve banks, not only because this would not serve the nonmember banks (in which by far the greatest number of failures have occurred) but because the emergency nature of the measure would tend to be forgotten, and if the bars were once let down it would be next to impossible to get them up again.

This suggestion for an emergency currency is not put forward entirely without reservations. It may be that the National Credit Corporation and the Reconstruction Finance Corporation, between them, may be able to take care of any situation that may occur. But if these do not prove flexible enough or adequate, then an emergency-currency plan of this type seems the only supplement or alternative. We must mobilize our banking resources to keep all solvent banks open, and to enable depositors to get as much currency as possible immediately against the actual assets of banks that prove to be insolvent. The possible deficiencies of an emergency currency of the kind here proposed would be as nothing against the consequences of a possible wholesale closing of banks and consequent prostration of trade should a particularly hysterical panic develop.

AGRICULTURAL MARKETING ACT—FEDERAL FARM BOARD

Mr. JONES. Mr. President, I have a letter prepared by a committee composed largely of farmers of Walla Walla, in the State of Washington, very seriously objecting to the agricultural marketing act and urging its repeal and the abolishment of the Federal Farm Board. I also have, in connection with it, a letter from representative farmers and farm bureau organizations of the same county presenting their views in regard to the matter and attempting to answer the proposition laid down in the other letter. I ask that these two letters may be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WALLA WALLA, WASH., November 12, 1931.

Hon. WESLEY L. JONES,
Yakima, Wash.

DEAR SENATOR: We, the committee appointed by a group of representative citizens, mostly farmers, do by this letter most earnestly protest to you against the agricultural marketing act and the Federal Farm Board. We emphatically express our disapproval of this measure or any measure so written for a similar purpose. It is our desire that you as our representative use every means at your command to repeal this law, get it off the books, and get the Government out of business.

The law is wrong in principle and vicious in application. Wrong in principle because no government should or ought to tax the whole people for the benefit of the few. Wrong in principle because in two and one-half years of operation it has not, in any way, remedied the condition the Congress sought to relieve—has not raised agriculture to a plane of equality with business and industry. It has in fact proved to be a millstone about the neck of agriculture as well as of all private endeavor.

It has been, it is, a disastrous attempt to set aside the age-old law of supply and demand. The people, the farmers whom it sought to aid, have been grievously injured by its operation. Profits of their labor and lands have been utterly destroyed. While this has been accomplished for the farmers their impaired financial condition has reflected through all other lines of business.

The avowed intent of this act—to destroy the middleman—not only has destroyed the middleman's business but the basis on which it rested. Analyzing the wreck of the business structure of the country, we find the middleman—the speculator—to have been the keystone of the arch of business. In the cessation of activities labor has been suspended and unemployment created.

Under the direction of the Farm Board, cooperatives in name at least, have been created, viz, the Farmers National Grain Corporation, the Farmers National Warehouse Co., the Stabilization Corporation, the Pacific Grain Growers (Inc.), the Walla Walla Grain Growers (Inc.), and a multitude of others, for various and

all farm products. We think the author would fail to recognize the progeny born of his marketing act under the guiding hands of unscrupulous persons.

No sooner had the \$500,000,000 fund been made available than eyes from all quarters were focused avariciously upon it and brains of every character began scheming to get possession. Corporations sprang into being like mushrooms following a rain, so many of them that it is impossible to place responsibility and impossible for the farmer who is supposed to own and control these corporations and this business to find out even what salaries his employees are receiving and what prices are being paid for old warehouses and new elevators.

The various subsidiaries of the Farm Board have been sold to the farmer as "farmer owned and farmer controlled," when they are in fact controlled from Washington through a set of men in Chicago, none of whom are producers or farmers. Controlled from Washington, for Mr. Stone has said: "We (the Farm Board) reserve the right to see that they (the subsidiaries) are properly and efficiently managed."

The men in actual control of the Farmers National Grain Corporation never had it in mind to share that control with the producer. They have been busily engaged putting over a private corporation which shall live when the Federal marketing act is repealed. They are using the condition of the farm people and congressional sympathy for that condition to further private interest. They are using Government money to build these organizations—Government money in direct competition with the businesses taxed to raise said money, to the detriment of those businesses and to the benefit of only a few selfish and scheming men.

No new mouths of consumption have been created, no new markets have been developed. Farm produce has moved to market always through highly competitive channels, men have been employed, the speculator has taken the risk of ownership, the world has been fed. What more can the Farm Board accomplish, even with the resources of the United States Treasury behind it? The promises of the sponsors of the act are a mere delusion, a leading of our people a step nearer socialism or bolshevism, Government ownership, and official or bureaucratic dictation. All the savings that might have been effected have been paid to high-salaried men, often of small caliber, for motor cars of fine quality and warehouses of very doubtful value.

There is but one place to raise the farm price—that is economy of service. We can see no evidence of any intent on the part of the various offices to economize. Salaries are so princely, automobiles so numerous, and employees housed in such expensive quarters. There is no evidence of intent of economy, no evidence of farmer control.

The producer was definitely discouraged from marketing his grain in August, 1929, when the price was \$1.37; again in October, 1929, and again in November, 1929. The Farm Board plainly accepted responsibility for the declaration that prices then prevailing were too low. Its appeals for holding were followed by many farmers, who later sold for as low as 47 cents per bushel.

New equipment has been built, where private capital would not venture because no return is available as an investment. This equipment is not essential for all the grain, and grain products have been warehoused heretofore with present equipment.

Here is a specific instance of the vicious operation of the Farmers' National:

From July 2 to July 6, inclusive, farmers here in Walla Walla sold wheat for prompt shipment based on 67 cents per bushel sacked, Seattle. On July 7 private dealers in Walla Walla were advised by wire not to pay any more premiums on early shipment wheat as Farm Board subsidiary had offered to sell at 57 cents and agreed to loan wheat to the buyers to be returned in September at 3 cents per bushel premium, which knocked the farmers out of premiums on early shipment wheat. Some farmers actually sold their wheat later at 20 cents per bushel less. Dating back for 30 years, premiums are usually paid on early shipment wheat from two to four weeks, but the Farm Board or their subsidiary took that premium away from the wheat raiser. If necessary, copies of contracts with farmers and sales at terminal, proving prices obtained for wheat early in July as mentioned above can be furnished. Several hundred thousand bushels of wheat would have been sold at premiums this year if the Farm Board had not interfered.

We are opposed to the Federal Government buying these farm products and removing them from the tax rolls. The fact that wheat bought by the stabilization corporation has been removed from the tax rolls again works a hardship on the farmer. He does not receive more for his crop than private trade would pay him, but the fact his wheat is removed from tax rolls means that his land must pay more. This meant a loss to taxpayers in Walla Walla County alone of \$5,500.

We are opposed to the Federal Government loaning money to these organizations at rates which private institutions of finance can not meet. Just another instance of taxing a legitimate business to secure the money with which to destroy it.

The local banks carry the farmer loans when the risk is greatest. Their men understand local men and local conditions. Why should these banks be relieved of their business at harvest time when the risk has been eliminated? When warehouse receipts are available, then the "co-ops" loan money for less—Government money. The farmer benefits very little for the change during the remainder of the marketing period, but Government subsidiaries have again trespassed on private and legitimate business.

The releases from the Farm Board sound almost identical with soviet releases. The same hocus-pocus—wheat and cotton are too low. We will inaugurate a superior system and raise prices. As soon as they began operations and surplus products were held from the market, prices, to their consternation, began to toboggan, even as those of coffee and rubber had done before. Now that the surplus which was created by the Farm Board withholding, is moving into consumptive channels and no money is available to exclude the speculator, we are again nearer normal and prices are coming back to normal. We are convinced that the attempt of the agricultural marketing act and the Federal Farm Board to set aside that old law of supply and demand has been a dismal failure and a costly experiment.

Such being the case, why continue such a law and why support such institutions? Being as useless and vicious as they have proved themselves to be, the whole act should be stricken. The experience marked on the records as a failure and then forgotten. We believe there should be less Government in business and more business in Government. We are ready and willing to pledge our support to such a program.

We have no accurate figures as to percentage of farmers in this community favoring the Federal marketing act and the Federal Farm Board. We can make an estimate by the number of dirt farmers with whom we have conversed on the subject. All those so far contacted have shown in a very decided fashion an opposition to the marketing act as written and its operation as sponsored by the Federal Farm Board, except one man. This man did not indorse the act nor the board, but did state that the "holding" policy as advocated was, to his mind, all right in theory. We believe many were sold on the theory but are much disappointed in fact of operation. All thinking farmers have come to realize the fact that high prices for a commodity tend for more production of that commodity. Production past the point of consumption would result from a uniformly high price. Lower prices alone can reduce acreage to a point commensurate with world consumption.

Discussing the Farm Board policies one day in Walla Walla, a director of the local came in. We asked him outright what salary our local grain growers' manager received. His answer was as candid: "I don't think anyone knows but Kelley." Kelley has the dual position of manager of the local and district manager of the Farmers National Grain Growers (Inc.).

Inquiry of another director of this local elicited the information: "We pay Mr. Kelley \$200 per month. I don't know what the Farmers National pay him."

We don't know who hires these men. We don't know who sets the scale of salaries. We don't know what power designates the kind, quality, and number of automobiles our employees shall use; but we do know they are a very favored class of individuals.

Why Mr. Milnor should have a salary equal to that of the United States President, why Mr. Collins should enjoy remuneration equal to an estate of 5,000 acres of this soil, while the farm people they serve are making a hard-earned and scanty living, is beyond our comprehension. We know "farmer owned and farmer controlled" is a myth. Farmers don't rob their backs and stomachs willingly for their employees. Some of these mysteries, Senator, we are asking you to solve. The good intent of a benevolent Government has been twisted to the benefit of the few. The act should be repealed; Farm Board abolished so that no avenues to the United States Treasury should be open to any particular business or class under our Government.

H. L. DEWOLFE, Chairman,
Dr. H. A. MOUNT,
JOHN F. CASPER,
W. G. SHUMAN,
WM. RENNEWANZ.

WALLA WALLA, WASH., January 14, 1932.

Hon. WESLEY L. JONES,

Washington, D. C.

DEAR SENATOR: Our attention has been called to a letter written by a committee of local men, a copy of which appeared in the December 15 issue of the Commercial Review, a grain trade publication. Many of the statements made in the letter are so grossly exaggerated and unfair that we can not permit them to go unchallenged. As dirt farmers ourselves, and speaking for an organization of dirt farmers, representing every field of agriculture among its members, we submit the following answer to the local committee of five whose names appear on the above-mentioned letter.

The very first paragraph of the letter says, speaking of the agricultural marketing act, "We emphatically express our disapproval of this measure or any measure so written for a similar purpose." The purpose of the agricultural marketing act is to put agriculture on a plane of equality with industry and labor. This means that the above-mentioned committee is absolutely opposed to any kind of a program that will give equality to agriculture. It is a nationally recognized fact that agriculture is and has been for years in a decadent condition. It is also generally agreed that permanent prosperity for agriculture must be attained before our general economic conditions will materially improve. And yet our good friends say neither this act nor other measure which has for its purpose the placing of agriculture on a plane of equality with industry should even be considered. It's rather hard to imagine any group of farmers empowering a committee to speak in this way for them.

At the door of the marketing act and the Federal Farm Board they lay the blame for the world-wide depression, which has spared

no line of industry and no nation. Such a viewpoint certainly is not in keeping with that expressed by statesmen and economists everywhere. In the spring of 1929, before the agricultural marketing act had even become a law, the wool market had broken disastrously. In November, 1929, the stock-market crash in two weeks' time took an estimated \$25,000,000,000 in losses from the pockets of investors in this country. This shrinkage in security values has continued until it is estimated the loss is in excess of \$60,000,000,000. At that time the Farm Board had done little or nothing to interfere with our general economic program. Just how the purchase of 250,000,000 bushels of wheat by the Farm Board subsequently in order to remove a depressing surplus and maintain a fixed minimum price can be blamed for the world-wide depression is beyond the ability of some of us who have tried to analyze the situation to comprehend. The Farm Board's whole program has been one of stabilization, of holding up prices and removing surpluses, at a time when everything has been in a demoralized, chaotic condition. Its efforts have been directed toward stemming the downward avalanche of commodity prices, and in wheat alone it has made millions of dollars for the American grain growers.

It is said this act is intended to destroy the middleman. This is not the case, but, rather, to aid the farmer in developing the most efficient type of marketing machinery. If the middleman can render the more efficient service, his future is assured.

Our friends of the committee state that speculation is the key-stone of the arch of business. May we then submit it is high time that agriculture be put on a more firm and stable basis than one based on speculation.

We feel sure the committee is not fully informed concerning the Farmers' National Grain Corporation, its set-up, nor the men who are responsible for its policies and methods of business. May we say emphatically, Senator, as you yourself no doubt know, that the directors of the Farmers' National and of our own North Pacific Grain Growers are honest, sincere, and intelligent farmers who for years have given their best in trying to improve farm conditions. In no wise or respect are they to be discounted for lack of sincerity or failure to have the farmers' best interests at heart.

To say that the Farmers' National Grain Corporation is a cooperative in name only is ridiculous and absurd. To say that none of the men in charge are producers or farmers is equally ridiculous and absurd. We challenge the committee to show in even the smallest degree any justification for their statement that "the men in actual control of the Farmers' National Grain Corporation never had it in mind to share that control with the producer." As a matter of fact, those in charge never had any other objective than to serve the grain growers whom they represent in a whole-hearted and successful way. We challenge their statement that "the whole program is to benefit a few selfish scheming men," as being absolutely untrue and made with malicious intent.

The committee says that "no new markets or new sources of consumption have been developed." As to this we are not in a position to say at this time that such is or is not the case with respect to the Farmers' National. But we do know that going back over agricultural history during the past 20 years on the Pacific coast, it has been the producer, when he was faced with bankruptcy because of the low prices paid him for his crop by the middleman, who has gone out, organized his own selling agency, standardized his commodity, raised its quality, and tremendously broadened his markets and the consumption of his produce. That is true of the poultry producers; it is true of the dairy producers and of the fruit producers. Never has the speculator or middleman appeared in the limelight for that type of service. Given a little time we believe that the Farmers' National will do for the grain producers along lines of producing new markets and greater sources of consumption what other cooperatives have done for their producers. Certainly, they are entitled to an opportunity to show what can be done.

The statements of the committee "that all the savings that might have been effected have been paid to high-salaried men, often of small caliber, or for cars of high quality and warehouses of very doubtful value," is another charge open to direct challenge. That approximately 400,000,000 bushels of grain have been marketed the last two years at a cost of less than 1 cent per bushel would indicate a very efficient organization and tend to belie conclusively the above statement.

The committee says there is but one place to raise farm prices and that is by economy of service. Assuming that to be true, have the old-line grain dealers any right to claim having rendered such a service? If so, when the freight differential to Portland was established, reducing the freight on grain 1½ cents a bushel, why didn't the old-line grain dealers reflect that price back to the farmers of this district rather than absorb it for their own pockets? If they are rendering economy of service, why do they leave their schedules of dockages and discounts on practically the same basis as when wheat sold at \$2 per bushel? Why is it that back in 1921 and 1922, when the Northwest Wheat Growers' Association was operating, and again during the last year since the Farmers' National has been in the market that the Pacific coast prices have been on a par with or above Chicago prices? This condition has only been pronounced during the two above-mentioned times. It must help materially to have a little real competition and economy of service in the grain-buying business.

The Farm Board did stay by the farmer in 1929 and did maintain a pegged price for the growers which was kept in good faith to all who applied.

The matter of building new equipment is challenged by the committee not only as being a poor investment but as not being needed because present warehousing facilities are adequate. May we answer this by saying many farmers can remember during the past few years when they have gone to sell their grain statements to this effect from the dealers, "The market is poor, the terminals are full, the tracks are full of cars of grain with demurrage piling up." Do these statements indicate adequate warehousing facilities?

One of the most unfair statements in the whole letter is their statement that several hundred thousand bushels of wheat could have been sold at premiums this year if the Farm Board had not interfered. We must remember that the Farm Board with its pegged price had kept the 1930 crop in the neighborhood of 70 cents, basis terminals. It was inevitable that when the new wheat came in with the pegged price having been taken off June 1 that the market would go on down to the world level, which it did, and which only goes to prove how much the 1930 pegged price meant to the producers of that crop.

With regard to the loss of taxes through wheat purchased by the Stabilization Corporation, the farmers of this county can well afford to pay \$5,500, which the committee says was lost in taxes on wheat purchased by the Stabilization Corporation, in view of the fact that the pegged price in 1930, based on an increased return of 20 cents per bushel to the grower, has meant an increased return to the farmers of this county of \$1,000,000. Wonder why private dealers almost always happen to have their wheat in transit at assessment time.

Continuously through the committee's letter crop out statements objecting to the Government doing this or doing that for the farmers. Has the committee, Senator, ever filed with you objections to the Government aiding in a merchant marine, financially and otherwise? Have they ever objected to the deficit in the postal department, caused by the low rates for which magazines and newspapers are carried? Have their voices ever been raised against the Federal reserve system, which has materially aided the banks? Did they object when the Railway Labor Board was formed?

Of course, we realize that the loans made on wheat receipts are made possible not because of the agricultural marketing act but because of the Federal intermediate credit bank, an institution which has been with us since 1924.

In speaking of releases from the Farm Board, which the committee refers to, may we paraphrase it by saying their letter sounds like the same hocus-pocus as that emanating from the grain trade. And is not it peculiar, too, Senator, that there is such a close relationship between the committee and the grain trade, as is indicated by the fact that their letter appeared in the grain trade's official publication on the coast very soon after you received it?

Their accusation that a surplus of wheat was created by the Farm Board withholding its purchases sounds like some more hocus-pocus from the grain trade. Domestic and world wheat statistics from 1926 on show that an increasing surplus was being accumulated each year, not only in this country but in the world.

No; we can not agree with the committee that the agricultural marketing act and the Federal Farm Board have been a costly, dismal failure. Had it not been for the board's stabilizing influence in pegging the price in 1930, a national calamity would doubtless have ensued. Even the Chicago grain trade admits that.

As to the number of dirt farmers in this community who are for the marketing act, we have no poll to show their state of mind; but we do know that many, many of them, not wheat growers alone but members of the dairy and egg associations, are exceptionally well satisfied and appreciative of the work it has done. And may we add that a great many more would be thoroughly sold on it were they correctly informed rather than misled by false malicious propaganda which is being handed out by opponents.

The committee says, "We do not know who hires these men," speaking of the local managers of the Grain Growers. And may we say, Senator, in view of the fact that the local Grain Growers is a local corporation, what business is it of the committee or anyone else, except the membership, who hires them or what they are paid? As to the power that designates the kind, quality, and number of automobiles used by employees, we would answer it by saying the same power that determines the kind of an automobile a banker, a grain buyer, or his employees would drive; namely, what their own individual desire or pocketbook might determine. Reference has been made to Mr. Kelley, our local manager, his salary, and the car he drives. Mr. Kelley is paid \$200 a month by the local co-op.; he also is district manager for the Farmers' National, and looks after their warehouse facilities as well. We don't know what the Farmers' National pays him for these services. There are two paid employees in the local Grain Growers' office. Judging from wheat purchased to date, Mr. Kelley will buy more wheat this year than all the other 10 grain offices put together in Walla Walla. How is that for economy of service? It would be just as fair for us to go out and ask that the salaries of the private grain dealers or bankers be made public property. We think a comparison of the cost of the office of the local Grain Growers with that of any other local grain firm would not be to its disadvantage. Incidentally the nice car which Mr. Kelley drives was purchased by him out of profits made when operating as an independent grain dealer.

You no doubt have noted the incorrect statement made by the committee that Mr. Milnor enjoys a salary equal to that of the President of the United States. He draws \$50,000 and the Presi-

dent \$75,000—just a slight discrepancy of 33 1/3 per cent. That and the whole talk about salaries, cars, fine offices, etc., just reminds us of some more "grain trade hocus-pocus."

Incidentally the chairman of the committee thought enough of the Farmers' National when he sold this year's crop to sell it to them. One other member of the committee has been very influential in urging his clients to sell their wheat through this agency.

It is the fact that, "Farmer owned and farmer controlled" is not a myth, which is bothering certain people; and, by the way, they are not farmers, either.

In closing, Senator, may we say that while we realize any movement of such gigantic magnitude as the program of the agricultural marketing act will no doubt see mistakes made; yet we are firmly convinced that its good points far outweigh the bad. That it is a sound and constructive program, and if given an opportunity, together with the correction of some of its weaker features, will do much toward bringing agriculture back to a plane of equality with industry.

We sincerely hope you will continue to support the act and efforts to strengthen it by its friends.

Sincerely yours,

WALLA WALLA COUNTY FARM BUREAU.

This letter authorized by a unanimous vote of the following members of the board of directors of the Walla Walla County Farm Bureau in executive session, January 9, 1932:

Z. R. Lewis, Frank Farrens, Mill Creek Farm Bureau; Lincoln Russel, Valley Chapel Farm Bureau; H. A. Gorham, Guy Kent, Sudbury Farm Bureau; H. S. Brewer, Philip Reser, Prospect Point Farm Bureau; M. J. Lowden, J. M. Wroe, Elmer Lusk, Lowden Farm Bureau; C. M. Berryman, Valley Grove Farm Bureau; S. P. Maxson, Floyd Shemwell, Russel Creek Farm Bureau; E. R. McCaw, Prescott Farm Bureau.

CHAS. BAKER, Secretary.

CHICAGO WORLD'S FAIR CENTENNIAL CELEBRATION

Mr. LEWIS. Mr. President, on the calendar is a bill (S. 355) providing for the participation of the United States in the Chicago World's Fair Centennial Celebration to be held in Chicago in 1933. I beg to ask that this matter be postponed, and I desire to ask the President if it can be done now. Other Senators desiring to be present when the matter comes up can not ask to have the matter go over; and I therefore wish to ask that it go over temporarily without prejudice.

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

RELIEF FOR RAILROADS

Mr. WAGNER. Mr. President, I ask to have printed in the RECORD a report and recommendations for relief of railroads adopted by the New York Board of Trade at its regular meeting held on Wednesday of this week.

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

RELIEF FOR RAILROADS

Your committee on railway transportation, in presenting this report, desires earnestly to avoid any interpretation of alarm. The facts contained herein should be received and considered with gravity as is appropriate to a serious situation. American business makes quick response when facts are known, conditions are understood, and the remedy has been fully considered. In this spirit of confidence your committee presents the results of its findings and recommendations.

The railroads of this country are not only carriers of commerce but are large purchasers of materials and labor. They were so recognized and among the first to be called upon for concerted action when the industrial depression was in its early stages, and they responded to the best of their abilities. After more than two years of continued decline in business conditions certain pertinent facts appear. Under the present regulatory system the railroads are prevented from building up reserves in normal times to permit them to carry on under conditions such as obtain at the present. No industrial system can be regarded as sound which encourages reductions in prosperous times and necessitates increases in times of economic depression and falling prices. This provision of the interstate commerce law, or, as it is sometimes known, the transportation act, should be amended so that reasonable reserves may be accumulated by the carriers to meet conditions such as now exist.

In the decision of the Interstate Commerce Commission on the application of the steam carriers for an increase of rates, attention is called to a significant fact which is amplified in the annual report of the Interstate Commerce Commission to Congress dated December 1, 1931. There is a lack of appropriate regulation of other forms of transportation engaged in interstate commerce. This acts as a hindrance to the development of a coordinated system of transportation embracing all land and water carriers. The commission is engaged in a study of other carriers, and its report and recommendations are expected at an early date. (A report embodying these recommendations was submitted by Leo J. Flynn to the Interstate Commerce Commission on December 5.) It is the belief of your committee that provisions should be made for

the necessary regulation of all carriers for hire, so as to stabilize the transportation industry and afford an equal opportunity among them to compete for the commerce of the country.

Taxes are a heavy burden on the railways at this time. They are 14 per cent higher than they were 10 years ago, and for the year 1931 it will require the net revenues of the railroads of this country for a total period of four months out of the twelve to pay taxes alone.

There has been a serious shrinkage in the revenues of class 1 railroads. During the year that has just closed the closest estimate of the net railway operating income will be \$534,000,000 or a return of 1.99 per cent on property investment. This is to be compared with a return of 3.36 per cent return on investment in 1930. The gross operating revenues for 1931 amounted to approximately \$4,259,000,000, a decrease of 20.3 per cent under those of 1930. Operating expenses for the same period amounted to \$3,275,000,000—or a decrease of 17.6 per cent under the previous year. The rate of return on the basis of property investment for the past 12 years is shown in the following table:

	Per cent
1920	0.21
1921	2.84
1922	3.53
1923	4.33
1924	4.21
1925	4.74
1926	4.98
1927	4.29
1928	4.64
1929	4.84
1930	3.36
1931 (estimated)	1.99

Passenger traffic in 1931 amounted to 21,800,000,000 passenger-miles which was less than for any year within the last 27 years. This was a reduction of 53.5 per cent under the record year of 1920.

Of particular interest is the necessity of preserving the credit of the railroads. Ten class 1 railroads are now in the hands of receivers. Others are in default of payment of bonds. Protection should be afforded to the funds of fiduciary institutions, savings banks, and insurance companies, which represent the savings of the citizens of this country and which are invested in railroad securities.

Your committee, therefore, recommends the adoption of the following resolution:

Whereas the New York Board of Trade (Inc.) views with concern the jeopardy to the public interest presented by the present plight of our railroads, and desires through the passage of this resolution to express the views of its membership that prompt relief should be obtained for these arteries of our commercial fabric; and

Whereas the figures of class 1 railroads show that their estimated gross operating figures for 1931 fell off 20.3 per cent under those for 1930, itself a poor year; that their net income returned but 1.99 per cent on their property investment and that their passenger revenue was less than for any year within the last 27 years, amounting to a reduction of 53.5 per cent under the year 1920, and

Whereas the larger part of the bonds issued by our railroads is the property of fiduciary institutions, savings banks, and insurance companies, constituting a substantial part of the savings of the community, resources which our population relies upon against danger and disaster; and

Whereas our railroads are large taxpayers, employers of labor, and consumers: Therefore be it

Resolved, That the New York Board of Trade (Inc.) urges Congress to take prompt action with the view of enacting such legislation as will provide relief for the railroads, particularly with reference to those proposals which have the indorsement of the Interstate Commerce Commission, to wit: (a) Regulation of all forms of interstate transportation in a manner similar to the railroads; (b) repeal of the recapture provisions of section 15 (a) of the transportation act; and be it further

Resolved, That proper officers of the board be, and the same are hereby, empowered and directed to communicate these views to the President of the United States, to the Members of Congress, and to the Interstate Commerce Commission.

Respectfully submitted.

W. F. RICHARDSON, Chairman,
F. X. BOYLAN,
JOHN DUFFY,
B. F. FITCH,
C. L. HILLEARY,
H. W. McARTHUR,
REGINALD G. NARELLE,
J. W. ROBERTS,
D. L. TILLY,
Committee on Railroad Transportation.

FREE COINAGE OF SILVER

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution relative to the free coinage of silver and a newspaper article on the same subject.

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

Resolution

Inasmuch as the Constitution of the United States of America declares that Congress shall have power to coin money and regulate the value thereof, we, the citizens of Portland, State of Oregon, in mass meeting assembled, declare ourselves in favor of Congress exercising that authority; and

Whereas there are over 900,000,000 people touching the Pacific Ocean who are now using silver as a basis of their monetary system; and

Whereas Senator BURTON K. WHEELER, of Montana, has introduced a bill in the United States Senate providing for the free coinage of silver at the ratio of 16 to 1, that we here assembled declare ourselves in favor of the immediate passage of said bill; and

Whereas the prosperity and contentment of our people depend to a large extent upon a sufficient supply of money to meet the requirements of the people; and

Whereas the gold standard has proven to fall far short of the demand for basic money not only in the United States but of the world:

We therefore ask that Congress immediately pass Senator WHEELER's bill that our mints may be thrown open to the free coinage of the silver dollar, which means immediate employment of thousands of people and will also greatly increase our basic money, which means higher prices and better times.

Dated at Portland, Oreg., January 13, 1932.

FREE SILVER PROPOSED—MILTON A. MILLER RESOLUTION MEETS FAVOR OF HOUSEWIVES' COUNCIL

Declaring that free coinage of silver would give employment to thousands of people, increase the basic money of the United States, stimulate trade with foreign countries, and return higher prices and better times, Milton A. Miller presented a resolution before the housewives' council, meeting at the public library last night, favoring BURTON K. WHEELER's Senate bill providing for free coinage of silver at the ratio of 16 to 1.

The resolution was adopted.

Miller declared that approximately one-half of all the gold in the world is in the United States and that this amount would hardly begin to redeem the obligations of the United States. England could not stay on a gold basis, he said, and changed to silver, and is now trading with silver countries at a 30 per cent advantage over the United States.

RADIO STATIONS IN MEXICO AND CUBA

Mr. DILL. Mr. President, on two different occasions within the last few days I have called the attention of the Senate to the building of radio stations in Mexico and Cuba which are interfering with American stations. I have in my hand a number of articles which I would like to have inserted in the RECORD, but before I make the request I want to say one or two things about the situation.

The State Department, for some reason or other, refuses to take any official action whatsoever in this matter. It has been charged by some that the State Department is really in favor of seeing these stations built along the Mexican border and in Cuba. I refuse to believe that. I can not believe that the State Department takes that attitude, but I do think that the department is to blame for a continuation of the present conditions. These articles which I have rather confirm the reports which have been made to me.

I ask to have inserted in the RECORD at this point an article appearing in the Chicago Tribune under date of January 18, two days ago, by Martin Codel; another article of the Consolidated Press by Robert Mack; and a statement from the publication called Broadcasting, under date of January 15, 1932, entitled "Cuba Looms as New Menace to United States Radio."

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

[Martin Codel in Chicago Tribune]

MEXICO FORCING WAVE ISSUE WITH BORDER STATIONS—POWERFUL BRINKLEY XER THREATENS CHAOS

WASHINGTON, D. C.—[Special]—War on the wave lengths impends with Mexico. Chaos in North American broadcasting may result not only from the 75,000-watt station recently placed in operation just across the border from Del Rio, Tex., by Dr. John R. Brinkley, the former Kansas medico-broadcaster, whose license was revoked by the Federal Radio Commission, but from the half dozen or more other stations now reliably reported to be in the course of construction on the Mexican side of the Rio Grande.

American and Canadian radio officials now have a "gentleman's agreement" between themselves as to a division of the limited number of radio waves—an agreement to which Mexico

is not a party, for the reason that it has consistently failed to send delegates to the North American radio negotiations of the last five years. As matters are now developing, the United States and Canada may be forced to invite parley with Mexico regarding the radio situation.

MEXICO LICENSES NEWCOMERS

An interesting aspect of the pending war of the wave lengths is the fact that American capital is largely responsible for the erection or proposed erection of the new stations on the Mexican border. These stations are ostensibly for service to the Mexican populace, but obviously they are designed to be heard by Americans far and near. The number of radio sets in all Mexico, from best available data, does not equal the more than 257,000 sets reported in the recent radio census in the State of Texas alone.

Mexico appears to be licensing newcomers without let or hindrance, placing them on midchannels of the 10-kilocycle separations now in force between stations operating on adjacent wave lengths in the United States and Canada. The Brinkley station, for example, can be heard regularly in many parts of the United States on the 735-kilocycle channel, which is midway between the 730 kilocycles of CKAC, Montreal, and the 740 kilocycles of WSB, Atlanta. Reports are that it is interfering with both these stations, and engineering advice is that a 5-kilocycle separation is not sufficient, at least where such high power is used.

HIGHJACKING ON THE AIR

Some of the builders of the new Mexican stations, like Brinkley, are serious in their purpose of operating them as advertising media for a profit. Others are suspected of playing a sort of "highjack" game; i. e., they are building cheap outfits which they threaten to place on or near wave lengths being used by prosperous American stations in the hope that they will be bought off.

The names of the builders of the additional stations along the Rio Grande are not known, nor are reports available as to the locations or the wave lengths to be used. Federal agents, however, have been watching developments and are reporting to the Department of Commerce, the Radio Commission, and the State Department. These are the American agencies that must shortly join with Canada to confer with Mexican officials to clear up the situation.

In the meantime, however, the agents are powerless to act, for the Mexican Government is a sovereign power. Mexico has readmitted Brinkley, who is now on the air regularly over his XER, at Villa Acuana, despite the fact that the Mexican Government was informed by the American State Department that Brinkley was ordered off the air because his medical-advice broadcasts were regarded as inimical to the public health. Brinkley has resumed his "medical question box" over XER, and the letters he gets come mainly from listeners in the States.

MEXICO SUPPORTS BRINKLEY

Now that Brinkley is again "persona grata" with Mexico—for he was barred from that country for a while—the Mexican Ministry of Communications has given every indication that it expects to stand by the Mexican corporation, backed by Brinkley money, which it licensed to operate XER. In a bulletin it defends its right to license the station on an intermediate channel. The bulletin reads:

"Any person has a right to use this station for announcements and commercial broadcasts. It is not true that a 75,000-watt station in Mexico can be considered prejudicial to the United States stations, since this station and those in the United States operate on different wave lengths. This one is in absolute compliance with the international regulations now in force."

[Radio dispatch]

By Robert Mack, special correspondent of Consolidated Press Association

WASHINGTON, January 16.—Little Cuba, heretofore a negligible factor in North American radio, appears as a new and unexpected menace to the broadcasting allocations of this country with the reported invasion of American capital for the establishment of stations designed to cover the southeastern portion of the United States.

Apparently following the lead of Mexico, which has permitted the more or less indiscriminate "squatting" of new high-power stations on channels used by American and Canadian stations, Cuba is understood to be deviating from its long-established policy of not interfering with American stations. Troubled internal conditions, and a need for funds which can be derived from the licensing of high-power stations, are reported as the reasons for the changed status.

The saturation point for new stations of substantial power already having been reached in this country, several American groups are known to be building stations in Mexico for the primary purpose of serving the United States. Now Cuba also is being invaded because of its strategic location, only 125 miles from the Florida mainland. The over-water haul, moreover, engineers say, helps wave propagation.

Already the aerial bombardment of radio waves from across the Mexican border is seriously curtailing the service of a number of American and Canadian stations. The Mexican Government, along with Cuba, was not a party to the "gentleman's agreement" whereby the 96 available broadcasting wave lengths were divided. This 1924 arrangement gave the United States 90 channels and Canada 6, with a provision for division between the United States and Canada of 11 of the 90.

None of the three countries is satisfied with the existing allocation. Canada has served notice that it desires more frequencies. Mexico has proceeded to license new stations, and it is reported that about 10 are now under construction, financed by American capital.

Because of internal conditions Mexico recently set up a special fee for broadcasting stations. This fee, said to be several thousand dollars, is in addition to the regular license tax of 2 pesos (\$1) per watt for the power used. The newest big station in Mexico, XER, at Villa Acuana, operated by Dr. John R. Brinkley, deposed Kansas medico-broadcaster, in the town just across the border from Del Rio, Tex., is of 75,000 watts, the highest power used by any station in the Western Hemisphere.

Private cliques operating in Mexico in several instances have warned American stations that unless they paid them tribute high-power stations would be built in Mexico to operate on their channels and "blast them off the air." The Mexican Government is said to be doing its utmost to combat this situation.

[From the Broadcasting, Washington, D. C., January 15, 1932]

CUBA LOOMS AS NEW MENACE TO UNITED STATES RADIO—CHAOTIC CONDITION FORECAST AS INTERFERENCE FROM MEXICAN STATIONS GROWS WORSE; STATE DEPARTMENT ADAMANT

By Sol Taishoff

Foreshadowing a condition that will become intolerable unless prompt action is taken by United States authorities, Cuba is entering North American broadcasting as a new and unexpected menace.

With interference steadily growing worse as new Mexican stations of substantial power take the air, reliable reports reach Broadcasting that private American radio interests are "investigating" the Cuban field and contemplate the location of stations on the island to cover southern and eastern portions of the United States.

Heretofore a negative factor in North American broadcasting, Cuba, however, is strategically located for coverage of a wide sweep of American territory. As Cuba is only 125 miles from the Florida coast, engineers say that the overwater transmission would make Cuban stations of substantial power even more effective than those just across the Mexican border for United States coverage.

While the American Government idly stands by because of an inexplicable attitude of the State Department, conditions are rapidly approaching a chaotic state. Internal political complications both in Mexico and in Cuba have tended only to aggravate the situation.

Certain stations in the United States are known to have been warned by private cliques that unless they paid substantial amounts high-power stations would be built in Mexico to operate on their wave lengths and would "blast them off the air."

The Government of Mexico is said to be badly in need of funds, and special fees are being paid by American interests seeking radio franchises for the concessions, over and above the Federal annual fee of \$1 (P2) per watt of power. This price is fixed upon concessions before they are granted. Mexico was not aroused to the money-making possibilities of broadcasting until last year, but since then there has been an influx of American capital to build new stations along the border for the undeniable purpose of covering the United States.

RADIO COMMISSION QUIET

American capital is moving into Mexico, and probably into Cuba, because the saturation point has been reached in the United States in so far as new stations of high power are concerned. These interests have as their motive coverage of the American markets rather than those in the countries in which the stations are located. Coverage of foreign markets may be some inducement to American industries to advertise over the stations, but it is far from the predominating influence.

The Radio Commission is well aware of the seriousness of the situation, but it has hesitated even to talk above a whisper about it because of the adamant attitude of the State Department. There is no thought of a North American conference for a new deal respecting broadcasting wave lengths at this time, but some farsighted broadcasters have suggested that conversations, at least, be had with officials of Canada, Mexico, and Cuba, to arrange orderly allocation procedure until the whole matter can be threshed out at Madrid next fall.

While Mexico has not adhered to any definite allocation plan, Cuba up to this time has been careful to avoid conflict with United States stations regularly received on the island. New developments, however, coupled with the recent death of the man who was responsible for this orderly broadcasting arrangement in Cuba, indicate anything but favorable prospect.

Reports from Cuba are to the effect that applications are being made for increased power to 5 kilowatts and above for two existing stations as well as for new stations. The American interests are not so set upon the installation of new stations as they are upon purchasing existing stations and stepping up their power. There are only two stations in Cuba operating with power of more than 1 kilowatt, while only about one-half of the 60 licensed stations use as much as 100 watts.

LARGEST CUBAN STATION

The largest station in Cuba is CMK, operating with 3,150 watts on the Canadian exclusive channel of 730 kilocycles, licensed to the Hotel Plaza in Habana. Announcements over the station are

made both in English and Spanish. CMW, also in Habana, uses 1,400 watts and is operating on 588 kilocycles. Advertising rates over stations are fixed by the Government.

Revolutionist forces are active in Cuba and are responsible to a large degree for the unsettled radio situation. Whether in their need for funds the officials in power will permit a deviation from the policy of not allocating frequencies and power to Cuban stations which would disturb United States stations is not definitely known.

The current regulations designed to prevent interference were drafted by the late Augustus York, an American who went to Cuba as a soldier in the Spanish-American War and afterwards became the Government official charged with radio regulation. He was an uncle of Sergt. Alvin York, outstanding hero of the World War.

Some 10 new stations of substantial power now are being built in Mexico, supported by American capital, and mainly along the border. Because of the unsettled political conditions which resulted recently in reorganization of the Mexican cabinet, no accurate official information is available as to the concessions for new stations which have been granted by the new authorities. A number of applications, however, are known to be pending, seeking assignments on frequencies in between those used by American and Canadian stations.

POLICY LIKELY TO CONTINUE

The old administration favored the location of American-capitalized stations in Mexico, since that country is not a party to the North American "gentleman's agreement" of 1924 dividing between the United States and Canada the 96 available broadcasting wave lengths. The attitude of the new administration is not known, but its dire need for funds indicates a continuance of the policy, regardless of whether interference is caused with American stations.

Power boosts for a number of Mexican stations have been approved recently, and inevitably will result in further interference to American and Canadian stations. XEO, Mexico City, operated by the National Revolutionary Party, has been authorized to increase its power from 1 to 5 kilowatts, operating on 940 kilocycles. This is a regional frequency used in the United States by WCSH, Portland, Me.; WAAT, Jersey City; WFIW, Hopkinton, Ky.; WHA, Madison, Wis.; WDAY, Fargo, N. Dak.; and KOIN, Portland, Oreg. On this wave also is KGU, Honolulu.

The Brinkley station, XER, at Villa Acuna, just across the border from Del Rio, Tex., is causing interference with CKAC, at Montreal, on the Canadian exclusive channel of 730 kilocycles, as well as WSB, Atlanta. With 75 kilowatts, the highest power used by any station in the Western Hemisphere, the station is operating on the mid-channel of 735 kilocycles, and is perhaps more easily heard than any station on the continent.

It is reported that the station is receiving between \$1,000 and \$1,500 daily from listeners given medical advice by Dr. John R. Brinkley, goat-gland specialist, whose station, KFKB, of Milford, Kans., was thrown off the air by the Radio Commission because of his medical broadcasts and other practices which were construed as endangering the public health and welfare. Doctor Brinkley offers a "dream book" over the radio at \$1 each.

The Canadian Government, it is learned authoritatively, has received a protest from CKAC, operated by the powerful French-language newspaper La Presse, against XER. Presumably that protest was forwarded to the Mexican Government, but nothing has been done about it.

SOME MEXICAN STATIONS

XED at Reynosa, across the border from McAllen, Tex., is operating on the mid-channel of 965 kilocycles with 10 kilowatts. On 960 kilocycles, a Canadian exclusive channel, are five Canadian stations, while on the 970-kilohertz frequency are KJR, Seattle, and WCFL, Chicago, the former with 5 kilowatts and the latter with 1½ kilowatts at night.

Other stations of 5 kilowatts in Mexico are XEQ, Juarez, opposite El Paso, Tex., which operates on 750 kilocycles, a clear channel, and XEW, Mexico City, operating on 910 kilocycles, a Canadian exclusive channel used by CJGG-CNBL, London, Ontario, with 5 kilowatts and CFQR-CNRS, Saskatoon, Saskatchewan, with 500 watts.

One of two new stations being built at Tla Juana, presumably with American capital, has just been licensed with call letters XEFD, to operate on 1,020 kilocycles, with 300 watts. This frequency is assigned in this country to KYW, Chicago, using 10 kilowatts. XEFD is licensed in the name of Carlos de la Sierra.

Of the 45 Mexican stations now licensed, including the 5 Government stations, 17 are in Mexico City. The power of stations has been kept down, not by Government regulations but by the tax of about \$1 per watt.

Mexico is understood to favor the proposal for widening of the broadcast band as a means of accommodating more stations and of alleviating congestion and interference with stations in the United States and Canada. The former administration had made definite plans to advance a proposal to that end at the forthcoming International Radio Conference at Madrid. The Canadian broadcasting situation is quiescent at this time, but that nation is supposed to be standing ready to demand more frequencies when the subject is opened.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had

disagreed to the amendments of the Senate to the bill (H. R. 6660) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNS, Mr. BUCHANAN, and Mr. Wood of Indiana were appointed managers on the part of the House at the conference.

FIRST DEFICIENCY APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6660) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES. Mr. President, I ask that the Senate insist upon its amendments and agree to the conference asked by the House, and that the Chair appoint conferees on behalf of the Senate.

Mr. KING. Mr. President, will the Senator tell us just what the differences are between the House bill and the Senate bill?

Mr. JONES. The differences are the amendments that we put in on yesterday and a day or two ago.

Mr. KING. Very well.

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

The motion was agreed to; and the Vice President appointed Mr. JONES, Mr. HALE, Mr. BINGHAM, Mr. GLASS, and Mr. MCKELLAR conferees on the part of the Senate.

THE CALENDAR

The VICE PRESIDENT. The morning business is closed.

Mr. MCNARY. Mr. President, as the morning business is closed, I think under the usual practice the calendar automatically comes up under Rule VIII. I should like to have that announcement made.

The VICE PRESIDENT. The clerk will state the first bill on the calendar.

Mr. KING. 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	Cutting	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Dickinson	Kendrick	Schall
Bankhead	Dill	Keyes	Sheppard
Barbour	Fess	King	Shipstead
Bingham	Fletcher	La Follette	Smith
Black	Frazier	Lewis	Smoot
Blaine	George	Logan	Steiner
Borah	Glass	McGill	Thomas, Idaho
Bratton	Glenn	McKellar	Thomas, Okla.
Brookhart	Goldsborough	McNary	Townsend
Bullock	Gore	Metcalfe	Trammell
Bulow	Hale	Morrison	Tydings
Byrnes	Harris	Moses	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hastings	Norbeck	Walcott
Carey	Hatfield	Norris	Walsh, Mass.
Connally	Hayden	Nye	Walsh, Mont.
Coolidge	Hebert	Oddie	Waterman
Copeland	Howell	Patterson	Watson
Costigan	Hull	Pittman	Wheeler
Couzens	Johnson	Reed	White

The PRESIDING OFFICER (Mr. FESS in the chair). Eighty-eight Senators having answered to their names, a quorum is present. The clerk will announce the first bill on the calendar.

BILLS PASSED OVER

The first business on the calendar was the bill (S. 7) to provide for the deportation of certain alien seamen, and for other purposes.

The PRESIDING OFFICER. This bill is the special order for the 26th instant and will go over.

The bill (S. 1861) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington was announced as next in order.

Mr. FESS. Let that go over.

The PRESIDING OFFICER (Mr. JONES in the chair). The bill will be passed over.

The bill (S. 2326) to establish fish and game sanctuaries in the national forests was announced as next in order.

Mr. VANDENBERG. Mr. President, the junior Senator from Wyoming [Mr. CAREY] asked that that bill go over in his absence.

The PRESIDING OFFICER. The bill will be passed over.

HARDING TOWNSITE, FLA.

The bill (S. 476) for the relief of certain purchasers of lots in Harding Townsite, Fla., was announced as next in order.

Mr. VANDENBERG. Let that go over.

Mr. FLETCHER. Mr. President, I would like to have the bill brought up and disposed of, if the Senator from Michigan could see his way clear to allowing that to be done. He objected the other day, and I thought he had looked into the matter. A similar bill has been passed once by the Senate, and this bill was unanimously reported by the Committee on Public Lands again.

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

Mr. FLETCHER. I yield.

Mr. VANDENBERG. I would not for a moment want to prevent the Senator from having his bill considered. I have no objection to his moving to have it taken up and having it disposed of, but I could not personally consent that it shall be taken up by unanimous consent.

Mr. FLETCHER. Mr. President, I move that the Senate proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc. That the Secretary of the Interior is authorized and directed to issue a patent to any person (or the legal representatives of such person) who, as a result of an auction sale of lots in Harding Townsite, Fla., conducted during February, 1924, by a representative of the Department of the Interior, agreed to purchase a lot in such townsite, and who, (1) prior to the date of approval of this act, has paid to the United States 50 per cent or more of the agreed purchase price of such lot, or (2) within 12 months after the date of approval of this act makes payments to the United States which, together with payments previously made, amount to 50 per cent of the agreed purchase price of such lot. In the event that any person entitled to a patent as herein provided has paid to the United States more than 50 per cent of the agreed purchase price of any such lot, the Secretary of the Interior is authorized and directed to refund to such person an amount equal to the amount received by the United States in excess of such 50 per cent.

SEC. 2. As used in this act, the term "person" includes an individual, partnership, corporation, or association.

SEC. 3. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Mr. VANDENBERG. Mr. President, perhaps it will be preferable for me to state my objections to the bill, and then the Senator from Florida can respond as he sees fit.

Mr. President, at a time when we are supposed to be embarked upon an economy crusade, and when we spend hours and hours debating infinitely smaller items in connection with appropriation bills, it seems a perfectly amazing process to me that here we should have what is virtually a \$200,000 appropriation bill quietly moving along on the Private Calendar.

In the first place, this bill is not approved by the Department of the Interior and the General Land Office. That of itself should put us on warning, at a time when we are supposed to be economizing.

This is apparently what happened: In 1924, when Florida real estate was at its height, the Government auctioned off certain lands. Admittedly there was an ultimate legal difficulty in connection with the title, but in spite of that legal difficulty many of the purchasers of this land were able ultimately to resell the property which they purchased at a financial profit to themselves. Therefore it seems obvious

that the flaw in the title, or the legal difficulty involved, did not prevent those who wanted from realizing upon their purchases.

What subsequently happened? Some of the purchasers of these lots were unable to fulfill their contracts, and this bill proposes to release them and give them full title if they pay 50 per cent. Obviously, in order to extend that privilege to these particular lot owners, who find themselves caught in the collapse, as a matter of equity it is necessary to deal with those who have paid in full for their lots. Therefore the bill proposes to rebate down to 50 per cent the purchase price to those lot owners who have paid in full for their lots.

So we have three classes of lot owners upon this particular Florida real-estate transaction. We have the lot owners who purchased lots from the Government and sold them at a profit. Of course, they keep their profit; the Government has no recourse as far as they are concerned. Then we have the second class of lot owners, who have not been able to pay in full. We give them title if they will pay up to 50 per cent. Then we have the third class of lot owners, those who have paid more than 50 per cent, and we propose to rebate them back to 50 per cent, and give them their title.

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

Mr. VANDENBERG. I yield.

Mr. REED. Take the first class, those who resold their lots at a profit. Would they not have a refund of 50 per cent, in addition to their profit?

Mr. VANDENBERG. Perhaps; I am not sure. At any rate, there is enough profit in this bill to warrant its defeat without even including that.

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

Mr. FLETCHER. I know that the Senator does not want to be unfair about this measure.

Mr. VANDENBERG. I do not.

Mr. FLETCHER. The only reference to what the Senator has said is in the report of the commissioner. He says:

It has been reported by some of the purchasers that they have sold their lots at more than double the prices paid.

Undoubtedly some of these purchasers were offered a profit, but they could not give title. There was no transaction of that kind which went through. They could not give title because they had no patents. So that assumption is all wrong. They could have sold, and they probably agreed to sell, and that part of it went through, but the transaction could not be completed because the Government was not in a position to issue patents to the original purchasers.

Mr. VANDENBERG. Of course, I have no desire to misrepresent the situation, and I am simply depending for the moment upon the following paragraph in the report of the Commissioner of the Land Office, Mr. Moore, dated January 6, 1932:

The purchasers exercised their own choice and judgment in the purchase of lots. The competition for the lots was keen and the bidders made their own prices. At the date of the sale real estate prices were very high in Florida and much land was bought for speculation. It has been reported by some of the purchasers that they have sold their lots at more than double the prices paid. It should be noted that no interest was charged on the lots sold. Under all the circumstances I do not favor the enactment of the bill.

Mr. President, just a word in conclusion. Let me indicate the extent of the financing involved in this bill. It is proposed to release approximately \$85,000 of contract values still due the Government. It is proposed actually to refund, out of the Treasury of the United States, over \$100,000. Therefore this is in fact an appropriation bill of \$100,000, and in effect an appropriation bill of nearly \$200,000. Under the circumstances, particularly under the urge of economy which is supposed to challenge our interest and meditation at the moment, I submit that the bill should not be passed.

Mr. FLETCHER. Mr. President, it is important to consider what led up to this situation. Here was a piece of land, a reservation owned by the Government originally as a sort of a life-saving station, probably 20 acres or 40 acres in extent, most of it in mangrove swamp.

The life-saving station decided they did not need all the reservation. They reserved a certain strip alongside it for the life-saving station, and that strip is now a Government reservation.

This land was located some eight or ten miles north of Miami Beach, fronting the ocean, and running back to the bay. Upon deciding to release this portion of the original reservation, the Government threw it open to entry under the public land laws.

One Norton entered the land; he went on the property, built his house, made certain clearings, and was complying with the public land laws.

When the Florida boom arose to sufficient height to induce the Government to participate in it, and to attract them to do so, they concluded, under certain powers they had, to cancel the order about opening this land to public entry under the public land laws, and to declare it a town site. So they notified Mr. Norton that he would have to get off, that they were going to make a town site there, lay it off in lots, and sell the land as town lots.

Mr. Norton naturally resisted that. The poor fellow had gone there, made his entry in good faith, and built his house. I have been to his house. I saw his poor wife, who died there, eaten up largely by mosquitoes, I presume, and afflicted with malaria, and so forth, because it was all a swamp then.

Mr. Norton continued to occupy his house, and continued to resist the Government's authority to once declare the land open to public entry, permit him to go on and put his improvements there and comply with the laws, and then change their minds and declare that they were going to make a town site of the property and sell it off for the money there was in it.

Mr. Norton resisted and filed suit, which suit continued in the United States district court, went to the court of appeals, and even to the Supreme Court. Norton lost out finally and had to give up his entry. The Government proceeded then to lay the property out into lots and held an auction sale. They went out there in the boom days and auctioned off the lots, people were there to buy, and they did buy at extravagant, exorbitant, unreasonable prices. It was a day of speculation, I grant. Lots 50 by 100 feet 8 or 10 miles from any town or city sold there for \$15,000. It was perfectly absurd. The whole property was not worth \$1,500 and could not be sold to-day for \$1,500. At any rate that was the situation. But they did come there and bid for and buy these Government lots.

The PRESIDING OFFICER. The Senator will suspend a moment. The hour of 2 o'clock having arrived, under the rule the consideration of the calendar will be suspended.

Mr. McNARY. Mr. President, I ask unanimous consent that the Senate continue the consideration of the calendar under Rule VIII.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Florida will proceed.

Mr. FLETCHER. The Government agents making the sales gave notice to everybody present that the Government was in a position to issue patents immediately to the people who bid at the sales upon complying with the terms of the sale. Bids were made. I have not any doubt that some of the purchasers were subsequently offered higher prices for the lots they bid in, but there is no evidence anywhere that they ever succeeded in selling any of them or realizing on their purchases, because they had no title. Notwithstanding the fact that the sale was made at public outcry and purchasers were notified that the Government was in a position to issue patents, notwithstanding the fact that some of the people paid up in full and some paid a part of the purchase price, notwithstanding that they complied with the terms of the sale, the Government for four years was

unable to issue patents on account of the suit pending in the United States courts by Norton, Norton trying to set up and establish his right as an entryman of this area as public property which the Government had invited him to make by declaring it open for public settlement.

Naturally, Norton contested this change of mind on the part of the Government to declare it a town site in order to make money out of it. For four years that case remained in the courts. The Government was not in a position to issue patents to any of the purchasers, so the people who bid at the sale could not do anything with the land after they presumably got it, because they had no title. They could not sell. They had opportunity to sell; many of them had opportunity to make large profits on their purchases, because people were wild about these lots down there at that time; but the purchasers could not realize anything on their purchases. They were all held up simply for the reason that the Government was not in a position to issue patents, notwithstanding it had declared at the time of the sale that it was in a position to pass title and to issue patent. Agents of the Government so declared at the time.

That was the situation. These people, after waiting four years, or from four to five years, as many of them did, to get their titles have lost out. They have lost the opportunity to realize on their lots. They have lost any chance to make any profit or to complete their possession of the property. They have not been able to make improvements on their property because they have had no title and could get none.

What was the actual transaction? The commissioner reported that—

A total of 128 lots of 133 embraced in the town site were sold for \$386,400.

The whole property was not worth at that time actually \$3,000, but the Government got this bid of \$386,400 at public sale for the 128 lots. The appraised price of the lots sold was \$56,550. After they decided to make it a town site and undertook to get Norton off the land entirely they appraised it, made plats and maps, and laid out the lots and valued them then, before any sale was made, at \$56,550 for the 128 lots. So they were in a position to clear up on that transaction \$329,850. In other words, they sold the 128 lots at a price which would give them a profit of \$329,850.

The appraisal of the property by the Government was at \$56,550, and they sold 128 lots at this public sale under the assurance that they were in a position to give title, which they were not and did not do and never have done, so far as I know, because of the Norton suit pending in the court. If the whole transaction had gone through at that time, the Government would have cleared \$329,850. The total amount paid on the lots sold was \$300,327. That is what the people paid who bid in the lots. The total amount due on the lots sold is \$86,163.

Some of those people can not pay or will not pay the balance due. The lots are not worth anything approaching what their bids were, and consequently they will not pay. Why should they? A lot that was bid in for \$10,000 could not be sold for \$1,000 to-day. The man who has paid \$5,000 on account of that lot is not going to pay any more on it. Why should he? Of course, the people will lose what they have paid, but the Government will never get that \$86,163. A man would be foolish to carry out such a contract. All he has to do is to forfeit his contract. They will all forfeit their contracts.

The report of the commissioner says that the department, under the terms of the bill, would receive half of the sale price, which is \$193,200. They would have cleared that much, and the Government would get \$193,200 out of the transaction. The appraised value of the lots is \$56,550. The Government therefore would realize on the property appraised by it at \$56,550 the sum of \$193,200 if the bill is approved, making a profit absolutely clear of \$136,650. Of course, the Government has disposed of Norton. It did not sell the lot on which his house was located. I do not know what became of that, but Norton is dead and his wife is dead and all of them have disappeared, so the Government claims that lot, too.

The bill proposes that where the purchasers have paid 50 per cent of the price they bid at the public outcry under the assurance that they would be given their patents, they shall be entitled to a patent now, and where they have paid more than 50 per cent of the purchase price it is provided that they shall be refunded the amount paid in excess of the 50 per cent. The 50 per cent payment would give the Government \$193,200 for property for which the Government itself paid \$56,550. I can not see anything unreasonable in that. I see nothing but justice and fairness in it. The Government will never get the balance of the payments due under the contracts because the property is not worth it. It does not approach even the appraised value now.

The bill provides that out of the total of \$386,400 paid in, the Government shall pay back to these purchasers \$100,000 where they have paid in excess of 50 per cent of the purchase price. All we are asking and all the bill provides is just that much, and it seems to me fair and just and right in view of the fact that the Government could not give title to the property after the people bid the lots in. For four or five years the Government was unable to give title, during which time all opportunity to dispose of the property or to make any profit on the lots had disappeared and was extinguished, so that now what we are asking is that the Government take this very exorbitant profit, this tremendous profit of \$136,650, and be content with that.

I think the Government ought to be willing to do that, and especially I think the Government ought to do it because of the fact that the Government was not able to carry out its assurance to the public when the lots were bought that the Government was in a position to give title to the property. The Government could not do it and did not do it. It fought the Norton claim through all the courts to the Supreme Court of the United States, and in the meantime all opportunity to make any profit on the lots disappeared and the purchasers lost what they had paid. I think the Government ought to be satisfied with this little piece of ground which they appraised, in those days of high prices and speculation and wild dreams about the value of real estate down there, at \$56,000 and for which they received \$386,400.

We ask that the Government turn back \$100,000 of that sum to the people to whom they could not give title and who have lost all opportunity of realizing on the lots because the Government did not issue patents and would not issue patents until the Norton suit was disposed of. The Government held these people there between four and five years without title to their lots. There is no dispute about that. During that time the purchasers had the right, if they had had their title, to make the profits on their lots. They were offered advanced prices; they were offered profits and could have made profits on their purchases, but they could not get title from the Government.

We ask now to let them lose 50 per cent of what they have paid. They will never realize 10 per cent of the other 50 per cent, but we will let them lose 50 per cent. Those who have not been able to pay 50 per cent may pay up their accounts to that extent and get title to the lots, so they can do something with them perhaps hereafter. They can hold them indefinitely, because the Government is now in a position to give title to them. Norton is out of the way, because the Supreme Court held against him and the Government can now convey title. The purchasers are in a position to convey title when they get their patents. All of these people have made considerable payments, though some of them have not made quite 50 per cent, and can not make them and probably never will make them. They will lose all they have paid in unless we provide that they will be permitted to pay up 50 per cent of their bid and get title to the land, and that those who have paid in excess of 50 per cent will be refunded that excess.

When that is all done the Government will realize a net profit of \$136,650 out of a property for which they have paid \$56,550. Is not that enough? Is not that in all conscience fair, and especially so in view of the fact that the people who bid at the sales were not able to go on with

their purchases, were not able to realize anything by reason of their purchases, because the Government was not in a position to issue patents to the property, and this condition continued for four or five years.

I submit the bill is entirely reasonable and proper and that it ought to be passed.

The Commissioner of the General Land Office does not favor the enactment of the bill; he is not enthusiastic about it, but is not very strong in opposition to it. We can not expect the department to favor a bill which will cause the Government to pay back some money that has been paid into the Treasury. But it is utterly unconscionable that the Government should insist upon the payment of \$386,400 for property which it appraised at \$56,550, and at the same time withhold from purchasers who made bids amounting to the aggregate sum patents for the lots as they acquired them. The department was not in position to give the patents.

Mr. President, I hope the Senate will see the justice of this bill. The Government will realize 50 per cent on the bids, which were made in exciting times when people were wild about values and when speculation was rampant. In addition to realizing 50 per cent on the bids, the Government will get a profit of \$136,650 on those lots. That ought to be sufficient.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for third reading and read the third time.

The VICE PRESIDENT. The question is on the passage of the bill.

The bill was passed.

AUGUST R. LUNDSTROM

The Senate proceeded to consider the bill (S. 1440) for the relief of August R. Lundstrom, which had been reported from the Committee on Military Affairs with an amendment on page 1, at the end of line 8 to insert: "*Provided*, That no bounty, back pay, pension, or allowances shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws August R. Lundstrom, late of Company L, Eighteenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on the 6th day of April, 1903: *Provided*, That no bounty, back pay, pension, or allowances shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

JOHN F. WALKER

The Senate proceeded to consider the bill (S. 1891) to amend the military record of John F. Walker, which had been reported from the Committee on Military Affairs with an amendment.

Mr. FESS. Mr. President, there are quite a number of bills of this character on the calendar. Neither the Senators who introduced them nor the Senators who reported them appear to be present in the Chamber. I should like to have an explanation of some of these measures before we act upon them.

Mr. REED. Mr. President, this is the case of a soldier who served a full enlistment, received an honorable discharge, was given authority by the department again to enlist in 1922 in order to get an honorable discharge, but when he presented himself for medical examination he was found not to be up to the physical standard, and consequently could not reenlist even for that purpose. Because of the fact that he had served the full term during the Spanish War and was honorably discharged, with character good, the committee thought it might pardon his subsequent desertion in peace times and allow recognition for his good service in war times.

Mr. FESS. I have no objection to the passage of the bill.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment was, at the top of page 2, to strike out section 2, as follows:

Sec. 2. The Secretary of War is authorized and directed to issue to John F. Walker a discharge certificate showing that he is held and considered to have been honorably discharged as of such date.

So as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, their widows, children, and dependent relatives, John F. Walker shall be held and considered to have been honorably discharged as a private (first class), Hospital Corps, United States Army, on December 26, 1903: *Provided*, That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of John F. Walker."

LEMUEL SIMPSON

The Senate proceeded to consider the bill (S. 315) for the relief of Lemuel Simpson, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 2, after the word "shall," to strike out the word "accrue" and insert "be held to have accrued," so as to make the bill read:

Be it enacted, etc., That the administration of the pension laws and laws conferring rights and privileges upon honorably discharged soldiers, their widows, and dependent relatives, Lemuel Simpson, late of Company B, Seventh Regiment Missouri Volunteer Cavalry, and Company K, Fifty-fifth Regiment Indiana Volunteer Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said Company B, Seventh Regiment Missouri Volunteer Cavalry: *Provided*, That no back pay, pension, bounty, or other emoluments shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

Mr. REED. Mr. President, I am asked for a statement on this bill.

This beneficiary enlisted in the Black Hawk Cavalry in the Civil War, served faithfully, was wounded, and was sent home in order to convalesce. When he came back to join the organization he tried to do it, but the Black Hawk Cavalry had been disbanded; it had been consolidated with some other organization which he never reached. Consequently he was not given any kind of a discharge, but he subsequently served until he was honorably discharged in the Fifty-fifth Indiana Infantry. He was barred from getting a pension. He is now about 90 years old, if I remember the case correctly, and the committee thought that his honorable services, his wounds, and his subsequent enlistment and honorable discharge entitled him to the discharge that he was not there to get from the Black Hawk Cavalry.

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

DENTON L. SIMS

The Senate proceeded to consider the bill (S. 542) for the relief of Denton L. Sims, which had been reported from the Committee on Military Affairs with an amendment, in line 11, after the word "shall," to strike out the word "accrue" and insert the words "be held to have accrued," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and laws conferring rights and privileges upon honorably discharged soldiers, their widows, and dependent relatives, Denton L. Sims, late of Company H, Thirty-eighth Regiment United States Volunteer Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on June 30, 1901: *Provided*, That no back pay, pension, bounty, or other emolument shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

Mr. REED. Mr. President, the soldier who is the beneficiary of this bill was court-martialed and dismissed from the service dishonorably.

Mr. MCKELLAR. In what war?

Mr. REED. In the Philippine campaign after the Spanish War. He was dishonorably discharged for having committed arson, in substance, and his War Department record looked pretty bad, but on investigation the committee found that all he had done was to light a small fire for the purpose of attracting, for some reason, attention to his location; that he did not thereby damage any building; that he did not cause 10 cents worth of damage to any property. The committee has been utterly unable from our study of the case to understand how that court-martial ever reached the conclusion it did. There was no conflicting evidence, nothing contradictory to the many affidavits submitted by him and his comrades. So the committee came to the conclusion that it was a case of great justice.

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

HAROLD S. SHEPARDSON

The Senate proceeded to consider the bill (S. 1293) for the relief of Harold S. Shepardson, which had been reported from the Committee on Military Affairs with an amendment, after line 9, to insert: " *Provided*, That no bounty, back pay, pension, or allowances shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harold S. Shepardson, formerly private, Company A, Fourteenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged April 28, 1905, from the military service of the United States: *Provided*, That no bounty, back pay, pension, or allowances shall be held to have accrued prior to the passage of this act.

Mr. FESS. Mr. President, I should like to have an explanation of the bill? Otherwise, I shall ask that it go over.

Mr. FLETCHER. Mr. President, the beneficiary of this bill—and I read from the report of the committee—

Enlisted April 7, 1899, for three years and served during this period in the Coast Artillery. He was honorably discharged April 6, 1902, by reason of expiration of the term of service, as a sergeant. He again enlisted May 5, 1902, for three years—

Promptly after being discharged at the end of his first enlistment he reenlisted—

and was assigned to Company I, Third United States Infantry; was transferred January 14, 1903, to Company A, Fourteenth United States Infantry.

The record shows—and this is the only question that can be raised as to his service at all—that eight days before the expiration of this enlistment he left his company, after making an effort to obtain a leave of absence. His property at home was being dissipated, he was, as he claims, about to lose everything he had, and he was obliged to get away to look after the matter. So eight days before his term expired he left his company. Some of his relatives had died, the estate was being dissipated; everything was being lost, and, under these circumstances, he claims he had to leave in order to save what little he had at home. He had served some five years and received an honorable discharge at the time of his first enlistment. In every way except as indicated, his record is creditable.

Mr. MCKELLAR. Did he make a good soldier?

Mr. FLETCHER. Yes; he seems to have made a good soldier, and the only thing, as I have stated, which can be said against him was that he left eight days before his last enlistment expired.

Mr. FESS. I have no objection to the passage of the bill.

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

The amendment was agreed to.

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

THE LAW'S RELATION TO TEMPERANCE AND MORALS—ADDRESS BY GOVERNOR MURRAY, OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Record an address delivered before the Anti-Saloon League at the Mayflower Hotel on January 18, 1932, by Gov. William H. Murray, of Oklahoma.

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

Mr. Chairman, ladies, and gentlemen, temperance and morals are ever-pressing questions of every generation of mankind, of every family and individual therein, because we do not inherit either temperance or morals—both grow largely out of training to enable the individual to master his appetites and passions. We may inherit will power; we may inherit the disposition for right living, but rare indeed would any individual live correctly but for rigid training from childhood to maturity—from the cradle to the grave. True, by reason of different character of inheritance, some may more easily control themselves than others, but all depends upon rigid training to self-mastery, self-control, the conquering of self, by controlling dispositions and by a mastery over those personal tendencies to evil.

Hence, with every family and every generation, as with every individual, temperance and morals are an ever present and burning issue.

Just how to bring about private and public morals is when the disagreement arises. A few think, judging from their preachers, that it can be done, so far as public morals are concerned, by law alone; on the other hand, a few likewise believe that it can be accomplished by home training alone. The great body of experienced citizens realize that it requires both such training and the law; and, again, out of just how much of law and of training arises another disagreement. Hence, in the beginning, we had best invoke the Scriptures: "Come, let us reason together."

In my opinion, in youth, by precept and example in the home is the mainstay of private and public morals, aided by the law to destroy the shops of both evils, and, for the most part, they are allies of each other. I think it will be agreed that theft and gambling, and many other evils require the law as aid to the training of the child.

Home influence should begin with the lisping mother's croonings to her infant in the cradle; to instill shame, whispering admonitions of right conduct, fortified by the stern precept and example of the father; and, to the more mature man and woman, the preaching of the fundamentals of religion, true and undefiled, from the pulpit; indeed, the social basis of each of the five great religions have a common purpose—private and public morals.

But the question arises—how far should and can the law aid?

It may be of interest to learn the beginning of laws making for temperance. In the early centuries of the Christian era, when the Saracens (Mohammedans) were marching over Asia and Africa and conquering the most of Europe, until checked by Charles Martel in 732 A. D., at Tours, they captured the Holy City, the city of Jerusalem. After they subdued this city and reduced it completely to their control, Omar, the general, made a treaty with the Christians residing in Jerusalem. Among other things, the treaty recited that the Christians should be permitted to reside in the city and go in and out at will, pursuing their trades and commerce, subject only to section 4 of the treaty. Section 4 provided that the Christians should never sell intoxicating liquors in the city of Jerusalem. What an outstanding irony! This was the beginning of laws governing temperance, although earlier and since very rigid laws governing morals had been invoked. Since this Jerusalem treaty, for some twelve hundred years, the Christian world has entered into a hot discussion over temperance by law—in some periods more or less loose; in others, very rigid.

Unmistakably the training of the child in the home and in the educational institutions must be relied upon as a basis of all private morals and of the child's future existence as an element of society and public morals. Nevertheless, unless the law at least is invoked far enough to destroy the shops, the dives of intemperance and debauchery, little progress can be made, particularly in public morals, which, in the end, affect the private morals of the citizen, and we must presume that this is the purpose of the eighteenth amendment and the Volstead Act. If they do not perform this service to society, then they must be pronounced a failure.

While I undertake on this occasion to discuss the law's relation to temperance and morals, yet candor exacts of me that I state my personal opinion of that method of control. When, as president of the Oklahoma Constitutional Convention, as is well known by Doctor Dinwiddie, your Washington agent, I threw my entire strength and prestige on the side of prohibition, because I wanted Oklahoma to step in duly sober; but I stated at the time, and it is my judgment now, that prohibition will not prove the wisest legal solution of the control of the liquor traffic. It is but a beginning of the solution of this vexatious question; but, as between prohibition and the evils of the old saloon which many of our citizens seem to have forgotten, which became veritable brothels, not only for intemperance but gambling, pocket picking, and sexual debauchery, the master of these saloons offensively insinuating himself in the school elections and in all public movements for proper restraint of appetites and passions of men. As between the return of the institution, destroyed by prohibition, and prohibition itself, in my opinion, there is no argument; and doubtless this is the cause of the position of the wives and mothers of the country who uniformly support that cause and vote for candidates who do not subscribe thereto, and permit me here to warn the politicians of the country that while the wives and mothers do not nominate Presidents, and will never do so until they attend with their husbands and brothers the party caucus or primary convention, yet they vote just as strong and will destroy any candidate or party who plant themselves on the

side of a return of that debauchery. Wives and mothers would sooner give up the ballot itself; they would trust their husbands and sons at the ballot box, but they are too wise to trust them in such a brothel.

I give this warning to my fellow men, and particularly to the politician who imagines that he can frame a political slate, mix the political medicine pot, and force the women of the country to swallow it.

It will be observed that many men and groups of citizens profit by the debauchery of humanity; the viewpoint of that class should never be considered in the settlement of any wholesome question, for the commercial minded consider everything from the standpoint of personal gain and nothing from the standpoint of the public weal. Personal honor and integrity are worthy of the serious consideration of an honest citizenship. Therefore the advice of men and women who believe in temperance and morals should be accepted in drafting such laws.

On the other hand, I wish to be candid enough to give you what, in my opinion, constituted the greatest error in the legal control of the liquor traffic. I am thoroughly convinced that had the original Sheppard amendment been adopted, which only prohibited the "sale and transport of liquor" and therefore left the citizen free to grow grapes and make his own wine, purchase hops and make his own home-brew; and, if he did not grow grapes, import them from California or elsewhere and make his own wine—I say I believe had that original provision been adopted, the law had better been enforced, received a greater public support, and more easily enforced, this because the sacredness of home from trespass is too often violated by enforcement officers committing a greater wrong than the wrong committed by the homemade-wine maker; and by reason of this error the strong and powerful in society keep liquor at all times that has been transported, and their homes are made secure against unreasonable "search and seizure," and the average man, particularly the "poorest and least important citizen," is pounced upon and wheeled off to jail for doing exactly what the higher-ups are guilty of, and everybody knows it. This breaks down respect for the law, because it is not uniform on everybody.

This lack of uniform enforcement was one of the causes that contributed to the abolition of the saloon. The laboring man at the end of the week or month visited the saloon and, in the purchase of his drinks, exhibited his bills until he became intoxicated to that extent that he knew little about what he was doing. Eyed closely by the bartender, who, in making the change, often took more than full compensation; picked up the bills dropped on the floor; and, when the laboring man's last dollar was gone, kicked him out on the street or handed him over to the "cop," to be thrown into jail for public drunkenness.

The laboring man throughout the country justly resented this treatment, and, therefore, how much greater does he resent the trespass upon the sacredness against trespass of his home. One of the cardinal doctrines of the American Revolution was in opposition to "unreasonable search and seizure." It was written in all our constitutional instruments, all our fundamental laws, that there should never be "unreasonable search and seizure" of the citizen's home. For many years the American citizen was fond of repeating that very lofty and beautiful political sentence of Lord Chatham, the great English statesman, who said: "Though a British subject live in a log-walled hut, though the puncheon floor may sag beneath his feet, the door may screech upon its wooden hinges, the winds may howl around it, the thunder may roar, and the lightning flash above it, the rain, sleet, and snow may enter it, but the King can not without his consent"; it is his castle.

This doctrine of the home is so sacred to the American citizen that any trespass upon that doctrine, whatever be the excuse, has been, and always will be, resented. Too often, as I have known it to be done in Oklahoma, the courts have issued to the enforcing officers search warrants in blank, in violation of all American constitutional law, and that officer meandering down the street, deciding he wishes to enter a given dwelling place, writes in the number on the door and proceeds to violate this fundamental American doctrine.

Permit me to give an example, as Governor of Oklahoma: A thrifty farmer living in the remote precincts of Lincoln County, Okla., always responsible for his obligations, with an excellent credit, paid his taxes, obeyed the laws, and lived a circumspect citizen; grew some grapes last year. He squeezed the juice out and let nature do the rest. A deputy sheriff of his county who did not like him, searched his premises and found this wine which nature had made from the grapes he grew himself, and from which he extracted the juice. It was admitted that he never transported it and never sold it, but he was jerked up, given 30 days in jail and a heavy fine and costs. A great number of his neighbors and fellow citizens who had always voted for prohibition assured me that that was not a crime, and I took their view of it, and did not permit him to suffer a day in prison, nor the expenditure of his funds; and, somehow, I do not believe that that man committed any crime, but he technically violated the eighteenth amendment.

The question is, Should that be the law?

I do not now undertake to say what should be the settlement of this question, what laws to be enacted, what course should be pursued to bring about a settlement of this question, for the reason that I do not think that the American people have reached the point where they would listen to a settlement of the question, nor will they be, so long as they are locked on the question of

repeal on one side and no change in the law on the other. For that reason, the only wise thing, in my opinion, is to lay the subject aside until there is greater thought and deliberate judgment matured in the minds of the people that will lead to an ultimate solution.

If the public mind (thought) could be brought to bear directly upon the question, as to what is best, rather than what "I believe," and what "I stand for," because beliefs too often begin just where information ends, it would be correctly settled. Here is a great question confronting the American people just at a time they are least fitted to solve it. For more than two decades, our institutions of learning have turned out graduates, taught for the most part "what to think" rather than how to think. So, it is folly for man to attempt to think so long as that is the attitude of both sides of the question. How unjustly are treated the thinking few by those who never think, but think they do!

Some have suggested that it will be necessary to repeal the eighteenth amendment and leave to each State the settlement of the question. That will not permit a State to be dry, if it so desires, owing to the exercise of interstate commerce by the Federal Government, which would do more to destroy the law than the boot-legger. A State could not be dry if it wanted to, because the Federal laws would interfere through the exercise of interstate commerce.

It could be done within the Constitution and under its limitations, by the use of leagues of States and zone control—in effect, a treaty between the States and the Federal Government—a power used but once or twice in the history of the Government—yet entirely within constitutional powers and limitations.

I give this merely as an illustration of what can be done. It would be entirely constitutional, as in the settlement of the source of the waters of the Boulder Dam, for the United States Government through Congress to create a commission to make a treaty between the several States by groups or zones of States in league for a common method, each State, in turn, appointing a commission to draft jointly a plan with the Federal commission.

Suppose then they should agree that a uniform law covering the entire Republic could not be made satisfactory; that they found New York, Pennsylvania, Ohio, Indiana, Illinois, and Wisconsin wanted beer and wine; California and the other Pacific and grape-growing States wanted wines; certain other States wanted to handle liquor in a given way, for medicinal purposes only; and certain other States wanted to remain bone-dry. It would be within the power of such a commission to draw a statute, grouping these States according to their desires and wishes, and have that statute ratified by Congress and by three-fourths of all the States; at the same time, providing that interstate commerce should exist only between the States or groups of States permitting the sale of the same liquors; in other words, that interstate commerce between the beer States should be had, but not between them and any other States; and, likewise, that those having wine alone prohibiting interstate commerce with the bone-dry States. Such a law drawn on the zone system, when ratified by Congress and legislatures of three-fourths of the States, would undoubtedly be within the Constitution and the law of the land until amended or changed by a like method.

I wish it especially noted that in this discussion I am pointing out what could be done, and how, and not offering any plan for solution for the reason expressed in the beginning. Since to repeal the eighteenth amendment requires two-thirds of both Houses of Congress and its ratification by three-fourths of all the States, so that so long as 13 States would oppose a repeal it could not be done. I have therefore suggested that the wise course to pursue would be to lay the question aside and not attempt its solution, especially by party action; indeed, constitutional amendments should not be made with a religious, a partisan, or fanatical bias; the Constitution being the fundamental law of the land, prescribing the form of government; and, since the power of all government originates with the people the fundamental law should be the reflex of the deliberate judgment of the people, and not to be changed in moments of popular passion, fanaticism, or bigotry.

It is also fundamental, as expressed in the first section of the bill of rights of every State in the Union, "all power of government originates with the people, made for their benefit; and they have the inalienable right to alter, reform, or change the government at their will." This is a fundamental doctrine running through the bill of rights of every State of the Union; they may amend their constitution and then repeal that amendment; but I insist it should always be done as a deliberate judgment rather than by partisanship; and, since it would be impossible to repeal the amendment during the next four years, and in view of the economic errors confronting us which, if left uncorrected, will lead us on to revolution, and which must be settled during the next four years; or if not settled, we shall have no Republic in which to discuss the question of prohibition at all.

We have discussed prohibition now in a Christian world for some twelve hundred years; we shall have twelve hundred more, if our Nation may endure, to do so; but we can not await the settlement of the economic errors; otherwise we shall have no government for such discussion.

To me, therefore, it is more important for the citizen to be enabled to buy a square meal and have a surplus before he should think of where he is going to get a drink. In short, "bread and butter, bacon and beans" is of more importance than "beer and booze." This will display a greater strength of brain and backbone.

I have observed that sundry candidates for the Presidency on my party ticket uniformly overlook the fundamentals which so beset us—the correction of economic errors, and an attempt to make the paramount issue the repeal of the eighteenth amendment. This should create a suspicion as to the real motives to serve the corrupt interests of the country, by dividing the people upon a question in which there is too much hate for settlement at this time. These candidates do not express themselves on any other issue except occasionally to read a "paper" which we may term a "composition"—not possessing the strength of rhetoric, or diction, language, or logic to be termed an "essay"—which generalizes on many unimportant things and gives no definite expression on anything save and except the eighteenth amendment. I shudder at the prospect.

I do not know how others would view promotion in public affairs by such method. I should hate to have it said that I rode into the White House either on a wave of fanaticism or astride a beer keg.

I repeat again: Public and private morals and temperance should begin with the cradle, as it has always begun, and run with every citizen to his grave; home training, through the public school, strengthened by the eloquence of the pulpit, balanced by wholesome laws to sustain private and public morals. This has always been the mainstay of society and wholesome government; and you may therefore place me in every contest on the side of temperance and morals; and out of no consideration of political expediency, financial gain, or personal aggrandizement would I depart from that position.

HARVEY K. MEYER

The bill (S. 2406) for the relief of Harvey K. Meyer, and for other purposes, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Harvey K. Meyer, superintendent and special disbursing agent at Colville Agency, Wash., for payments aggregating \$312.67, made from tribal funds of the Spokane Indians to William S. Lewis, of Spokane, Wash., to reimburse him for travel expenses incurred in behalf of said Indians, as provided in his contract with them as their attorney, which payments were disallowed by the General Accounting Office for the reason as claimed that there was no authority of law therefor.

QUINAELT INDIAN RESERVATION, WASH.

The bill (S. 2408) to repeal the act of Congress approved May 31, 1924 (43 Stat. L. 247), entitled "An act to authorize the setting aside of certain tribal land within the Quinaelalt Indian Reservation, in Washington, for lighthouse purposes," was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of May 31, 1924 (43 Stat. L. 247), authorizing the Secretary of the Interior to set aside for lighthouse purposes lot 5, section 13, and lot 1, section 24, township 21 north, range 13 west, Willamette meridian, within the Quinaelalt Indian Reservation in Washington, containing a total of 43.21 acres, be, and the same is hereby, repealed in its entirety.

SKULL VALLEY INDIAN RESERVATION, UTAH

The bill (S. 2553) to reserve certain land on the public domain in Utah for addition to the Skull Valley Indian Reservation was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the south half of section 14, township 5 south, range 8 west of the Salt Lake meridian, Utah, on the public domain, be, and the same is hereby, reserved as an addition to the Skull Valley Indian Reservation: *Provided*, That the right and claims of any bona fide settler initiated under the public land laws prior to September 2, 1931, the date of withdrawal of the land from all form of entry, shall not be affected by this act.

BILL PASSED OVER

The bill (S. 1951) for the relief of Howard P. Cornick, reported adversely by the Committee on Military Affairs, was announced as next in order.

Mr. REED. Mr. President, in the absence of the Senator from California, I should not like to have action on this bill.

The PRESIDENT pro tempore. Without objection, the bill will be passed over.

CONDITIONS IN HAWAII

The resolution (S. Res. 137) providing for an investigation of conditions in Honolulu and the Territory of Hawaii was announced as next in order.

Mr. VANDENBERG. Mr. President, this resolution relates to the same subject matter which was debated earlier in the day. The resolution of the Senator from Tennessee is also

pending before the Committee on Territories and Insular Affairs. It has been temporarily postponed pending preliminary reports from the Department of Justice and its investigators. In view of that circumstance, I suggest that the resolution go over.

Mr. FESS. Mr. President, the Committee to Audit and Control the Contingent Expenses recommended that this resolution be referred to the Committee on Territories and Insular Affairs, but when it was reported there was some objection to that course and it therefore had to go to the calendar. This is not the recommendation of the Committee to Audit and Control the Contingent Expenses of the Senate. Therefore, I move that the resolution be referred to the Committee on Territories and Insular Affairs.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to.

SURVEYS AND DIKE CONSTRUCTION IN OREGON

The bill (S. 719) authorizing a survey of Columbia River from Tongue Point to the sea was announced as next in order.

Mr. McNARY. Mr. President, the bill the title of which has just been read, together with Orders of Business Nos. 93, 94, 95, 96, 97, 98, 99, and 102, being the bills, respectively, S. 721, S. 726, S. 727, S. 729, S. 730, S. 718, S. 723, and S. 728, all refer to authorizations for surveys and the construction of and operation of dams and dikes to prevent the tidal flow of waters along the Oregon coast. Similar bills were passed during the latter part of the last session. They have been reintroduced at this session. Favorable reports have been received upon them from the department. Without further explanation, I submit them to the consideration of the Senate.

The PRESIDENT pro tempore. Without objection, Orders of Business 92, 93, 94, 95, 96, and 97, being, respectively, the bills (S. 719) authorizing a survey of Columbia River from Tongue Point to the sea, (S. 721) authorizing a preliminary examination and survey of Alsea Bay, in the State of Oregon, (S. 726) granting the consent of Congress to the Sunset Investment Co. to construct, maintain, and operate a dam to retain tidal waters in Inner Depoe Bay, Lincoln County, Oreg., (S. 727) granting the consent of Congress to the State of Oregon and the Haynes Slough Drainage District to construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Haynes Slough, Coos Bay, Coos County, Oreg., (S. 729) granting the consent of Congress to the State of Oregon and the Larson Slough Drainage District to construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Larson Slough, Coos Bay, Coos County, Oreg. (S. 730) to provide for preliminary examination and survey to be made of the Willamette River and its tributaries, Oregon, with a view to providing a navigable channel from Eugene to Springfield, and (S. 728) granting the consent of Congress to the State of Oregon and the Beaver Slough Drainage District to construct, maintain, and operate a dam and dike to prevent the flow of tidal waters into Beaver Slough, Coquille River, Coos County, Oreg., having been reported without amendment, will be considered as having been read, as having passed through the various parliamentary stages to passage, and passed.

Order of Business Nos. 98 and 99 being, respectively, the bills (S. 718 and S. 723), have been reported with amendments, which will be stated.

SURVEY OF COQUILLE RIVER, OREG.

The Senate proceeded to consider the bill (S. 718) authorizing a survey of Coquille River, Oreg., which had been reported from the Committee on Commerce, with amendments, on line 6, after the word "such," to strike out "examination and"; and on line 8, after the word "four," to strike out "examinations and surveys" and insert "examinations, surveys, and contingencies of rivers and harbors"; so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a survey, in accordance with House Document No. 808, Sixty-ninth Congress, first session, of Coquille River,

Oreg. The cost of such survey shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendments were agreed to.

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

SURVEY OF YAMHILL RIVER, OREG.

The Senate proceeded to consider the bill (S. 723) authorizing a preliminary examination and survey of the Yamhill River, Oreg., which had been reported from the Committee on Commerce, with amendments, at the beginning of section 3, page 2, line 12, to strike out "a sum sufficient to pay the" and insert "The"; in line 13, after the word "survey," to strike out "is hereby made available" and insert "shall be paid"; in line 15, after the word "for," to strike out "examination" and insert "examinations"; and in line 16, after the word "contingencies," to strike out "for" and insert "of"; so as to make the section read:

Sec. 3. The cost of such examination and survey shall be paid from appropriations heretofore made, or to be made hereafter, for examinations, surveys, and contingencies of rivers and harbors.

The amendments were agreed to.

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

The PRESIDENT pro tempore. The Chair understands that Order of Business No. 101, being the bill S. 355, is to be passed over.

Mr. McNARY. That is correct.

BRAZOS RIVER AND HARBOR NAVIGATION DISTRICT, TEX.

Mr. SHEPPARD. Mr. President, I do not understand that the Senator from Oregon included Order of Business 100, Senate bill 2278, in his request. I do not think there is any objection to that bill.

Mr. McNARY. No; the order suggested by the Chair should apply to Order of Business 101 but not to Order of Business 100.

The Senate proceeded to consider the bill (S. 2278) authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River and Harbor Navigation District, of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex., which had been reported from the Committee on Commerce with amendments, on page 1, line 5, after the word "River," to strike out "and"; in the same line, after the word "Harbor," to strike out "navigation district" and insert "Navigation District"; on page 2, line 3, after the word "River," to strike out "and"; and in the same line, after the word "Harbor," to strike out "navigation district" and insert "Navigation District," so as to make the bill read:

Be it enacted, etc., That the Secretary of War may, in his discretion, reduce the penalty of the bond executed April 27, 1928, by the Brazos River Harbor Navigation District, of Brazoria County, Tex., as principal and the National Surety Co. as surety, to insure the payment of the sum of \$861,000 to such amount as in his opinion will cover any further contribution which may be required from the said Brazos River Harbor Navigation District in connection with the project for improvement of Freeport Harbor, Tex., authorized by the river and harbor act of March 3, 1925: *Provided*, That whenever the Secretary of War is satisfied that the said project has been completed and the works have become so stabilized that no further expenditures will be necessary other than normal maintenance, he may cancel said bond and release the said principal and surety from any obligation thereunder.

The amendments were agreed to.

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

The title was amended so as to read: "A bill authorizing the Secretary of War to reduce the penalty of the bond of the Brazos River Harbor navigation district of Brazoria County, Tex., furnished as surety for its doing certain work on the improvement of Freeport Harbor, Tex."

LEASE OF POST-OFFICE GARAGE, BOSTON, MASS.

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDENT pro tempore. May the present occupant of the chair ask the Senator from Wisconsin to withdraw his objection to the bill? A similar bill has already passed the Senate.

Mr. BLAINE. Mr. President, I am very sorry that I can not comply with the request of the Chair. This is one of the leases included within the survey that is being made by the Select Committee on Leases, and the committee has detailed information concerning this leasehold. I think, as a matter of fact, the bill ought to go back to the Committee on Post Offices and Post Roads until the select committee has reported on these several leases. That report is in course of preparation. When it will be completed I can not say, inasmuch as there are so many details that a great deal of stenographic work is necessary to make up the report. My own feeling is, if the author of the bill does not object, that the bill ought to be recommitted.

The PRESIDENT pro tempore. The author of the bill, being in the chair, is somewhat handicapped in discussing it.

Mr. BLAINE. I am not asking that that be done now, while the author of the bill is in the chair.

The PRESIDENT pro tempore. The bill will be passed over.

CONDUCT AND ADMINISTRATION OF MILITARY ARSENALS, ETC.

The Senate proceeded to consider the bill (S. 2378) to regulate the conduct and administration of military arsenals, Air Corps depots, and other War Department activities and property, and for other purposes, which had been reported from the Committee on Military Affairs with amendments.

Mr. MCKELLAR. Mr. President, will the Senator from Pennsylvania please explain that bill?

Mr. REED. Yes; Mr. President, I am glad to do so.

The bill is a composite of several minor provisions, some of which the Senate has already passed in previous Congresses, and some of which are rather obviously necessary.

If Senators will take first section 1, that is the same as a bill which was passed by the Senate in the last Congress, and merely authorizes the Government to apply the rental moneys that it receives on property rented to other institutions or States or counties or cities to the maintenance and upkeep of the property—something naturally necessary. The Senate, after considering the provision rather fully, passed it at the last session. It is obviously the prudent and businesslike thing to do to apply the rentals to the maintenance of the property from which they are derived.

Mr. MCKELLAR. Is any report to be made to anyone about it? I think the idea of allowing any department to appropriate moneys that come into its hands without their going through the Treasury is of doubtful propriety, and I was wondering what safeguards there are in this measure for it.

Mr. REED. There are not any safeguards, because the amounts involved are so trivial. I do not think they would amount to many hundred dollars in the course of a year. I have not at hand the very lengthy report which was made to us by the War Department on the same bill last year, but I do remember distinctly that when it was explained no one had any objection to it. It is a comparatively trifling matter. I shall be glad to get that report for the Senator and give it to him later, and then we can reconsider the bill if he wishes to have that done.

The PRESIDENT pro tempore. The amendments of the committee will be stated.

The amendments were, on page 3, line 18, after the word "all," to insert "operating"; in line 19, after the word "incurred," to strike out "except pay of commissioned and enlisted personnel"; on page 4, line 10, after the word "are," to insert "first"; and on the same page, after line 13, to strike out:

SEC. 6. That the Secretary of War is empowered to authorize chiefs of supply branches of the Army, in conducting manufacturing or similar operations under any particular appropriation heretofore or hereafter made, to use material procured under any appropriation and to replace the same in kind or otherwise: *Provided*, That in so doing the methods shall be such that each appropriation will be charged with the full value of the material used in carrying out its object.

SEC. 7. That the Secretary of War is empowered to authorize chiefs of supply branches of the Army, in conducting manufacturing or similar operations, to charge any indirect or general expense for labor or material therefor against any of the appropriations authorizing these operations in such manner as is most economical and efficient: *Provided*, That the methods adopted shall show that each of such appropriations bears its ratable share of the total amount of these expenses.

SEC. 8. That under such regulations as the President may prescribe, licenses under patents or applications for patents owned by the United States may be issued to individuals, firms, or corporations upon such terms and conditions as may best serve the public interest: *Provided*, That no exclusive licenses issued under such patents and applications for patents shall be valid unless approved by the President: *Provided further*, That rights are reserved to the United States to manufacture, produce, or acquire any article covered by said patents without the payment of royalty or other fee: *And provided further*, That all moneys received in respect of licenses issued under the provisions of this act shall be covered into the Treasury as miscellaneous receipts.

SEC. 9. That paragraph 8 of the act entitled "An act to discontinue certain reports now required by law to be made to Congress," approved May 29, 1928, is hereby amended by adding thereto a subparagraph reading as follows:

"Reports of sale of any war supplies, matériel, lands, factories, or buildings, and equipment showing the character of the articles sold, to whom sold, the price received therefor, and the purpose for which sold (40 Stat. 850)."

So as to make the bill read:

Be it enacted, etc., (a) That in all cases in which property of the United States under the control of the Secretary of War is used or occupied, in whole or in part, under permit or license, by another department, bureau, or other establishment of the Government, it shall be lawful for such department, bureau, or other establishment to reimburse the particular appropriation or funds of the War Department involved in an amount representing the fair proportionate share, as may be determined by the Secretary of War, of operation and maintenance expenses, including services, of such property, if used or occupied in part, or the full amount of such expenses, likewise determined by the Secretary of War, if wholly used or occupied; (b) that in all cases where property of the United States under the control of the Secretary of War is used or occupied under lease, license, or permit by a State Territory, or the government of the Philippine Islands, or a subdivision thereof, the District of Columbia or other place under the jurisdiction of the United States, a corporation partnership, an association, or an individual, it shall be lawful for the Secretary of War to apply such portion, as may be determined by him, of the agreed compensation therefor, monetary or otherwise, to the care, preservation, maintenance, and operation, including services, of the reservation or property involved.

SEC. 2. That the Secretary of War be, and he is hereby, authorized to loan, under regulations to be prescribed by the President and without cost to the United States, such articles of aeronautical equipment or material as may be available and which have not been purchased for that purpose and are not obtainable as commercial articles in the open market, to American manufacturers or designers of aircraft or others engaged in research work in connection with aeronautics for the purpose of assisting in the development of aeronautics, and the Secretary of War shall require in each case from every manufacturer, institution, or person a bond in the value of the property issued for the care, safe-keeping, and return thereof in good order to the United States when required.

SEC. 3. That on the request of the Secretary of Commerce and authorization of the Secretary of War, and under such regulations as the latter may prescribe, experiments or tests may be made by the Air Corps for any persons who are citizens of the United States or corporation at least two-thirds of whose capital stock is owned by citizens of the United States which may be engaged in the design and/or manufacture of aircraft or aircraft parts or accessories pertaining thereto: *Provided*, That any such experiments or tests shall be at the risk of the persons or corporation for whom made: *Provided further*, That the United States shall be reimbursed by said persons or corporation for all operating expenses so incurred, to be computed under such regulations as the Secretary of War may prescribe, and the funds so reimbursed shall be credited to the appropriation originally charged and shall be available during the fiscal year in which credited and one fiscal year thereafter: *And provided further*, That the results of such experiments or tests shall be regarded as confidential and shall not be divulged without the consent of the persons or corporation for whom made.

SEC. 4. That such governmental agencies as may be available may, in the discretion of the Secretary of War, without incurring direct expense to the Government, supervise the care and maintenance of private battlefield memorials in Europe when funds to defray the costs of such care and maintenance and the direct and necessary expenses of such supervision are first furnished by the owners concerned.

SEC. 5. That authority is hereby granted the Secretary of War to sell or otherwise dispose of in accordance with law and regulations the United States Army transport *Merritt*.

SEC. 6. That the President is empowered, in his discretion, to class as secret or confidential any material, apparatus, or equipment for military or naval use which is of such nature that the interests of the public service would be injured by publicly divulging

ing information concerning them, and may authorize the purchase and award of contracts for the development, manufacture, or procurement thereof without public advertisement for bids or notice to the trade: *Provided*, That such purchases and contracts shall not be made or awarded except under circumstances where it shall be impracticable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments: *Provided further*, That when such material, apparatus, or equipment has been classed as secret or confidential the head of any Government department, establishment or agency shall take proper measures to maintain the secret or confidential nature thereof and of the contracts and pertinent papers relating thereto: *Provided further*, That the decision of the President as to what material, apparatus, or equipment shall be classed as secret or confidential and as to whether or not it is practicable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments shall be final and conclusive: *And provided further*, That the provisions of section 3744, Revised Statutes, and the act of February 4, 1929 (45 Stat. 1147), requiring the filing of copies of certain Government contracts in the General Accounting Office, shall not apply to contracts made in pursuance of this section.

The amendments were agreed to.

Mr. REED. Mr. President, I should not like the bill to pass without explaining briefly just what else is in it.

Section 2 provides for the loan of aeronautical equipment to concerns in the manufacturing business only in case the articles are not obtainable in the market by those people, and only in case the United States is protected by a bond for their safe return. There are a few cases where aeronautical equipment is manufactured solely by the United States, not by any commercial manufacturer, and it is necessary to use it on occasion in the testing of new aircraft and aircraft devices. The Government is fully protected; and the purpose of the loan is really to increase the number of sources of material to which we can resort in case of emergency. It will cost the Government nothing.

Section 3, I ought to explain, merely allows the United States at Wright Field, out at Dayton, Ohio, to use its testing facilities for the purpose of testing aircraft or aircraft devices for private concerns that are American owned. There is a provision safeguarding that, as Senators will see. Every penny of the cost, together with the pay of officers and men involved in those tests, has to be reimbursed to the United States. It will make for safety. It will cost the United States nothing.

Section 4 allows the Graves Registration Service or the Battle Monuments Commission to take care of some of the private monuments that have been built on the battlefields in France, but only where the cost of doing so is first paid to the United States Government, and where the Secretary of War approves it. It reflects on the whole country to have some of those monuments unkempt and uncared for. Where they are well constructed, and where the funds for caring for them are paid to us, it is only right that those agencies which have the men there should take care of the monuments.

Section 5 authorizes the Secretary of War to sell the transport *Merritt*. The *Merritt* is a little bit of a boat, less than 3,000 tons, built back in 1912, and has been used for many years solely for interisland service in the Philippines. It is no longer necessary. It is costing about \$900 a month to keep it in an inactive status, and yet the Secretary can not sell it without the consent of Congress. The committee was clearly of the opinion that we ought to sell the boat, which is useless to us, and get what we can out of it, and end the payment for keeping it up.

Mr. LA FOLLETTE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Wisconsin?

Mr. REED. I yield to the Senator.

Mr. LA FOLLETTE. It seems to me, on reading section 6, that that is a very important, sweeping provision; and, if the Senator will yield for that purpose, I should like to suggest the absence of a quorum before he explains section 6.

Mr. REED. Very well.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Ashurst	Cutting	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Dickinson	Kendrick	Schall
Bankhead	Dill	Keyes	Sheppard
Barbour	Fess	King	Shipstead
Bingham	Fletcher	La Follette	Smith
Black	Frazier	Lewis	Smoot
Blaine	George	Logan	Stevens
Borah	Glass	McGill	Thomas, Idaho
Bratton	Glenn	McKellar	Thomas, Okla.
Brookhart	Goldsborough	McNary	Townsend
Bulky	Gore	Metcalf	Trammell
Bulow	Hale	Morrison	Tydings
Byrnes	Harris	Moses	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hastings	Norbeck	Walcott
Carey	Hatfield	Norris	Walsh, Mass.
Connally	Hayden	Nye	Walsh, Mont.
Coolidge	Hebert	Oddie	Waterman
Copeland	Howell	Patterson	Watson
Costigan	Hull	Pittman	Wheeler
Couzens	Johnson	Reed	White

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. REED. Mr. President, section 6 of the bill, which Senators will find on page 6, allows the President to class as secret certain material which can not be manufactured in Government establishments. This section is exactly the same as the bill which passed the Senate once before, in the Sixty-ninth Congress. It did not pass the House, and that is the reason for its being repeated here. It allows this process to be resorted to only in the case of material which can not be made in Government establishments, and under as many safeguards as can reasonably be put around it.

The sort of thing the measure is intended to take care of can perhaps be illustrated when we consider the nature of the apparatus which is used for controlling the fire of anti-aircraft guns. Very clever electrical apparatus has been devised, which is successful in operation, which allows the captain of the battery, by standing at a box perhaps the size of one of these desks in front of each of us, to control the range, the elevation, and the traversing of all of the guns of the battery without any action whatsoever being taken by the gun crew. All the gun crew does is to put in the fresh charge, and the moment the breech is closed, pull the lanyard, then put in a fresh charge and pull the lanyard again, with no regard whatever to the pointing of the gun. That is all controlled electrically by this mechanism at which the guiding officer of the battery is standing.

Part of that is a secret. If we had it built in the ordinary way, the Government having no electrical establishments capable of making such things, it would be necessary for us to advertise publicly, make the specifications of the machine public, and file a copy of the specifications and the contract in the General Accounting Office, so that not only everybody in the accounting office, but everybody curious enough to get a copy of the specifications, would know all the secrets. Obviously it is not to the interest of this country that in cases like that, such a secret should be given away.

There are comparatively few cases in which the section would be resorted to, because most of the secret apparatus used by both the Navy and the Army is built in Government establishments; but occasionally, as in the case of electrical machinery, it is necessary to let a contract outside.

Both the Navy Department and the War Department are anxious that this authority should be given. As I remember it, under the suggestions which first came to Congress, the Secretaries of those departments would have been allowed to exercise this discretion; but we in the committee thought that was unwise; that as it is a very wide discretion, the burden should be put squarely up to the President of the United States to make the decision; and the legislation is now in that form. I hope the bill may be passed.

Mr. LA FOLLETTE. Mr. President, the Senator from Pennsylvania makes a very persuasive argument for this section of the bill, as usual, but I ask Senators to note the sweeping character of the language of the section:

That the President is empowered, in his discretion, to class as secret or confidential any material, apparatus, or equipment for military or naval use which is of such nature that the interests of the public service would be injured by publicly divulging information concerning them, and may authorize the purchase and

award of contracts for the development, manufacture, or procurement thereof without public advertisement for bids or notice to the trade.

Then it provides, as stated by the Senator from Pennsylvania:

That such purchases and contracts shall not be made or awarded except under circumstances where it shall be impracticable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments.

Obviously that also leaves to the discretion of the President the determination of whether the development of this equipment is practical or not, and in view of the President's attitude toward the Government undertaking any enterprise, naturally I think we may assume that he will consider it impractical for any of these apparatus to be developed in Government arsenals where they can be developed elsewhere.

Then there is another proviso:

That the decision of the President as to what material, apparatus, or equipment shall be classed as secret or confidential and as to whether or not it is practicable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments shall be final and conclusive: *And provided further*, That the provisions of section 3744, Revised Statutes, and the act of February 4, 1929 (45 Stat. 1147), requiring the filing of copies of certain Government contracts in the General Accounting Office shall not apply to contracts made in pursuance of this section.

That simply means that the supervision of the Comptroller General, the agency established by Congress to make certain that contracts and the carrying out of contracts made between the Government and private parties shall be in conformity with law as passed by Congress, is entirely eliminated from consideration in connection with any of the contracts or any of the arrangements made for the development or manufacture of this material, the publication of information as to which, in the discretion of the President, he may declare to be inimical to the public interest.

The Senator from Pennsylvania states that the bill has once before passed the Senate, but it seems to me this is a very important provision which is being considered; it is very sweeping in its terms. We have up until this time developed all of our apparatus without any such wide and broad powers being given to the President, and I think the Congress should hesitate before it gives to the President such sweeping power as is contained in this section.

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

Mr. LA FOLLETTE. I yield.

Mr. REED. I think there is some force in the criticism made by the Senator of the last proviso about letting the Comptroller General scrutinize these contracts, and I believe the Comptroller General is perfectly capable, when his attention is called to it, of keeping a secret in his office. I would be willing, for myself, to see that last proviso stricken out.

Mr. ROBINSON of Arkansas. Mr. President, I should think that if that were done, it would remove at least one of the principal objections urged by the Senator from Wisconsin.

May I ask both Senators, with the indulgence of the Senator from Wisconsin, just how the proviso on lines 17 to 22, inclusive, would be carried into effect?

Mr. LA FOLLETTE. That is the point which I wish to make in connection with the suggestion made by the Senator from Pennsylvania that the last proviso be eliminated.

It will do little good, so far as Congress is concerned, if the Comptroller General is given power to supervise these contracts, if he is under an injunction of secrecy and can not report any findings to Congress. It seems to me, if I may have the attention of the Senator from Pennsylvania, that if we are to eliminate the last proviso there should be a proviso added making it possible for the Comptroller General to include in his report to Congress any findings which he may feel it his duty to bring to the attention of the Congress concerning the operation of contracts under section 6 of the bill.

Mr. REED. I think that would clearly be his duty now under the present law.

Mr. LA FOLLETTE. But the proviso is—

That when such material, apparatus, or equipment has been classed as secret or confidential the head of any Government department, establishment, or agency shall take proper measures to maintain the secret or confidential nature thereof and of the contracts and pertinent papers relating thereto.

Obviously that would prevent the Comptroller General from reporting concerning any contract which he thought had been entered into that did not properly protect the Government's interest.

Mr. REED. No; I think it would only prevent him from disclosing the secrecy that was endeavored to be maintained. If there was any irregularity in the contract, it would not only be his right but his duty to report it to Congress.

Mr. LA FOLLETTE. But it says "of the contracts and pertinent papers relating thereto." That would interdict the Comptroller General from making any report to the Senate concerning any contract entered into under this section.

Mr. REED. I do not so construe it. Can the Senator suggest anything that would solve the difficulty. I am sure the Senator sees the necessity for some provision of this kind.

Mr. LA FOLLETTE. I am perfectly willing to grant it. I have the same feeling about this section that I had about the previous bill, that in order to accomplish a perfectly laudable purpose the Senator has employed very sweeping language. I also feel that Congress is entitled to have the contracts scrutinized by the Comptroller General to make certain that the interests of the Government are protected. Unless the Senator from Pennsylvania is extremely anxious to press the measure, if he will permit it to go over, I shall be glad to confer with him about a substitute for the last proviso.

Mr. REED. I think the best way to handle it for the present would be to strike out all of section 6 and let the uncontested sections be agreed to. I will introduce a new bill embodying only the provisions of section 6, and we can work that out together.

Mr. LA FOLLETTE. Very well. I move to amend the bill by striking out all of section 6, beginning in line 5, on page 6, down to and including line 7 on page 7.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wisconsin.

The amendment was agreed to.

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

EXCHANGE OF OBSOLETE AND SURPLUS WAR DEPARTMENT SUPPLIES

The bill (S. 1694) to authorize the Secretary of War to exchange obsolete, surplus, deteriorated, or unserviceable supplies or equipment for new supplies or equipment of the same general character was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the Secretary of War be, and he is hereby, authorized to exchange, upon such terms as he deems to be to the best interest of the public service, any obsolete, surplus, deteriorated, or unserviceable supplies or equipment for new supplies or equipment of the same general character.

REQUEST OF LATE WILLIAM F. EDGAR

The joint resolution (S. J. Res. 48) to authorize the acceptance on behalf of the United States of the bequest of the late William F. Edgar, of Los Angeles County, State of California, for the benefit of the museum and library connected with the office of the Surgeon General of the United States Army was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas by a codicil to his will the late William F. Edgar, of Los Angeles County, Calif., provided as follows:

"4. After the foregoing bequests are made I desire that the bulk of the funds in the hands of my trustees may go to the benefit of the museum and library of or connected with the office of the Surgeon General, United States Army, and I therefore revoke the bequest in the foregoing will and bequeath to said institution as follows: Second:

"I give and bequeath to these institutions to the extent of \$40,000, or what may be lawful in that amount, or if not lawful then less, but in the proportion as follows: To the museum connected with the office of the Surgeon General, United States Army, at Washington, D. C., four-fifths of said amount above mentioned, and one-fifth of said amount I give and bequeath to said library connected with the same office."

Therefore be it

Resolved, etc., That the Surgeon General of the United States Army be, and is hereby, authorized to accept the said bequest and to receipt therefor on behalf of the United States and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purposes stated in said codicil, said fund to be subject to disbursement for such purposes upon vouchers submitted by the Surgeon General of the United States Army under authority of the Secretary of War and to be available until expended.

The preamble was agreed to.

NELSON KING

The bill (S. 402) for the relief of Nelson King was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Nelson King, who was a member of Company A, Fifth Regiment Vermont Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 13th day of September, 1864: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

AMENDMENT OF IMMIGRATION ACT OF 1924

The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as next in order.

Mr. BINGHAM. Mr. President, I have no report in my file as to just what the committee thought about the bill or what it means. May I have a brief statement with reference to it?

Mr. HARRIS. Mr. President, this is a bill which passed the Senate two years ago to include immigration from Mexico under the quota law, but the junior Senator from Utah [Mr. KING] and others opposed it, and some Senators very much in favor of it are not here this afternoon, so I shall not object to its going over, but I want to give notice that I shall move to take up the bill at the first opportunity.

Mr. BINGHAM. May I ask the Senator before he does that if he will not submit a report?

Mr. HARRIS. Yes; I shall be glad to do so.

The PRESIDENT pro tempore. The bill will be passed over.

JOHN A. PEARCE

The bill (S. 1030) for the relief of John A. Pierce was considered.

The bill had been reported from the Committee on Claims with amendments in line 5, to strike out "\$15,000" and insert "\$1,500" and in line 6, to strike out the name "Pierce" and insert the name "Pearce," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to John A. Pearce, in full payment for injuries sustained by him on July 19, 1918, when he was shot by a sentry at the Aberdeen Proving Ground in the State of Maryland.

Mr. TYDINGS. Mr. President, I desire to offer an amendment to the committee amendment. I move to strike out, in line 6, the numerals "\$1,500" and insert in lieu thereof "\$2,500."

I would like the attention of Senators for a moment in order that I may place before them the merits of the claim. At the Edgewood Arsenal there was a lot of wheat. The Government wanted to have it harvested, so it employed a man who owned a threshing machine to do the work. To that man and his crew were issued passes to come and go from the arsenal. The next day the three men with passes drove up to the entrance of the arsenal, submitted their passes to the sentry, and were told to go ahead. They had driven a short way when another sentry shot at them, killing one of the men, and the bullet then passed through

the back of another man and came out in front. He was a laboring man making \$20 a week. Since that time he has been unable to work at manual labor, because his left side is absolutely useless. He has submitted affidavits from competent medical authorities showing that he is unable to perform manual labor.

The bill proposes to give the man but \$1,500, when his whole disability was caused by a sentry shooting him as I have stated. To turn that man loose in this condition, brought about through no fault of his own, with only \$1,500 when he is not able to earn a living, would be a rank injustice. I submit that even \$2,500 is very poor compensation to a man who has been incapacitated from earning a living for the rest of his life through no fault of his own, but through the carelessness of one of the servants and agents of the Government.

Mr. HOWELL. Mr. President, the Senator from Maryland states that affidavits have been supplied from medical authorities showing that the man is permanently disabled. I know of no such affidavits. There is an affidavit filed by the man himself in which he states that he has been unable to work. I submit that in dealing with a claim of this character there should be evidence submitted that is adequate to justify a greater sum than the committee advises should be paid.

Mr. TYDINGS. Mr. President—

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

Mr. HOWELL. I yield.

Mr. TYDINGS. I know the Senator is familiar with the statements in the case. Two of them are from the Secretary of War.

Mr. HOWELL. I am speaking of medical evidence.

Mr. TYDINGS. Yes. The Secretary of War wrote to the Edgewood Arsenal and asked for the medical report on this man. Unfortunately they did not keep very accurate reports there. There is no dispute that the man was in the hospital for 13 weeks, but the reports of the Government's own doctors in the Government hospital did not show that he was there at all. They made no record of it, but the man made affidavit that he was there for 13 weeks. Subsequent to his discharge he went back there twice a week for a while and then once a week. However, not being able to get his left side in operation so he could earn a livelihood, he then went to a very celebrated surgeon in the section of the country where I live—namely, Dr. George Stump—who was surgeon for the Pennsylvania Railroad, and he was under his treatment for some time. Unfortunately, Doctor Stump died before the claim was submitted to Congress, but there is no doubt in the world that the man went to Doctor Stump and there is no doubt in the world that he was for 13 weeks in a Government hospital. The Government itself, which had its own doctors examine him, does not say he is able to earn a living. He is incapacitated, shot through the shoulder, the bullet entering the back and coming out in front.

It seems to me it is wrong to refuse a laboring man more than \$1,500 under circumstances of this kind. If he is worth anything, he ought to get more than that. I submit that in a court of law a jury on evidence of that kind would give him at least \$7,500 or \$10,000. My sole reason for asking that the amount be increased is due to the fact that if the Government is going to say, as it does say in the statement of the Secretary of War, that the man who shot him was culpable of negligence, then in view of that fact we ought to give him enough at least to enable him to eke out some kind of an existence and not turn him off with only \$1,500 when it was not his fault at all that he is in his present condition.

Mr. HOWELL. Mr. President, I am not arguing that the man may not be entitled to more, but I am stating that sufficient evidence has not been submitted to justify a greater allowance than the committee has granted. The Senator from Maryland speaks of Doctor Stump. He died in 1921. There is no evidence at the present time before the committee except the man's own statement respecting his condition. Upon this evidence the committee decided that the amount granted should be \$1,500.

I acknowledge that if the man's statement is correct he is entitled to an additional \$1,000, but the question is how are we to proceed in deciding these cases? The committee can not guess as to what should be taken out of the Treasury of the United States in a case of this kind, but must be justified by evidence. It has no evidence except the man's own statement as to his present condition and his inability to work. The fact is that during the time he was in the hospital all his expenses were paid, and furthermore that after he came out of the hospital no charge was made for the further attention which he received.

Mr. TYDINGS. May I point out that while the man was in the hospital 13 weeks he did not get any pay, and while he went back to the hospital after that twice a week for some time he was not able to work, and while he went back to the hospital subsequent to that time once a week he was not able to work. It was after that that he went to Doctor Stump. There is a period of perhaps 30 weeks during which the man earned nothing, to say nothing of his suffering.

Here was a man who had to keep at work in order to keep alive. Now he is unable to work and his left side is incapacitated. It stands to reason he must be seriously incapacitated. After he has gone through all this suffering through no fault of his own, to cut him down to \$1,500 simply because he is a laboring man and turn him out unable to earn a living, does seem to me to be unjust.

Mr. HOWELL. May I just make one statement in response to the Senator? He was not cut down to \$1,500 because he was a laboring man. He was cut down because there was not evidence submitted to justify the payment of a larger amount.

Mr. ROBINSON of Arkansas. Mr. President—

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

Mr. HOWELL. Certainly.

Mr. ROBINSON of Arkansas. How did the committee arrive at the conclusion that \$1,500 was a just amount?

Mr. HOWELL. It arrived at the conclusion on the basis of the time that he was confined in the hospital and the time that he stated he was receiving treatment by Doctor Stump. We have an affidavit from the man himself to the effect that his ability to work at the present time is decreased. If proper evidence had been submitted that the man is permanently disabled and unable to work, the committee probably would have granted a larger amount.

Mr. MCKELLAR. Did the evidence show that the man was shot through the body?

Mr. HOWELL. He was shot, as I remember, through the shoulder.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit me a further inquiry?

Mr. HOWELL. Certainly.

Mr. ROBINSON of Arkansas. The point of my inquiry was to ascertain whether there is a fixed standard by which the committee arrived at the conclusion that \$1,500 is a correct amount, or whether the committee merely estimated as best it could the damages that he claims were suffered?

Mr. HOWELL. That is what the committee did.

Mr. BLAINE and Mr. TYDINGS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield; and if so, to whom?

Mr. HOWELL. I yield first to the Senator from Wisconsin.

Mr. BLAINE. I wish to inquire of the chairman of the committee whether or not it is impractical to have an ascertainment made as to the degree of disability this man suffered? Is there not some way by which that may be determined?

Mr. HOWELL. Affidavits by competent medical authority could be submitted as to his condition at this time.

Mr. BLAINE. As I understand, the United States Compensation Board has representatives all over the country. Certainly they must be equipped to determine questions of this character. If they are, they constitute a public authority whose findings could be relied upon. It seems to me that

a man suffering what apparently is a total permanent disability ought not to have his claim dismissed by the payment of \$1,500. The amount paid ought to equal at least that which is granted under the compensation act for a similar injury. I am merely inquiring whether there is not some practical way by which the committee may determine the degree of disability?

Mr. TYDINGS. Mr. President, in the report of the committee I find this comment:

Since the claimant is a common laborer and the injury to his left arm and shoulder is permanent, he has been unable to secure employment because of his injuries. The claim appears to be a meritorious one, and your committee recommends the passage of the bill, as amended.

There is where the injury is admitted to be permanent. Take the case of a man 60 years old, with a permanent injury to his left side, a man who is a laborer; what chance has he to earn a living? I submit that \$2,500 is a trivial sum under such circumstances.

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

Mr. TYDINGS. Yes.

Mr. BORAH. What is the date of that statement that he is permanently incapacitated?

Mr. ROBINSON of Arkansas. It is dated December 30, 1930.

Mr. TYDINGS. It is dated December 30, 1930.

Mr. BORAH. I ask the chairman of the committee is not that sufficient evidence of the claimant's permanent incapacity?

Mr. HOWELL. It is my judgment, Mr. President, that it is based upon information that dates back to the time when he was in the hospital. The question now is, Is he permanently disabled? That question is subject to proof, but proof has not been submitted. I am not urging that for a man permanently disabled \$1,500 is a sufficient amount, but I do say that we did not have before the committee proper proof justifying a larger allowance.

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

Mr. HOWELL. Certainly.

Mr. TYDINGS. Assuming we had all the proof it was possible to get, such as statements from several doctors—and it would be easy to get them—would not the Senator then feel, if this man was permanently injured and for the last 10 years had received no compensation from the Government, that he would properly be entitled to \$7,500 or \$10,000, inasmuch as his means of livelihood has been taken away from him?

Mr. HOWELL. I will not acknowledge that, but I will acknowledge that he is entitled to more than has been granted in this instance; there is no question about that. I am not arguing against this man's claim; I am arguing against the evidence that has been submitted and upon which the committee had to base its action.

Mr. TYDINGS. Mr. President, if this man were a younger man, I would advise him to withdraw his bill and obtain the kind of evidence the Senator would like to have—which I am sure he can get—and then come back here again; but the man is 60 years old; this bill has been pending in Congress for four or five sessions and has died in one House or the other. I should like to get for him some money before he goes into the next world.

Mr. HOWELL. I sympathize with the efforts of the Senator from Maryland to afford this man an adequate amount, but the committee is endeavoring to conduct an examination into the various claims that come before it in a proper manner and to insist upon adequate evidence before granting compensation.

Mr. BORAH. Mr. President, I am wondering if it would not be signally unjust to turn this man aside with \$1,500 if his injury is such as the Senator from Maryland contends. I understand that affidavits may be obtained at almost any time. Why can not those affidavits be submitted before we vote upon this measure?

Mr. TYDINGS. I think perhaps it would be a good idea to let the bill remain on the calendar. In the meantime I

will attempt to get the affidavits. I withdraw my amendment, because I feel sure I will have to make the amount larger.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HOWELL. Mr. President, I suggest that the bill be recommitted to the Committee on Claims and that the Senator from Maryland submit additional evidence to the committee.

Mr. TYDINGS. Mr. President, I should dislike very much to surrender the place the bill has on the calendar, but I will say to the Senator that I will not press it again until I have made every attempt to obtain the information the committee requires, believing that if I can show by competent medical authorities that this man is permanently injured and that he is unable to earn a living the committee will not then be unfavorable to an amendment along the lines of the one I have offered.

Mr. HOWELL. I can assure the Senator that no time would be lost, and that the committee is not inclined to be unfair or unjust in any case of this kind. The only thing they will ask is adequate evidence, and hence I think that the proper procedure would be to recommit the bill for further consideration.

The PRESIDENT pro tempore. Does the Senator from Nebraska move to recommit the bill?

Mr. HOWELL. I make that motion.

The PRESIDENT pro tempore. The Senator from Nebraska moves to recommit the bill to the Committee on Claims.

Mr. BINGHAM. Mr. President, I rise to a point of order. I understood the Senator from Maryland to ask that the bill go over, in which case I ask the Chair whether a motion to recommit is in order?

Mr. TYDINGS. I am willing to have the bill recommitted on the statement of the Senator from Nebraska that he will get it back on the calendar at the first available date.

Mr. BINGHAM. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Nebraska to recommit the bill to the Committee on Claims.

The motion was agreed to.

WALTER J. BRYSON PAVING CO.

The Senate proceeded to consider the bill (S. 477) for the relief of Walter J. Bryson Paving Co., which had been reported from the Committee on Claims with an amendment, on line 6, after the words "sum of," to strike out "\$6,156.16" and insert "\$3,500.50," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Walter J. Bryson Paving Co., out of any money in the Treasury not otherwise appropriated, the sum of \$3,500.50, in full and final settlement of all claims against the Government for certain dredging work performed by said company in the improvement of the channel in the Anclote River, Fla.

The amendment was agreed to.

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

WILLIAM W. DANENHOWER

The Senate proceeded to consider the bill (S. 1302) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower, which had been reported from the Committee on Claims with an amendment on page 2, after line 5, to insert the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William W. Danenhower, out of any money in the Treasury not otherwise appropriated, the sum of \$34,260 for damages caused by the depreciation in value of his property situate in square 737 in the city of Washington, D. C., which said damages were caused by the elimination of the grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat. L. 774), and acts supplemental thereto, as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

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

UNION SHIPPING & TRADING CO. (LTD.)

The bill (S. 2531) for the relief of the Union Shipping & Trading Co. (Ltd.) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of the Union Shipping & Trading Co. (Ltd.) against the United States of America for damages alleged to have been caused by a collision on April 25, 1918, near Pauillac, in the Gironde River, France, between the Spanish steamship *Consuelo* (at the time of the collision the British steamship *Reims*) and the American steamship *Berwind*, then in the transport service of the United States War Department, may be sued for by the said Union Shipping & Trading Co. (Ltd.) in the District Court of the United States for the Southern District of New York, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit (in accordance with the principles of libel in rem and/or in personam), and to enter a judgment or decree for the amount of such damages (including interest) and costs, if any, as shall be found to be due against the United States in favor of the said Union Shipping & Trading Co. (Ltd.) or against the said Union Shipping & Trading Co. (Ltd.) in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That at the trial of said suit the written report or reports concerning said collision made by the pilot, master, any officer or member of the crew of the steamship *Berwind*, who is not available to testify because he is dead or can not be found, may be admitted in evidence: *Provided further*, That such notice of the said suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

AMOS D. CARVER AND OTHERS

The bill (S. 2535) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, owners of the schooner *Betsy Ross*, the sum of \$35,916.68, in full and final settlement of all claims against the Government for loss or losses which they may have suffered by reason of the interference of the United States Shipping Board or other governmental agencies with the schooner *Betsy Ross* at the port of Melbourne, Australia, on or about April 5, 1918.

ANNA MARIE SANFORD

The bill (S. 2822) for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended,

are hereby waived in favor of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C.: *Provided*, That compensation, if any, shall commence from and after the date of passage of this act.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N. J.

The bill (S. 259) authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Public Service Coordinated Transport of Newark, N. J., arising out of the removal by the War Department during the late war of certain tracks, car house, storage tracks, etc., belonging to said company or its predecessor, from their original locations to new locations, and the War Department's failure to restore same to their original location in accordance with an informal arrangement respecting the matter, and to allow in full and final settlement of any and all claims arising out of said transactions an amount not exceeding \$122,442.43. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$122,442.43, or so much thereof as may be necessary, for the payment of said claim.

WILLIAM J. RYAN

The bill (S. 659) for the relief of William J. Ryan, chaplain, United States Army, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Ryan, United States Army chaplain, Fort Winfield Scott, Calif., the sum of \$225.75, in full satisfaction of his claim against the United States for damage to his automobile as the result of an operation of the United States Army on Lincoln Boulevard, Presidio of San Francisco, Calif., on April 18, 1929.

BILL PASSED OVER

The bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails was announced as next in order.

Mr. WALSH of Massachusetts. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CLASSIFICATION OF PARCEL-POST PACKAGES

The Senate proceeded to consider the bill (S. 621) to repeal section 7 of the postal act, approved May 29, 1928, which was read, as follows:

Be it enacted, etc., That so much of section 7 of the act (Public No. 566, 70th Cong.), approved May 29, 1928, to amend title 2 of an act approved February 28, 1925 (44 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes, and reading as follows: "The classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability under this section, if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby directed, subject to the consent of the Interstate Commerce Commission after investigation, to re-form from time to time such classifications, weight limit, rates, zone or zones or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the most thereof" be, and the same is hereby repealed.

SEC. 2. This act shall take effect from and after its approval by the President.

Mr. JONES. Mr. President, I should like to have a brief statement as to what the effect of the repeal of section 7 of the postal act referred to will be.

Mr. MCKELLAR. Mr. President, I will say to the Senator that a similar bill passed at the last session of Congress, as I recall, having been reported by the Committee on Post Offices and Post Roads. The bill involves a proposed increase by the Postmaster General of \$7,000,000 on parcel-post matter. There was an amendment agreed to on the post-office appropriation some years ago giving the Postmaster General, under certain conditions, the right to make changes in the size of packages, and so forth. In the report it is shown by excerpts from the colloquy on the floor of the Senate that it was never intended to give the Postmaster General the right to increase rates generally, and yet

the Postmaster General undertook to increase them generally, with the consent of the Interstate Commerce Commission. So this bill was introduced for the purpose of putting parcel post on the same basis as all other mail matter, the rates to be fixed by the Congress. The Postmaster General is not allowed to fix the rate on first-class mail matter or second-class mail matter or on third-class mail matter. If the Senator will look at the excerpts from the RECORD which are quoted in the report of the committee he will find that it was not the intention to give the Postmaster General this power, and when it was attempted to be exercised this bill was framed and introduced in order to prevent such action. I ask for a vote.

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

AMENDMENT OF RULES—REFERENCE OF RESOLUTIONS

The resolution (S. Res. 125) to amend Rule XXV so as to provide for reference of certain resolutions to standing committees having jurisdiction of substantive matters was read, considered, and agreed to, as follows:

Resolved, That the fourth paragraph of clause 1 of Rule XXV of the Standing Rules of the Senate, relating to the Committee to Audit and Control the Contingent Expenses of the Senate, be amended by adding before the semicolon at the end thereof a colon and the following proviso: "Provided, That any such resolution relating to substantive matter within the jurisdiction of any other standing committee of the Senate shall be first referred to such committee."

ASSISTANT CLERK TO COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 136) authorizing the employment of a special assistant clerk for the Committee on Territories and Insular Affairs, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate and also from the Committee on Rules with an amendment, on line 4, after the words "rate of," to strike out "\$2,220" and insert "\$1,800," so as to make the resolution read:

Resolved, That the Committee on Territories and Insular Affairs is hereby authorized to employ a special assistant clerk during the Seventy-second Congress, to be paid at the rate of \$1,800 per annum out of the contingent fund of the Senate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

CICERO A. HILLIARD

The bill (S. 478) for the relief of Cicero A. Hilliard was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the requirements of sections 17 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Cicero A. Hilliard, postmaster at Dinsmore, Fla., and the United States Employees' Compensation Commission is authorized and directed to consider and act upon his claim for compensation for injury suffered in the performance of his duties as such postmaster, under the other provisions of such act, as amended, any compensation allowed under this act shall take effect from the date such claim is allowed.

NATIONAL BEN FRANKLIN FIRE INSURANCE CO.

The bill (S. 1280) for the relief of the National Ben Franklin Fire Insurance Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$406.29 to National Ben Franklin Fire Insurance Co., in full reimbursement for the sale by the Government of a Buick automobile stolen April 21, 1930, and, while operated by the thief for illegal purposes, was seized April 26, 1921, forfeited, and sold under the customs revenue laws and the proceeds converted into the Treasury of the United States.

PRINTING OF FEDERAL FARM-BOARD REPORTS

The joint resolution (S. J. Res. 58) to authorize the printing of the annual reports of the Federal Farm Board without limitation as to number was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the joint resolution provides for the printing of the annual reports of the Federal Farm Board without limitation as to number.

That applies not only to the existing or the most recent reports of the Farm Board but to such reports as have been printed in the past, and it authorizes their printing without number. I do not understand how we can go on record at this time as authorizing the printing without number of such reports for the past years as well as for the present year. I should like to have a statement as to the purpose of the joint resolution before it shall be considered.

Mr. McNARY. Mr. President, I did not catch the purport of the statement of the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The resolution authorizes the printing of reports of the Federal Farm Board for past years as well as for this year without limitation as to number. That would make it possible to print 50,000,000 copies of such reports and use them throughout the country in a way that some one might charge was not fit. I doubt if that is the desire of Congress. I should like to know the purpose of the resolution.

Mr. McNARY. Mr. President, this resolution was suggested by the Federal Farm Board because of the great demand made upon it for its reports, which, of course, include the activities of the Stabilization Corporation and information as to certain loans made to cooperative institutions and organizations.

I am not as familiar with the rules of the Printing Committee as perhaps I should be, but I am told that this joint resolution is in the usual form of those passed when larger quantities of publications are wanted for distribution. The committee has control over such matters, I think. I am sorry the Senator from New Hampshire [Mr. Moses] is in the chair. He probably understands the situation in that respect better than does the Senator from Oregon.

The PRESIDENT pro tempore. If the Chair may be permitted to make the statement, under the act of 1895 the usual number of prints which may be made by a department is as limited as the usual number of Senate documents; and when the occasion arises for the publication of a larger number of reports of any executive department or any agency of the Government legislation in this form is generally enacted. The Chair may state further that the cost of all this comes out of the fund of the Farm Board, and not from the printing fund of Congress.

Mr. MCKELLAR. May I ask the Senator from Oregon to let the joint resolution go over until the next time the calendar is considered, simply in order that some inquiry may be made about it?

Mr. McNARY. I shall be very happy to do so.

Mr. THOMAS of Oklahoma. Mr. President, there is pending in the Senate and in the other House of Congress a bill proposing to alter some of the provisions of the farm marketing act. A resolution has been passed by this body proposing a further investigation into the activities of the Federal Farm Board. As I understand, that resolution is pending before the Committee to Audit and Control the Contingent Expenses of the Senate, seeking money with which to conduct this investigation. It occurs to me that a joint resolution of this kind should not pass prior to the consideration of the proposed bill and prior to the further investigation.

Mr. McNARY. Mr. President, it is obvious that the attitude the committee may take in the future has no relation to the annual report, which simply discloses the activities and operations of the farm board for the last fiscal year. There is no connection between the two propositions.

It is true that before the Committee to Audit and Control the Contingent Expenses of the Senate there is a resolution asking funds further to investigate their activities. This, however, is only a statement by the Farm Board concerning what it has done under the marketing act for the fiscal year ending last June. There is a great demand from all over the country, from cooperative organizations and farmers, for copies of the annual report showing what the Farm

Board has done, or tried to do, or done amiss; and it is only to accommodate those farmers—actual producers—that the request is made to authorize out of the board's funds the printing of a certain number or an unlimited number of its reports, so that it may meet the current demands of those actually tilling the soil and farming.

I have closed the subject by simply saying that at the request of the Senator from Tennessee I ask that the matter go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. THOMAS of Oklahoma. Mr. President, in answer to what the Senator from Oregon has just said, I desire to state that this joint resolution was introduced on December 17. A moment ago I sent for a copy of the report, and it came to me forthwith; so we must have copies now. Therefore, the demand for these reports can not be so very great.

Of course, I have no objection to the joint resolution going over; but I am opposed to consideration and favorable action upon the joint resolution, especially at this time.

Mr. McNARY. I think the Senator misconceives the situation. This has nothing to do with the hearings had before the Senate Committee on Agriculture and Forestry which involve an investigation of the Farm Board's activities. This is to provide for printing copies of the annual report submitted to Congress under the statute by the Farm Board. The Senator is quite correct in the statement that there are plenty of copies of the report of the hearings before the committee. This has nothing to do with that. It is an entirely different document. The document the Senator has in his hands appertains to a further investigation.

Mr. THOMAS of Oklahoma. The Senator is mistaken. The document I have here is the second annual report of the Federal Farm Board, and copies of this are available. The demand for them is not so heavy. I have no objection to keeping on hand plenty of copies, but I would not at this time agree to the passage of a joint resolution providing for an unlimited printing of these copies for distribution to those asking for them.

Mr. McNARY. I think if the Senator will look at the document he has he will find that it came from the Senate document room, where there is always a reserve. I am speaking of those that are now in the possession of the Federal Farm Board at their principal office, at which place all have been exhausted. To conclude the proposition, however, I state again that I ask to have the matter go over to-day.

The PRESIDENT pro tempore. The joint resolution has already been passed over.

CLARKS FORK RIVER BRIDGE, WASHINGTON

The Senate proceeded to consider the bill (S. 573) granting the consent of Congress for the construction of a bridge across Clarks Fork River, near Ione, Pend Oreille County, in the State of Washington, which had been reported from the Committee on Commerce with an amendment, on page 1, line 6, after the word "Washington," to strike out "Provided, That the work of constructing this bridge shall not be commenced until the plans therefor have been filed with and approved by the Secretary of War and the Chief of Engineers of the United States Army," and to insert "in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the commissioners of Pend Oreille County, Wash., to construct a bridge across Clarks Fork River, near Ione, Wash., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

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

The PRESIDENT pro tempore. That completes the calendar.

SEVENTY-FIFTH BIRTHDAY ANNIVERSARY OF HON. LOUIS D. BRANDEIS

Mr. COOLIDGE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio speech by the senior Senator from Massachusetts [Mr. WALSH] on the occasion of the seventy-fifth anniversary of the birth of Hon. Louis D. Brandeis, an Associate Justice of the United States Supreme Court.

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

Public officials never need be eulogized for doing their duty. This is especially true of justices of our courts. Judges particularly, in fact, all public officials in highly responsible stations, should instinctively and obviously perform their duties with courage and diligence, and administer exact justice as assiduously as trained and enlightened human nature permits. The doing of the just thing should be accepted as the expected and natural course of conduct in public life. A devoted mother seeks and asks no honeyed words of appreciation for her devotion, her loyalty, and her sacrifices for the welfare of her children. Children are not entitled to thanks for their thoughtful attentions, their helpful deeds, their overt acts of affection to their protectors and parents. All these are the instinctive and normal promptings of human nature. So he whose birthday anniversary we celebrate to-night personally seeks and expects no words of praise or thanks.

However, we who have observed the high motives that have actuated the public service of Louis D. Brandeis insist that this seventy-fifth birthday anniversary shall not pass without assurance from us that what he has done and given to the public has not been unobserved, and we seize this opportunity to pay tribute to him, not that he needs or desires it, but that his accomplishments and his exalted service may awaken in his fellow citizens an ambition to emulate him.

I am honored to be your spokesman in asking our citizens to pause in the midst of this day's burdens, activities, and recreations to pay fitting tribute on the occasion of his anniversary to one of the most cultured, patriotic, courageous, and ablest Americans of our generation, Louis D. Brandeis. To-night 75 years of honorable, devoted service to humanity speak to us. Not all these years have been in public office, for Louis D. Brandeis has been a justice of the United States Supreme Court only one-fifth of this span of years; yet all his life has been consecrated to the service of mankind. The first 25 years were devoted to preparation, by intense mental concentration and through the development of studious habits that make possible the orderly and constructive mind, which made him a great tribune of the people and won for him the reputation of being one of the most brilliant law students to emerge from that unexcelled legal institution, the Harvard Law School. The 50 years of life that follow his law-school days record a steady upward climb, until to-day he stands with the few who have reached the highest peak, where we, who still struggle in the valleys below or are engaged in conquering one by one the precipices that bar the lofty heights, may behold his majestic figure free from the rivalries and jealousies that effaced his real personality when he was fighting at our side.

Louis D. Brandeis was a friend of justice long before he reached the Supreme Court of the United States. He devoted days and weeks of his precious time and lucrative law practice in advocacy of justice and equality of opportunity in connection with causes that intimately concerned the rights of his fellow citizens. In his early days as a brilliant lawyer, he had his choice to serve large financial interests as a legal adviser or to serve the public welfare as an unpaid advocate. In a score of great fights where the rights of the public were involved—in the days when monopoly was triumphant—Louis D. Brandeis stood forth as a sturdy, often a lone, champion of the public interest. The man or woman who does not appreciate that in the early days of liberal and progressive movements in American politics it took almost supercourage to fight privilege (often entrenched through partnership with government) is indeed most unsophisticated.

Here in Massachusetts for years, without seeking office, without party affiliations, he became the public champion of the commonweal.

The time is too scant to relate now the many controversial problems in which he battled against the force that sought through powerful organizations of wealth and greed to exploit the public. When the public needed a champion to suppress the avarice of those seeking higher steam and trolley rates, gas rates; when the movement for minimum wage was born; when Alaska land frauds called for a prosecutor—Louis D. Brandeis emerged as the unpaid public prosecutor. What public officials were paid to do, but failed to do, he gratuitously undertook. As a result no man in our generation has contributed more to the enactment of legislation that promotes social justice than he. The unorganized millions, who ask too little of their government, really seeking only to be let alone in the enjoyment of their inalienable rights free from exploitation, had in Louis D. Brandeis an able and fearless spokesman whose sole motive was to give and to serve in the ranks. For public office or party favor he never sought. He stood and worked for great truths.

The savings bank insurance law of Massachusetts is one of the many great monuments to his industry and farsightedness and devotion to organized unselfishness at a time when widespread organized selfishness was the accepted order. The movement for savings-bank insurance was one of the biggest battles of his life. He formed a league to carry the idea to the wage earners throughout the State. For several months he spoke from two to six times a week to labor unions, boards of trade, and other groups. Against the opposition of the powerful commercial insurance companies his cause triumphed in June, 1907, by the enactment of the Massachusetts savings bank insurance law. Notwithstanding violent and bitter opposition and every conceivable device used to thwart the plan in operation, savings-bank life insurance is now obtainable in 21 banks of the State, and the amount of savings-bank insurance in force in 1930 was \$72,800,000. It is estimated that the establishment of this form of life insurance in our Commonwealth has resulted in a saving to the people of Massachusetts of no less than \$11,000,000 per year, because the mere presence of cheap insurance of this kind has forced a reduction of rates upon the part of all commercial insurance companies.

However, it is as a judge of the highest court of the Nation that we think most frequently in our day of Judge Brandeis. It is particularly as the friend and administrator of justice that we salute him to-night. The fundamental purpose—indeed, the chief end—of government is to establish and secure justice. The founders emphasized it. In the words of the Constitution's preamble they proclaimed it in unmistakable language:

"In order to form a more perfect union, establish justice, and secure the blessings of liberty to ourselves and to our posterity."

It is the spirit that inspired these principles and the application of them that have made for our Nation's progress and our material greatness in the century and a half of the Nation's existence. If we lose the spirit of justice we lose all—both material greatness and that which makes it worth having. Without a continuing and growing justice there is certain to come into existence a vast mechanism of oppression and a great subversion of our liberties.

The establishing of justice in our day means not only the impartial, impersonal administration interpretation of the law but more than ever to-day it means the adequate facing and handling of complicated questions. No man in America better understands that the steady depletion of our natural resources and the concentration of economic power require more careful and more courageous study of economic conditions and their effect upon the masses of the people than Louis D. Brandeis. The challenging economic questions that find their solution in the United States Supreme Court will find in Louis D. Brandeis a man whose mind has been trained to think not so much of the strong and powerful, of one particular social class, or of one particular party, but to think as well of the perceptions and aspirations of the poor, of the working man and woman, the multitude, and to insist that they also be the beneficiaries of justice—not the victims of injustice.

My favorite definition of justice is that given to us by Whittier. He called justice "the hope of all who suffer; the dread of all who wrong." The life of Louis D. Brandeis embodies and typifies this concept of justice. He is the hope of all Americans who suffer civic and economic injustice and the dread of all Americans who infringe upon the civic, social, and economic rights of their fellow beings.

To-night it is not merely his many years of service that we, his fellow countrymen, proclaim with pride, but we emphasize even more the character of that service; his tolerance and broad-mindedness; his championing of the cause of liberality, impartiality, and truth; in a word, his discerning legal opinions, coupled with a great independence, have made him a national figure both conspicuous and beloved. He has demonstrated, like his associate, Mr. Justice Holmes, that not necessarily do accidents of birth, environment, culture, and learning cause those born with the advantages of education and conspicuous legal talents divert one from sympathy with the struggles of the average citizen, and from the display of such sympathy, even when it requires standing alone and against powerful social classes, for the fullest protection of the legal rights of the humble.

The 75 years of honorable, useful, and patriotic life that speak to us to-night have not only earned for Justice Brandeis the affection and gratitude of the Nation but also inspire all who are called to public service to emulate his industry, courage, integrity, and devotion to his country's welfare.

The Commonwealth of Massachusetts, justly proud of her noble son, and the grateful people of this whole country felicitate Mr. Justice Louis D. Brandeis on this day, the happy anniversary of his birth. May Louis D. Brandeis be spared to serve his fellow men in his present exalted office for many years. This is our hope and our prayer.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting

nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORT OF A COMMITTEE

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of Frederick A. Hobbs, of Alfred, Me., to be surveyor of customs in customs collection district No. 1, with headquarters at Portland, Me., in place of Frank B. W. Welch, deceased, which was placed on the Executive Calendar.

THE CALENDAR

The PRESIDENT pro tempore. The calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of Charles G. Briggle to be United States district judge, southern district of Illinois.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FEDERAL FARM BOARD

Mr. McNARY. Mr. President, the next three nominations appertain to members of the Federal Farm Board. At the request of the senior Senator from South Dakota [Mr. Norbeck], I ask that they may go over for the day.

The PRESIDENT pro tempore. The nominations will go over.

ADJOURNMENT

Mr. McNARY. Mr. President, as in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 38 minutes p. m.) the Senate adjourned until to-morrow, Thursday, January 21, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 20, 1932

GOVERNOR OF PORTO RICO

James R. Beverley, of Texas, to be Governor of Porto Rico.

UNITED STATES MARSHAL

Martin Brown, of Michigan, to be United States marshal, western district of Michigan. (He is now serving in this position under an appointment which expired December 17, 1931.)

CONFIRMATION

Executive nomination confirmed by the Senate January 20, 1932

UNITED STATES DISTRICT JUDGE

Charles G. Briggle to be United States district judge, southern district of Illinois.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 20, 1932

The House met at 12 o'clock noon.

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

Thy precious word, O Lord, standeth sure. It says, "There is but one commandment which is central and that is love." O Love Divine, rest on the throne of our hearts and rule there in the name of our Savior. May Thy sway be supreme and continuous until the end. Everywhere in all the earth let Thy name be honored. Come Thou and open the eyes of those who may be steeped in vainglory and earthly riches that the light of Thy truth may dawn upon them. O cleanse our natures from selfishness and from everything that pulls downward. Let us see more clearly, judge more accurately, and know with a common feeling that man sitting at the "gate beautiful," afar to the godless glitter of Solomon's throne, is the child of God Immortal. Amen.

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

MESSAGE FROM THE SENATE

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

H. R. 6660. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes.

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

S. 475. An act to provide for the establishment of the Everglades National Park, in the State of Florida, and for other purposes.

REFERENCE OF A BILL

The SPEAKER. H. R. 7917, a bill to amend subdivision B of section 502 of the World War adjusted compensation act in relation to time in which certificate may be presented to obtain loan privileges, was inadvertently referred to the Committee on World War Veterans' Legislation. This bill should have been referred to the Committee on Ways and Means, and without objection, the bill will be referred to that committee.

There was no objection.

COMMEMORATION OF THE TWO HUNDRETH ANNIVERSARY OF THE BIRTH OF GEORGE WASHINGTON

Mr. WOODRUM. Mr. Speaker, on behalf of the joint committee on arrangements for the ceremonies on February 22, I present a concurrent resolution, and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from Virginia offers a concurrent resolution, which the Clerk will report.

The Clerk read the concurrent resolution, as follows:

House Concurrent Resolution 12

Resolved by the House of Representatives (the Senate concurring), That in commemoration of the two hundredth anniversary of the birth of George Washington the two Houses of Congress shall assemble in the Hall of the House of Representatives at 11:30 o'clock a. m. on Monday, February 22, 1932.

That the President of the United States, as the chairman of the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington, is hereby invited to address the American people in the presence of the Congress in commemoration of the bicentennial anniversary of the birth of the first President of the United States.

That invitations to attend the ceremony be extended to the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the General of the Armies, the Chief of Naval Operations, and the Major General Commandant of the Marine Corps, and such other persons as the joint committee on arrangements shall deem proper.

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

There was no objection.

The resolution was agreed to.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point by inserting the order of arrangements.

The SPEAKER. Is there objection?

There was no objection.

The order of arrangements follows:

ORDER OF ARRANGEMENTS

The Capitol will be closed on the morning of the 22d day of February, 1932, to all except Members and officers of Congress.

At 10 o'clock the east door leading to the rotunda will be opened to those to whom invitations have been extended under the concurrent resolution of Congress and to those holding tickets of admission to the galleries, which said tickets will be issued by the Doorkeeper of the House under direction of the joint committee.

The Hall of the House of Representatives will be opened for the admission of those who have invitations, who will be conducted to the seats assigned to them, as follows:

The Cabinet will occupy seats in front of and on the left of the Speaker.

The Chief Justice and Associate Justices of the Supreme Court will occupy seats in front of and on the right of the Speaker.

The General of the Armies, the Chief of Staff United States Army, the Chief of Naval Operations, and the Major General Commandant of the Marine Corps will be seated on the left of the Speaker.

The ambassadors and ministers of foreign governments will occupy seats on the left of the Speaker in section A—west.

Senators will occupy seats back of the Cabinet and the Supreme Court and on the east and west side of the main aisle.

Governors of the several States will occupy seats on the right of the Speaker in section A—east.

Representatives will occupy seats on the east and west side of the main aisle and back of the Senators and governors of the several States.

The House of Representatives will be called to order by the Speaker at 11:30.

The United States Marine Band Orchestra, under the direction of Capt. Taylor Branson, will be in attendance at 11 o'clock.

The Senate will assemble at 11:30 o'clock and, immediately after prayer, will proceed to the Hall of the House of Representatives.

The President and his Cabinet will assemble in the office of the Speaker.

The ambassadors and ministers will meet at 11:15 o'clock in the Ways and Means Committee room in the Capitol and be conducted to the seats assigned to them in Section A, on the left of the Speaker.

The United States and District of Columbia Bicentennial Commissions, the governors of the States, the General of the Armies, the Chief of Staff United States Army, the Chief of Naval Operations, and the Major General Commandant of the Marine Corps will meet in the room of the Committee on Appropriations at 11:15.

The Vice President will occupy the Speaker's chair.

The Speaker of the House will occupy a seat at the left of the Vice President.

The Secretary of the Senate and the Clerk of the House will occupy seats next the presiding officers of their respective Houses.

The other officers of the Senate and of the House will occupy seats on the floor at the right and left of the Speaker's chair.

The Joint Congressional Committee on Arrangements and the members of the United States and District of Columbia Bicentennial Commissions will occupy seats at the right and left of the President of the United States.

The Presiding Officer will recognize the Vice Chairman of the Commission, Senator Fess, of Ohio, who will present the President of the United States.

Address of Herbert Hoover, President of the United States.

The invited guests will retire from the Hall in an order reverse to that in which they entered.

The Joint Committee on Arrangements:

SIMEON D. FESS,
ARTHUR CAPPER,
CARTER GLASS,
For the Senate.
CLIFTON A. WOODRUM,
JOSEPH W. BYRNS,
JOHN Q. TILSON,
For the House.

ORDER OF PROCEEDINGS—JOINT SESSION OF CONGRESS TO BE HELD IN THE HOUSE OF REPRESENTATIVES, MONDAY, FEBRUARY 22, 1932, AT 11:30 A. M.

Opening of the House of Representatives by the Speaker, Hon. JOHN N. GARNER.

Prayer by the chaplain, Rev. James Shera Montgomery, D. D.
Arrival of the Senate, preceded by the Vice President, Hon. Charles Curtis, and the Secretary and Sergeant at Arms.

The following officials and guests of honor will be announced by the Doorkeeper in the following order:

1. The Joint Committee on Arrangements of the Senate and House of Representatives.

2. The Supreme Court of the United States.

3. The ambassadors and ministers of foreign governments.

4. The General of the Armies; the Chief of Staff of the United States Army; the Chief of Naval Operations of the United States Navy; the Major General Commandant of the United States Marine Corps.

5. The United States and District of Columbia George Washington Bicentennial Commissions.

6. The President of the United States and his Cabinet.

Singing of two verses of America by the entire audience.

"The Recessional," by Reginald De Koven. The Interstate Male Chorus, under the direction of Commissioner Clyde B. Aitchison.

The Speaker of the House will call the joint session to order and the Vice President will conduct the further proceedings.

The Vice President will recognize the vice chairman of the United States George Washington Bicentennial Commission, Senator SIMEON D. FESS, who will present the President of the United States.

Address: The President of the United States.

The Star-Spangled Banner by the entire audience.

EXTENSION OF REMARKS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a speech made by Governor Murray before the Anti-Saloon League.

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

Mr. UNDERHILL. Mr. Speaker, I object.

FEDERAL FARM LOAN ACT

Mr. STEAGALL. Mr. Speaker, I present a conference report on the bill (H. R. 6172) to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes.

ADDITIONAL ASSISTANTS IN HOUSE PHYSICIAN'S OFFICE

Mr. WARREN. Mr. Speaker, I present a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The SPEAKER. The gentleman from North Carolina offers a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 111

Resolved, That the number of assistants in the attending physician's office of the House of Representatives shall be increased from two to three and the allowance of \$30 per month for the one additional man shall be paid from the contingent fund of the House until otherwise provided by law.

The resolution was agreed to.

MARGARET ALBRECHT

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from North Carolina offers a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 108

Resolved, That there shall be paid out of the contingent fund of the House to Margaret Albrecht, mother of Lillian M. Albrecht, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250 to defray funeral expenses of the said Lillian M. Albrecht.

The resolution was agreed to.

JANE WILSON

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from North Carolina offers a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 107

Resolved, That there be paid out of the contingent fund of the House of Representatives to Jane Wilson, daughter of L. S. Wilson, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said L. S. Wilson.

The resolution was agreed to.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6660, making appropriations to supply urgent deficiencies, in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes, disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to take from the Speaker's table the bill H. R. 6660, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object merely to ask the gentleman from Tennessee a question. The gentleman from New York [Mr. BLOOM] very ably defended an item in this deficiency bill on the floor of the House against all assaults. I refer to the deficiency appropriation for the George Washington Bicentennial Celebration. This went to the Senate and they did a very unusual thing, something I have never known them to do before; they reduced the amount of this appropriation. As the House overwhelmingly supported the gentleman from New York [Mr. BLOOM], may I ask the gentleman from Tennessee what his attitude will be on this matter?

Mr. BYRNS. I have not conferred with my fellow conferees on the subject; but the attitude of the conferees, of course, I may say to the gentleman, would be to sustain the action of the House in appropriating the \$250,000; and that would be my personal attitude, I can tell the gentleman.

Mr. BLANTON. And before the gentleman would agree for that item to be reduced he would bring it back to the House for another expression of opinion?

Mr. BYRNS. I hope the gentleman will not make that as a condition. I can assure the gentleman that the conferees will do all they can to sustain what they believe to be the sentiment of the House, not only with reference to this amendment but all amendments.

Mr. BLANTON. And the sentiment of the House was expressed very forcefully in upholding the gentleman from New York [Mr. BLOOM]. And I think that we should continue to stand behind him.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNS, BUCHANAN, and Wood.

SWEARING IN OF A MEMBER

Mr. CONNERY. Mr. Speaker, may I present New Hampshire's gift to Democracy, Hon. WILLIAM N. ROGERS, who is present and desires to take the oath of office? [Applause.]

Mr. ROGERS, of the first New Hampshire district, presented himself at the bar of the House and took the oath of office prescribed by law.

JOHN W. LANGLEY

Mr. MAY. Mr. Speaker, I rise for the purpose of announcing to the House the recent death of the Hon. John W. Langley, who was long a prominent Member of this body. He died at his home in Pikeville on last Sunday morning of double pneumonia.

I make this announcement as a token of respect to him and to his family, and particularly to his surviving widow, who was erstwhile my opponent for election to this House and herself a former Member of this body. I also do this that any other Member who desires to do so may have an opportunity to comment on the life and career of the former Congressman.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7912, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

Mr. BUCHANAN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, the press carried some time ago the statement that there was a drive on foot by the administration to decrease the governmental expenditures and to establish real economy in the administration of our Government.

Ever since the establishment of the Budget the order of the economical branches of the Government having to do with appropriations has been as follows: First, the Cabinet officers, in their recommendations of estimates, have been the most extravagant; the Budget has been the next most extravagant; the Senate has been the next most extravagant; the House has been the next; and the Appropriations Committee of the House has been the most economical of any governmental unit in making appropriations.

I had occasion to review the first six years of the operations of the Budget, and this demonstrated that the House had decreased the Budget's own estimates \$600,000,000 during that time.

So I sincerely hope that in this governmental drive for economy the House will maintain its reputation as being one branch of the Government that is in favor of a real, intelli-

gent, economical administration. [Applause.] The drive has been started. It has been started in low gear; but, gentlemen, let us cooperate and go into high gear on economy throughout every governmental branch.

All of the increase in the expenses of the Government and in appropriations has not been due to the departments or to the Budget, but a portion of it has been due to the Congress. Let us shoulder our responsibility. Let us acknowledge it, and the sooner we correct it the better for us and the better for the country.

You will find on page 10 of the hearings on the agricultural bill that in 1910 the total appropriations for the Department of Agriculture were \$17,136,736. We will then skip down beyond the war, and we find that in 1919 they had increased to \$49,000,000 instead of \$17,000,000, and that the employees in the Department of Agriculture had increased from 12,000 to 25,000. Why was there this increase? Because the Congress included by authorization \$15,000,000 for stimulating agriculture and \$10,000,000 for the disposing of nitrate of soda.

Then we come down to 1920, and we find that \$50,000,000 was appropriated. Why was there this increase? Because Congress appropriated \$11,000,000 for increased activities in the department. We come down to another year when they had increased to \$71,000,000. Why was there this increase? Because Congress increased it by \$10,000,000 for the destruction of the corn borer. Then we come down to 1922. I find another big increase here where Congress increased the appropriation for seed loans throughout the Northwest.

Now, let me say something about seed loans while I am at it. Since 1922, when that started, up to the present time Congress has appropriated \$83,750,000 for seed loans throughout the country. There is still outstanding in these seed loans the sum of \$41,000,000. What does that involve?

The collection of the seed loans demands an increase of the personnel in the department, an increased expense and increased appropriation, until this year we are appropriating \$500,000 to employ men to collect these seed loans.

So that is an expense not only in that line but in other lines. If you keep on increasing the activities of the Department here and elsewhere there will be no end to the amount of the appropriation, and ultimately the Lord's Prayer will be changed to "Our father who art in Washington, Uncle Sam is thy name; give us this day our daily dole, for thine is the power and the glory. Amen." [Laughter.]

Now let us get down to this bill, but before I get to that I want to make a suggestion. I know that this suggestion would not be approved by the Democrats if they had control of the Executive branch of our Government. I know the suggestion will not be approved by the Republicans, because they are in power. There is nothing partisan about the suggestion. If the suggestion is ever translated into law it will have to be through a bill that will take effect after the term of office of the administration in power has passed.

Gentlemen, I would like to see every Cabinet officer, every assistant to every Cabinet officer, which includes every department chief and every independent establishment, placed under the civil service law, that would subject them to dismissal for pernicious partisan political activity.

I would like to see the Cabinet officers and assistants occupy an exalted position like unto that of the Supreme Court, where they take no active part in politics and devote their whole attention to intelligent, economic advance of our country.

Just so long as you permit the vast appropriations made by this Congress to be expended by the political—I will not say buccaneers, but political guardsmen of the administration in power—just so long undue influence will be exercised to procure appropriations. [Applause.]

If we amended the oath they are required to take in qualifying for office so as to make them swear that they would take no active part in politics and would not permit political considerations to influence their action in recommending or spending appropriations, they would be selected by the President, not for political influences, not as political shock-absorbers for the administration, but selected for their high

integrity and ability to handle the fiscal affairs of the Government like other big business institutions are handled.

As it is they are selected for their political influence.

This suggestion is submitted with no hope whatever of its being adopted by this Congress but only in the interest of economy.

Now as to this bill. The appropriation for the Agricultural Department for 1932 was \$235,664,694. The Budget estimate was \$186,243,405.

The amount recommended in this bill is \$175,443,814, or \$60,000,000 less than the appropriation of last year. It is \$10,799,591 less than the Budget estimate, so that I think, if the House will sustain this committee in these reductions, we are on the way to a real intelligent economy. It was the policy of this subcommittee not to allow the increase of a single item of the Budget and not to allow the initiation of a single new activity. It was the policy, so far as we could carry it into effect, not to allow the employment of a new additional employee or to create an additional position for any employee to be placed in. The first two of these policies suggested the committee carried out to the letter. In this entire bill there is not an increase of a single Budget item. As a matter of fact there are over 200 units in the Agricultural Department, by whom this money is expended and among which it is prorated. In 45 of those units we approved the Budget figure. In over 160 of them we reduced the Budget figure. In fact, in my judgment we cut this bill to the bone, and I hope that every other department will do likewise. [Applause.]

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. STAFFORD. Is the policy adopted by the subcommittee, which the gentleman honors by being its chairman, the policy that has been agreed on by the full Committee on Appropriations, namely, that they will in no instance go above the Budget estimates, or is it just the policy of the subcommittee on the agricultural appropriation bill?

Mr. BUCHANAN. The policy not to increase a single Budget estimate or add a new activity is the policy of the entire committee in carrying out an intelligent, economical program.

Mr. STAFFORD. To that I subscribe, but I am seeking to know whether that is the agreed-upon policy for all of the subcommittees by the full committee?

Mr. BUCHANAN. It is the understanding; yes.

Mr. SIMMONS. Mr. Chairman, will the gentleman repeat the statement he just made regarding the policy of the subcommittee?

Mr. BUCHANAN. No; the main committee.

Mr. SIMMONS. Because the policy announced is not the unanimous policy of the subcommittee.

Mr. BUCHANAN. I understand that. I stated, however, that it is the policy of the whole Committee on Appropriations. I do not mean every member of it, but it is the policy of that committee that every subcommittee is supposed to translate into action what I have described, in order that we might have an economical government. If the President, the departments, and the Budget agree that only so much money is necessary for them to perform their duties, what right have we, or what business have we, to come in and say to them, oh, no, you can expend a lot more money and we will give it to you—and that during this period of depression? For one, I am not going to do it if I can help it.

Just a few words now on the matter of reduction. You will notice in the hearings that there is a reduction of \$470,012 of the Budget, which was arrived at by deducting 5 per cent from the general administration, such as the purchase of supplies, communications, stationery, and so forth. We deducted that 5 per cent from that fund in each bureau, and it totaled the amount I have just stated. I think they can stand it. I think they will stand it. If there should be one or two bureaus where an injustice has been done, let them make that showing in the Senate, and it will be corrected. You will never have a real showing for economy from any of

the departments until you compel them to make that showing by reducing their estimates.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. YON. If there is insufficient money to carry on the work of these bureaus in good shape, could not the deficiency bill take care of it?

Mr. BUCHANAN. Certainly, the deficiency bill could take care of it.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. VINSON of Georgia. While the gentleman is discussing the question of reduction, will he inform the committee about the reduction of \$9,000,000 for public roads?

Mr. BUCHANAN. The Budget recommended \$125,000,000; that is, it placed \$125,000,000 in the estimates. From that they subtracted \$16,000,000, as one-fifth payment of the emergency appropriation of \$80,000,000 that we made or loaned to the States last year. The law provided that that money should be loaned to the States, and that one-fifth should be paid out of each recurring five appropriations. They subtracted the \$16,000,000 from the \$125,000,000, which left an estimate to go before the committee of \$109,000,000. Your committee recommended back to this House an appropriation of \$100,000,000.

Mr. VINSON of Georgia. In that connection does the committee understand that there is actually no reduction in the expenditure for public-road work that is being now carried on?

Mr. BUCHANAN. This \$100,000,000, even if there is no reduction in the States of road work, will pay every cent that will be due the States up to the time the regular annual appropriation bill will be passed next year.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. VINSON of Georgia. In other words, \$100,000,000 is sufficient for the road-work program as it now stands?

Mr. BUCHANAN. More than sufficient. I questioned the Chief of the Bureau of Public Roads and he admitted that \$80,000,000 in this bill would be sufficient to carry on up to the time the deficiency bill is passed next December. At that time there was pending before the subcommittee considering the deficiency appropriation bill a deficiency estimate for \$60,000,000 for public roads. That committee, in its wisdom, reduced that Budget estimate \$10,000,000, bringing in and passing a bill for \$50,000,000 for that purpose. When that was done my subcommittee had to add this \$10,000,000 reduction to the \$80,000,000, making \$90,000,000, to meet the debts of the States as a claim upon the highway fund.

But, to make sure and to take no chances that we would have an abundant fund to pay the States, we increased it to \$100,000,000, which will carry it up to the next annual supply bill and will be sufficient for one year's operation.

Mr. SWING. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SWING. I just wanted to get the picture before me. I understand that last year, as a part of the effort to aid unemployment, we increased, by doubling, in addition to the \$125,000,000 we usually appropriate, \$250,000,000 in addition. That is not going to be followed this year, and the usual \$125,000,000 is to be cut to \$100,000,000. Is that the picture?

Mr. BUCHANAN. No; not the normal \$125,000,000. Instead of \$125,000,000, which is the authorization for this year, we are appropriating \$100,000,000. Sixteen million dollars is taken off, which we had to pay back in that emergency appropriation, which left \$109,000,000. The \$9,000,000 is taken off, which leaves \$100,000,000 in this bill.

Mr. SWING. The previous emergency action of \$250,000,000—

Mr. BUCHANAN. It was only \$80,000,000 for public roads, which I am discussing.

Mr. SWING. Was it not \$250,000,000 for forest trails and roads?

Mr. BUCHANAN. It might have been \$250,000,000 estimated for the entire Government service, but only \$80,000,000 for public roads, and that is the subject under discussion.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. VINSON of Georgia. The bill provides that \$100,000,000 be made immediately available, to remain available until expended. That, as I understand from what the gentleman has said, is sufficient to meet all requirements until March, 1933?

Mr. BUCHANAN. That is correct; until the next regular annual supply bill is passed by Congress.

Mr. JONES. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. JONES. The total amount carried by this bill is \$175,000,000, in round numbers. Of that amount, \$100,000,000 goes to roads. That leaves only \$75,000,000 for agricultural purposes. This bill is the only appropriation bill that will be presented that carries an appropriation primarily for agriculture?

Mr. BUCHANAN. That is correct.

Mr. JONES. Yet agriculture represents about 30 per cent of the American people. I am thoroughly in sympathy with the statement which the gentleman made, that we should have economy all along the line, but I want to state in that connection that if the House sees fit to cut these appropriations to the figure stated by the bill and explained by the gentleman, I can see no reason why all of the other measures should not, in all reason, be cut in similar fashion, and if that is done I do not think anyone can complain. If this is done in all bills presented it will mean a real program of economy.

Mr. BUCHANAN. In reply to my colleague, I think the farmers of the United States are more intensely in favor of economy than anybody else, and the Agriculture Department is leading out, to set forth an example for all the other departments, to be followed by them. [Applause.]

Let me further reply to my colleague, the gentleman from Texas, that the gentleman stated that agriculture is the primary industry of the Nation, and it was poorly provided for or poorly recognized in appropriations by the Government as compared to other departments. I want to call the attention of the Members to this fact: I will start out with the highest allocation of governmental appropriations and will go to the lowest. In June, 1930, the Treasury Department made a financial statement. It showed the total amount of our appropriations to be \$4,699,936,585, a vast sum, over \$4,600,000,000. How was that expended among the departments? The public debt took up \$1,213,231,216. Of that amount \$553,883,603 was for redemption of our indebtedness and \$659,347,613 was for interest on debt. The public debt took up 25.8 per cent of our entire appropriation of \$4,699,936,585.

The next department in the order of the amount expended was executive offices and independent establishments. That took \$941,855,332, or 20 per cent of the entire \$4,600,936,585.

The next was the Post Office Department, which spent \$797,256,748, or 16.9 per cent of our entire appropriation of over \$4,600,000,000.

The next was the War Department. Of the entire amount it spent \$440,916,126, or 9.4 per cent of the \$4,600,000,000.

The next was the Navy Department. It spent \$374,165,638, or 8 per cent of over \$4,600,000,000 appropriated by the Government.

Now we come to the Agriculture Department, about which my colleague spoke. That department spent in that year \$177,580,581, or 3.8 per cent of the entire \$4,600,000,000. In that appropriation was \$90,000,000 for public roads, which is not essentially or absolutely or exclusively an agricultural activity. Therefore it should be subtracted. If you subtract it, agriculture, representing one-third of the people of the United States; agriculture, representing the very foundation rock upon which all of our industrial enterprises are based, cost less than 2 per cent of the amount appropriated to all governmental departments.

Mr. COLTON. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. COLTON. Could the gentleman tell us whether the amount just given as representing the expenditures in the executive department includes expenditures for the Veterans' Bureau?

Mr. BUCHANAN. Oh, yes. That is an independent establishment. Does the gentleman want the amount expended for veterans?

Mr. COLTON. I would like to have that information if the gentleman has the figures.

Mr. BUCHANAN. For the Veterans' Bureau, \$853,397,951; for the Shipping Board and Emergency Fleet Corporation, \$31,000,000. I am giving the gentleman round figures. For the Interstate Commerce Commission, \$10,000,000; Federal Board for Vocational Education, \$8,000,000, and miscellaneous, \$37,000,000. Those amounts all come under the Executive Office and independent establishments. I could go on and give you the smaller departments, such as the Department of Commerce, which spent \$54,000,000, or 1.2 per cent; District of Columbia, \$45,000,000, or 1 per cent; Department of Justice, \$41,000,000, and so on. My purpose was to emphasize, not only to this House but to the country, the fact that the Agricultural Department was not the cause of this vast amount of governmental expenditures.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield myself 30 additional minutes.

Mr. FIESINGER. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FIESINGER. There seems to be the opinion in the country that there is a great deal of overlapping of activities, useless bureaus, or activities that do not justify the expense entailed, and the expenditure of money that is not necessary. Is there any such in this bill?

Mr. BUCHANAN. There is nothing of that kind contemplated by this bill. The committee has given attention to duplications during the 15 or 16 years I have been on this subcommittee. However, where you have scientific research—and a great deal of this money is for scientific research in connection with agricultural problems—necessarily two sciences run together in the solution of a single problem, so it is hard to draw the twilight zone between two activities. It is very hard. In fact, gentlemen, I believe it is utterly impossible in any one instance not to have a little bit of duplication. I wish with the gentleman that we could avoid all duplication, but when two problems run together you can not draw the twilight zone.

Mr. FIESINGER. The gentleman could not tell me whether there is any duplication in this department with other departments of the Government?

Mr. BUCHANAN. Only from the testimony. They claim they are cooperating with every other department that touches their activities, and are doing the very best they can to avoid any and all duplications.

Mr. FIESINGER. It seems to me there ought to be some general analysis made to determine whether there are duplications, useless bureaus, or activities that do not justify the expense entailed, because I know there are a great many people who think there is extravagance in Government departments due to overlapping and duplications, and activities that do not justify the expense entailed.

Mr. BUCHANAN. I do not think there is as much as there is reported to be.

Mr. GIBSON. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. GIBSON. Will the gentleman tell us how much the recommendations of this committee cut below the President's estimates as contained in the Budget?

Mr. BUCHANAN. I can give the gentleman that exact figure.

Mr. GIBSON. Is it \$10,799,591?

Mr. BUCHANAN. That is the figure; yes.

Mr. GIBSON. In passing the deficiency appropriation bill we cut off about \$14,000,000. Does not the gentleman think it would be possible for the Appropriations Committee

to recommend cuts totaling at least \$100,000,000 from the President's estimates as contained in the Budget for all the appropriation bills, those submitted thus far and those to be submitted?

Mr. BUCHANAN. Yes; a great deal more than \$100,000,000.

Mr. GIBSON. I am not asking these questions in a spirit of criticism. I commend this subcommittee and the subcommittee handling the deficiency bill for commendable work in reducing appropriations.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HOGG of Indiana. I wonder if the gentleman from Texas can tell us how many employees there are in the Department of Agriculture and how many of those employees get in excess of \$5,000 a year?

Mr. BUCHANAN. I have that list here, but it would take some time to go through it.

Mr. HOGG of Indiana. Could the gentleman give us an idea without being exact about it?

Mr. GREEN. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. GREEN. Several months ago, I believe last year, the gentleman will recall there were emergency funds appropriated for roads that were charged against future allocations to various States. I was wondering if these emergency funds are still charged to the State funds and are being taken out of such appropriations.

Mr. BUCHANAN. We took \$16,000,000 out of this estimate, which is one-fifth. The States are to pay one-fifth out of the amounts allocated to them, and we took it out of this bill. However, the States will still obtain a sufficient amount of money to carry into effect their entire public-roads program.

While I am on that question, let me say that we are behind in appropriations about \$51,000,000 as compared to the authorizations; in other words, we are behind \$51,000,000 in appropriating all we are authorized to appropriate. In justice to the Department of Agriculture, I feel I should make this statement:

From my investigation I believe this department is one department of the Government that has cooperated with the President 100 per cent in striving to reduce expenses. To substantiate this statement I am going to refer to a few facts. We will take up, first, the question of personnel. When personnel is decreased this means at least a continuous reduction for a while because, if a position is discarded, it stays discarded until Congress authorizes putting it back.

Now, listen. The Department of Agriculture decreased its employees in the District of Columbia under the Budget estimate 73 positions.

The Commerce Department, under the Budget estimate, increased its positions in the District of Columbia by 462 positions.

The Department of the Interior increased its positions in the District of Columbia 132 positions.

The Department of Justice, increase, 69 positions.

The poor little Department of Labor that had only 850 employees, under the Budget estimate, is compelled to decrease 50 positions.

The Navy Department has the same number under the Budget estimate as this year.

The Post Office Department, increase, 7 positions.

The State Department, decrease, 14 positions.

The Treasury Department, out of 13,092 positions, decreased only 68 positions, while the Department of Agriculture, out of only 5,000 employees, in round numbers, decreased 73 positions.

War Department, increase, 3 positions.

When you take the salaries provided for these positions, you will find that the Department of Agriculture has decreased, under the Budget estimate, nearly one-half of all the other departments of the Government.

Take traveling expenses. The Department of Agriculture decreased one-third as much as all the other departments of the Government.

So in justice to this department I feel like stating that it is the only department of the Government that is striving with might and main to conduct an economical administration.

Mr. JOHNSON of Texas. Will the gentleman yield for a question?

Mr. BUCHANAN. Yes.

Mr. JOHNSON of Texas. Absence from the Chamber prevented me from hearing all the gentleman's speech. Has the gentleman stated the reduction that his committee has made in this bill under the amount contained in the Budget recommendations?

Mr. BUCHANAN. Yes; ten million seven hundred and some-odd thousand dollars.

Mr. JOHNSON of Texas. I congratulate the gentleman and his committee.

Mr. BUCHANAN. Gentlemen, before I close I feel I should discuss an important reduction we made in this bill that affects a product that is raised extensively in every State of the Union. I feel the membership of the House ought to know the attitude of this committee so they can give this attitude due consideration and pass judgment upon the committee's action in making the reduction.

In order for you to understand it clearly I am going to explain two other subjects briefly.

This map [indicating] represents the area infested by the gypsy or brown-tailed moth. We did not disturb that appropriation of \$583,000, because we have a remote possibility of ultimately eradicating that pest from the United States. You will notice the line here and the bright place here between the infested area and this area here [indicating] that is called the moth-free zone, and all the moths are kept out of that zone to prevent its spread from the infested area. This zone runs from the sea to the Canadian line.

Why can we keep it within bounds by maintaining this zone? Because the female moth can not fly. Therefore, if we keep that zone free they can not cross it in the air. With proper quarantine—and that zone is a quarantine—and proper work inside we may ultimately eradicate it, and I may say that of all the insects that infest our country we have met with greater success in destroying the gypsy moth by parasites than in destroying any other kind. They are doing wonderful work along this line right now.

Mr. CLARKE of New York. If the gentleman will permit, I want to compliment the committee upon its broad-gaged attitude, because I know from the work under the Clarke-McNary bill and the activities we are carrying on independently in the State of New York the absolute necessity of this work. We are planting each year from 20,000,000 to 30,000,000 trees. We have now authorized a bond issue of \$20,000,000, buying up the farm lands, and this year, under present financial conditions, every effort has been made to meet this problem, which is one that affects New England, New York, and New Jersey particularly.

Mr. BUCHANAN. I thank my colleague for that expression and I may state to him that I have always been an ardent advocate of using every means within our power to eradicate any pest, if such eradication is possible, and as long as there is a chance, even though remote, of eradicating it and getting rid of it. We would save years and years of expense in combating it and seeking to control it and decrease its ravages. For this reason I have always been an advocate of eradication regardless of what part of my country was affected.

Let me tell you that the prosperity, success, honor, and glory of one section of the United States adds to the honor and glory of our common country. [Applause.]

Mr. LINTHICUM. Will the gentleman state what is the method of getting rid of this pest?

Mr. BUCHANAN. Spraying with poison, and letting loose millions and millions of parasites, which work havoc with the gypsy moth. The only trouble is that in cleaning up the gypsy moth so fast they do not have food enough, and so the parasites die. So that they have to keep breeding them and releasing them each year.

Now we come to the Japanese beetle. This map shows where it is located. There is no hope held out to us now, and never has been in recent years, for the eradication of that pest. Last year we spent \$20,000 on roads and quarantine. Well, \$25,000 is a mere drop in the bucket. Quarantining a few roads did no good.

This [indicating] is the location of the infested area. It has spread 350 miles in several directions. We have cut out that \$25,000 for road quarantine. How can you stop a bug migrating in the air by stopping an automobile in the road?

But we did appropriate \$375,000 for examination and treatment and quarantining shipments from the infested area. There is forty-five to sixty-five million dollars value of industrial enterprises in the infested area dependent upon interstate shipments to market the products.

Mr. KNUTSON. Will the gentleman state whether they have found any parasites for the Japanese beetle?

Mr. BUCHANAN. Yes; they have some parasites for the Japanese beetle, but the beetle is so hard and breeds so fast that the parasites find great difficulty in destroying them. The prospect of destroying the beetle by a parasite is not very encouraging, notwithstanding the parasites in Japan are controlling the beetle so that they do not do any commercial damage.

Mr. LINTHICUM. How much do you appropriate for the gypsy moth?

Mr. BUCHANAN. Five hundred and eighty-three thousand dollars.

Mr. LINTHICUM. I think we have some gypsy moths in Pennsylvania.

Mr. BUCHANAN. Yes.

Mr. LINTHICUM. And they have begun to come into Maryland?

Mr. BUCHANAN. Yes; and the States are cooperating with the Federal Government by appropriating funds.

Mr. LINTHICUM. I received a letter from the department this morning referring to this appropriation.

Mr. JOHNSON of Texas. As I understand, the gypsy-moth infestation is largely in the New England area?

Mr. BUCHANAN. Yes; the gypsy moth.

Mr. JOHNSON of Texas. The attitude of the gentleman from Texas on this matter refutes the idea sometimes maintained that Congressmen are local and preferential in advocating Federal aid. Some assert that Congressmen merely want to represent their own section.

Mr. BUCHANAN. Oh, yes; but those are fossil remains of a past age. At the close of the World War that went out, and we are now all one country. [Applause.]

Mr. CLARKE of New York. The gentleman will remember that when he came to us for aid to eradicate the pest in Texas we responded in the same broad-gage national spirit.

Mr. JOHNSON of Texas. Yes; and that is the reason why when you ask for aid now, we respond in that same broad-gage spirit. [Applause.]

Mr. KNUTSON. And may I say for the RECORD that I appeared before the gentleman several times, and, although we belong to different political parties, I found him just as sympathetic with our problems in Minnesota as with any other part of the Union.

Mr. BUCHANAN. You gentlemen are paying me these compliments, but I would a heap rather you pay them in the way of voting for this bill, so that we may have economy in governmental expenditures. We kept the \$375,000 on for the Quarantine Bureau, to maintain a quarantine and certify these products out of that district so that they could enter interstate commerce and so that it would not bankrupt the forty to fifty million dollars of business enterprises that are situated within the infested area. If the Federal Government raises its quarantine, immediately every surrounding State would put on its quarantine and those business enterprises valued at forty to fifty or sixty million dollars would be bankrupt, because they depend upon interstate commerce for a livelihood. We believe that is one of the high provinces of the Agriculture Department.

I come now to a subject that I want to discuss which concerns you all. The discussion of these first two pests has led us up to the celebrated corn borer, of which you have heard so much. The Government has already appropriated throughout the years a little over \$19,000,000 to combat this pest. No doubt exists in my mind that if, when it was first discovered, there had been declared a plant-free zone by the Government and sufficient money appropriated to keep it free from all vegetation, it could have been eradicated just as the pink bollworm was eradicated with the appropriation which the gentleman from New York [Mr. CLARKE] helped us to get. But that was not done, and there is no use in grieving over milk that is spilled. It has been here now since 1910. It has spread from 1 or 2 States and now is in 13 States. Every scientist and every practical man who has given the subject study advises us now, and has advised us in the past, that it is impossible to eradicate it; that it is impossible to prevent its gradual spread; that as sure as grass grows and water runs it will ultimately cover the entire United States.

That being the fact, \$500,000 was recommended to us in this Budget for a road quarantine of the corn-borer-infested area. There is the infested area on this map. They claim now that that quarantine line is 1,700 miles long. If that is 1,700 miles, then all of these lines down here will average twice that, or 3,400 miles, or, say, 3,000 miles. Five hundred thousand dollars a year for road quarantine and automobile quarantine! It would take 40 years to get down here into central Texas—40 years of road quarantine with this \$500,000 increased to \$1,000,000, which would be \$40,000,000 to conduct a road quarantine against a pest that can fly, and you can not stop a flying bug with a man on the road stopping automobiles. Forty million dollars to conduct a road quarantine against the spread of a bug that hibernates in cornstalks and in every weed that has a pith in it, that has infested 13 States, with numerous creeks and rivers running through them, so that cornstalks and weeds that are infested may travel down them finally to the Gulf of Mexico.

I say that is too much to accomplish; something that will not be accomplished, even with that expenditure. If it succeeded, it would be a different proposition. If you could guarantee, or have reasonable assurance that road quarantine would stop this spread, it would be all right. It has already gone across Lake Michigan once and has gotten into Wisconsin and Illinois, and is now in Kentucky. It is probably there now waiting to increase in sufficient numbers to let itself be known. I think the expenditure of that money is foolish, because it does not do much good.

Now, I shall give you a few facts on the corn borer itself. In this country it has never done any appreciable commercial damage to field corn. It is a peculiar bug. It originated in central Europe. We sent two experts over there who remained there two years investigating the corn borer. It is a seasonal bug. Some years it would produce great damage over there, and then it would skip for several years, and then a year would come along when it would multiply and increase and do great damage again; but I noticed in the experts' report that the only time they gave the corn produced per acre on an average we find it was from 27 to 29 bushels per acre, and that is pretty good corn in the corn-borer home, is it not?

If it does not do any more commercial damage than that, then we need not be so apprehensive about the depredations of the corn borer. I do not believe the expenditure is justified. Therefore the committee cut out the \$500,000. Mind you, we left appropriations of approximately \$750,000 in the bill to study culture methods for controlling it, for research, to determine remedies or poisons for it, and for the importation of parasites to control it—every conceivable avenue of approach except road quarantine. We left every appropriation in there that would help us control it and minimize its damage and meet the problem as it should be met.

The automobile road quarantine cost in one year \$500,000. They intercepted and took 300,000 ears of corn, or \$1.60 an ear—a pretty good price for corn.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. LINTHICUM. How does the corn borer operate? I do not know much about it.

Mr. BUCHANAN. The corn-borer moth lays a little cluster of eggs, generally on the underside of a leaf of corn, close to the stalk. When the time arrives, as prescribed by nature, the eggs hatch into little worms. I am talking in plain language. This little worm crawls to the stalk and bores a hole in the stalk and then bores down the stalk. It may go up, but all I have ever seen, their heads, were going down, as if they were going to hell, and I hope they will. [Laughter.] Now, when a sufficient number get in that stalk and a wind comes that stalk is weakened so that it blows over, and there is more damage done to the corn in Europe by the stalks blowing over and breaking than in any other way. In central Europe high winds are almost constant, often approaching little storms, and when 5 or 6 or 8 corn borers get into one stalk it becomes so weakened that it blows over and breaks off. Then, when harvest time comes the little corn borer turns into a fortune teller and hibernates in that cornstalk or in a weed. It attacks everything that has a stalk and pith in it.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOGG of Indiana. I think the gentleman is talking business when the gentleman says the committee has eliminated \$500,000 for highway quarantine. That is really getting down to brass tacks. Will the gentleman be good enough to continue the good reason which caused him to eliminate \$500,000 and eliminate perhaps two-thirds of the remaining \$750,000, which I say will absolutely be wasted, as far as the interests of the farmer are concerned?

Mr. BUCHANAN. To be frank with the gentleman, I think some of these other items can be and should be eliminated; but when you cut \$500,000 from an activity, you become apprehensive that that might not get by the House; and if we go too far at one cut, we may ruin the good which could have been done by being reasonable and moderate and sensible and sane. I do not know whether the gentleman has gone into the matter fully or not, but some of the appropriations which are carried in this bill, which the gentleman desires to have cut out, are absolutely essential and should be allowed. For instance, we have sent to European countries and brought a number of parasites here.

The Government is now engaged in breeding those parasites, breeding them by the millions, of different kinds, and turning them loose and observing them to see what they do and see how they survive and how they multiply. If we could get enough parasites which would reproduce themselves and get the Corn Belt stocked with them, the problem of any more danger would be at an end. Shall I, as one humble Member of this Congress, stand in the way of that great benefit that would come to the greatest agricultural crop, in terms of quantity, at least, that is produced in the United States?

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield myself five additional minutes.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. LINTHICUM. Upon what basis did we quarantine against Argentine corn? Was that on account of the corn borer?

Mr. BUCHANAN. No, sir. The corn borer came to this country in shipments of broomcorn from Europe.

Mr. LINTHICUM. There is a quarantine against corn from the Argentine, is there not?

Mr. BUCHANAN. I do not recall what the gentleman is talking about. There are over 1,000,000,000 bushels of corn produced in the United States outside of this infested area. If we could get enough parasites to control this bug before it invades this vast area, with that great value of corn crop, we should do it.

Mr. HOGG of Indiana. Will the gentleman yield further?

Mr. BUCHANAN. I yield.

Mr. HOGG of Indiana. I would like to suggest to the gentleman that he could carry all the corn which the corn

borer has killed in the State of Indiana under his arm. There is not a corn farmer in Indiana who does not know how to combat this pest. I am in favor of the investigation which the gentleman has suggested, but I do not think it should cost half a million dollars.

Mr. BUCHANAN. As I understand, the hearings show that Indiana and Ohio and every other area that is now infested with the corn borer puts the corn crop generally, while it is green, in shock. Is that correct?

Mr. HOGG of Indiana. Yes; that is correct.

Mr. BUCHANAN. And they afterwards take the corn off and feed the fodder to their dairy cows. Is that true?

Mr. HOGG of Indiana. That is true.

Mr. BUCHANAN. Of course, if the fodder is fed to the stock, that destroys the corn borer hibernating in those stalks. It is either eaten by the stock or it is trampled under foot or otherwise. That is very well. The great section of this area that is not infested with the corn borer, like Nebraska and the entire South and West, do not cut and shock their corn and feed the stalks and fodder to the cows. They leave it standing in the field, which is an ideal way to breed the corn borer. The difference in culture methods in Indiana and Ohio from the vast region of the corn-producing area of the United States is in those two methods of handling. Therefore this was left in the bill.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SUMMERS of Washington. The gentleman knows very well that I have contended for years, based on the testimony of Doctor Marlatt, Chief of the Bureau of Entomology, that this corn-borer expenditure should be eliminated and that it is a pure waste of money. The chairman has just told us how this came from Europe, and, with his permission, I want to read about a half dozen lines:

It was brought in from Europe with importations of broomcorn about 1908-1910, and when we came to look for the European records we found that there were only a very few records of the insect. It was not even catalogued among the leading injurious pests of European corn or farm lands.

This is the biggest waste of money, in my opinion, of anything that Congress appropriates. There are 15 places in the bill where we carry items to combat the corn borer, which has never caused \$100,000 damage in all the United States in any one year, according to the records in the department.

Mr. BUCHANAN. I will state to my colleague from Washington that while that testimony is in the record I have read the report of the two scientists sent to Europe to investigate this corn borer. If the gentleman wants it, I will send it to his office and let him read it. According to that report considerable commercial damage is done every year by the corn borer. In some years it has amounted to 75 per cent, but in other years it has amounted to only 15 per cent. According to that report it is a real menace to central Europe.

Mr. SUMMERS of Washington. That report does not indicate that 75 per cent of the whole crop is damaged, but it may be 75 per cent of one little patch in a wet piece of ground. That is the testimony we get, that a little garden patch, as it were, is affected and suffers severely.

Mr. BUCHANAN. That report shows that in a normal year the average damage is 15 per cent, while in some years it is 75 per cent. That is the statement made in the report.

Mr. GARBER. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. GARBER. I want to commend the membership of the gentleman's committee for the diligence and industry displayed, as evidenced in the hearings, in the consideration of every subject presented. I especially commend the prohibitive sections in the bill, which limit the employment of new personnel. I think the members of the committee are to be congratulated upon their retrenchment in all the various items carried in the bill for the Department of Agriculture.

Mr. BUCHANAN. I think the gentleman's speech is a good time for me to quit. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield myself 30 minutes.

Gentlemen, I had not intended to speak at this particular time, yet I rather think that some of the things I have to say will fit in fairly well with what the chairman of our subcommittee and my esteemed colleague from Texas have said. So I shall undertake to discuss certain features of this bill.

Let me state first that our proceedings within the subcommittee have been entirely friendly and cordial. The gentleman from Texas, as chairman, has been exceedingly fair and courteous to the minority at all times. The differences that have come up in the subcommittee are in no wise personal. However, I can not fail to present what I think are some very serious questions involved in the action the committee has taken with regard to this bill.

The gentleman from Texas [Mr. BUCHANAN] has correctly stated that the Department of Agriculture in its personnel has taken a material cut in the Budget figures this year and on a percentage basis that cut is larger than that contemplated by any other department. But may I call the attention of the committee to this significant fact: That while the Budget estimate for a decrease of 73 employees in the Department of Agriculture in the District of Columbia for the fiscal year 1933 over the fiscal year 1932, yet the fact is that they will have in the city of Washington working for the Department of Agriculture 343 more employees under the 1933 Budget than that department had in 1931. Likewise, while the Budget figures show a total reduction of 407 employees in the field, yet, if the Budget bill is accepted, the Department of Agriculture in the fiscal year 1933 will have in the field 282 more employees than it had in the fiscal year 1931. So the Department of Agriculture is not suffering by the cuts which have been made.

I want also to call your attention to this fact, and here is the first place that I disagree with the action of the Budget and in which I am not in accord with the action taken by my colleagues on the committee: The 73 employees cut in the District of Columbia represent a cut of 1½ per cent of the employees in the department here in the Capital City. The 407 employees cut from the field force represent 2½ per cent of the employees in the field.

The first charge I make is this, and it is not a charge against the Budget Bureau, but it is a charge against administrative officers in the department: That the economies, real and fancied, in this bill are made at the expense of the actual service which the Department of Agriculture renders throughout the agricultural States, and that they have not taken cuts in the city of Washington comparable to the cuts which they have asked us to approve in the field. For instance, the Secretary's office in this bill carries 403 employees. They have not been reduced one employee. The Bureau of Information carries 190 employees, but that bureau takes not one cut in Washington. Their mechanical force takes not one cut in Washington. The Arlington Experimental Farm is not reduced a nickel in the Budget decrease. They have not taken their fair share of the reduction in expenditures in the Washington offices, which the President asked the departments to take.

Here is another interesting item—and I could take all my time this afternoon in discussing items such as this: The bill last year carried an appropriation of a flat \$1,000,000 for printing and binding in the Department of Agriculture. That was cut \$50,000 in the recommendations of the Budget to us. There are some 43 subheads which make up the \$950,000 they ask for. Twenty-seven of those took cuts ranging from \$100 to \$5,000, but the printing item for job work here in Washington for the Department of Agriculture did not take one nickel of cut.

Now, I am not going into illustrations which could be multiplied. However, I proposed in the committee, and the committee accepted that proposal, that in the items for expenditures, such as travel and maintenance, equipment, incidental expenses, and all of that, we should cut 5 per cent.

Clearly no one can say that 5 per cent is too little or too big, but we feel that a 5 per cent cut can be justified, and the committee accepted that line of reasoning. So the bill that has come to you carries a reduction in incidentals, or

what is carried in the breakdown of the Budget under the title of "other expenditures," of \$470,000, a very material reduction. I am pleased that the committee accepted my recommendation on that.

Now, I likewise proposed in the committee and my colleagues did not see fit to agree with me, and I am going to propose it to the House during the consideration of the bill by this committee, that we also apply a similar reducing diet to the Department of Agriculture in Washington, and that while we have taken 5 per cent from their contingent expense, we also take 5 per cent from their salary allocations.

In other words, under the office of the Secretary of Agriculture there are various items that are carried in this bill with 403 salaries of \$775,000. I shall propose a reduction that on the average would require the Secretary to operate on 380 employees [applause], or, in effect, wherever there are 100 employees carried in one of these items, I believe in these times that these departments can operate on an average of 95 and not 100. Proportionate decreases will be offered to many items. It may mean that some messengers will be discharged. It may be that now and then a chauffeur will be dismissed. It may mean, and in my judgment it should mean, that expending offices in the Department of Agriculture should go through this bill and clean out at least 5 per cent of the activities that render no practical, efficient service to American agriculture. [Applause.] I do not believe that this cut would in any way hurt the efficient service of the department.

As I say, my colleagues on the committee did not agree with me in this, but I expect to offer a series of amendments that will make that reduction approximately \$500,000 additional upon the floor of the House.

Mr. MICHENNER. Will the gentleman yield right there?

Mr. SIMMONS. Yes, sir.

Mr. MICHENNER. Was the gentleman the only member of the subcommittee that did not agree with them?

Mr. SIMMONS. I trust the gentleman will not ask me to answer that question.

Mr. HOUSTON of Delaware. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. HOUSTON of Delaware. How many employees are there in the Department of Agriculture—how many in the field and how many here in Washington?

Mr. SIMMONS. As near as I can get the figures, and, of course, these figures have to be approximations, because a shift is constantly being made, there are roughly 5,500 civil-service employees in the city of Washington and approximately 18,000 civil-service employees in the field.

Mr. LINTHICUM. How many of them are in the Bureau of Roads?

Mr. SIMMONS. The Bureau of Public Roads does not carry its employees so that I can answer that question, because their appropriations are paid out of a fund of 2½ per cent of the total appropriations, and they are rather unlimited, and we do not get a very exact check upon their expenditures, and for that I am sorry. The legislation creating the Federal aid road situation is such that the Committee on Appropriations does not have a very exact check upon their expenditures for personnel and incidental expenses.

Before I go to one other matter in this bill, I want to discuss a matter that the gentleman from Oklahoma [Mr. GARBER] approved in commenting on the action taken by the subcommittee, and that is the putting into this bill of language intended to restrict the activities of the Department of Agriculture in the employing of new personnel.

I have no quarrel with that language. As I understand, it merely carries into effect an administrative order that the President of the United States made some six or eight months ago, to wit, that when vacancies occurred in the expending agencies of the Government, they should not be filled; also, that where vacancies occurred, promotions should not be made and increases of salaries should not be effective, and, subject to the order of the President, as I understand it, no employee could be put on except when the head of that department approved it.

My quarrel with the language carried in the bill is that it requires a finding that a new employee or the filling of a vacancy is absolutely essential, and that finding, I may say to the gentleman from Oklahoma [Mr. GARBER], must be made by the President of the United States in writing. With that I disagree.

I am opposed to placing additional minor administrative duties, personally, upon the President. Under this language, sir, that you have approved, if they want to hire a charwoman to scrub the floors in the Department of Agriculture Building, the President of the United States must first investigate and say in writing that this is absolutely essential; rather, I think the Congress should endeavor to take from the President the detailed administrative work that he is now required personally to perform in order that his energies and his abilities may be given to the broad, general problems of government. I shall propose the elimination of that language when we reach it in the bill.

Mr. GARBER. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. GARBER. The gentleman's opposition goes to the matter of administration?

Mr. SIMMONS. Yes, sir.

Mr. GARBER. As I understand it, the gentleman is in accord with the prohibitive features as being essential and as exercising a great moral influence which ought to be, in my judgment, distributed to all the various departments of Government. In regard to the administrative provision to which the gentleman refers, there may possibly be some objection to that phase of the legislation.

Mr. SIMMONS. My feeling is that the language, so far as it relates to restricting personnel is concerned, does not go far enough.

Mr. GARBER. I am very pleased, indeed, to hear the gentleman say so.

Mr. SIMMONS. I am sure the gentleman is in accord with that.

Now, in this bill there is evidence that branches of the Department of Agriculture have eliminated the items they felt could be best defended. They have retained the items that can be least defended. They have maintained too much of a personnel in the city of Washington and, in my judgment, restricted too far the Department of Agriculture activities in the field. They propose to retain the Federal activities here in Washington and make up the savings that were proposed by the Budget by reductions of those not in Washington. For instance, in South Dakota, which has been hard hit by the depression, by grasshoppers, and drought, Congress established a station to aid dryland culture. They erected several in other dry-land sections. They propose to close that station in South Dakota. That in my judgment is false economy.

Now, how do they propose to save money in the market-news service—by cutting out the activities in Washington in the different personnel? Not at all. They propose to save the money by going to Spokane, Wash., and Nashville, Tenn., closing the stations there.

Congress approved the establishment of three additional soil-erosion stations—one in Wisconsin, one in Ohio, and one in Georgia.

They say they save \$30,000 in soil erosion. How? By cutting out a station which they established in the State of Georgia, by cutting out the activities of the station in the State of Ohio, by cutting out the activities of the station in the State of Wisconsin.

That, I take it, is false economy.

Last year the Congress authorized the appropriation of \$377,000 for barberry-eradication work in all the States of the north Central West, where the barberry is carrying a disease which is fatal to the raising of wheat. The Budget recommended a cut from \$377,000 to \$200,000. Where did they get it? Every Budget salaried official in this Capital at Washington, save one, is to be kept on the pay roll if you approve of this bill.

Every paid salary official in barberry eradication in the field, save two, is to be kept on the pay roll if you approve

this bill, but the saving of \$177,000, or 47 per cent in that item is accomplished by stopping the work of actual barberry eradication in the field, and that, I take it, is false economy. I could go on with a number of items such as that.

Mr. EVANS of Montana. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. EVANS of Montana. Is it the purpose of the gentleman to try to amend the bill on this barberry item?

Mr. SIMMONS. I shall answer that in a minute. I mention some of the items that the Department of Agriculture is now doing in the field, directly aiding the farmer, as the gentleman from Montana knows. Then the committee saw fit in the subcommittee to permit our colleagues here in the House to come before us and to permit representatives of farm organizations to come before us and ask for funds in addition to or supplementing those the Budget had recommended. One of those was a matter that came up from the State of Texas, where last year 150,000 or more sheep died as the result of eating a weed called the bitterweed. They asked for \$10,000 to have a scientist from the Government study that weed and tell the sheepmen of Texas how to protect their flocks. I favored it. The subcommittee favored it.

Out in my State during the war we produced 60 per cent of the potash used in the manufacture of munitions. The farmers in 6 or 8 or 10 of those Western States are now importing fertilizer from South America and from Germany, paying high transportation costs in the process. It is an essential matter in the problem of production by the farmer to reduce his costs of operation. If we can reduce the cost of fertilizer to our western farmers we have reduced the cost of production to him and thereby aided him. [Applause.] I asked the department officials who came before us regarding the investigation that has been going on in a preliminary way over a period of months how much it would cost to go into the potash lake area of Nebraska and study those lakes to determine whether or not fertilizer suitable to agricultural needs could be produced, develop methods of production, in order that we might have domestic fertilizer supplied in that area where now none exists. They told us it would cost \$25,000 next year. My colleagues on the committee agreed that it was a justifiable expenditure.

Up in Alaska there is an experiment station in which the Government has a considerable investment, at Matanooska, about 135 miles north of the city of Seward. Alaska is not an agricultural country, but we have been carrying on that work, determining what can be done up there. The Budget Bureau did not include the maintenance and continuance of the station at Matanuska, but recommended that we expend \$947,000 on forest trails and roads in Alaska. The subcommittee considered the matter and determined to take \$593,000 away from the roads-and-trails item in the forests in Alaska and transfer it and place \$500,000 in the forests of the United States, and then, within the savings we had effected, we proposed to put that \$35,000 in this bill for the continuance of the Matanuska Experiment Station.

Away out in the Pacific, 3,500 miles west of the city of San Francisco, is a little moon-shaped island 35 miles long and approximately 7 miles wide. We took possession of the island of Guam during the War with Spain. About 20,000 people live there. Their opportunities are restricted. For years the Government has been aiding them in developing some sort of agriculture that would make that group of people self-supporting.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. MICHENER. Does the gentleman feel that there is ever hope of developing any agriculture in Alaska?

Mr. SIMMONS. Yes, sir.

Mr. MICHENER. In which part?

Mr. SIMMONS. Right where the Matanuska Experiment Station is. They can produce a considerable part of their fresh vegetables.

Mr. MICHENER. In the first place, they have not anybody there to eat them.

Mr. SIMMONS. That is the matter the gentleman can discuss when that particular item is reached.

Mr. MICHENER. Does not the gentleman feel that Alaska is a Territory latent with many things which in time to come may be of value to the United States, but that the best way the United States can treat Alaska to-day is to leave Alaska alone so far as large expenditures for development are concerned? [Applause.]

Mr. SIMMONS. Perhaps so, as a general proposition. I was in Alaska this summer for seven weeks, and my babies had to drink canned milk, because there was not sufficient fresh milk there for them. There are hundreds and thousands of youngsters who have grown to manhood and womanhood in Alaska, white boys and girls, who have never known the taste of a glass of fresh milk. Is it wrong for the Government to teach those people how they can develop dairying for themselves?

Mr. MICHENER. The Government has spent considerable money there already, has it not?

Mr. SIMMONS. Yes, sir.

Mr. MICHENER. And without success?

Mr. SIMMONS. No, sir.

Mr. MICHENER. In attempting to cross all kinds of cattle and get a cow that will live and produce milk in Alaska?

Mr. SIMMONS. Yes; and those things we have cut out, but there is need for dairying, there is need for solving some of the problems of truck gardening, forage production, and things of that kind in order that the people there might have a fresh supply of those things that your children and mine enjoy as a matter of right in continental United States.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. LINTHICUM. A few moments ago the gentleman spoke of the bitterweed. I do not think the gentleman finished his discussion of that. Is there any appropriation recommended to fight weeds generally?

Mr. SIMMONS. Yes, sir.

Mr. LINTHICUM. It seems to me that is a great expense to this country; one of the greatest that I know of. In traveling through other countries I have found that weeds have practically been eliminated, and it seems to me that in this country they just grow in abundance, and we fight them, but we do not get rid of any of them. Is there any appropriation recommended for that purpose?

Mr. SIMMONS. There are appropriations in several places in this bill for that type of activity.

Mr. LINTHICUM. But has there been any effort to fight weeds generally, to try to get rid of them?

Mr. SIMMONS. Not at Government expense. A good time ago my father taught me that the best way to kill a weed was to take a hoe and cut it off half an inch under the ground.

Mr. LINTHICUM. But his neighbor does not cut his off, and the seeds blow over on his place and we do not get rid of them.

Mr. SIMMONS. But the bitterweed problem which we are discussing is a poison which the sheep got from eating that weed out on the prairies of Texas.

Mr. LINTHICUM. But I am interested in having the Government fight weeds generally and get rid of them so that the expense will be saved forever. If we could just do that, it would save the country millions and millions of dollars.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. SUMMERS of Washington. May I have the attention of the gentleman from Michigan [Mr. MICHENER] when I say that Alaska produces each year about three thousand times, in money value of products, the little item carried for this experiment station in Alaska? I do not mean agricultural products, but there should be an opportunity for people there to carry on that work.

Mr. MICHENER. As a matter of fact, the fisheries are up there. There is a railroad 367 miles in length, as I recall

it, and there are 10,000 people living within 200 miles of that railroad—

Mr. SIMMONS. Will the gentleman from Michigan please let me have my time?

Mr. MICHENER. Certainly.

Mr. SIMMONS. I suggest that we can better discuss the details of this item when it is reached in the particular part of the bill where it appears.

Mr. HARE. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. HARE. I was interested in the statement made by the gentleman with reference to the investigation of potash in Nebraska. Have any investigations been made by the committee and is there any certainty or any real possibility of securing commercial potash in the territory mentioned by the gentleman?

Mr. SIMMONS. The gentleman will find a very detailed statement of that in the hearings by Doctor Knight, indicating that there is a material proposition there. We produced 60 per cent of the potash used in the manufacture of munitions during the war, but it was produced at great expense, by machinery that was hurriedly thrown together. We want a scientific study, not only of what is there, but the possibilities of extraction and use, and I know of no better way in which this Congress can aid the farmer than by doing those things which will reduce his cost of operation. That is what I propose to do here with this little item of \$25,000.

Mr. HARE. I think the gentleman is correct, but what I was getting at is whether or not investigations have been made heretofore, to demonstrate conclusively whether there is a sufficient amount of potash there to be of commercial value.

Mr. SIMMONS. That is what I was asking the fund for—to demonstrate that conclusively.

Mr. HARE. But it has not been done up to date?

Mr. SIMMONS. Not to the point that it can be said to be conclusive.

Now, over in that little island of Guam are twenty or twenty-five thousand people who are wards of the United States. They have absolutely no rights of self-expression, no control over their own political destiny. Our committee felt that the Budget had made a mistake in cutting out that little experiment station, and it was proposed that it be continued, an item amounting to about \$20,000.

[Here the gavel fell.]

Mr. SIMMONS. Mr. Chairman, I yield myself 15 additional minutes.

There was an item of \$500,000, the benefits of which were to have been transferred from the forests of Alaska to the forests of the United States. Eliminating that from the discussion, the committee proposed to reduce the Budget estimate by \$1,280,000, as I remember the figure. Then we proposed to put in the bill, over-Budget estimates, a number of items, some of which the department is now carrying on and has carried on for years, and put in the new ones, such as the potash item, the bitterweed item, and one or two others. The net savings proposed by the subcommittee were \$1,116,000.

When the policy was adopted by the Committee on Appropriations that no matter what the circumstances might be, without regard to the merits of that which the subcommittee proposed to do, the committee would report the bill to the House, that we could not put in these items which I have mentioned, such as the potash, the bitterweed investigation, the maintenance of marketing-news service, the restoration of the Ardmore Experiment Station, and a number of other items like that, I protested. That has been the decision of the Committee on Appropriations, recommended to the Congress.

Heretofore the Committee on Appropriations of the House has maintained an independent judgment on appropriation matters. The House has given that committee its confidence because it maintained that independent judgment. Now, what is the effect of the new rule? That hereafter, at least for the period of this session, we will recommend to the

Congress only those items, in whole or in part, that the Budget has recommended to us. The first effect of it is to make the Committee on Appropriations in the House of Representatives merely a veto body of Budget messages. Our independent judgment is gone. The second effect of it is to give the Budget Bureau the absolute right of vetoing acts of Congress authorizing expenditures, as far as our committee is concerned.

A bill authorizing the expenditure of \$450,000 was passed in the House on yesterday, and under the rule that has been established, if the Bureau of the Budget sends up an estimate for \$300,000 for that purpose, the vote of the House yesterday will be ignored, and the Committee on Appropriations will come before you and tell you that it recommended only \$300,000.

To my mind, gentlemen, that is a humiliating surrender to the Budget Bureau.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. HOGG of Indiana. When did that rule come into effect?

Mr. SIMMONS. It came into effect unofficially last Friday, but officially yesterday.

Mr. HOGG of Indiana. What was the method of its adoption?

Mr. SIMMONS. It was the policy enunciated by the chairman of the Committee on Appropriations and approved by that committee.

Mr. HOGG of Indiana. I think the gentleman will find that a great majority on this side of the House will not agree to that sort of procedure.

Mr. SIMMONS. The House has always held, although there is no constitutional authority for it, that appropriation items as well as revenue measures must originate in this body. What is the status now? If the House approves this decision of the Committee on Appropriations the House will merely be the mouthpiece of the Budget Bureau, and the other body of the Congress becomes the appropriating power of the Congress, for they reserve the right to exercise their constitutional powers and make appropriations.

Take the situation in which the conferees will be on this bill. Denied the right to exercise our independent judgment in the committee, we will be compelled to go into conference with the Senate and there exercise our independent judgment on appropriations, but only with regard to appropriations which the Senate approves.

Now, gentlemen on this side of the aisle, my Democratic friends—and I claim them all as friends—two weeks ago put through a bill with much cheering, in which they said they were going to take back from the President and the Tariff Commission the power which the Tariff Commission now has to revise tariff rates, and now this week the Committee on Appropriations proposes to commit you to the policy of surrendering to the President and the Budget Bureau all power over initiating appropriations so far as the House of Representatives is concerned. In my judgment you are surrendering far more to-day to the Budget Bureau than you proposed two weeks ago to take away from the Tariff Commission.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. SIMMONS. Yes.

Mr. LANKFORD of Georgia. Will the House get a chance to pass on the question which the gentleman is discussing at present?

Mr. SIMMONS. The House will.

Mr. LANKFORD of Georgia. In what way will that be done?

Mr. SIMMONS. It will come up in a number of instances during the discussion of the bill under the 5-minute rule, and it will probably come up on a motion to recommit.

Mr. LANKFORD of Georgia. I agree with the gentleman's ideas concerning the matter. I believe we should retain our rights to pass on the question of appropriations.

Mr. SIMMONS. I want to call the attention of the committee to another matter. On page 27 of the report of the committee you will find figures showing a reduction in this

bill over Budget estimates of \$10,799,591. That figure has already gone to the country; in fact, it was given out to the press on Saturday, whereas the Committee on Appropriations did not meet until yesterday. The impression has been given that that \$10,799,000 was a saving to the taxpayers of the country. I believe, gentlemen, we should be honest not only in the things we do but in the effect of the things we do. I question no man's motives and I make no statement regarding his intents and purposes, but I do charge that the effect of this cut of \$9,000,000 in the matter of Federal aid to roads is to create in the minds of the taxpaying public of the country the fact that the House of Representatives is saving \$9,000,000, whereas, as a matter of fact, so far as the taxpayers are concerned, that \$9,000,000 cut does not save one little red copper cent to the taxpayers of this country, not one.

Federal aid for roads, gentlemen, is allocated to the States on the basis of authorizations of Congress and not on the basis of appropriations. We are required to appropriate to the States on the basis of their demands on those authorizations. The President of the United States has no power to restrict those authorizations. The committee does not propose to give to the President or to any administrative officer the right to prevent an obligation accruing against the Government for that \$109,000,000 that has been reduced to \$100,000,000. That obligation will accrue, and in the next session of Congress, after the next national election, this House of Representatives, on the recommendation of the Committee on Appropriations, will appropriate that \$9,000,-000. Now, get that. We appropriate in this bill on an annual basis. This cut is the only one in the bill that is made on the basis that next fall we will come back here and appropriate the balance needed. We will come back and appropriate then instead of now. Now, get me plainly, gentlemen. Let no one misunderstand. The obligation of the United States to make these payments exists. The appropriation will be necessary. It will be necessary during the fiscal year for which this bill appropriates. The President and the Budget Bureau asked for the appropriation of \$109,000,000 that will be needed in the fiscal year 1933. In this bill the Committee on Appropriations said, "We will give them part of it now and we will give them part of it next session, and in the meantime we will claim a saving of \$9,000,000 over the Budget's figures."

Mr. PURNELL. Which, as a matter of fact, is only a paper saving and a mere gesture.

Mr. SIMMONS. Well, it is hardly a gesture. So while figures have gone out to the country indicating that this bill saves the taxpayers \$10,799,000, as a matter of fact it relieves the taxpayers and the Treasury of only \$1,799,000.

Now, Mr. Chairman, with respect to this \$9,000,000, it is not my purpose to offer to include it in the bill. What will happen next fall will be that when the first deficiency bill comes to the Congress or when the regular appropriation bill for the Department of Agriculture comes up, the President will again request these funds, and when that is done the Congress will grant them. The figures will show, sir, that the President has asked for \$9,000,000 more than the Congress appropriated, but there will not be anything saved to anybody by it.

I propose during consideration under the 5-minute rule on this bill to offer this series of cuts that I have discussed in salaries with which I could not get my committee to agree.

I propose also to offer the increases in this bill that the subcommittee approved for decision of the House as to whether or not we were right.

I do not propose to offer a transfer of the \$500,000 from the forests of Alaska to the forests of the United States, leaving that item as the committee have fixed it; but I think the House has the right to pass upon the question of whether or not activities of the Department of Agriculture in the field can be carried on. I do not believe the House of Representatives is ready to surrender to the Budget Bureau the right to tell us we can or can not appropriate funds in this Congress.

I yield to no one in this House in my desire to save money and to retrench expenditures. I think the seven years now

that I have been on the Committee on Appropriations bear out this statement, so far as I am concerned and so far as the great body of men who serve on our committee are concerned; but I do claim the right, in the committee and on the House floor, to reserve to myself an independent judgment as to what we should and should not recommend to the Congress, giving due weight to the views of the President and the Bureau of the Budget and the expending officers of the Government.

If there are any questions that any gentleman has, I would be pleased to try to answer them.

Mr. LANKFORD of Georgia. Will the road-building program throughout the country suffer by reason of the elimination or the postponing of the \$9,000,000 the gentleman has mentioned until next fall?

Mr. SIMMONS. No; for the very obvious reason that the law requires the allocation of these funds to the States. The law makes it obligatory upon the Government to pay these moneys, and if the Congress does not appropriate these moneys, either the United States will be in default of its obligations or the Congress must later on give a deficiency appropriation. So every penny of this \$9,000,000 will be appropriated by the Congress before the 4th of March, 1933.

Mr. LANKFORD of Georgia. I am pleased to hear that. I was just a little afraid that some of the States might suffer in the meantime.

Mr. SIMMONS. In the meantime Democratic orators throughout the country who may or may not know the facts on the inside of this bill will be telling the country, "See what we did in the House of Representatives. Under the control of our party we spent less than the President asked for," and they will create, sir, in the minds of those to whom they are talking the impression that the Democratic organization of this House is economical and that the President is a waster of funds.

[Here the gavel fell.]

Mr. SIMMONS. Mr. Chairman, I yield myself five minutes more.

Mr. LANKFORD of Georgia. I claim to be a Democrat but do not claim to be an orator, and here is one who shall not do that.

Mr. SIMMONS. That is fine.

Mr. BALDRIGE. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. BALDRIGE. Where is that \$9,000,000 shown in the report?

Mr. SIMMONS. The item of \$9,000,000 is shown on page 23.

Let me repeat this statement. I do not charge the chairman of my committee with intending to deceive. I do charge that the effect of that which the committee has done is to deceive. Whenever I can cooperate with him or with my colleagues in this House in the actual saving of money to the taxpayers of the country, without crippling essential activities of the Government, I will do it, but I can not go along on a proposal of this kind without the protest that it results in no saving whatever except a change in the totals of Budget figures.

Mr. KETCHAM. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. KETCHAM. In connection with the gentleman's suggestion with respect to a line of amendments which the gentleman proposes to offer during the reading of the bill under the 5-minute rule, would it be a fair question to ask whether or not the gentleman has in mind a proposition that goes into the investigation of the imported oils into this country—whether that is included in any of his amendments?

Mr. SIMMONS. I am glad the gentleman has offered that.

Mr. KETCHAM. Many of us are very much interested in that particular proposition, and it seems to me the House is entitled to information on this very important subject.

Mr. SIMMONS. I propose to offer that and I am pleased that the gentleman has mentioned it. It is one of the items I overlooked.

Representatives of the National Grange and the American Farm Bureau Federation, as the hearings show, came before our committee with what I thought were extremely modest requests from these great farm organizations. They asked for a few thousand dollars—I have forgotten the exact amount now—to make studies regarding the importation of oil of one kind and another into this country that came in competition with the oils that are produced on the farms of this Union, and this money we could not give under this rule; and, I ought not to create a false impression, I do not think the subcommittee favored it. But I am going to offer that also on the floor of the House. It is a request that came from great national farm organizations and it came from the men who represent that group of our citizenship that are demanding most in tax reduction, too. The farmers are not so anxious for tax reduction that they desire to deny these expenditures with respect to these essential matters with which the Government ought to deal.

Mr. STEWART. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. STEWART. Do I understand that the item of \$125,000,000 on page 66, for roads, is obligatory?

Mr. SIMMONS. Yes, sir.

Mr. STEWART. And Congress has no power to appropriate a different amount?

Mr. SIMMONS. It has the power, but the reduction of the obligation must be done by legislative act and not by cutting out the appropriation. If Congress did not appropriate one nickel in that item, the obligation of the Government would remain, because the Federal law makes it obligatory. In other words, you must appropriate the total authorization sooner or later, and if we are to reduce that amount we must do it by legislative action, changing the amount that the Federal Government has promised to pay the States.

I must correct that in this way. The gentleman said \$125,000,000 and I answered yes. Last year we appropriated \$80,000,000 as an emergency fund to the States, one-fifth to be repaid annually for five years. So the obligation is \$125,000,000 less one-fifth, or \$16,000,000, so that \$109,000,000 will actually occur as the obligation of our appropriation during the fiscal year. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield three minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman and gentlemen of the committee, I regret more than I can say that the very first voice raised in the House during this session against the general appeal of the President for economy and reduction of expenses should come from the gentleman from Nebraska [Mr. SIMMONS], a member of the Committee on Appropriations, and upon whom we have relied in the past, as we doubtless will in the future, on account of his very great ability in the discussion and consideration of appropriation items.

I want to congratulate his colleagues on the Republican side that up to this time not one single gentleman on the Republican side has undertaken to put one single obstacle in the way of the President of the United States in his announced intention and his earnest appeal to Congress to cut expenditures to the bone.

This bill comes here, as I understand, with the indorsement of every member of the Appropriations Committee except the gentleman from Nebraska [Mr. SIMMONS].

But one voice was heard in the committee in opposition to these items and in opposition to the announced policy of the committee in holding down the estimates and not increasing one single item of the Budget above what the President said he wanted.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SUMMERS of Washington. As a member of the committee, I want to say that we took a wise position on the policy of eliminating many meritorious items, but at the

same time we were cutting the Budget well below what may be needed.

Mr. BYRNS. I want to know if there is any other member of the committee who takes the position of the gentleman from Nebraska. There are a number of them on the floor now.

Mr. BARBOUR. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BARBOUR. I would like to go on record by saying that I think the subcommittee did a wonderful piece of work.

Mr. BYRNS. I thank the gentleman from California. His statement is characteristic of him and his interest in the welfare of the entire country, and I want to also commend the other members of the committee who cooperated with the Democrats in their effort to stand by the President of the United States in this most important problem that confronts the American people to-day—the necessity of balancing the Federal Budget.

Unusual circumstances demand unusual methods. When extraordinary things occur you have to use extraordinary methods sometimes to overcome them. I would not stand here and say that the Budget estimates should never be increased if you had a Treasury full and overflowing; but what is your situation? You had a deficit of over \$900,000,000 last June, and the President told you that on June 30 next you will have a deficit of \$2,123,000,000, and that unless you levy taxes and cut expenditures to the bone you will have another deficit of \$1,400,000,000 in June, 1933. Yet, the gentleman from Nebraska [Mr. SIMMONS], merely because some individual Member of Congress has a different idea as to what ought to be done in his particular district with reference to some appropriation he wants, whether for political purpose or otherwise, would have you disregard and increase the Budget of the President of the United States. The President is the head of the spending department of the Government, and he will be held responsible for any extravagances that may occur. Gentlemen, this is not a matter of politics. The gentleman in the closing portion of his remarks made what might appear to be a political appeal. I do not put it upon that ground. I have never played politics in the Committee on Appropriations and, please God, I never shall, whether the House be Republican or Democratic. [Applause.] The saving of a dollar to the American people, especially at this time, is above the question of politics. The people are tired of politics anyway. They do not want to see us, you and me, the accredited Representatives of a great people, sit here and play politics while they are suffering for things back home. [Applause.]

What is the situation? There is no mystery about this. Your Committee on Appropriations is simply the servant of the House. The gentleman from Nebraska [Mr. SIMMONS] tells you that you are surrendering a great prerogative because your Committee on Appropriations dares come in here and say to you, unanimously, save for the gentleman who has spoken, that they advise the House not to increase any single item of the Budget. Does that take away the prerogatives of the House? After all, it is up to you. You can follow its recommendation, or you can reject it, just as you please. There is no doubt about that. But the Committee on Appropriations, charged with the responsibility of making recommendations to you, has seen fit to make that earnest recommendation, and it hopes that under the exigencies of the situation you will accept it and stand by it.

I did not hear my friend from Indiana [Mr. Wood] in his speech yesterday, but since I mention him let me say of him what I have had occasion to say many times before. I have served under many chairmen of the Committee on Appropriations, Democratic and Republican, but I never served under any chairman at any time who has shown a greater interest and a greater desire to conserve the public money than has the gentleman from Indiana. He ranks as one of the able and good chairmen of this committee. [Applause.] And I take occasion to say now that, as the former chairman of this committee, he is cooperating with it and

with its membership in the effort to hold down the appropriations to the lowest possible minimum. After I was made chairman of the Committee on Appropriations I called on the President. Of course, I would not violate any confidence or divulge any conversation which I had with him, but nothing was said at that time that the President would not be entirely willing to have related.

I said to him: "Mr. President, I have come here for a few minutes not to ask anything of you but simply to pay my respects and to say to you, feeling that you need no assurance from those of your party upon the Committee on Appropriations that as its new chairman and because I am a Democrat I want to tell you that I voice not only my own wishes and intentions but those of all my Democratic colleagues on that committee when I say to you that we are going to cooperate with you in the fullest in every effort to reduce expenditures of the Federal Government in order to assist in balancing the Budget." He expressed his pleasure, and he said to me in substance that if his Budget could be cut, to do so, and the greater the cut the greater he would be pleased. [Applause.] Gentlemen, I believe in democratic principles. I am a Democrat not only by birth but by belief, but, as I said awhile ago, this is not a political question. I am going to stand by every reasonable effort that anyone may make to reduce expenditures of this Government. We have to make drastic cuts, and, as I have had occasion to say heretofore, we are not going to get anywhere unless every man who has the interest of his country at heart considers himself as one of the guardians of the Treasury during this session of Congress. It is a matter that appeals to every one on both sides of this aisle, and I am happy to believe that when the record is written we will have an almost unanimous verdict on the part of the Representatives of the people in this great Chamber. [Applause.]

The gentleman from Nebraska [Mr. SIMMONS] says that he tried to cut the personnel of the Agricultural Department 5 per cent. I do not know what occurred in the subcommittee. He says that he is going to offer an amendment here to cut the personnel of the Agricultural Department in every bureau.

Gentlemen, wherever you can cut out an unnecessary employee of the Government, show me and I shall vote with you; but I do not think it is good business, I do not think it is sound policy, I do not think the people expect of us that we should undertake to blindly take a scalping knife, without the slightest evidence, and say that every bureau and department in the Government shall be cut 5 per cent in its personnel.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. In a moment. You can take the hearings and you will not find a scintilla of evidence in them from start to finish upon which one can rely in voting for a broad, sweeping amendment like that. I assume that the President of the United States, I assume that his Director of the Budget, I assume that the Secretary of Agriculture would have made the recommendation if it could have been done; but I do not want anyone to point to me and say that without evidence, without a scintilla of information, I voted for a proposition which would serve to cripple the administration of any of these great departments in the work that it is doing.

The gentleman from Nebraska has a record with reference to the Department of Agriculture. The gentleman has had quite a change of heart—a decided change of heart under a Democratic House—from that which he entertained under a Republican House for the past two years. The gentleman has always been an influential Member of this House, and for two years he has been an influential member of the subcommittee on appropriations for the Department of Agriculture. Now, let us see what the gentleman asked you to do and what you did by virtue of his indorsement and the indorsement of his Republican associates in 1931 on the subject of employees in the Department of Agriculture.

I hold in my hand a record of the increases which were recommended by the Subcommittee on Appropriations for

the Department of Agriculture, on which the gentleman from Nebraska [Mr. SIMMONS] held second place, for the year 1931, for additional personnel here in Washington.

Remember, this is not the total appropriation. This is what the gentleman from Nebraska [Mr. SIMMONS] stood for and advocated by way of increases. In the office of the Secretary, the gentleman from Nebraska favored increasing the personnel in the sum of \$8,550, and it was adopted. Mechanical shops, \$1,000; Office of Information, \$10,000; library, \$2,000; Office of Experiment Stations, \$8,980; Extension Service, \$18,520; Weather Bureau, \$30,000; Animal Industry, \$30,040; Dairy Industry, \$36,391; Plant Industry Bureau, \$66,840; Chemistry and Soils, \$103,476; Entomology, \$54,490; Biological Survey, \$44,373; Home Economics, \$38,800; Plant Quarantine and Control Administration, \$14,023; grain futures act, \$4,400; Food and Drug Administration, \$8,270; collection of seed and grain loans, \$21,000; forest roads and trails, \$1,163.

Not satisfied with the increase of \$30,040, recommended by the Budget for the Bureau of Animal Industry, the gentleman recommends an increase of \$5,000 over and above the Budget. The gentleman was not satisfied with the Budget increase. The gentleman recommended \$26,000 increase over the Budget in the Bureau of Plant Industry. The gentleman was not satisfied with the estimate of the Bureau of the Budget, \$66,840. The gentleman recommended \$7,000 over and above the \$54,490 recommended by the Budget for the Bureau of Entomology. In other words, the gentleman by his action came to this House, and you, basing your action upon the gentleman's recommendation and the recommendations of his colleagues upon the committee, increased the salary estimates \$502,316 for employees in the Agricultural Department in the District of Columbia for 1931. That is not all. It is even worse for this year, because in this fiscal year it amounts to a total of \$876,203.

I am going to ask the privilege of inserting these tables in the RECORD at this point to show just what Congress did in 1931 and 1932 under the leadership of the gentleman from Nebraska, in increasing the personnel in the Department of Agriculture in the District of Columbia.

Increases and decreases in District of Columbia salary allotments, 1931 agricultural appropriation bill, compared with 1930 appropriations as reported to the House

Bureau or service	Increases		Decreases	
	Included in the Budget	Allowed by committee in excess of the Budget increase	Proposed by the Budget	Made by committee in addition to the Budget decrease
				3
	1	2	3	4
Office of the Secretary	\$8,550			
Mechanical shops	1,000			
Office of Information	10,000			
Library	2,000			
Office of Experiment Stations	8,980			
Extension Service	18,520			
Weather Bureau	30,000			
Bureau of Animal Industry	30,040	\$5,000		
Bureau of Dairy Industry	36,391			
Bureau of Plant Industry	66,840	26,000		\$3,124
Forest Service				
Bureau of Chemistry and Soils	103,476			
Bureau of Entomology	54,490	7,000		
Bureau of Biological Survey	44,373			
Bureau of Agricultural Economics			164,841	\$7,400
Bureau of Home Economics	38,800			
Plant Quarantine and Control Administration	14,023			
Enforcement of grain futures act	4,400			
Food and Drug Administration	8,270			
Collection of seed grain loans	21,000			254
Special corn-borer research				
Forest roads and trails	1,163			
Total.	502,316	38,000	168,219	7,400
Total increases (columns 1 and 2)				\$540,316
Total decreases (columns 3 and 4)				175,619
Total net increase				364,697

Increases in District of Columbia salary allotments, 1932 agricultural appropriation bill, compared with 1931 appropriations, as reported to the House

Bureau or service	Increases proposed by the Budget	Increases over and above the Budget, proposed by the committee
Office of the Secretary	\$42,815	
Mechanical shops	23,000	
Office of Information	10,960	
Library	2,820	
Office of Experiment Stations	5,720	
Extension Service	57,130	
Weather Bureau	24,900	
Bureau of Animal Industry	5,860	
Bureau of Dairy Industry	10,679	
Bureau of Plant Industry	61,249	
Forest Service	63,744	\$2,000
Chemistry and Soils	56,335	
Bureau of Entomology	25,660	
Bureau of Biological Survey	27,887	
Bureau of Public Roads	4,340	
Bureau of Agricultural Engineering	20,230	
Bureau of Agricultural Economics	149,690	
Bureau of Home Economics	29,190	
Plant Quarantine and Control	3,447	
Grain futures act, enforcement of	17,400	
Food and Drug Administration	88,450	
Seed grain loan collections	15,320	
Soil erosion investigations	1,140	
Forest roads and trails	1,027	
Federal-aid highways	124,210	
Total	874,203	2,000
Increases (Budget)		\$874,203
Increases (committee)		2,000
Grand total		876,203

Now, the gentleman from Nebraska says in his change of heart, "I want to cut them 5 per cent." Of course, the gentleman, I presume, feels that he is not responsible now. Some of us on this side of the Chamber have been feeling that way for 15 or 20 years. Therefore, the gentleman can make any sort of suggestion like that, but I submit to the gentleman that he should at least be consistent, and if the personnel is cut 5 per cent the gentleman will not have made amends for this total of \$1,240,900 that has been added in the last two years on his recommendation. If he is right now, then he was eternally wrong in 1931 and 1932.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield for a brief question.

Mr. BLANTON. The gentleman from Nebraska and his chief, the gentleman from Indiana [Mr. Wood], both realize that every Democrat has come here on a platform pledged to the people to retrench Government expenditures. The gentleman from Indiana has been chairman of this committee ever since we lost the gentleman from Illinois [Mr. Madden]. We have not heard a word from him or the gentleman from Nebraska, since the Madden régime, about reducing personnel until the Democrats recently came into power with a majority of five in this House. Then all of a sudden we hear all of this clamor about reducing personnel.

Mr. BYRNS. Permit me to say with reference to this large personnel in the District of Columbia, it is hardly fair to the Department of Agriculture to say that all this personnel should be charged to the District of Columbia, because 30 per cent of those who are assigned and who are on the District of Columbia pay roll do their work in the field in the summer and in the fall and in the spring, and they come back here in the winter and make their reports and their proper records. To all intents and purposes they are really field forces.

Now, when it is undertaken to cut them 5 per cent, I think we should have a little more evidence to justify it. I am perfectly willing to ask this subcommittee to make a survey of the Department of Agriculture after this bill has been disposed of, and if they can find where there are too many employees, then discharge those employees. If they can find where employees drawing this \$1,240,000 which the gentle-

man from Nebraska put in this department in the last two years can be discharged, then let them be discharged.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. BYRNS. I yield for a brief question.

Mr. WILLIAMSON. Does the gentleman approve the policy that has been carried out by reducing expenditures in the field and reducing nothing in the department? That is what has been done.

Mr. BYRNS. Oh, that has not been done.

Mr. WILLIAMSON. I will show the gentleman where that has been done.

Mr. BYRNS. No; we have not done that. I do not think the gentleman is familiar with the hearings or the action of the committee or the gentleman would not make that statement.

Now, the gentleman from Nebraska [Mr. SIMMONS] complains because he says the committee decided not to increase any particular Budget item. Individually I would not regard it as much of a personal saving if I save possibly a few dollars in the purchase of shoes and then turn around and spend it all in buying a red necktie or a fine shirt or something like that, and yet that is what the gentleman contends for, because the gentleman says they have cut out certain items, reduced certain items, and he wants to apply the sums so saved to certain projects which the gentleman thinks ought to have been included by the Budget.

The gentleman takes issue with the President; he takes issue with the Bureau of the Budget; he takes issue with the Department of Agriculture, and the gentleman says, "I think that should be allowed." The gentleman is telling you that you are surrendering your prerogatives because the committee did not recommend \$25,000 for Nebraska, for instance, which the Bureau of the Budget and the President did not ask for; because you did not appropriate ten or fifteen thousand dollars at Nashville, Tenn., for the news marketing service, which the President and the Bureau of the Budget did not ask for, nor do I since it has not been recommended by the Budget.

An important service? Yes. I should like to have seen it continued. But, gentlemen, I am not going to stand here, in the situation in which the country finds itself to-day, and ask you to vote for an appropriation for me, for my district or for my State when I know that in all reason I can not vote for an appropriation for your district and for your State. Let us at least be fair and consistent with each other.

This bill carries a reduction of something over \$10,000,000 below the estimates submitted. If the gentleman from Nebraska had had his way, it would have appropriated just \$682,839 more than it does carry.

Let us see the appropriations which the gentleman from Nebraska wanted to insert in this bill and which probably, or at least some of them, he may offer on the floor. It is true that reductions were made in other items, but my proposition is that if it was found possible to cut these other estimates, that was no excuse for adding \$682,839 to the bill when the President himself had not asked for it for his own administration.

How are you and I going to justify ourselves when we go back to the taxpayers and say, "Yes; we voted to impose an automobile sales tax; we voted to raise the taxes on the high-bracketed incomes; we went farther and we broadened the base so as to take in more of those who draw the smaller incomes; we have taxed other things in which you are interested, and yet, notwithstanding that, we forced the President of the United States to spend on the agricultural bill \$682,839 more than he asked us to appropriate." There is no justification for that. As I said, unusual circumstances, my friends, demand unusual methods. This is a temporary matter but necessary, as your Appropriations Committee believes, to cut down your expenditures and help the President of the United States balance his Budget.

Here are some of the appropriations which the gentleman wanted to put in this bill, but which were not estimated for by the Budget: Experiment station in Alaska, \$35,000. Well,

I spent a couple of weeks in Alaska last summer. I think the gentleman from Nebraska was up there for two or three months. I rather agree with my friend from Michigan that Alaska may be valuable for many things, but I was born and raised in the country and I lived on a farm until I was 21 years of age, and I do not believe Alaska ever will be worth anything to itself or to the country or to the world at large as an agricultural country. I can not understand why they have that magnificent agricultural experiment station up there. Of course, if the Government had plenty of money, it might be a very friendly gesture; but I would rather see them take the money and help develop their coal, help develop their fisheries, if anything further is needed help develop the fur-bearing possibilities of Alaska, and not spend money on trying to cultivate land and grow crops when crops will not grow because they have not the time in summer in which to grow. Therefore, I think the President of the United States and the Director of the Budget were right when they said, "That is not essential now, so let us cut it out for this year." But the gentleman from Nebraska wants to put it back. Bitterweed studies, \$10,000. I do not know anything about that.

Possibly it may be a good appropriation and very advisable. We have never had it before. Perhaps the gentleman forgot it in 1931 and 1932. Do not you think we can do without it for just one more year, or possibly two years, until we get a little more money in the Treasury? Restoration of Ardmore, S. Dak., station, \$26,845. That may be very desirable, but the President and the Bureau of the Budget thought we could postpone it for another year; and I do not know that we will miss it very much if we never reestablish it. Apple-bud grafting experiments, \$15,000. I do not know its importance. I am not attacking the importance of any of these items, unless it be the Alaska item. Protection of roads and trails, national forests.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BYRNS. Let me talk about the item of \$500,000 for roads and trails in the national forests. It was not estimated for by the Budget. But the gentleman from Nebraska said, "We saved it somewhere else, so let us put it on these roads." But you and I know that it is not an essential, and we do not have to sit in a committee and we do not have to go out there at Government expense and investigate the roads and trails to know that nothing serious is going to happen for the next 12 months if we do not make an appropriation for this. If this is true, why should you add to your deficit by including it when the President asked you not to?

Potash investigations in Nebraska, \$25,000. I do not know how important it is to investigate the potash out there in my friend's State. I thought there had been such investigations made during the war. Perhaps I am mistaken. It may be very important, and I am sorry that the gentleman from Nebraska is not going to get his appropriation in this Congress, but it can undoubtedly wait. I am sure the gentleman from Nebraska is going to be here many years and he will have an opportunity to go back and tell his people what he did toward getting these investigations made later on; and, therefore, I think in the interest of economy and in the interest of the Treasury he ought to postpone this for at least a year.

Rabbit experiment work, \$5,000. This is what the gentleman proposed and stood for. Well, there are a whole lot of people in the country who would like to have rabbits to eat, but possibly this would not go into effect soon enough to give them what they need so badly now.

Market news' service at Nashville, Tenn.; Boise, Idaho; and Spokane, Wash.; the latter the city of my friend, Doctor SUMMERS, who has added his voice in opposition to some features of this bill.

Nashville, Tenn., is my home.

This is a valuable service. I am sorry to see it go out of this bill, but the President of the United States in his

estimates left it out, and you can not, my friends, make fish of one and fowl of another, and I would be ashamed of myself if this were in the bill and I did not stand up here and ask you to strike it out under the circumstances, when we are denying to you and to others who are not on the committee the incorporation of items in which you are interested. [Applause.]

Soil erosion stations, \$25,000.

Gentlemen, these are some of the items which were not asked for by the Budget, but which the gentleman would like to have included, notwithstanding the request of the President that they be eliminated.

The gentleman refers to the fact that they cut \$9,000,000 off of good roads, and he inveighs very much against this and says it is a matter of attempting to deceive the people.

Gentlemen, it has been the practice of Congress for years past to eliminate many appropriations with the idea that if not needed they can be taken care of in December; but I am here to make this prediction. You will never have a deficiency on account of the elimination of this \$9,000,000. Mark my words. The Federal Government cooperates with the States.

You will never have such a deficiency unless you make an appropriation out of your Treasury to help the States put up their part, as you did a year ago. The people are thinking about economy in the States, and if we do not think about it in Washington they will make us think about it when we go home next fall. You will find that many of the States will not build the roads next year that they would have built if conditions had been different, and there was no necessity for this entire appropriation.

The Director of the Budget says there is a chance that we may need this, and he asked for the full amount authorized by the law, but I venture the assertion—and if I had my way I would have cut it another \$10,000,000 [applause!—that this could have been done without the slightest injury to road building in this country.

This bill makes the road funds immediately available. The next agricultural appropriation bill will make the road funds immediately available and we will adjourn on March 4. Certainly this will be sufficient to carry them for nine months.

I say to you that I think you will find my prediction true. It will be sufficient for the entire 12 months. It has always been the custom to withhold appropriations when the administration officials are not certain they will be needed.

I remember a few years ago when the late lamented Martin Madden was chairman of the Committee on Appropriations, we appropriated \$10,000,000 for tax refunds when hundreds of millions were being paid out each year. You remember that. The officials did not know how much would be needed, and it could be made up in December; and yet my friend from Nebraska, who willingly acquiesced in that, now says we are playing politics. If it is, it was begun on the other side of the fence years ago. I am not making that claim, but why appropriate money when nobody can tell you when it is going to be needed? Why pile up great appropriations against your Government when, in all probability, it will not be needed.

Now, gentleman, that is the situation; your committee is trying to do the best it can, and it appeals to you to stand by the committee, and stand by the President in his Budget estimate. [Applause.] Let us reduce the estimates wherever we can. I am sure you will support the committee in its efforts and that you will vote to hold down these appropriations to the lowest possible sum. [Applause.]

Of course, it is the province of the House to do as it pleases; but I do not believe there is a man on either side of the Chamber who wants to play politics in a serious situation like this. I would be ashamed of myself if I sought to do it, and particularly at this time.

Now, I think that is all I care to say.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. The gentleman from Indiana and the gentleman from Nebraska both know that our distinguished

chairman of the Committee on Appropriations has made a suggestion to the chairman of each subcommittee that they keep within the Budget. Now, the gentleman from Indiana [Mr. Wood] has been chairman of the great Committee on Appropriations through the last Congress, and every one of his bills have carried appropriations far above the President's Budget estimates for the coming fiscal year. We are seeking to cut below the Budget, and they say that we are playing politics.

[Here the gavel fell.]

Mr. SIMMONS. Mr. Chairman, I yield myself 10 minutes. I have a good lawyer friend at home who is one of the cleverest trial lawyers it has been my experience to know. Wherever he has a case where he can attack the facts of the opposition he attacks the facts that the opposition has. Whenever the facts are not subject to attack he inveighs to the jury against the witnesses, and where neither facts nor witnesses are subject to attack, then he jumps onto opposing counsel. I am not at all surprised that my good and esteemed friend from Tennessee [Mr. BYRNS] saw fit to attack me. He is carrying out the tactics that quite often trial lawyers follow. I stated twice, and I repeat it, that I do not charge him with attempting to deceive, although he said I did; but I do charge that the effect of this cut of \$9,000,000 from the Budget for public roads is to deceive the country. He says that he would have favored another cut of \$10,000,000. Well, why did not they do it? They could have cut \$19,000,000 instead of \$9,000,000 and have saved the taxpayers the same amount, which is absolutely nothing.

Let us now go into some of the things that the gentleman spoke about. I want to read to the House a statement that appeared in the press this week:

Thrift is not hoarding. It is the wise provision against future needs. Provision against future needs involves saving and wise spending for insurance, home ownership, and many other constructive, sensible, and discriminating actions.

I am for that kind of thrift. I am for that kind of saving. The words I have just read to you are the words of the President of the United States. [Applause.]

I am not surprised that the gentleman from Tennessee should point out one of the items in which I am primarily interested, an item that the subcommittee had written into the bill. If any one of you doubt that, back there on the desk is the subcommittee print as it was when we were ready to report it to the main committee, and the evidence is there that every member of the subcommittee said that he believed it was worth while to have an investigation of the potash resources of my State. I apologize to no one for asking that those resources in my State be examined and investigated. Have we reached the time in this House when representatives of the people must apologize for asking that the resources and the needs of their own people be served by their Government? I take it not.

The gentleman mentioned a \$5,000 item for rabbit investigation. Of course, just with that statement of fact I expected some of you to laugh. As a matter of fact, I did at first; but the hearings show that that item came from an esteemed Member of this House from the State of Georgia, who wanted \$5,000 in order that a scientist of the Government might study the food needs and diseases of rabbits, with which the farmers in his State earn a part of their living. Of course, the gentleman from Tennessee laughed at farmers who want just \$5,000 worth of help from the Government for that purpose; but he says they can wait. Then the gentleman says he knows nothing about this bitterweed item. Possibly so. He says it can wait. Yes; it can wait. One hundred and fifty thousand sheep in the State of Texas died last year on account of it, and we can tell the sheepmen of the Southwest that they can wait and let their flocks die—the death-dealing weed will spread—while the gentleman from Tennessee saves \$10,000 now, which later on may cost the Government many times that amount. That particular item was approved by every member of the subcommittee who heard the hearings on this bill. The items that I talked about, with the exception of that one raised by the gentleman from Michigan [Mr. KETCHAM], were all items that were

put in this bill by the subcommittee, and up until 3 o'clock on Friday afternoon last we were ready to report to the main committee recommending their adoption by the House. The item Mr. KETCHAM refers to did not have a majority vote in the committee.

They laugh about the transfer of \$500,000 from the forests of Alaska to the forests of the Pacific Northwest. They say it can wait. Yes; it can wait; but get this picture: In one stretch of the forests in this country for 400 miles north and south it is impossible for men or beasts to go, and back in those regions, when lightning strikes, fighting one uncontrolled fire may cost the Government of the United States more next year than the \$500,000 saving proposed by Mr. BYRNS.

The gentleman from Tennessee approves the clause in this bill authorizing the expenditure of funds to fight fires without regard to limit. What is this \$500,000 for? Last year we expended over \$1,000,000 building trails back into forests, so that men who fight fires can go and get to the fires and control them. What is the advantage of having those men there? You have a group of men back in those forests working—laborers, men who otherwise will be unemployed—building trails at one minute, and when the report of a fire comes they are fire fighters, equipped to fight fire the next minute. Oh, we will appropriate for deficiencies next year for fire fighting, making up far more than the \$500,000 that it is proposed we shall keep out of this bill this year.

The gentleman from Tennessee [Mr. BYRNS] read from a set of figures that I have been unable to find. I do not question his figures. Quite obviously he had misconstrued them, for, after he had said we had been increasing Budget figures in prior bills, he undertook to say that what he was reading was Budget increases that we had approved. I hold here the hearings on the bill, the first bill where I served on this subcommittee, the appropriation bill for the fiscal year 1931, in which our subcommittee recommended to this House for the fiscal year 1931 a total \$214,610 under the Budget figures. Last year, under the leadership of Senator-elect DICKINSON, this same subcommittee recommended a bill to this House that was \$875,338 under Budget figures. Let no one attempt to say that any subcommittee of the Committee on Appropriations that has handled this bill—and I want the gentleman from Texas [Mr. BLANTON] to understand this—has recommended bills here increasing the gross total of the Budget estimates.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SIMMONS. I yield myself 10 additional minutes.

Mr. BLANTON. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. BLANTON. The statement I made was that the bills which the gentleman brought in here in the last Congress for the fiscal year 1932 did exceed the estimates of the bureau for the fiscal year 1933. The gentleman will not deny that.

Mr. SIMMONS. That may be true.

Mr. BARBOUR. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. BARBOUR. There is absolutely no basis of comparison between a bill of last year and the bill for this year. We are appropriating for two entirely different fiscal years.

Mr. SIMMONS. After the gentleman from Texas [Mr. BLANTON] has served on the committee a little longer he will understand that.

Mr. BLANTON. Will the gentleman yield?

Mr. SIMMONS. I can not yield further.

Mr. BLANTON. The distinguished gentleman from Nebraska has rendered such distinctive service to the people of the country in past years that the gentleman does not need his little \$25,000 potash item to affect his valuable standing here. I wanted the gentleman to yield just for a question.

Mr. SIMMONS. I yield.

Mr. BLANTON. The gentleman knows that Mr. MacDonald stated emphatically that not only could he get along

with \$100,000,000 but that he could do with \$80,000,000 plus the \$10,000,000 that was contained in the deficiency bill until it was eliminated. Counting that \$10,000,000 that was cut out of the deficiency bill, added to the \$80,000,000 he needed, made \$90,000,000, and that is what our distinguished chairman was referring to when he said he would be willing to have reduced it to even \$90,000,000, because he then had in mind what Mr. MacDonald said he required; but the committee has given an excess of \$10,000,000 over that, and the \$100,000,000 that is contained in this bill for roads is \$10,000,000 more than Mr. MacDonald says he needs. So why quibble over that item?

Mr. SIMMONS. Well, nobody is disputing that fact. Everybody has admitted it. What I am complaining about is that the gentleman is arguing about one thing, trying to cover up the other. The gentleman has talked about items, the gentleman has talked about road funds, in answer to my charge that the only thing that could be accomplished by this is to reduce the budget estimates, and not a penny is saved to the taxpayer.

Mr. BLANTON. Will the gentleman yield for one other question?

Mr. SIMMONS. I do not yield for another speech. I yield for a question, but not any more speeches.

Mr. BLANTON. I wanted to ask this question of the gentleman, because he is a valuable Member. We all admit that. Is it not a fact that if we were to appropriate \$109,000,000, that extra \$9,000,000 must be available in the Treasury subject to appropriation? If we do not appropriate it we do not have to make that money available in the Treasury subject to appropriation, so, after all, by reducing it from \$109,000,000 to \$100,000,000, we are saving the people of the United States from having the treasurer make a loan to cover the extra \$9,000,000. Is that not so?

Mr. SIMMONS. No, sir.

Mr. BLANTON. Then what are the facts?

Mr. SIMMONS. Because the Treasury borrows money when the need to pay it out is there. We could appropriate \$150,000,000 for public roads, and the Treasury would not need to raise one more penny than they will need to raise under this item, because they can not spend it. Most items are limited by the amount of money appropriated. On the road item the obligation of the United States is determined by law and not by the appropriations. But we will appropriate it when the request comes, and I suggest to the gentleman that that request will not come until after the election. Then we will appropriate it.

Mr. BLANTON. Well, the department head is still under the jurisdiction of the gentleman's party.

Mr. SIMMONS. Yes; but he is absolutely unable to control this expenditure. Congress alone controls the obligation. I do not yield further.

For four years past the Appropriations Committee of the House of Representatives has recommended every dollar for Federal roads that was asked by the Bureau of the Budget. Once we gave them a deficiency in addition. This is the first year we have cut out anything from these items in the last four years. Why establish a new policy now? If we can cut out of the item \$9,000,000 and say we will make it immediately available in the next annual bill, why not cut out one-third of the salary items in the bill and appropriate it next year? There is just as much sense to it, absolutely.

Now, going back to the charges that were made against me personally, and the praise given to my distinguished friend the former chairman of this committee [Mr. Wool]. Mr. Wool was chairman of the committee during the four years to which I have just referred. He was chairman of the committee during the two years that the gentleman from Tennessee [Mr. BYRNS] referred to, in which the gentleman said we had brought in these items which shows an increase over Budget estimates. The gentleman from Tennessee [Mr. BYRNS] made no objection to those increases. They were unanimously reported. The Committee on Appropriations has always done that on specific items. Gentlemen, that proves the thing which I have been trying to say to-day;

that is, that we have always exercised independent judgment on the items in these bills, and have always kept the totals of the bills under the Budget total estimates.

Now, if I am to be criticized by the gentleman from Tennessee for what we did on those two bills, then may I say that the gentleman from Tennessee during that time was the ranking member of the Committee on Appropriations on the Democratic side, and the gentleman never raised his voice once in protest to that which we did, either in committee or on the floor of this House. The charges made against me apply equally to himself. In my opinion, they are not justified against either of us.

Mr. BLANTON. Will the gentleman yield?

Mr. SIMMONS. I decline to yield further now.

The answer, of course, is that the situation regarding the finances of the country to-day, as compared with that time, are entirely different. The statement made by my friend from California [Mr. BARBOUR] with reference to the bills for different fiscal years being different, also is applicable. I am pleading that the House reserve the right to use its own judgment on these items as we have heretofore done. I think the position I have taken is in support of the President in the statement he has made, which I just read to you.

The gentleman from Tennessee said he is sorry to see the market news items go out of this bill; that he wishes they could have stayed in, but the President of the United States asked that they go out, and therefore, out they must go. Will not that make a wonderfully fine and interesting speech to the people in Tennessee next summer? "I wanted your market to stay, but the Republican President insisted that it go out." There is no politics, of course, in that.

I yield to no one in my willingness to support the President in reducing Federal expenditures, but I do not believe the President of the United States would ask any Member of Congress to surrender his independent judgment on these items, neither do I believe the President of the United States has found the time to go into all of these bills item by item, but rather I think the President wants us to conserve expenditures as best we can without crippling essential activities.

But yielding everything to a desire to carry out the will of the President, my judgment is that the President of the United States would want the Committee on Appropriations, the House of Representatives, and the American Congress to appropriate money, not asked for by the Budget, if in their judgment the agricultural interests of this country could be better served by doing that thing. We are going to have to answer, not to the President but to the farmer, whose needs we have denied when we go into this next election. He will not accept the defense that the President would not let us do it.

As to these items affecting the great wheat growers of the country, the dry-land farmers, and the Market News Service, as well as all of these other items, in my judgment the President would wish us to provide for those particular services if, in our judgment, it is necessary that they be continued. We are doing the President a disservice rather than a service to just blindly say that no matter what the situation may be we will put the responsibility on him and we will not exercise any part of it. The statement of the gentleman from Tennessee that he is supporting the President does not justify that which has been done, neither does the inference that he makes that I am opposing the President justify it. The question goes to the need of these appropriations and the powers of the House. Those the gentleman does not answer.

I stated a while ago, and I state again, that in the committee I proposed two series of 5 per cent cuts, one a 5 per cent cut in the total for salaries in the District of Columbia, in the Department of Agriculture. The gentleman from Tennessee [Mr. BYRNS] has opposed that and says there is no sense in it; that we can not justify it, and, therefore, unless we can show what men can be eliminated that saving should not be made.

I also proposed a companion cut to that, and that was a 5 per cent cut in contingent expenses. There is nothing in

the hearings to show where they are going to save that 5 per cent. There is not one word of testimony that justifies it, but there is just the desire on the part of the committee that they can and should cut those expenses 5 per cent.

[Here the gavel fell.]

Mr. SIMMONS. Mr. Chairman, I yield myself five additional minutes. Beginning on page 3 of the committee report, running over onto page 4 and half way down page 5, is a list of 109 different activities in the Department of Agriculture that have been cut \$470,012 in this bill under the 5 per cent rule I proposed. There is not a Member on the floor of the House who can say where they are going to save that \$470,000; yet I believe they will save it. The gentleman from Tennessee believes they will save it. He approves of applying the 5 per cent rule to things, but he says that the same rule applied to personnel is without sense.

The position taken by the committee in regard to the policy of the committee is one too serious to overlook. I have discussed that at length and other matters in order that the House might study them and consider them before the bill is reached under the 5-minute rule. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. BUCHANAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman and gentlemen of the committee, I am very sorry that the debate on this agricultural appropriation bill has taken the turn it has. Of all things, it would be most unfortunate for partisan politics to enter into the deliberations of the Appropriations Committee, to enter into the deliberations of this House in making appropriations, or in any way to be considered in making appropriations. In my long service here, covering perhaps 16 or 17 years on this committee, this is the first time that politics, which destroys every business institution it infects, has ever entered into the discussion of this bill on the floor of the House.

I would not reply upon this occasion had not my colleague, the gentleman from Nebraska [Mr. SIMMONS], for whom I have high personal regard, made his minority report upon the road appropriation and made his attack upon the policy of the committee in reducing it \$9,000,000.

I ask you upon the Republican side of the House, Who initiated this policy? None less than our late lamented Martin Madden, one of the greatest chairmen the Appropriations Committee ever had. [Applause.] Oh, was Martin Madden attempting to deceive the public when he initiated the policy of cutting down the Budget and making appropriations only sufficient to last until the next deficiency bill was passed? This policy was followed by Sidney Anderson, as chairman of this subcommittee, and was further carried out and translated into action by the late lamented Walter Magee, of whom we thought so much and who was chairman of this subcommittee, and was indorsed and acted upon by Senator DICKINSON as chairman of the subcommittee, before elections and after elections.

Oh, listen. In 1927, in making appropriations for good roads for the year 1928—a presidential election year—the Budget recommended \$80,000,000 and the subcommittee on appropriations for the Department of Agriculture reduced it \$5,000,000—just before a presidential election—and when the deficiency bill carrying such reduction would have to be passed after such an election, presenting the identical situation described in Mr. SIMMONS's minority report and in his speech this afternoon. I was the ranking Democrat upon that subcommittee at that time. Did I come in here and make a howl and file a minority report, as Mr. SIMMONS has done, on the political aspect and the effect it might have on the election? No; God forbid that I ever inject politics or the consideration of an election coming off or not coming off in making appropriations to provide for an economical Government. [Applause.]

Oh, the gentleman says he does not question anybody's motive in this matter. Am I to be condemned, the very first time I get to be chairman of this committee, because I carry out the policy of your good Republican chairman of the committee who preceded me as such; and if it was fair, just, and right when practiced under Republican

leadership, certainly Democratic leadership can not make it unjust, unfair, or wrong.

Let us see. In 1924 the authorization was \$65,000,000 for public-highway construction. The Budget recommended \$30,000,000. The Appropriations Committee appropriated \$29,300,000, cutting the Budget estimate \$700,000.

In 1925 the authorization was \$75,000,000 that we could appropriate; the Budget recommended \$13,500,000, and the subcommittee on agriculture of the Appropriations Committee cut it \$500,000 by appropriating only \$13,000,000.

In 1926 the Budget recommended \$80,000,000 and the subcommittee recommended \$76,000,000, cutting the Budget estimate \$4,000,000.

In 1927 the Budget recommended \$80,000,000, and your subcommittee of the Appropriations Committee recommended \$75,000,000, or a cut in the Budget estimate of \$5,000,000.

In 1928 the Budget recommended \$75,000,000, and your subcommittee on agricultural appropriations and the main committee made an appropriation of \$71,000,000, or a cut in the Budget estimate of \$4,000,000.

Oh, the gentleman says that for the last four years we have been recommending the estimates of the Budget. Why? Because the agricultural appropriation act during those years made the money immediately available upon the passage of the bill, and this would do away with the deficiency committee acting on any deficiency, provided we appropriated enough to last until the next agricultural bill was passed, and that is what we have done this year. I do not believe that we have ever appropriated a sufficient amount for public-road construction to meet the demands for the entire fiscal year appropriation, for in the regular appropriation bill we have relied upon the deficiency bill or the next annual bill for the balance necessary.

If we had wanted to play politics we could easily have cut the \$109,000,000 to \$90,000,000 and made a \$20,799,591 reduction in the Budget estimates instead of \$10,799,591 without injuring the service, and justified ourselves in so doing by the testimony of the Chief of the Bureau of Public Roads.

Mr. COLE of Iowa. Why did you not do that?

Mr. BUCHANAN. Because I wanted it to be enough to last until the next regular agricultural supply bill was passed, that is the reason. I did not want it to come up in a deficiency bill. I do not like deficiency estimates. They cause two distinct subcommittees to make appropriations for one project, which committees may have different views, causing confusion and rendering an accounting more difficult.

Oh, was it an attempt to mislead? Let us see. Gentlemen, read the hearings and read the questions I asked Mr. MacDonald. I asked if \$80,000,000 would last them until a deficiency bill was passed, and he said he thought so, but it might be a little doubtful. I asked would \$90,000,000 be enough, and he said yes, a plenty, and I asked would \$100,000,000 be enough to last until the next annual supply bill was passed, and he said it would.

Attempt to mislead? Did DICKINSON mislead? Did Anderson mislead or attempt to mislead? Did Magee attempt to mislead? Did Martin Madden attempt to mislead and fool the people? They all indorsed this policy and decreased the estimates by millions and millions of dollars.

Oh, I do not like to indulge in this sort of thing, but I can not sit silent and let such stuff as this be hurled in my teeth, when I am simply carrying out an economic policy and following a program that has been set for this work for many years, which program is and has always been well understood and acted upon by the department, by this subcommittee, by the entire Appropriations Committee, and by its clerks.

Mr. BACON. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman.

Mr. BACON. I am entirely in sympathy with the gentleman and I intend to support his subcommittee. I am only sorry the committee did not cut it \$10,000,000 more.

Mr. COLE of Iowa. That is the point I wanted to bring out a moment ago. I did not intend to criticize the gentle-

man's position. I am only sorry the gentleman did not cut out more.

Mr. BUCHANAN. Gentlemen, I have just one other suggestion and then I am through.

The gentleman [Mr. SIMMONS] says this is a mere paper saving and that it will ultimately have to be passed. Ultimately, yes; because under the organic act providing for highway construction, the various amounts stay to the credit of the States for three years if they do not sooner utilize it; but bear this in mind. These are hard times, a great depression hangs over every State of the Union and some of these States may not be able to raise the money to match, dollar for dollar, the public-road funds as required by law.

If a number of States, feeling the financial depression, materially reduce the public-road construction program therein, then it is very likely the \$9,000,000 reduction we made in estimates will not be needed during the fiscal year 1933. By appropriating enough money for bills of the States as they actually come in, we may have the \$9,000,000 for two or three years, and by that time the depression may be over. I hope to God it will. I thank you. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, we have had a very extensive and interesting discussion this afternoon on the question of appropriations. I propose to address myself to the matter of raising money with which to meet these appropriations.

When the so-called tariff bill was under consideration by the House the other day, I did not have an opportunity to express my views upon what I consider a serious breach of faith on the part of the majority. I use the words "breach of faith" because I can think of no other adequate expression.

Since the present tariff law went into effect on July 3, 1930, the country has been flooded with a campaign of propaganda against it which has been financed by foreign manufacturers, by international bankers, and by importers. Vast sums of money have been spent to discredit it in the eyes of the American people. The depression has been laid at its door, notwithstanding that the depression set in in October, 1929, or eight months before the enactment of the law. Other charges made have been equally baseless and false.

Ladies and gentlemen of the House, I submit that the country had every right to expect that the Democrats would bring before us a new tariff bill which would represent their views as to rates, their position on the flexible feature of the present law, as well as adjust such inequalities, iniquities, and shortcomings in the Hawley-Smoot Act as we have continually been told for the past 18 months exist. It is a fair question, I think, to ask them why they brought in the measure passed by the House Saturday a week ago. That is not a tariff measure. It merely provides for throwing the whole tariff question into an international trade conference where the American producer will be at the mercy of a gang of greedy, hungry, unscrupulous competitors who will go to any length to capture for themselves the American market, which is the best market in all the world.

Now, why did not the Democrats bring in such a tariff bill as we have been promised ever since it became definitely certain they would control the House? The reason is not far to seek. The American people are going to elect a President in November. The Democrats feel quite optimistic over their ability to elect their candidate but they are not going to jeopardize that chance by bringing in a free trade, or tariff-for-revenue measure before election, because they know that the overwhelming majority of the American people believe in protection for the American producer, be he on farm or in factory, and they will do nothing to offend this feeling, neither will they just before election give to the younger voting generation a dose of what always befalls us whenever we are on a free-trade or tariff-for-revenue basis.

Again, I ask, why did not the majority bring in a bill which would have corrected such inequalities and iniquities as they have charged exist in the present law? Clearly, if they have been sincere in their charges, it was their

bounden duty to have brought in such a measure. Their failure to do so lays them open to one of two charges—either that the charges were without foundation or they place the welfare of the party above that of the country. Personally I believe both charges would lie with perfect propriety.

My friends, it is my honest belief that never before in the history of the Republic has there been greater need for protection; and why do I say that? For several reasons:

First. Because of the unemployment situation in this and in other countries.

Second. Because of adverse rates in foreign exchange.

Third. Because of the advantageous situation of foreign and competing producers in the matter of production costs due to lower living levels, longer hours, much lower wages, governmental subsidies, and pooling of interests in regulating production, fixing prices, and apportioning of trade territory.

Now, let us take up these reasons one at a time. Is there anyone within the sound of my voice who honestly and sincerely believes that it would help our unemployment problem were we to lower the rates in the present tariff law so as to make easier the importation of vast quantities of goods and produce which we are well able to produce here at home? Will some Democratic Member kindly explain to the House how it would help the return of prosperity were we to buy from other countries farm produce and manufactured goods which we can and should produce on our own farms and in our own factories, thereby giving gainful employment to idle American laboring men? And yet that is what you have promised us you will do after the next election. In the name of common sense how can we hope to compete with countries where they have much cheaper production costs, due to longer hours of toil and lower wages? Please explain that to me.

We are the only country whose currency is quoted on the exchanges of the world at par. How does that affect the tariff? Let us see. I will use butter as an illustration, because that is the leading product which we have in Minnesota. We will say that a given quantity of Canadian butter is worth 750 American dollars, or 1,000 Canadian dollars, in Canada; but when brought into this country, it brings 1,000 American dollars, because the exchange rate is 25 per cent adverse to Canada. When those 1,000 American dollars are taken back to Canada they become worth 1,250 Canadian dollars, hence the Canadian dairyman, in shipping his butter to this country, has increased its value from 750 to 1,000 American dollars by the time he gets his money back to his Canadian home—an increase of 25 per cent, which acts as a rebate or drawback on the butter tariff rate. The law calls for a specific duty of 14 cents per pound, but with an adverse exchange rate of 25 per cent the tariff on Canadian butter is now only about 10 cents. That is the reason butterfat is now bringing less than 30 cents per pound in Minnesota. What is true of butter is equally true of most of the other items in the present tariff law, and yet they talk of lowering the rates.

Let us turn to the third reason. Living conditions abroad are far below American standards. We ride about in 27,000,000 automobiles on hundreds of thousands of miles of hard-surfaced roads; we communicate with each other over 20,000,000 telephones; we eat our meals to the accompaniment of music from 13,000,000 radios; many homes are modern, equipped with electric laundry machinery, electric lights, heat, and so forth. In the cities eight hours is the usual length of the working day and wages have been fairly high. How different in competing countries. Longer hours of toil and much lower wages. On a free-trade basis we can not hope to compete with these countries unless they bring their living standards up to ours or we bring our standards down to their levels. Until such adjustment is made we are going to need a tariff that represents the difference in production costs here and abroad, plus a fair profit.

Another advantage enjoyed by foreign manufacturers, many of whom are Americans who have moved their plants

abroad, is government subsidies which enable them to compete with almost any price level prevailing in other countries. Many European Governments encourage the formation of cartels or pools which limit production, fix prices, and apportion trade territory. That is a tremendous advantage in going after the foreign trade, and to offset this and other advantages a protective tariff is absolutely indispensable if we are to survive.

Charges that our tariff law is destroying our foreign trade are without foundation. The decrease along that line has been exactly in the same ratio to the decline of exports and imports of other countries, and is due to the present world-wide depression. So long as the exchange rate is adverse to nations that would buy from us under normal conditions, we probably will lose some trade for that reason. For example, Canadian dollars are now worth only 75 cents in the United States. While this is to Canada's advantage in selling to us, it works to her disadvantage in buying. She must do her buying in such countries as England, whose pound sterling has also shrunk 25 per cent in its purchasing power abroad. This holds good with all other nations. The only way in which we can meet that situation, as I see it, is to shrink the American dollar to a point where it will be on a parity with the currency of our customer countries, but, as Kipling would say, that is another story which must be dealt with separately.

Those Members of Congress who were here during the discussion of the Hawley-Smoot tariff bill in 1929 may recall that at that time I inserted in the RECORD a partial list of the 2,000 American manufacturers who have moved their plants abroad since the war in order to take advantage of the opportunities there offered for cheaper production in other countries. Nearly all of them are engaged in the manufacture of goods now on the free list, which enables them to manufacture across the water and sell their products in our market. You may recall that I particularly cited the action of Henry Ford in moving his tractor plant from Detroit to Ireland, throwing thousands of willing American laboring men out of work. If we had a tariff on tractors and other products which they manufacture, Mr. Ford and his fellow American industrial expatriates would be compelled to resume operations in this country, and thereby give work to millions of worthy Americans. That is the sole purpose of protection, my friends. If we were to go on a tariff for revenue or free-trade basis, hundreds—yes, thousands—more factories would be moved over there, and thereby further aggravate the very serious problem of unemployment which exists with us to-day.

We are importing into this country annually, in round figures, about four thousand million dollars worth of products of one kind or another, and it is estimated that we are capable of producing two-thirds of that amount here in our own land. Only the other day I received a letter from northern Minnesota, which reads in part as follows:

We wish to call your attention to the conditions existing in northern Minnesota, Wisconsin, and Michigan at the present time, namely, that practically all kinds of logging and cutting of spruce pulpwood and other forest products are at a standstill, for the reason that Canadian timber is being shipped into the United States free of duty; and on account of the difference in monetary exchange the Canadian products are shipped into this country so cheaply that we, in this locality, are unable to compete with their prices, causing a general shutdown over a territory comprising a considerable area of the United States.

This condition affects all kinds of business in this area, and we think that it has become too one-sided entirely and that we should have some tariff protection from Canadian forest products. We believe that some prompt action should be taken at once in this matter, as we, in this area, should be given some consideration because of the fact that logging and the producing of forest products are really our basic industry in this territory and form the backbone to all of our business enterprises.

Mr. SIMMONS. Will the gentleman yield?

Mr. KNUTSON. I yield to my friend from Nebraska.

Mr. SIMMONS. Will the gentleman tell us whether or not the manufacture of tractors in Ireland has resulted in a lowering of price of tractors in this country?

Mr. KNUTSON. No reduction whatever, but it has thrown thousands of American workmen out of a job.

Mr. LOZIER. Will the gentleman yield?

Mr. KNUTSON. I yield to the distinguished Member from Missouri.

Mr. LOZIER. The gentleman knows that the Aluminum Co. of America has built in Canada within the last year a commodity-production factory which will produce 60 per cent of all the aluminum utilized in America. The gentleman also is not ignorant of the fact that the United States Steel Trust has built in Canada a steel plant costing more than \$3,000,000.

Mr. KNUTSON. Let me ask the gentleman, where is the best market for the aluminum and steel industries?

Mr. LOZIER. The best market for the products of those two monopolies is in America. They are both protected, but they are going into these other countries and establishing plants, and those are only two of the instances. Thousands of protected industries have gone into Canada and Europe and established branches.

Mr. KNUTSON. And the reason why they go to these other countries is because the difference in cost of production here and there will more than offset the tariff. That is why present rates in many instances are too low. Think, if we were to give these essential industries such protection as they need, what it would mean in the way of employment to the American men and women who are now walking the streets of our cities looking for work. A former Minnesotan, now living in Arizona, recently told me that if Congress would put copper on the protected list, the copper industries of that State could and would give employment to every idle man in the Southwest. Why not put a tariff on copper and open the idle mines and smelters? Also on tractors so as to compel Henry Ford to bring his Irish plant back to the United States and give employment to thousands of worthy Americans who are now unemployed.

The Hawley-Smoot Act is not perfect by any means, but the flexible provision provides the machinery necessary to iron out existing inequalities. Already more than 50 changes in rates have been made by the Tariff Commission, most of them downward. The so-called tariff bill which passed the House Saturday a week ago would leave the flexible provision in doubt. Our dairymen will look with disfavor on any attempt to do away with this very helpful provision, which enabled President Coolidge to raise the rate on butter from 8 cents to 12 cents per pound back in 1926. Minnesota granite producers also have occasion to feel friendly to the flexible feature.

When the present law was before the Ways and Means Committee, and later before the House, a group of us sought to place copra on the protected list for the benefit of our dairy and livestock industries; also we were not at all satisfied with the rates given potato flour and sago. Personally, I felt that a tariff should have been given to the manufacturers of pulp and print paper and pulpwood for the protection of a very important American industry, which is giving employment to tens of thousands of American workingmen at American wage levels. How many of you realize that foreign-made print paper can be laid down cheaper at Denver than the actual cost of production at such points as Sartell, Little Falls, Brainerd, Cloquet, and International Falls—all in Minnesota and nearer to Denver than any coast port? As a newspaper publisher, it would probably cost me a little more in the long run, but such increase would be completely offset in the knowledge that we had provided for an important American industry, employing thousands of men, which is now fighting with its back against the wall. The American oil and copper industries are on the rocks because we have lacked the moral courage to provide for their needs.

Mr. Chairman, I am not a "spot" protectionist. If an adequate tariff is beneficial to us in Minnesota, it is equally helpful to the Oklahoma oil man and the Arizona copper producer. The trouble, as I view it, is that there is not a man or woman in this House but who has some interest back in his or her district which must be protected, and the Member is most insistent that such interest be given the necessary protection, but when it comes to giving protection to other sections of the country, then the tariff too often

becomes to that Member an indefensible system for "exploiting the downtrodden consumer." In other words, too many look upon the great principle of protection as a local issue when it should be a broad and comprehensive national policy that would protect all sections of the country and cover every American industry subjected to competition from abroad.

The thing that impressed me most in the debates had on the tariff monstrosity passed by the House Saturday a week ago was the failure on the part of the majority to specify a single item in the existing tariff law as being too high, although challenged repeatedly by the Republicans to do so. Think of it. Not a single Democratic Member was able to mention a single rate as being too high, although they have been "cussing" and discussing the measure for the past 18 months. Why? Is it not that all their "ballyhooing" is purely for political effect? It is nearly always safe to condemn a thing along broad, general lines, but it takes exact knowledge and not a little courage to be specific. In this instance the Democrats have shown a complete lack of both, so we can only conclude that the attacks they have been leveling at the Hawley-Smoot law the past 18 months were purely for political effect, to be sent out as propaganda by the Democratic National Committee in an attempt to discredit the tariff and thereby make victory for them easier of attainment next November. A game as old as the hills.

Do the American people want to return to free trade, which will force them into active competition with the producers of Europe and the Orient? Time will tell. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman and members of the committee, the bill passed by the House known as the reconstruction measure will eventually cause the issuance and sale of \$2,000,000,000 worth of bonds to the American people. The object and intent of the legislation, as I understand it, is to place more money in the country. In other words, to place purchasing power in the hands of consumers. We have plenty of consumers in America to-day, people who are in a position to consume everything that is offered for sale, but who do not have the purchasing power. The object of that legislation was to try to get the purchasing power into the hands of those consumers. If it is possible for the money to go through the big banking institutions and the big banking corporations that will get the money and percolate on down to the people who have the consuming power, that object will have been carried out. I do not believe that we should take that course in an effort to bring about prosperity to the masses. If we want to bring prosperity to the masses of the people, the farmers and wage earners of our Nation, I think some means should be devised of getting the purchasing power directly into their hands, and instead of trying to help the wage earners and the farmers through the big banks and the big business institutions, let us help the big banks and the big business institutions, if they need help and are entitled to it from the Government, through the farmers and the wage earners. Let it go through them first. Prosperity will always go upward, but it does not always go down to the farmer and the wage earner. I think we should devise a plan that will place money in the hands of the consumers throughout the length and breadth of our land.

I know and you know that when \$2,000,000,000 worth of additional Government securities have been floated in America that will absorb the bond market for many months to come, and possibly for the next year or two. It is almost useless for us to discuss other appropriations that would require the raising of money through additional bond issues. United States bonds to-day are selling as low as \$84 on the \$100. There is a reason for that; some one in authority in our Government—I do not know who—has promised the foreign nations that they will never have to resume payments on their obligations to the United States. I believe I can convince you that that is true. When the Debt Funding Commission brought in its recommendations to you to

pass upon and those debts were funded that foreign countries are to pay us a clause was placed in each and every one of those contracts which read like this:

We reserve the right to pay the United States in her own bonds at par and accrued interest.

No one would object to that provision being placed in the contract, because it is reasonable. No protest was entered. No one opposed it. For years and years our Liberty bonds and Treasury certificates after that stayed away up above par. I shall give you a concrete illustration which will convince you of the reason for it. On June 15, 1924, England made a payment to the United States of \$69,000,000 on her war debt. Out of the \$69,000,000 that were paid \$27.44 was paid in cash, and the remainder was paid in our own bonds at par and accrued interest. The reason was that our Liberty bonds and notes had gone slightly below par, and England quickly came into the market and purchased those bonds because she could use them to pay her debt to us at par and accrued interest, and she was paying an interest rate much less than the bonds bore. Therefore it was to England's advantage to buy those bonds. On the \$69,000,000 payment, if England could save 50 cents on a hundred-dollar bond, she could save about \$300,000.

Therefore, for years and years our Government securities were away above par. If they reached down near par, where it would be to the advantage of the foreign countries to purchase those bonds, they would go into the market and purchase the bonds. It would be to their advantage to do it. Therefore, they always stood above par; but some of the officials of our Government went to Europe this summer, and after staying over there a while and discussing war debts and reparations, they came back to America, and since that time the foreign nations have gone out of the market and they do not purchase our bonds any more. Therefore, our Liberty bonds have gone down, and the Treasury obligations went down to 95, to 90, to 85, and as low as 82. Do you not know, my friends, that if England or France had an idea that she would have to resume payment upon her obligations to us that she would go and buy a dollar for 82 cents.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PERKINS. Does the gentleman think that it was the purchase of United States bonds by foreign countries that kept them up to par?

Mr. PATMAN. That was one thing that kept them up.

Mr. PERKINS. Has the gentleman any information as to the relationship between the purchase of bonds by foreign countries and the domestic market for bonds?

Mr. PATMAN. I have this information, that foreign countries were in the market at all times, and they are not in the market now. France has enough money in New York banks to pay her obligations to America for the next 10 years. Your own distinguished Senator, a gentleman who is very close to the White House, made that statement, and I presume he has correct information. If France has that money in New York banks to-day, sufficient to pay her obligations to us for the next 10 years, and if she thinks she will have to resume payments, she would buy some of our dollars for 82 cents, which are drawing twice as much interest as she will have to pay.

Mr. TREADWAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TREADWAY. I understood the gentleman to say that France has money deposited in New York that would pay her obligations to this country for 10 years. If the gentleman will examine the recent hearings before the Ways and Means Committee, where testimony was asked from representatives and agents of foreign countries in New York, the gentleman will find that his statement is incorrect.

Mr. PATMAN. I heard that testimony. I do not have to examine it; and I considered the witness was very evasive, and members of the committee were not insistent about the production of that information.

Mr. TREADWAY. May I ask the gentleman further, if it will not interrupt him, does the gentleman think that the

witness was evasive when he did not consider that he was obligated to give private information to the public as to the relations between client banks and foreign countries?

Mr. PATMAN. I heard the gentleman who was a representative of a New York bank testify he did not want to give that information, but he did not know why, and the gentleman from Massachusetts [Mr. TREADWAY] suggested to him that there was a possible confidential relationship existing there, and that would be a very good reason why. [Applause.] And he pleaded that exemption.

Mr. TREADWAY. Was not the excuse offered a suitable and proper one?

Mr. PATMAN. But the witness did not urge the excuse. The gentleman from Massachusetts suggested it to him. The gentleman should read the record.

Mr. TREADWAY. The man who was the witness needed no assistance from the gentleman from Massachusetts before the Ways and Means Committee.

Mr. PATMAN. He was in a helpless condition until he got that assistance.

Mr. TREADWAY. The gentleman will acknowledge he was a very bright young man and needed no assistance from anybody so far as our committee was concerned.

Mr. PATMAN. But he was in a helpless condition until the gentleman from Massachusetts came to his rescue.

Mr. TREADWAY. I do not agree with the gentleman at all.

Mr. PATMAN. If the gentleman will read the record, he will, absolutely.

Mr. TREADWAY. No. I take just the opposite attitude, and if the gentleman will read the record he will find I am correct about it.

Mr. ARENTZ. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARENTZ. In a way the gentleman from Texas [Mr. PATMAN] is correct, because prior to Monsieur Laval's visit there was \$600,000,000 worth of gold on deposit in New York to the credit of France. I do not know how much more there was in other securities, but we do know before Monsieur Laval's visit word was sent here that the call rate was not high enough, and unless the call rate was raised the \$600,000,000 would be shipped to France. I am very happy to say that the New York bankers said, "We can not have France dictate the call rate to us. You can leave the money here or take it out; suit yourself."

Mr. PATMAN. The object of my talk this afternoon is to try to convince the members of the committee of a way to distribute sufficient money into every nook and corner of our Nation that will absolutely increase, not only the per capita circulation of money but the purchasing power of the people to the extent that it will be possible for us to have prosperity. There is one way that this money can be distributed. That is by the payment, not of a bonus—many people call it a bonus, but it is not a bonus—but by the payment of a just and honest debt that the Congress of the United States has confessed to the veterans of the World War for services rendered.

In order to persuade the Congress of the United States to enact a law providing for the full cash payment of the adjusted-service certificates, the burden is upon us to show (1) that the face value of each certificate is past due and (2) that the Government can pay the debt at this time without detriment to the general welfare. I believe we can make this showing. We can show further that the payment of the debt at this time will benefit all the people of the Nation and promote the general welfare. The Government can make the payment without a bond issue, without increasing taxes, and without paying interest.

We need more money in circulation. This debt should be paid in Treasury notes, which will circulate as money, the same as notes of the Federal reserve banks. They should be nontaxable and noninterest bearing; good for the payment of all debts, public and private, and should be full legal tender. Such payment of \$2,200,000,000 will cause moderate inflation of the currency, which is very much

needed at this time and which is being advocated by the President of the United States, bankers, economists, and others, and in no way endangers the gold standard.

This plan can become effective at once, and the money distributed in payment of the debt to the veterans in every nook and corner of America. Purchasing power will be placed in the hands of consumers; wheels of industry will commence to turn to supply the demands of these consumers, and the full cash payment will represent about one-half of 1 per cent of the total national wealth, or about \$50 on every \$10,000.

Mr. PERKINS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PERKINS. If I understood the gentleman correctly, he said that if we issued \$2,000,000,000 of Treasury notes there would be mild inflation.

Mr. PATMAN. Moderate inflation. That is what we were told when we passed the Reconstruction Finance Corporation bill.

Mr. PERKINS. Does the gentleman know how much money is in circulation in the United States to-day?

Mr. PATMAN. Well, I know what is reported to be in circulation.

Mr. PERKINS. How much?

Mr. PATMAN. About \$44 per capita; but it is not in circulation. A lot of it is being hoarded; a lot of it is in foreign countries, and a lot has been destroyed by fire and shipwrecks. So it is not all here.

Mr. PERKINS. It was testified before the World War Veterans' Legislation Committee yesterday that the total amount in circulation in this country is less than \$2,000,000,000, so that this moderate inflation would double the entire circulating medium of the country.

Mr. PATMAN. Does not the gentleman think it would stand being doubled, and it would take the place of credit, because credit is now being used instead of money?

Mr. PERKINS. It would be what is popularly known as rag money, would it not?

Mr. PATMAN. Some people call it rag money, or greenbacks. That is the argument that will be made, that it is fiat money. If it would be rag money, Federal reserve notes are rag money. After the Civil War there was a strong argument made against paper money, but that money could not be used for the payment of all debts. It was restricted in its use. It could only be used for a certain purpose. A few people hoarded the gold, and when people wanted money to pay taxes and duties on imports they had to get gold with which to pay them, and in order to get that gold they had to pay several times the amount in greenbacks.

But Secretary Sherman, Secretary of the Treasury, in 1879 passed an order making those greenbacks good 100 per cent for the payment of all of those debts for which gold had theretofore been used. Since that time greenbacks have been worth 100 per cent. That was the reason that money was not good. It was because it was restricted in its use. I would not have restricted money. I would have it good for all debts, public and private. You take the silver dollar you have in your pocket. You can purchase that much silver for 25 cents on the market to-day. Why is it worth \$1? It is because the United States Government has said it is worth \$1, and it is good in payment of debts for \$1.

Mr. GARBER. Will the gentleman yield?

Mr. PATMAN. I gladly yield.

Mr. GARBER. The gentleman has said that we are using credit instead of money in actual circulation. Since 1929 the credit currency of the country has decreased in excess of \$6,000,000,000 and the money in actual circulation, which actually circulates, is not in excess of \$2,000,000,000. Now, I am in accord with what the gentleman says in regard to the issuance of emergency currency direct to those who hold a just debt. It is the best channel through which we can get money into actual circulation in every section of this country.

Mr. PATMAN. I thank the gentleman for his contribution.

Mr. GARBER. It will increase the purchasing power of farm products.

Mr. PATMAN. And remember that this money will go not to one section but to 3,600,000 people residing in every nook and corner of America. You can not imagine a village in America that will not be benefited. It will not only benefit the veterans, but they will pay their debts, they will buy the comforts and the necessities of life, so it will benefit everybody.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. O'CONNOR. Would the gentleman consider it going to a logical conclusion to advocate that the Government pay off all its public debt by the issuance of currency

Mr. PATMAN. No; I would not say that. There would have to be a limit to it, and I think we should have in mind a limit and we should not exceed that limit. I can see where it would be dangerous, but to circulate \$2,200,000,000 would not be dangerous at a time when we have less than \$2,000,000,000 in money and when the banks of this Nation have \$50,000,000,000 in deposits. So there is too much of a difference between the actual money and the deposits.

Mr. McGUGIN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McGUGIN. Is not the gentleman mistaken in his statement? Do not the deposits amount to about \$70,000,000,000?

Mr. PATMAN. In savings accounts and time deposits I suspect it would exceed \$50,000,000,000.

Mr. McGUGIN. It is my understanding that last year they amounted to \$70,000,000,000.

Mr. PATMAN. If we have such a small amount of money, why could we not have more money? We would never have to retire this money, because as the Nation's population increases the circulation of money should increase. We need that much money in circulation, and it would never have to be retired.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. O'CONNOR. Suppose there was a demand to retire it? What would the Government substitute for it?

Mr. PATMAN. For that money?

Mr. O'CONNOR. Yes.

Mr. PATMAN. It could raise the money by taxes and retire 5 per cent a year if it was desirable to do so.

Mr. O'CONNOR. With gold or what? Suppose it were brought to the Treasury for retirement?

Mr. PATMAN. Well, we could raise the money in taxes to retire it.

Mr. O'CONNOR. Retire it with gold?

Mr. PATMAN. Well, we could retire it with gold because we have sufficient gold to do it. We have sufficient to authorize the issuance of \$6,000,000,000 or \$7,000,000,000 more of money, and we will have a sufficient gold reserve, according to the standard that is laid down by the strongest gold advocates in America to-day.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BANKHEAD. I am very much interested in the argument the gentleman is making. As I understand it, this surplus in the gold reserve is not, as a matter of fact, in the Treasury of the United States but is very largely held by the Federal reserve system. Does the gentleman think it will be necessary to work out some program by which it should be transferred to the Treasury from the reserve system before it could be used as a medium of redemption to meet obligations?

Mr. PATMAN. Yes; and the point is that the gold that is now in America would justify the issuance of this money and we could work out later the details.

Mr. BANKHEAD. I think that is true.

Mr. PATMAN. I also want to submit for the consideration of the committee that these 3,600,000 adjusted-service certificates can be paid at this time by the issuance of Treasury notes, which will not require a bond issue. It will not require the payment of interest or of additional taxes. The payment can be conveniently made and will not only assist the veterans and their families but will assist everybody. It will go into every section of our Nation and it

can be placed there immediately. It will not be dependent upon blue prints and specifications of architects in making drawings for public buildings and then waiting months and years in order to get the money in circulation. It will go out at once and it will stimulate business, and the people who are now consumers will have purchasing power and we will again have at least the opportunity of having prosperity in our own Nation.

Mr. BANKHEAD. Will the gentleman yield for another question, purely for information?

Mr. PATMAN. Yes.

Mr. BANKHEAD. Has the gentleman introduced his bill for the payment of this balance due?

Mr. PATMAN. Yes; I have. It is House bill No. 1.

Mr. BANKHEAD. Does the gentleman make any provision in that bill for this method of securing the money which he is now discussing?

Mr. PATMAN. House bill No. 1 does not, but I introduced an amendment to it a few days ago which does provide that Treasury notes shall be issued in payment of these certificates. [Applause.]

I thank you for your attention.

Mr. SIMMONS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, the gentleman from Indiana [Mr. HOGG] has requested that I speak in support of the Joint Resolution No. 112, which he introduced and which has been referred to the Committee on Ways and Means, a similar resolution having also been introduced by the gentleman from North Dakota [Mr. BURTNELL].

The resolution proposes an amendment to the Constitution of the United States giving the Federal Government power to tax income from State and municipal obligations and the corresponding right of the States to tax income received by its residents from obligations of the United States Government.

When Knute Rockne's football team was beaten by a narrow margin, Rockne, in commenting on the result of the match, said, "The two teams were practically equal physically, but the other team had the best mental poise." Well, when they got home, the old janitor ran forth and asked who won. "The other side" was the reply. "Too bad," said the old man, "but who lost the game for you?" "Mental poise," said a player. "Oh," said the janitor, "I knew that boy could never play football."

Let us not make the mistake the janitor did, but let us have a clear understanding of the meaning of this bill, in order that we may have a right judgment on this important question.

In every country in the world at this time new sources of revenue that will not burden real estate or trade and commerce are being sought.

The Treasury Department has estimated that there are about \$20,000,000,000 of capital invested in this country on which not one cent of income tax is being paid. These tax-exempt securities can not now be taxed, because they are outstanding and in the hands of the public.

Mr. GARBER. Will the gentleman yield for a question?

Mr. STOKES. Yes.

Mr. GARBER. Did that include State and municipal bonds also?

Mr. STOKES. State, municipal, and United States Government bonds.

It is estimated about \$1,000,000,000 a year of new tax-exempt securities are being issued.

The passage of this bill would, after a certain date, prevent the issuance of these securities as tax-free obligations and put them on an equality with other bonds—Government, corporation, railroad, and industrial—and would, therefore, bring in a very large sum of money to the Government which is now escaping taxation, increasing each year in proportion to the amount of tax-free bonds that are paid off.

It is estimated all would be paid off in about 20 years, as they are mostly serial maturities, due from 1 to 10 years and 1 to 20 years.

One of my colleagues has told me he fears it would give too much centralized power to the Federal Government; but this is not the case. What the States give away to the Federal Government they in turn receive from the Federal Government.

The United States Government has approximately \$1,392,236,850 of 3½ per cent bonds outstanding, callable at par next June and due 1947, which are free of all tax, but it is not at present permitted by law to issue any more bonds of this class.

To-day it is almost impossible to get wealthy investors to buy any other than tax-free securities and, of consequence, it is hard to get any market for corporation, railroad, or industrial bonds.

In Philadelphia, from whence I come, there are about \$38,000,000 of unpaid taxes—real-estate and school and water taxes—and this condition applies to some of our other larger cities. Any means, therefore, of an additional tax which does not burden real estate would be, I believe, very welcome.

Within the last 30 days the City Council of Philadelphia felt it their duty to increase taxes in order to balance the budget. When the taxpayers heard of this an army of 50,000 or more marched on city hall and remonstrated against any increase in taxes, threatening that if the city council did so they must take the consequences.

The result was that taxes were not increased and the budget is not as yet balanced. These high taxes have come mainly from municipal extravagance.

I shall give you a small summary of Boston's, New York's, and Philadelphia's bonded indebtedness:

Boston in 1917 about \$128,000,000; Boston in 1931 about \$159,000,000. This is a conservative increase.

New York in 1917 about \$1,000,000,000; New York in 1931 about \$2,386,000,000.

Philadelphia in 1917 about \$250,000,000; Philadelphia in 1931 about \$606,000,000.

Mr. Mellon in a letter dated September 23, 1921, stated in part:

As you know, in my letter of April 30, 1921, to the chairman of the Committee on Ways and Means, a copy of which I inclose, I recommended to Congress that it consider the advisability of taking action by statute, or constitutional amendment where necessary, to restrict further issues of tax-exempt securities. The ever-increasing volume of tax-exempt securities (issued for the most part by States and municipalities) represents a grave economic evil, not only by reason of the loss of revenue which it entails to the Federal Government but also because of its tendency to encourage the growth of public indebtedness and to divert capital from productive enterprise. The issue of tax-exempt securities has a direct tendency to make the graduated Federal surtaxes ineffective and nonproductive because it enables taxpayers subject to surtaxes to reduce the amount of their taxable income by investing it in such securities, and at the same time the result is that a very large class of capital investments escape their just share of taxation.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. STOKES. Yes.

Mr. LANKFORD of Georgia. Does the gentleman think that cities would be better off if they could not issue tax-exempt securities. Would Philadelphia be any better off if it had not issued tax-exempt securities?

Mr. STOKES. I think it would. One of our colleagues said that it would be giving too much power to the Central Government; but, remember, the bill calls for the same power given to the States that the States give to the Federal Government.

Mr. LANKFORD of Georgia. The States now can, by an act of legislation, regulate tax-exempt securities.

Mr. STOKES. This bill provides for taxing municipal bonds, and that could not be done without an amendment to the Constitution.

Mr. LANKFORD of Georgia. That is true; but at present the States can regulate the issue of municipal bonds, so they can control issuance of taxable bonds or tax-exempt bonds.

Mr. STOKES. That is true; but only relative to State taxes.

Mr. O'CONNOR. If the gentleman will yield. The other side to this is if you issue tax-exempt bonds, say to sell at par and yield 3 per cent, they would sell readily. But if they are taxable by the State or other governmental agency, you would not be able to sell them at 100, but perhaps at 98. So the question of how it works out from an economical standpoint is material.

Mr. STOKES. The gentleman's point is well taken, and instead of selling them to individuals they might be sold to those corporations not liable for taxes.

Mr. PERKINS. With Government bonds selling at 84, how do you account for that?

Mr. STOKES. Mr. Mills did not put on a high enough rate to provide for a thorough distribution. They were also probably sold by foreign governments who had been previously holding them.

I believe in the splendid future of this country, but we must all bear our share of the burdens and sacrifices in proportion to our income. Let us endeavor to place our national finances on a sound basis by endeavoring to balance our Budget, which is most important if confidence is to return.

There can be no objection to the poor man escaping taxation, but when the wealthy man does so it strikes at the root of the principle of just taxation—that taxes shall be paid in proportion to the wealth of the individual. That we may deal justly, and remember mercy, and walk humbly before our God. [Applause.]

Mr. HART. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. HALL].

Mr. HALL of Mississippi. Mr. Chairman and members of the committee, I rise to call the attention of the House to a very important bill which has been reported by the Committee on Irrigation and Reclamation, H. R. 4650. The committee has requested a rule from the Committee on Rules for its consideration. It is not my purpose now to go into the merits of the bill. It is known as the drainage bill, for the relief of drainage districts throughout the country. It is the opinion of the sponsors of the bill that it is one of the most important bills to come before the Congress and will extend relief in this direction to the equal of any other bill that we have had before the House. I have here a report from a subcommittee of the Irrigation and Reclamation Committee which was appointed to look into the constitutionality of this particular legislation. I am sure this report will be instructive to the entire membership, and I ask unanimous consent to place it in the RECORD at this point as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The matter above referred to is as follows:

WASHINGTON, D. C., January 19, 1932.

Hon. ROBERT S. HALL,

Chairman Irrigation and Reclamation Committee,

House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: At a meeting of this committee on January 11, 1932, the undersigned were appointed by you as a subcommittee to investigate and report on the constitutionality of H. R. 4650, and, having investigated the question, we make the following report:

The purpose of this bill is well stated in the caption thereof. It is designed to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation, and/or similar districts, other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities.

This proposed bill is not an innovation in national legislation. The principle upon which this proposed bill rests has heretofore been recognized by Congress in the passage of legislation, particularly the legislation designed to protect areas from flood waters, and to provide for the reclamation of vast areas in the arid and semiarid Western States. The principle involved is national and regional as well as State, and the enactment of this legislation will not be an entering by the National Government upon an entirely new field of legislation.

The principle that the Congress can exercise only the powers granted to it by the Constitution would seem too apparent to require enforcement by argument. This principle is now universally admitted.

Speaking of the power possessed by Congress, Chief Justice Marshall, in the case of *Cohen v. Virginia* (6 Wheat. 381; 5 L. Ed. 257, 259), said:

"That the United States form for many and for most important purposes a single Nation has not yet been denied. In war we are one people. In making peace we are one people. In all commercial regulations we are one and the same people. In many other respects the American people are one; and the Government, which is alone capable of controlling and managing their interests in all these respects, is the Government of the Union. It is their Government, and in that character they have no other. America has chosen to be, in many respects and to many purposes, a Nation; and for all these purposes her Government is complete; to all these objects it is competent. The people declared that in the exercise of all powers given for these objects it is supreme."

Is the power to legislate as proposed in the bill given by the Constitution?

Article I, section 8, clause 1, of the Constitution reads:

"The Congress shall have the power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States."

That part of the section which is in italics has been interpreted in the case of *United States v. Boyer* (D. C. Mo. 85 F. 425) to mean that the power of taxation only is given and this power is limited to objects of a national character; that is, to pay the debts and to provide for the common defense and general welfare.

Mr. Justice Story on the Constitution, sections 907-908, says:

"The reading, therefore, which will be maintained in these commentaries is that which makes the latter words a qualification of the former; and this will be best illustrated by supplying the words which are necessarily to be understood in the interpretation. They will then stand thus: 'Congress shall have power to lay and collect taxes, duties, imposts, and excises, in order to pay the debts and to provide for the common defense and general welfare of the United States'; that is, for the purpose of paying the public debts and providing for the common defense and general welfare of the United States."

In the case of *Butfield v. Stranahan* (192 U. S. 492) the Supreme Court of the United States, in speaking of an express power conferred upon Congress, said:

"The power to regulate commerce with foreign nations is expressly conferred upon Congress, and by an enumerated power is complete in itself, acknowledging no limitations other than those prescribed in the Constitution."

In the case of *Fairbanks v. United States* (181 U. S. 288) the Supreme Court said:

"The powers confided to the General Government are to be taken as broadly granted and as carrying with them authority to exercise those powers and to pass those acts which may be reasonably necessary to carry them into full execution, and are not to be nullified by astute verbal criticism with regard to the grand aim and object of the instrument."

Thus it is apparent that since the Congress has the express right to lay and collect taxes, in order to provide for the general welfare of the United States, that this power is broad enough to give to the Congress full authority to enact any act which it may deem reasonably necessary to carry this express power into full execution.

In the case of *in re Quarles & Butler* (158 U. S. 535) the court said:

"The United States are a Nation whose powers of government, legislative, executive, and judicial, within the sphere of action confided to it by the Constitution are supreme and paramount. Every right created by, arrived under, or dependent upon, the Constitution may be protected and enforced by such means and in such manner as Congress, in the exercise of the correlative duties of protection, or of the legislative powers conferred upon it by the Constitution, may in its discretion deem most eligible and best adapted to attain the object."

In the *Lottery Case* (188 U. S. 321-354) the report said:

"While our Government must be acknowledged by all to be one of enumerated powers, *McCulloch v. Maryland* (4 Wheat. 316, 405, 407), the Constitution does not attempt to set forth all the means by which such powers may be carried into execution. It leaves to Congress a large discretion as to the means that may be employed in executing a given power. The sound construction of the Constitution, this court has said, 'must allow to the national legislation that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional.' (4 Wheat. 421.)"

In the case of *Massachusetts v. Mellon* (262 U. S. 447) the Supreme Court held that a State may not as *parens patriæ* institute judicial proceedings to protect her citizens, who are likewise citizens of the United States, from the operation of a Federal statute upon the ground that as applied to them it is unconstitutional.

Therefore, it would seem that if the constitutionality of the proposed bill, when enacted into law, is to be questioned, a suit would have to be brought by an individual; but the court in the same case says:

"The administration of any statute likely to produce additional taxation to be imposed upon a vast number of taxpayers, the extent of whose several interests is indefinite and constantly changing, is essentially a matter of public and not of individual concern. If one taxpayer may champion and litigate such a cause, then every other taxpayer may do the same, and not only in

respect to the statute hereunder reviewed but also under respect of every other appropriation act and statute whose administration requires the outlay of public money and whose validity may be questioned. The bare suggestion of such a result with its attendant inconveniences goes far to sustain the conclusion which we have reached—that a suit of this character can not be maintained."

Therefore, in our opinion, the Congress has constitutional authority and power to enact the proposed legislation, and that it is the sole judge of the advisability of enacting the same; that in the exercise of its discretion it is supreme, and having exercised the discretion no one is in a position to question the validity of the enactment.

Respectfully submitted.

JNO. E. MILLER,
O. H. CROSS,
ROBERT R. BUTLER,
FREDERICK C. LOOFBOUROW,
ROBT. S. HALL, Subcommittee.

Mr. HART. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman and members of the committee, there is no question about the serious condition in which we find ourselves at this time. The thing that concerns me most at this time—and I think is in the minds of the millions of our citizens—is that we have had but little proposed besides palliative and temporary remedies. It seems that we are to finally stumble through this, the most serious condition this country has ever faced, as best we can, and then only wait and pray that the time when another such condition will come upon us be prolonged.

We have heard a great deal about reconstruction measures, and we have been urged time and again to hurry up and pass these measures, which practically everyone admits are only palliative and would have only psychological effect; and when I really think of the status in which we find ourselves—after going through the greatest crisis of financial depression, unemployment, hunger, suffering, and poverty that this country has gone through in its history, which, for more than 25 months, not even a palliative remedy has been offered, with a single exception, probably, of a few slight appropriations for public works, a great many of which have been held up to use during this year for some reason—then the purpose of urging upon Congress the extreme importance of rushing this legislation is, I think, apparent to all.

I am one that believes that there is no permanent cure for our condition without increasing the purchasing power of the great masses of our people. Some of those in authority have talked from time to time about the great surplus and its harm. My own personal opinion of those things is that we are suffering a great deal less from overproduction than from underconsumption.

In speaking as best I may as a humble Member of this House for that great mass of our citizens on the farms, in the factories and mines, or wherever they toil, I would say that if employment would return and they could receive a proper amount of wages and income which the resources of this country should assure them, this time of sorrow, distress, hunger, and want would pass away as a dark cloud lifts itself and we see again the glory of the shining sun.

In my judgment, none of these great constructive corporations, whose sole purpose, many of us believe, is to help boost and further to perpetuate causes which have brought these conditions on our country, will never bring about a return of this desired income of our people.

It is certainly unfortunate at a time like this, when we face so many great questions which challenge the statesmanship of our own country and that of the entire world, that we should have such short-sighted leadership of those in power whose ideas seem to me are to make the rich richer and hope that a little will simmer down among the masses of the people and enable them to eke out a bare living and drop down without protest to slavery and peasantry.

There is no need for me to give evidence of the short-sighted leadership. Time and again you remember in the past that for more than 12 months we were told that the depression was temporary, and, as I recall, in the spring of 1930, almost two years ago, we were told that in 30 or 60 days more we would be through and on the highway to

recovery. Since that time this great country has lost probably \$50,000,000,000 of its wealth; the wage earner has lost on the average of \$10,000,000,000 annually; and many of our people have gone to untimely graves because of weakened bodies and distress caused by the lack of the necessities of life.

Each message to the Congress was a long series of apologies and summaries of conditions which are caused by conditions in foreign countries and the aftermath of war, and in that connection I refer to the inaugural address on March 4, 1929, in which the President in regard to the aftermath of the war, expressed himself at that time:

We have emerged from the loss of the Great War and the reconstruction following it with increased virility and strength. From this strength we have contributed to the recovery and progress of the world. What America has done has given renewed hope and courage to all who believe in government by the people. In the large view we have reached a higher degree of comfort and security than ever existed before in the history of the world.

Now, in all of these reconstruction measures, most of which in my judgment mean very little other than more burdens laid upon the shoulders of the masses of the people, we are told by the Secretary of the Treasury and his able assistant, backed up, I presume, by the President of the United States, that one of the reconstruction measures is a plan for an increase in taxation. I wish to address myself for a short time to this plan submitted.

Taxation has always been and probably always will be the greatest question before any government. In fact, I suppose almost 95 per cent of our legislation here is, Who is to pay the taxes? How much they should be? And who is to spend them and how? Practically every great country that has had internal trouble had it because of an inequitable tax system. And imagine my astonishment when I read the press reports of the hearings of the Secretary of the Treasury and Mr. Mills before the Ways and Means Committee and the kind of taxes they submitted.

I had heard radio reports and read press reports regarding some of their proposed taxes, but I did not believe they would come up and offer to submit some of the unfair taxes and put them on the shoulders of our people; but we have the proposition submitted, and my honest opinion is—and I speak in this matter as I do in all matters, not for any party or on anyone's responsibility except my own—that such a scheme of taxation as this carried out by any party will cause the people of this country to question whether the ideas of that party are the kind that should govern this great country. I recognize that there is a need for more taxation in some lines, brought about by that great administration of economy.

Everybody, it seems to me, should know that one of the things wrong with the country now is the centralization of wealth and that a few men are getting a larger and larger percentage of the wealth in their hands. Of course, under conditions like this, one of the ways to reach this problem is through taxation. Since more taxes have got to be raised, income taxes on higher brackets and estate taxes should be increased, and there should be a corresponding gift tax as a complement to estate taxes; but when I look at some of those taxes reported as recommended by the Secretary of the Treasury, such as 2 cents on a check, it is my honest opinion no more inequitable or nefarious tax scheme has ever been submitted to any great and free people, and I do not believe this Congress and my party, which is in power in this House, will submit any such plan.

Too, we have other indefensible taxes which are calculated to put more of the burden of taxation on the shoulders of the masses of our people and relieve those great corporations, big owners, and financiers who have been making millions of dollars during this depression while the masses of our people on the farms, laborers, small business men, and men and women of nearly every profession have been near starvation. Speaking for myself, I am opposed to any such system of taxation, and I sincerely hope that those who are in authority and those who are going to have to take the responsibility for submitting a tax measure to this House will not submit to an overburdened people such a scheme.

Take the status of the poor farmer if this bill was to pass, the poor southern farmer—and I am sure the same is true with our farmer friends in every section of the country, but probably on a different scale—but the poor southern farmer who borrows a hundred dollars from his banker or some other one, if he can, with the understanding that he is to use \$5 a week during the crop time, his maximum check would be \$5, making \$20 a month, and in all he would pay 40 cents tax, and the fellow who was able to issue a larger check, naturally, would pay relatively a much smaller proportion.

Then, too, we are told that we must even have a tax on a Ford automobile, as this is a luxury for those people who work and toil. My colleagues, to-day as I stand here and view the events of the past three years, all that talk of prosperity and what a wonderful thing was going to happen when the present administration went into power, of their prophecy of how we would soon be on the highway of prosperity and the full dinner pail, and the abolishing of poverty from the earth forever, I feel like we should enter a period of mourning.

I want to point out to you three outstanding measures submitted for relief up until the present Congress: The Farm Board, the tariff, and a supposedly tax-reduction measure.

In connection with the tariff, I think that we might get a good deal of humor out of the 1930 tariff. When that bill was passed it was decided to sell it to the American people by psychology. Each member of the Cabinet and the President were to say something about it at a certain time. I think Senator WATSON led off with a prophecy that in 30 days it would bring us out of the morass in which we were stumbling. And it seemed from press reports that each member of the Cabinet was to make a speech on the tariff at a certain time, but for some reason or other the material gave out before it got all the way round.

The next iniquitous bill was called the tax-reduction scheme, and those of you Members who were not here in the latter part of 1929 will be interested to learn what happened, especially since they are asking now to levy a tax on checks and moving pictures. The moving picture is about the only pleasure resort that thousands of people in the cities have.

Mr. PATMAN. Mr. Chairman, the gentleman suggested that the small farmer would have to pay so much tax on a small check. Does he take into consideration the fact that he must also pay the bank a fee for keeping this small amount, because it is small?

Mr. PATTERSON. Yes.

Mr. LUCE. Has the gentleman asked the Ways and Means Committee to reduce any specific tariff?

Mr. PATTERSON. I have not.

Mr. LUCE. Does the gentleman think that any tariff rate ought to be reduced?

Mr. PATTERSON. I shall answer that when I get to discussing the tariff question. I most certainly do.

I want to contrast this so-called tax bill with the present recommended tax increase. I hope many of you can recall the earlier part of December, 1929, when, in my judgment, in order to satisfy a few people who had made large contributions for campaign expenditures, we brought into this House, under the guise of tax reduction, not a bill for tax reduction but a dole, which is just as much a dole as anything ever offered here on the floor of the House. Many of these beneficiaries had gone through the years and collected taxes from the laborers and others to pay these income taxes and then they had them remitted. This was held up as a great reconstruction measure because there was such a tremendous surplus in the Treasury.

Now, if Mr. Mills was quoted correctly in newspaper reports when he appeared before the Ways and Means Committee, we might feel a great deal of cause for alarm in the doings of the present administration. When he appeared before this committee it had been but 25 months since we had this glowing report of such a large surplus in the Treasury and what this would do for business if this dole was given to the rich and those who were able to pay. I remember in the speeches made on this case what glorious

promises were held out. I was one of those with the contrary belief at that time that this was a dole to the wealthy. These parties which painted in such beautiful oratory of this relief made me feel disturbed a great deal, but not enough, of course, to make me see their way; but I remember that they led us up the "delectable mountains," I thought, to show us the promised land, or the celestial city; but behold, when we looked out all was morass, despair, and disappointment. We have 25 months later, if the Evening Star of that date quotes the Under Secretary of the Treasury correctly, that during the past 24 months the public debt has been increased by \$4,100,000,000. This, in contrast with those glowing reports of what the Secretary of the Treasury was doing to pay the debts of the country and to take care of its finances. I have no doubt to-day that some of those present who put that language into the RECORD at that time would like very much to withdraw those remarks. I and the other less than 25 gentlemen pointed out the iniquities and opposed this legislation and have referred to this time and again, and I challenge any Member of this House to-day—with the developments since and the conditions we find ourselves in to-day—to rise in his own time and defend this legislation in view of the present program.

I think we all to-day might take off our hats to the gentleman from Iowa [Mr. RAMSEYER] and the gentleman from Mississippi [Mr. RANKIN], who led the fight against this legislation. I have heard—and, of course, not being a leader, I do not know what is in the mind of the leaders on either side of the House—but there are some rumors that those who followed after this thing were berating themselves and those who misled them under their breath for such indefensible legislation sponsored upon a nonsuspecting public.

I pointed out in private then, and have pointed out time and again since on this floor, the iniquitousness of such a dole, if you see fit to call it that, which did not reach the poor man who needed tax relief. There is tax relief needed in this country, and I, for one, pledge myself as best I can to help bring that tax relief about, and as one Member of this House, it is not my purpose to support the part of this scheme of tax legislation that will burden our common people as was submitted by the Secretary of the Treasury and would regret to see the Democratic majority of this House led into such a blind alley as this seems to me. Well may the present administration rejoice; but the people of this country who have been looking for relief would need to put on sack cloth and ashes.

Speaking as best I can for the mass of the people all over this great country and my constituents, who have intrusted me to speak for them and have no paid lobbyist nor anyone else here to speak for them except Members of Congress, I pledge that I will fight to the best of my ability such a scheme and such a system. I say again now that with the reckless expenditures of all these large appropriations for these big corporations and financial institutions, the calling for more and more taxes, and trying to spread them out on the masses of laboring, farming, and every class of our common people, so that it reaches every small business man, a scheme like this will bring our great country to a sadder and sadder plight; and I for one delight to be on the opposite side of this question and consecrate myself here and now to oppose such a scheme first, last, and all the time; and I feel that it is our duty to-day as Representatives of the people to take for our motto the philosophy of the great leaders who have led this country through storms and strife and brought it to peace and happiness. Not partisan politics, not selfish interests, not time serving, but statesmanship and service to our country. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, the gentleman from Pennsylvania [Mr. STOKES] a few moments ago discussed House Joint Resolution 112, introduced by the gentleman from Indiana [Mr. HOGG], to amend the Constitution so as to permit the taxation of incomes from Federal, State, and municipal bonds.

It so happens that in the morning mail I received a letter from the editorial writer of the Grand Rapids Herald, of Grand Rapids, Mich., in which he inclosed an editorial discussing that very subject, and suggested that I ask to have it inserted in the CONGRESSIONAL RECORD. The editorial is so pertinent and contains so much information that I desire to call the attention of the members of the committee who are present, to it. In the editorial, which I will ask permission to have printed in its entirety for fear that I will not be able to read it all in the time allotted to me, the editor advocates action by the Government to stop the tax-exempt feature of these State, municipal, and Federal bonds at some time in the future, not later than 1935.

Mr. Chairman, I ask unanimous consent to extend my remarks to include this editorial.

The CHAIRMAN. Without objection, it is so ordered.

There is no objection.

The editorial is as follows:

[From the Grand Rapids Herald, Sunday, January 17, 1932]

THE MAN WHO HAS BUT DOESN'T PAY

The State highway department is having difficulty in disposing of the \$246,000 Kent County bond issue for financing a part of the North Division Avenue extension. Yet the per capita debt of Kent County is only some 85 cents and is among the most favorable in the whole Nation. Similarly the city of Grand Rapids is likely to have difficulty when it attempts to borrow \$1,750,000 for its sewer relief program, and perhaps an additional \$1,000,000 for social service during the coming months. Municipalities and other governmental units throughout the country are having this same problem in floating bond issues. They will continue to have these difficulties until Uncle Sam, in the course of eliminating permanently the fiction of tax-exempt bonds, sets a date after which no financing of this nature will be permitted.

The reasons the Kent county bonds haven't been sold and the reasons why other similar issues are not readily salable is that the supply is greater than the demand. The way to cure this glutting of the market is to curb the supply, but the curb should not be applied until a reasonable period has intervened to permit local governmental units to float their contemplated bond issues in a market eager to take them. The moment action is taken in Washington looking toward such a curb on tax-exempt bonds all municipal and other tax-exempt bonds offered will command a rich premium.

This situation is only one phase and actually just a side issue of the big problem of financing through the medium of tax-exempt bonds by the Federal Government, States, counties, school districts, townships, and cities.

The whole theory of granting special privilege to the holders of such securities is fallacious. Actually it encourages financial timidity. Only the timid money, the money of men who are afraid to take the risks of investment in trade and industry, goes into these tax-exempt bonds. Yet the Government, by granting this boon to timid money, puts a penalty upon the courageous investor who places his money in the prosperity-producing industries of the country.

These privileged securities put out by the Government serve the opposite purpose of permitting their favored holders to dodge the taxes, which in turn are the first necessity for existence of the issuing Government. Secretary Mellon said in 1928, "As long as the States and their political subdivisions continue to issue securities which are wholly tax exempt at the rate of \$1,000,000,000 a year, there is at all times an ample supply of gilt-edged securities available to those desiring to escape income-tax payment through investment in tax-exempt securities."

The most casual study of the situation reveals how completely Uncle Sam is fooling himself by thus offering an escape from taxation. Most recently available estimates made by the United States Treasury Department show that there are outstanding \$20,515,000,000 bonds wholly exempt from normal income tax and surtax of the Federal Government as well as State and local taxes. Since these figures are now a year old, the total undoubtedly is considerably higher. But using that total as a starting point, the fact is that income from at least twenty and a half billions of dollars escapes taxation.

Estimating that these bonds draw an average interest of 4 per cent, although the coupon rate of many is higher, that means an income to the holders of these securities in the neighborhood of \$820,000,000 annually which goes scot free, while the Nation and its political subdivisions are rounding up taxable profits. If that income were taxed at the contemplated 40 per cent surtax rate—and no inconsiderable part of these bonds is held by men in the surtax classification—it would contribute \$328,240,000 to the United States Treasury.

Instead, however, of the 40 per cent tax on this tremendous item of income, Uncle Sam now permits that money to go into hiding.

But, says the skeptic, it is this very feature of exemption from taxation which makes Government bonds of all forms attractive to investors. True, in some measure; but equally true is the fact that Federal, State, municipal, etc., bonds comprise the finest type of gilt-edged investment regardless of tax exemption. That fact

is recognized by all students of financing. The tax-exemption feature is merely a premium which governmental units throw in by way of kidding themselves. Experience of the United States Treasury itself demonstrates that Government bonds are attractive even when lacking the tax-exempt appeal. In the public debt of the Federal Government only \$4,257,650,880 out of a total of \$17,040,063,880 is wholly exempt from normal income tax and surtax.

A slight premium is paid for bonds which are exempt from taxation, but the seeming advantage of this premium is lost through the fact that money derived from such bond issues must be expended in a market in which values are inflated by the necessity of industry competing for its financing in the same market with these privileged tax-exempt securities. In other words, when the State starts the job of extending North Division Avenue it will have to pay more for labor and materials, because it has floated its tax-exempt securities in competition with the contractor who, perhaps, will need to borrow money for this particular job and the cement manufacturer who requires bank financing to maintain production. Thus, we say that even the premium commanded by tax exemption is in no small measure a fiction.

There is a lot of loose talk in this country about "big money" and its menace; but the real menace of "big money" is represented by that secluded wealth which hides behind bond-tax exemption to the tune of more than \$20,500,000,000.

If, instead of postponing the balancing of the Federal Budget until 1934 and instead of running around in circles putting out bond issues on top of bond issues, the Federal Government would now set itself to a comprehensive and expansive program of specific taxation to reinforce the income tax, the national deficit could be wiped out in a single year. And, if at the same time the wheels should be set in motion for stoppage of all future issues of tax-exempt securities after a set date, the Government would be on the way to a sound, sane financial program.

By postponing the balancing of the Budget until 1934, as Secretary Mellon has recommended, the Government gives notice of an approaching deluge of Government bond issues, which news inevitably serves to depress the Government bond market and at the same time the general bond market. Should, however, the Government announce an immediate Budget-balancing program, the bond market would be put on notice to look elsewhere for its investments. It might be necessary to issue some short-term certificates until the specific taxes came into production, but the very assurance of their being quickly wiped out would bolster the bond market.

Suppose that 1935, for example, were fixed as the date after which no new tax-exempt bonds could be issued, what would be the result? Immediately every available outstanding issue would rise in price. Banks, whose money is now tied up in such bonds which can not be sold at par, would automatically be reinforced through the increased liquid value of their assets. And, equally important, every local and State bond issue put out between now and 1935 would be eagerly gobbled up at a premium.

The President wants local communities to meet their own problems of depression, yet in the present situation these communities find the bond market closed to their securities, because there are no buyers. Let him suggest to Congress the advisability of fixing a date for stoppage of bond-tax exemption, and immediately he will have made a major contribution toward helping cities, etc., to help themselves.

Sound economics are offended by the very thought of tax-exempt securities. The practice is contrary to reason; and, as has been pointed out, Government through loss of tax revenue is a first victim, while courageous money invested in trade and industry suffers as well through having to carry the whole load of tax burdens.

Mr. BUCHANAN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, directed him to report that the committee had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 6660) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1932, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. HALE, Mr. BINGHAM, Mr. GLASS, and Mr. MCKELLAR to be the conferees on the part of the Senate.

EXTENSION OF REMARKS—AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members who have spoken on this bill, and all Members who hereafter shall speak on this bill in general debate, may have five legislative days within which to revise and extend their remarks.

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

Mr. MICHENER. Reserving the right to object, would the gentleman from Texas object to including in his request all Members of the House? There are a great many Members of the House who will desire to discuss some particular feature of the bill, of vital interest to the particular Member, who will not have an opportunity to speak on the bill.

Mr. BUCHANAN. Mr. Speaker, I amend request to ask unanimous consent that all Members of the House who desire may have five legislative days within which to extend their remarks on the bill now under consideration.

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

There was no objection.

A DISCUSSION OF THE EFFECT OF SILVER MONEY ABROAD

Mr. McGUGIN. Mr. Speaker, the report of the United States Tariff Commission on foreign exchange of December 31, 1931, brings most clearly before the country the embarrassed situation in which the United States finds itself to-day on account of the use of the silver standard in other countries. This report shows that the exchange value of money in the other countries that operate on the silver basis with American gold has depreciated from 28 to 37 per cent since September 21, 1931. The depreciation for the following countries is: England, 37 per cent; Denmark, 30 per cent; Norway, 31 per cent; Sweden, 30 per cent; Finland, 28 per cent; Japan, 32 per cent.

The exchange value of the money of some of the other countries that are yet on the gold standard has depreciated as follows: Canada, 18 per cent; Mexico, 20 per cent; Argentina, 40 per cent.

This means that American agriculture and American industry can not deal with these countries unless we decrease the price of our products from 20 to 37 cents on the dollar or these countries pay a premium from 20 to 37 cents on the dollar for everything which they purchase from this country. It is obvious that these countries can not and will not pay the premium. In that event, we must either depreciate our prices on everything which we export from 20 to 37 cents on the dollar or do without the business. As a matter of fact, we have lost our foreign trade of manufactured articles with these countries. They have not paid the premium and American factories have not been willing to take the depreciation.

The countries whose exchange has not depreciated in recent months are Belgium, Czechoslovakia, France, Germany, and Switzerland. These are about the only countries left with whom the United States can do business. We can not do a great deal of business with Belgium and Czechoslovakia, because they do not have the money to buy and they are not natural customers of the United States. We can not do much business with France, due to French tariff barriers. We can not do any business with Germany, because she has no money. About the only way we can do business with Germany is to lend her money to buy our products. Germany will never pay us back the money, so in the end, instead of selling something, we have given it away. Switzerland is not much of a customer for anyone. As a result, there is practically no place left on earth for America to trade.

During the last three years, we have lost 68 per cent of our foreign trade. The most abrupt decline in our foreign trade has been since July 1, 1931. We have lost 17 per cent of it during that period of time. It is obvious that the greater part of this tremendous loss during the last six months has been suffered because the rest of the world is dealing in silver, a cheap money, and we are dealing with gold, a high-priced money.

To-day, 90 per cent of the governments of the world are without a gold standard or the possibility of obtaining gold for circulation. Since we demand payment for our commodities in gold, how are 90 per cent of the countries of the world going to buy from and trade with the United States when they have no gold standard nor any gold for circulation?

In this situation, the United States is not only losing its exports, but it is helpless in preserving its own markets from a flood of imports. Since these foreign countries can make their commodities by paying wages in silver money and ship them into the United States, receiving gold for them, they receive a premium which greatly absorbs our tariff schedules.

Let us take the case of an English factory. When it paid \$1 in wages before September 21 and paid that \$1 in gold, then the English factories were on a parity with the American factories which paid a dollar in wages in gold. When England pays the same wages in silver, she is really paying 63 cents in gold. The English manufacturer, therefore, to-day has an advantage over the American manufacturer in the matter of wages at the ratio of 63 cents to \$1. American capital and labor are naturally reluctant to bear this 40 per cent reduction. As a result, American industry is losing its business; hence less profits and more unemployment in American industry. This 37-cent advantage makes it possible for English manufacturers to absorb the American tariff duty on their commodities and to flood the American market with them.

Let us bring the matter closer home: Canada has as her standard the Canadian dollar. For years the Canadian dollar has been exchanged on a parity with the American dollar. To-day, the Canadian dollar is worth 83 cents in the United States. The American dollar is worth approximately \$1.20 in Canada. The Canadian dairy interests are shipping their dairy products into the United States to-day, paying the American duty because when they receive the American gold dollar they can take it back into Canada and receive \$1.20 for it. The 20 cents absorbs the tariff duty. It seems apparent that if we are going to preserve the American market for American industry we must do one of two things—cheapen American money to some sort of a level with foreign money or raise the American tariff barriers to still higher brackets. We can not take this latter course without completely destroying all of our export market.

Let us take the example of England and Argentina. England produces manufactured products. Argentina produces agricultural products. England is the competitor of American industry in selling manufactured products in the Argentine. If the agricultural interests of Argentina buy our manufactured products they must pay us a premium of 40 per cent, while if they buy from England they either buy with an equal exchange or pay a slight premium of 3 per cent. The Argentine purchaser of manufactured products is not going to pay a 40 per cent premium for the privilege of buying an article made in the American factory when he can buy a similar article made in the English factory without the payment of such a premium. At the same time, Argentina is the competitor of the American farmer in the selling of American farm products in the English market. The English consumers of farm products can buy them from Argentina on either an equal exchange or receive a premium of approximately 3 per cent, while they must pay a 37 per cent premium for American farm products. In such a situation, we know that England is either not going to buy our farm products or American agriculture must bear the 37 to 40 per cent reduction in price. American agriculture, with an uncontrollable surplus, is helpless and must sell for silver, and take a 37 per cent reduction when it returns to America and exchanges its foreign silver for American gold. What is worse, this surplus of farm products sold for silver sets the price of American farm products consumed in America.

This illustration of America trying to sell her farm products to England in competition with the Argentine is illus-

trative of the position of American agriculture endeavoring to sell its products in any of the other silver-standard countries. This situation of American industry endeavoring to sell its manufactured products in the Argentine is identically the same in Denmark, Norway, Sweden, Finland, Japan, and all Asia, in short 90 per cent of the nations of the world.

Since America can not hope to receive this premium for her exported commodities, it simply means that American commodities must either be reduced entirely to home consumption or sold on the foreign market with the American producer absorbing a depreciation of from 20 to 37 per cent. In actual practice, American employed labor and capital in factories are simply restricting their production, giving up their foreign export business, holding their prices to the gold-standard basis, and depending upon the American market. This means a constant increase in unemployment. American agriculture can not restrict its production to American consumption. As a result, American agriculture is selling its cotton and wheat in the foreign market for silver and taking a loss of from 20 to 37 per cent when the money is exchanged into American gold. The net result of silver abroad and gold in America is that unemployed labor and agriculture are the goats.

As conclusive proof that this adverse exchange is destroying our foreign market for industry and at the same time making it possible to flood our home markets with foreign products, I bring to the attention of the Congress a recent article in the United States Daily which quotes Doctor Klein, of the Department of Commerce. I quote in part:

The foreign trade of the United States in 1931 sank to a new postwar depth with imports the lowest since 1916 and exports the lowest since 1914, according to figures made public January 16 by the Department of Commerce.

December saw a decrease in American exports, but an increase in imports. This gain in imports is likely due to the reaction from the depreciation of currency abroad, it was stated orally by Dr. Julius Klein, the Assistant Secretary of Commerce.

The figure for December imports probably reflects the beginning of anticipated larger imports from Europe, facilitated by a foreign exchange depreciation, said Doctor Klein.

This statement from the Department of Commerce is proof and fair warning to America that American factories have been driven out of the markets of the world, and now the cheap money abroad is driving American factories out of our home markets. It is obvious that the decrease in our exports is in our manufacturing commodities. Agriculture is helpless. It must export its cotton and wheat for whatever it can obtain abroad. It is now being paid for exports a ridiculously low price in depreciated foreign money and then is obliged to depreciate that money again 40 per cent when it is returned to America and exchanged for gold.

Of all our agricultural problems this exchange of money has brought about the most acute and distressing condition. We find the American producer of wheat and of cotton selling his products upon a silver standard and buying the things which he needs on a gold standard. For 10 years, industry in the United States has been able to set its price and get the best of the American farmer every time he bought the products of industry. The result was that the exchange value of the American farm dollar for industrial products from 1920 to 1930 was only 85 cents on the dollar as compared to its exchange value for the five years before the war. Industry was able to place American agriculture in a position 15 per cent below the pre-war level during the years of 1920 to 1930.

Not only is agriculture now suffering the 15 per cent discrimination it has suffered for 12 years, but it is now suffering from the position of selling its products for silver and paying for the things which it buys in gold. This is another discrimination between agriculture and industry of approximately 30 per cent. This is why agriculture to-day is living on a basis of 43 per cent below the pre-war level, while industry, transportation, and Government are tenaciously holding on to their ill-gotten postwar inflated prices. However, the situation is not working. Industry, Government, and finance have bled agriculture as much as they can bleed it. The mortgage companies do not dare to foreclose

their mortgages because they can not make the land pay the taxes after they foreclose the mortgages.

Recently I received a letter from a Kansas editor who wrote in part:

Conditions in our country are a great deal worse than the national leaders believe. Even in a community like ours here in Kansas, the people are becoming desperate. Foreclosures are fast getting the farms and there would be more foreclosures but for the fact that the loan companies have come to a place that they will do most anything rather than foreclose, as they have more land now than they can handle.

The same thing is true with industrial products sold to farmers. Industry took the farmer's money as long as he had any, then it sold to him on time, now it does not dare to foreclose on its chattels, as it would completely wreck the price of the manufactured products and it would not receive 20 cents on the dollar for the outstanding paper.

There are those who would tenaciously hold on to gold and force down commodity prices and wages. This might be all right so far as future obligations are concerned, but under such a system we can never pay the debt which is on this country. The credit element of this country wants high-priced money. It wants to collect dollars which are now worth \$1.50 to \$2, while the dollars it lent were only worth \$1 or less. The present situation in the United States is a perfect set-up for the creditor class except that the matter has been carried so far that it can not collect its debts in gold or money and must collect its money in property foreclosures. When they do this, they are in the position of the mortgage companies who can no longer afford to foreclose their mortgages. The national debt can never be paid with high-priced money and cheap commodities. The private debt of the country can never be paid with high-priced money and cheap commodities.

With the 27,000,000 farm people in their present distressful position and with American factories losing their foreign markets, the American factories find the demand for their products drying up so rapidly that they are casting men by the millions into unemployment. With every man who goes into unemployment, there is a further decrease in the consumption of the American commodities of the farm and factory. Such is the vicious circle that is daily increasing distress and human misery in the once proud and prosperous America.

With the present depreciated price of farm commodities, labor is being forced to take cuts until factory prices are brought down to the level of farm products, and in the case of future expenses labor may not be any worse off because its living expenses are being reduced accordingly; however, labor can never pay the debt which it owes for its homes and on installment purchases from American industry. Therefore, for the good of labor and for the good of American creditors, we should be better off to maintain a substantial wage standard with cheap money rather than reduce the wage standard by paying high-priced money. All over the country millions are losing their homes, and in doing so they are virtually seeing red. This condition may rock the foundation of Government and American civilization.

If we are going to sell anything abroad, we are going to have to deal in the money which is used by the rest of the people of the world. We think we are pretty chesty and cocky in the United States; but, if we think we can arrogantly place a premium of from 25 to 40 per cent of our money above the money used by 90 per cent of the nations of the world, we are only fooling ourselves. No man has ever become so important that mankind could not get along without him. No nation has ever become so great in this world that the rest of the nations could not live without it.

The United States and France are in the position of two boys in school who were the best marble players and in playing "keeps" won all the marbles. After they won all the marbles the rest of the boys decided to play jackstones. Then the two marble experts found that their marbles were not worth so much to them. In the world, we have been playing with gold for many years. France and the United States have the majority of the gold. The rest of the nations

have quit playing with gold and are playing with silver. Now, where are the United States and France with their gold? They are very much in the position of the two boys with the marbles. They can not do business with the rest of the world, and they will not do business with each other.

There are those who are opposed to the use of silver because of political prejudice. What has the Bryan campaign of 1896 to do with present conditions? It is childish either to accept or reject silver at this time on account of a violent partisan political campaign of nearly 40 years ago. In the first place, for the sake of argument grant that Bryan was right in 1896 and grant that it hurts the pride of a Republican or a gold-standard Democrat of 1896 to admit that Bryan was right, can we afford to lose all of our world industrial market and leave our agricultural section selling on a silver market and buying on a gold market rather than injure our pride and admit that Bryan was right in 1896? In the second place, silver could be the imperative need of this country to-day while Bryan could have been entirely wrong in 1896. There is this much difference to-day; 90 per cent of the nations of the world are on silver. That was not the situation in 1896. Again, in the light of events, there was not so much of a necessity for the use of silver in 1896 as even Bryan believed since new gold fields were discovered and gold was cheapened by the virtue of the added new supply. The value of gold is regulated by the supply of gold as much as the supply of wheat regulates the value of wheat.

In the light of these facts and these conditions, I can see no way out of the present situation for the United States except to cheapen our gold dollar either by an inflation of the currency, reducing the amount of gold in the dollar until the gold dollar has a more normal exchange value with silver money of the world, or by the United States accepting bi-metalism and using silver. If the wise course is bi-metalism, I am not afraid of silver just because I am a Republican, and Bryan, a Democrat, once advocated silver. What has the United States to fear from the use of silver? America owns nearly half of the silver of the world. How can America lose if the world operates on a metallic money of which God Almighty has given the United States half of the world's supply?

It may be that one of the best ways to meet this problem is the Burtress bill which has been introduced in the House of Representatives by Congressman BURTRESS, of North Dakota. That bill provides for lessening the amount of gold in the gold dollar. This can be done until the gold dollar is reduced to a value on a parity with foreign silver. This program would doubtless correct the impossible condition in which we now find our export and import business as a result of the unfavorable exchange rates.

It would probably not accomplish this purpose any more than the use of silver, however, it would save many debtors in the United States from an impossible debt contract which is hanging over thousands of farms and institutions in America. I refer to mortgages and bonds which by the contract must be paid in gold. An inflation of the currency or the use of silver would not bring relief to these unfortunate debtors, who by their contract must pay their debts in gold even though it takes from \$2 to \$2.50 worth of the commodities in silver to buy the gold dollar at this time that it would have required at the time the debt was contracted.

I believe that money must be cheapened so that a bale of cotton or a bushel of wheat will go as far toward paying the taxes or mortgage on a farm as it would have gone when the mortgage was contracted and when the public expenses were obligated.

It has not been my purpose to discuss the money question in the sense of positively advocating any particular method of cheapening the money. It has been more my purpose to discuss a question which I wished to bring before the people. It has not been my purpose to discuss this question exclusively from the angle of agriculture or unemployed labor. However, I am firmly convinced that unemployed labor and agriculture are the principal victims

of this unhappy condition. While agriculture and unemployed labor are the ones who are directly hit by the matter at this time, all industry and business are so dependent for their markets upon prosperous agriculture and employed labor that every citizen in this country will sooner or later find himself suffering the same embarrassment that the farmer and unemployed labor are now suffering. Therefore, I submit that this presents a problem which must be deeply considered and eventually solved by the American people. At this time, I doubt if there is a single individual in the United States who can safely take the position that he has the solution.

SALARIES OF FEDERAL EMPLOYEES SHOULD NOT BE REDUCED AT THIS TIME

MR. GRANFIELD. Mr. Speaker, Tuesday afternoon during general debate on the Department of Agriculture appropriation bill the former chairman of the Committee on Appropriations urged a salary reduction affecting all Federal employees. The method which he urged this Congress to adopt is unfair, unjust, unscientific, and inopportune. It is unfair because Federal employees earning salaries less than \$5,000 per year have given faithful and loyal service to the people of our Republic. It is unjust because thousands of these employees have remained in the public service during periods of inflation and prosperity at small wages while thousands upon thousands of other citizens of our country received higher wages by reason of the prosperous conditions which prevailed from time to time. As a reward for loyalty it is urged on the floor of this House that during these times of great distress and trial they be penalized by salary cuts. To legislate a general reduction of 10 per cent on all Federal salaries is unscientific.

Government employees receiving a salary of \$1,300 a year sustain a reduction of \$130, which they can ill afford. I do not believe there is a man in America to-day earning a salary of \$1,300 per year who is not in debt at the end of the year. Common sense must indicate that Federal employees earning \$10,000 per year suffer less by a 10 per cent reduction than the employees who are forced to accept a reduction of 10 per cent on salaries from \$1,000 to \$3,000 per year.

The present salary levels have been attained after years of struggle and effort on the part of the employees in both private and public business. It is an unwise policy which would reduce their salaries at this time. Their demands have been granted in the past because they have been able to demonstrate that they were entitled to and earned salary increases. Certainly a reduction of salaries at this time is inopportune, and such a policy is diametrically opposed to that urged and advocated by President Hoover a year ago when he called into conference our nationally known leaders of industry. At that time President Hoover stated that wage cuts would interfere and retard our return to prosperity. It is inopportune, because after two years of the worst industrial, business, and economic depression in the history of the world this wage-cut program is recommended at a time when all of us hope, as predicted many times, that prosperity is "just around the corner."

To those Federal employees who are in debt this policy will add to their already heavy burdens. It is inopportune because our citizens are urged to spend liberally, to stop hoarding, to consume more, so that momentum may be given to the wheels of industry and the return to prosperity accelerated. Those slogans of business can not be effectively carried out unless Government and private industry maintain present salary levels. This is a time to place money into the hands of the people by the payment of fair salaries, so that it may be freely spent by them.

It is the plain duty of representatives of the Government to point the way to private industry to the end that industry will follow the example of the Government. It is no time to indicate to private industry that wage cuts are the order of the day. It is the duty of the Federal Government, on the other hand, to set a good example for private industry and retain the present wage scale to encourage private industry to follow the same course.

Already in America there are 8,000,000 men and women idle, many of whom are depending upon public and private

charity; others are dependent for the bare necessities of life upon relatives who have employment. These 8,000,000 and their dependents, which number several millions more, are not consumers in the real sense to-day. If we ever hope to return to normalcy, we must maintain the wages of those who are fortunate enough to have work, and our Government must, as speedily as possible, find employment for those who are idle.

I am unalterably opposed to any policy or program which aims to reduce the salaries of Federal employees earning less than \$5,000 per year. During the years of my public service, and they have been many, I have advocated the passage of legislation to better the working conditions and to make salaries commensurate with the services rendered by those men and women in the humbler stations of life. I refuse to stultify that service to-day. If the men and women in private industry and public business are receiving fair and just remuneration for the services they render, I believe it is my plain duty to maintain the standards of wages and the present standards of living, and I will not turn back at this time. A reduction of salaries on the plan urged by some of the gentlemen in this Congress would destroy the fruits of years of effort on the part of these employees, and I refuse to be a party to any such program.

If any of the advocates of salary cuts earnestly wish to render a public service to the people of this Nation in the matter of balancing the Budget and reducing governmental expenditures, let them devise legislation to rid us of the many useless bureaus and commissions which have been fastened to our Government during the past 12 years and which to-day are directly responsible for the top-heavy tax burdens of our people. Many of these commissions—and they know it—function inefficiently, but always expensively, and are of little value in the administration of the affairs of government. They are supported by the people at a tremendous cost. Get rid of these governmental luxuries and leave the salaries of the Federal employees alone.

If, over the past 12 years, the leaders in our Government have not administered the affairs of the Nation wisely and if extravagances have been permitted, why should Federal employees, who have no voice in the business administration of governmental affairs, be the victims of the extravagances of others? If during the past 12 years the affairs of our Government had been economically, frugally, and with foresight administered, we would not to-day be confronted with a huge Treasury deficit. I am opposed to any legislation that will place the responsibility of the failure of leadership in government upon the shoulders of those hard-working, small-salaried employees who had no part in the management of the Government; and that will be the result if legislation is approved calling for a reduction of Federal salaries.

Mr. JOHNSON of Missouri. Mr. Speaker, I fear that only a small portion of the benefit of the enormous appropriation contained in the agricultural appropriation bill will be actually received by the distressed farmers of the Nation, yet I shall support the bill in the main for the reason that it is the only measure which has been offered that makes a direct appropriation for the relief of agriculture.

The Budget recommended for this appropriation by the administration was reduced \$10,799,591 by the able Committee on Appropriations, yet the bill now carries appropriations in the enormous total of \$175,443,814. Surely with the expenditure of this gigantic sum of public funds, if wisely spent, some benefit should sift down to the farmers.

A reading of the report of the Secretary of Agriculture brings some hope, for it shows that the distinguished Secretary finally caught the Mediterranean fruit fly in Florida, and that he is now pursuing a similar fly to the island of Hawaii, with a fair assurance of the early capture of such fly.

At page 84 of the report is found a further justification of the expenditure of public funds in the statement that the department has secured 34 musk oxen in the northeastern part of Greenland, and that they were given a nice trip at Government expense. In glowing language the Secretary describes the voyage of the musk oxen as follows:

In the summer of 1930, 34 musk oxen were obtained by the Biological Survey through a dealer, who captured them in northeastern Greenland. After their sea voyage to New York, by way of Norway, they were held in quarantine a little more than a month. They were then taken by rail to Seattle, Wash., by steamer to Seward, Alaska, and again by rail to the bureau's reindeer experiment station near Fairbanks.

While it is difficult to understand what real benefit the farmers will receive from this service, yet all people will be glad to know that the fruit fly had a good race and that the musk oxen enjoyed a splendid trip. The bill carries an appropriation for work in increasing and caring for the reindeers and musk oxen in Alaska to bring them into competition with the dairy herds of the farmers of the United States. Such item should be stricken from the bill.

There is one item of this bill to which I desire to voice objection, and that is that portion of the bill found under the heading "barberry eradication," in lines 6 to 21, inclusive, on page 33 of said bill. The appropriation for this item is \$196,400. At page 976 of the hearings before the committee, the testimony was to the effect that the most efficacious method of killing the barberry bush was by the application of ordinary simple salt. Certainly the application of this simple method for the eradication of the barberry bush would not appear to justify the appropriation contained in the bill.

DISTRESS OF AGRICULTURE

Mr. Speaker, the need of the hour is for the Government sympathetically to realize the terrible plight of the American farmer.

We are so interdependent on each other socially, economically, and commercially that the weal or woe of one industry soon affects all others.

Agriculture is the basic industry of our land, the most fundamental and essential, yet under the policies of the present Farm Board administration all of the farmers of our land have been or rapidly are being forced into ruin and bankruptcy, taking with them in their downfall thousands of banks and business houses and causing an unheard-of era of unemployment among the laboring classes.

I was raised on the farm. My mother, brothers, and sister now reside on the farm and are actively engaged in farming in my county. I have always been closely associated and identified with the agricultural interests, and I believe I know and understand the plight and condition of the average farmer.

The average farmer is to-day facing bankruptcy and ruin. The situation is appalling and tragic and should elicit the interest and sympathy of every right-thinking person.

It is a tragedy to see an honest, hard-working man who has given his life's efforts to providing a home for himself and family forced into bankruptcy and thrown out of his home in his old age. Last fall an honest, hard-working farmer of my county called to consult me about his situation, to see if I could show him a way to save something out of the wreck. He was 75 years old and had worked hard all of his life. He had reared a large family of fine boys. He said that in 1920 he owned 160 acres of good land free of debt; that he wanted to keep his boys on the farm and purchased another farm of 160 acres, giving \$165 per acre therefor. Then he borrowed \$70 per acre on the 320 acres. He was unable to pay the interest, and the mortgage holder foreclosed and sold the entire farm for \$50 per acre, throwing him out of a home. With tears coursing down his honest cheeks he said, "What am I to do? I do not know how to do anything but farm and I am too old now to learn anything."

Instances like this could be multiplied by the thousands. One would think that tragedies like this would melt a heart of stone, but they failed to touch the heart of the Farm Board, if it had a heart.

Another farmer of my county told me that 18 months before he had purchased 40 head of cattle. He fed and grassed them 18 months and then sold them for less than the original cost. He said, "If some one had gone into my pasture the night I purchased the cattle and shot and killed them all I would have profited by the act."

Some have suggested that the plight of the farmers has been caused by an overproduction and oversupply, but this is not wholly true. The statement of the Secretary of Agriculture, found at page 29 of his report, is illuminating on this subject. He says:

The number of hogs on the farm has declined in recent years. The total of 52,323,000 on January 1, 1931, was about 8,300,000 less than on that date in 1928.

Notwithstanding this undersupply in September, 1931, hogs sold at the lowest price since 1900.

In 1931 the farmer was compelled to give the equivalent of 800 bushels of wheat for a binder, and to pay almost war prices for all machinery purchased.

Taking the figures of the Secretary of Agriculture it is found that the farm income has decreased from \$15,719,000,000 in 1919 to \$6,900,000,000 in 1931, or a decrease of approximately \$9,000,000,000. The decrease in the income of the farmers for 1931 would have been more than sufficient to have paid the enormous governmental deficit, the \$2,000,000,000 granted the railroads, insurance companies, and the financial interests, and the payments due on foreign loans.

The farm debts have increased from \$3,320,470,000 in 1910 to the staggering sum of \$9,241,390,000 in 1931, while the value of the farms which have not been sold under foreclosure proceedings has decreased 66½ per cent.

Is the farmer entitled to relief? I say he is. At the convention in Kansas City which nominated Mr. Hoover, and which was controlled by him, the farmers, under the leadership of former Governor Lowden, were scorned and practically driven from the convention hall. As a gesture, they promised the farmer they would give him relief. Well, in a way they have kept their promise, for they have relieved him of everything he had.

The present administration cast aside all measures offered which would have given real relief and created the pet Farm Board, placed it in the hands of the president of the International Harvester Trust, and gave it one-half of a billion dollars of the people's money with instructions to use it.

At the time of the creation of this Farm Board wheat was selling at approximately \$1.26 per bushel in Chicago. In a short time it was selling at 70 cents.

At the beginning of 1931 the great Farm Board had a large amount of wheat on hand, variously estimated at from 200,000,000 to 250,000,000 bushels. Its actions had already forced ruin upon the farmers, merchants, bankers, and laborers. A new crop of wheat was ready to be harvested and all of the public leaders pleaded with the administration to publicly announce that it would not sell any of the Farm Board wheat until the new crop was sold. But the Farm Board, angry because the farmers had not obeyed orders to stop working for a year and cut production, refused to hold the 200,000,000 bushels of wheat off the market. Such action further depressed the market to such an extent that the farmer's wheat crop of 1931 sold as low as 30 cents per bushel, the lowest it had sold since 1852. This was just about one-half the actual cost of production and wrought ruin to this entire country.

This baleful influence did not stop at the farmer's bier, but cast its grimy fingers with a death grip around the vitals of labor, bankers, merchants, and all other business interests.

The policy of the Farm Board has not stopped with the grain and stock farmer, but it has dealt its death potion to the cotton farmer, who had his 1931 crop for disposal on a market which offered a price far below the cost of production. The Farm Board advised the cotton farmer to destroy one-third of the 1931 crop he had on hand as the only solution of the question. Well, if it was right for the cotton farmer to destroy one-third of his crop, why did not the Farm Board hold its 200,000,000 bushels of wheat off the market when it was requested to do so?

At the same time the advice was given to the farmers to cut production the administration was spending hundreds of millions of dollars in building the Hoover Dam, to bring

into fertility and use thousands of acres of land, vastly increasing production.

In my judgment, the Farm Board was a lemon given to the farmer. It has resulted not only in injury to the American farmer, but it has caused a great financial loss to the United States, which must be borne by the American taxpayers.

The hearing before the Senate Committee on Agriculture revealed the startling fact that the United States had expended on account of salaries and employees of the Farm Board the sum of \$1,036,380, and the further sum of \$347,068 for traveling expenses, furniture, and equipment.

It was further revealed that one official of the Grain Stabilization Corporation, the foster child of the Farm Board, received a salary of \$50,000 per annum; another, \$32,500; another, \$30,000; and that the total annual payment of such corporation to officials and employees amounted to \$816,900. The principal accomplishment of the Farm Board was the creation of jobs for officeholders at the expense of the taxpayers.

The farmer does not ask charity. He asks only that he be given an equal chance with other industries. He is facing an emergency and is entitled to emergency treatment.

The best and fairest thought of the farm organizations and leaders of the country, after mature consideration, determined that the only way to secure real relief to the farmer and the business interests of the West was to control the exportable surplus of our farm products so that they would not come into competition with and depress our domestic market. I favor that policy as the only method by which real relief can be brought to the farmer.

The present administration enacted the indefensible Hawley-Smoot tariff law for the benefit of the privileged class. This law contained such high and prohibitive tariff schedules that the foreign nations at once enacted retaliatory tariff laws which completely closed the foreign markets to our farm and manufactured products. This brought further ruin upon the farmers, closed our factories, and threw millions of laborers out of employment. This tariff barrier must be broken down so that the channels of foreign commerce again may be open for the flow of our products.

I believe that the solution of this great agricultural question will have more to do with the return of economic prosperity than anything else, for if the farmer can not purchase, the merchant can not sell; if he has not money to spend or with which to pay his debts, the banks must fail; if he can not raise and ship his products, the railroads can not haul them and the laborers are thrown out of employment. The prosperity of the country depends upon the continued prosperity of the farmers and the laboring people.

Mr. Speaker, although I opposed such action, at the solicitation of the administration, Congress voted a moratorium for one year upon the payment of foreign debts, which was the first step toward the cancellation of foreign debts for the relief of the international bankers and foreign nations, and the placing of the burden of such payment upon the already overburdened shoulders of the American taxpayers. The Government has also authorized the expenditure of public funds for the creation of a \$2,000,000,000 Reconstruction Finance Corporation in order to aid the railroads, the insurance companies, and the large financial institutions. With our farmers now facing bankruptcy and 7,000,000 honest laborers out of employment and in want, I say it is now time for the Government to give its concern to the great masses of the people and to grant speedy and actual relief to the farmers and the unemployed of our land. [Applause.]

GENERAL DEBATE, AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that general debate on the Department of Agriculture appropriation bill be closed to-morrow at the adjournment of the House.

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

Mr. SIMMONS. Reserving the right to object, Mr. Speaker, at the present time I have requests for approximately 4 hours and 30 minutes' time for general debate. I

have no desire to impede the progress of the bill in any way. If it may be understood that the House will remain in session to-morrow evening until the gentlemen who have requested time can be permitted to speak, or shall waive that time, I do not object. It may require that we sit a little late to-morrow evening.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. BUCHANAN]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RAMSEYER, indefinitely, on account of death of near relative.

RELATIONSHIP OF PRICE OF CRUDE OIL TO PRICE OF GASOLINE

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of the relationship of the price of crude oil to the price of gasoline.

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

There was no objection.

Mr. McGUGIN. Mr. Speaker and Members of the House, within the last few years we have seen the oil industry, one of the four great industries of the country, virtually crushed and demoralized. It would have been bad enough to have destroyed one of the four great industries, but the destruction of the oil industry directly destroys another great industry—the coal industry. With the demoralization of the oil industry the price for American oil has reached such low levels that it is unprofitable to use the oil of lower gravity for refining purposes. It is being used for fuel. This is playing havoc with the coal industry.

This distress of the oil industry is the direct result of the monopolization of the industry and of the importation of foreign oil. At the same time the American gasoline-consuming public is not receiving the benefits of the distress of the oil industry. In the mid-continent States, where there is yet some competition in the oil industry, there has been some reduction in the price of gasoline to the consumer, but in the large consuming sections of the Atlantic seaboard the consumers have received little of this benefit.

The price of crude oil has very little to do with the price of gasoline. This statement seems impossible and ridiculous. It would be ridiculous if there were any honest, fair, and decent economic law operating in the oil industry. Monopoly has destroyed any fairness, honesty, or decency in the oil business. Let me illustrate the facts. In 1926 the oil industry was in a prosperous condition. Development was going forward and new fields were being sought. The retail price of gasoline in 52 cities scattered throughout the United States was 18.1 cents a gallon. At that time the producers of American oil were receiving \$2.26 a barrel for crude oil at the well. In 1929 the price of gasoline in these same 52 cities of the United States had actually increased to 18.4 cents a gallon, while the price of crude oil at the well had dropped from \$2.26 a barrel to \$1.20 a barrel. During the summer of 1931 oil in the flush fields reached the low level of 10 cents a barrel. It even reached the price of 18 cents a barrel in the old, settled fields of Kansas; yet the price of gasoline throughout the United States during the summer of 1931 showed a very immaterial decrease. The price of lubricating oil has at all times been from 25 to 35 cents a quart. This has been true irrespective of whether or not the price of crude oil was \$2.26 a barrel at the well in 1926 or as low as 10 and 14 cents a barrel during the summer of 1931.

This condition has been made possible by the so-called complete unit system. The large monopolistic oil companies, with a nation-wide market, control the industry from production to retail distribution. To permit a great nation-wide corporation to engage in the business of producing, refining, transporting, and retailing of oil has resulted in a monopolization of the oil industry. This situation has robbed alike the individual producers of the oil and the consuming public of the gasoline. This is why the price of crude oil has had little to do with the price of gasoline. These complete

unit companies under normal conditions practically established a price of 4 cents a gallon for gasoline at the refinery. This meant that 4 cents a gallon paid for the producing of crude oil, the transportation of crude oil to the refinery, and the refining of crude oil into gasoline. This same monopolistic system established a price of 12 cents a gallon for gasoline bought in tank-wagon lots. This meant that the moving of a carload of gasoline from the refineries to the next town and reducing it from tank-car quantities to tank-wagon quantities cost 8 cents a gallon. This same system established a profit of about 3 cents for the retailing of gasoline. As a result the individual American citizen engaged in the business of producing oil, refining oil, or retailing gasoline operated at a loss. These big companies were perfectly willing for their production, refining, and retailing departments to operate at a loss because at these places they had competition. They made their profit in the spread between tank-car prices and tank-wagon prices. This was because there was not much competition in that part of the business, as very few people would want to buy gasoline in railway tank-car quantities.

This condition has impoverished the American producer of oil, the independent refiner of oil, and made a common slave of the ordinary retailer of gasoline at the filling station. At the same time it has robbed the American consumer of gasoline by actually charging him more for gasoline when crude oil was \$1.20 a barrel than when it was \$2.26 a barrel and the same price for lubricating oil whether crude oil sold for \$2.26 a barrel or 10 cents a barrel.

These same monopolistic companies that are large enough to be nation-wide in their scope meet independent competition in Kansas, Oklahoma, and Texas by reducing their price of gasoline while the same companies in other parts of the country where they have no independent competition continue to charge the same price for gasoline as was charged when crude oil was selling for nearly twice as much a barrel.

Four of these monopolistic companies have been large enough to take on an international aspect and obtain foreign oil concessions. These four companies are the Standard Oil of Indiana, Standard of New Jersey, two Rockefeller companies, the Shell Co., owned by a foreign interest, and the Gulf Oil Co., principally owned by the Mellon family. They are producing their cheap foreign oil and pouring it into the United States duty free. When they produce this oil in foreign countries, they are buying their steel and their equipment in the open markets of the world, which means that they are buying it from Europe, thus robbing the American steel industry and the American railroad industry of the business of manufacturing the steel and the transportation of the steel incident to the development of oil used to satisfy the American needs for gasoline.

These importing companies have not been content with robbing the American crude-oil industry of the American market; they have robbed the American refining industry of the American market. They have built large refineries abroad. They are refining that foreign oil with cheap foreign labor and shipping gasoline into the United States duty free. In this manner American labor is not only denied labor in the oil fields but the labor incident to the refining of gasoline used in America. This foreign oil has virtually stolen away from the American oil industry the great Atlantic-seaboard market.

The Tariff Commission has recently officially reported that this foreign crude oil is placed on the Atlantic seaboard at a price of 87 cents a barrel. The commission has also found that mid-continent oil produced in America by American labor and American capital and placed upon the Atlantic seaboard costs \$1.90 a barrel. This has obviously stolen the great Atlantic-seaboard market away from the American oil industry and given it to the foreign industry. The Tariff Commission also found that it costs \$1.09 a barrel to produce American oil. Since foreign oil is placed on the Atlantic seaboard at 87 cents a barrel, while in the mid-continent field it costs \$1.09 a barrel to produce the oil, it would seem that gasoline would be cheaper on the Atlantic seaboard than it is in the mid-continent, yet the fact re-

mains that during the entire summer of 1931 gasoline was selling from 4 to 6 cents more per gallon on the Atlantic seaboard than it was selling for in the mid-continent field. The Shell, Gulf, and Standard of New Jersey were actually selling their gasoline for less money in the mid-continent field where they had competition and where it costs \$1.09 to produce their oil than they were selling it for on the Atlantic seaboard, where they had no competition and were delivering their foreign oil at a cost of 87 cents a barrel.

The Tariff Commission also reported that the cost of refining gasoline in America is 7 cents a gallon, yet the price at the refinery in America which has been dictated by this monopolistic condition has been 4 cents a gallon. This means that every gallon of gasoline refined is being refined at a loss of 3 cents a gallon. The American refineries have been meeting this intolerable condition either by producing their own crude oil and obtaining nothing for it or by purchasing crude oil from an American producer who was producing it at a loss. The American independent company, which has owned its own refineries, its own production, and its own distribution system has been able to keep its head above water by using up its own production and receiving no compensation for it. The independent producers have been operating at a loss, and as a result have been going into bankruptcy by the thousands. Such a condition has naturally stopped development of the American oil industry.

These monopolistic companies are not content with importing their oil into this country duty free, forcing independent oil into bankruptcy, but they are taking advantage of this depression and virtually stealing the oil industry of America by buying it from its rightful owners on the court-house steps.

A prominent official in one of these four great importing oil companies recently made the boastful public statement that his company was taking advantage of the depression in the oil industry and buying up the independent oil industry at bargain prices. On December 18, 1931, the New York Times carried a statement from an official of the Gulf Oil Co. which was in part as follows:

[Special to the New York Times, from Pittsburgh, Pa., December 18, 1931]

The Gulf Oil Corporation has taken advantage of the depression to increase its extensive holdings by buying additional oil lands and refineries at bargain prices, an official of the company said to-day in explaining omission of the dividend on its capital stock. The Mellon family has large holdings in the company.

Purchases being made by Gulf are not being confined to any particular phase of the oil industry. They are in the distributing as well as the producing end of the business.

No estimate of the results of Gulf Oil for the present year can be made at this time. Reports must be received from Mexico, Venezuela, various parts of Europe, and the Far East before earnings can be known.

The other three great importers are carrying on the same ruthless program. When they have accomplished this purpose, the American consumer of gasoline will be more shamefully robbed than the consumer of any other commodity on the American market. At this very moment in foreign countries where they have no competition, they charge over twice as much for their gasoline as they charge for gasoline which they import into America.

The Royal Dutch Shell, one of these four great importers, has one of its largest refineries on the island of Curacao in the Netherland West Indies. It has been selling gasoline in Curacao for 34.9 cents a gallon retail. This company imports oil from the same refineries into America duty free, and is wrecking the American refining industry with a tank-car price of 4 cents a gallon and retailing on the Atlantic seaboard for 19 cents a gallon.

These same importing companies take the identical gasoline which they produce in South America and import it to the other nations of the world where they have no competition.

Let me quote some of the prices for gasoline to the retailing consuming public in these countries where they have no independent competition:

	Cents
Buenos Aires, Argentina	28
Melbourne, Australia	50
Calgary, Canada	32
Breslau, Germany	40
Baghdad	42
London	33

Just as soon as they can carry out the program in America which the Gulf Co. has openly and defiantly advertised to the Nation as its present policy of buying up the American oil industry at distressed prices, then we may expect the same treatment from these companies in America as they are giving to the people in these foreign countries.

You people of the non-oil-producing States have been thinking that a tariff on oil would increase the price of your gasoline. You have been thinking that you have been profiting by the present distress of the American oil industry. You can not profit at the expense of the death of the American oil industry. If you permit the American oil industry to be destroyed as it is to-day being destroyed, then you and your children for the decades to come will be bled white by this monopolistic outfit, just as they are now bleeding the rest of the world.

Let us for the sake of argument assume that the people of the non-oil-producing States are not at all interested in the distress in the American oil and coal industries. Let us assume that they are not at all interested in the independent refining industry, yet, for their own selfish good and for the welfare of themselves and children, they can not afford to permit these four great importers of oil to take over the American oil industry as they are now taking it over. If the American people permit this to be done, they are going to find themselves paying the same price for gasoline as is now being charged by these companies when they import their oil to a foreign country where they have no competition. What these companies are doing where they have no competition is what they are going to do universally as soon as they destroy competition in this country.

We of the independent oil industry have pleaded with the people of the non-oil-producing States to protect the independent oil industry from the ravishing hands of these four monopolistic importers. The people from the non-oil-producing States may not answer our cry; they may let us go down into bankruptcy and into oblivion, but they can not make us pay all the price and all the ransom. If they permit this to be done, they are going to pay and they are going to pay in the years to come.

The sales organizations of these four monopolistic companies—Standard of New Jersey, Standard of Indiana, Gulf, and Shell—are spreading throughout the United States the propaganda that a tariff on oil would increase the price of gasoline. If the people are gullible enough to listen to this propaganda, it is true that they will destroy the independent oil industry, bring anguish and distress to millions of people, but they can not listen to this propaganda and make us of the independent oil industry suffer the full measure for their gullibility. They and their children are going to have to pay. It is the old story. A great national crime or outrage can not be perpetrated on one class of people without, in the fullness of time, every citizen of the Nation being obliged to bear his share of the misery growing out of such an outrage.

If the American market is not preserved for the American oil industry and if the back of monopoly is not broken in the American oil industry, then the millions of American citizens honestly engaged in the oil industry are soon to be destroyed, and the entire American public is to be robbed and unmercifully robbed. The experience of the ages of the works of monopoly is before us to guide us at this time. The experience of other nations of the world, which are being pilfered by these monopolistic companies, is clearly before us. A tariff on oil protecting the American market for the American oil industry and an enforcement of the antimonopoly laws alone can save the American oil industry from complete monopolization and the American people of this and future generations from a perpetual robbery.

RECONSTRUCTION FINANCE CORPORATION

In conclusion I wish to make a few remarks pertaining to the Reconstruction Finance Corporation. I firmly believe that it is basically unsound for the Government of the United States to appropriate \$500,000,000 from the Federal Treasury, and in addition thereto, to guarantee the payment of \$1,500,000,000 in bonds in order to obtain \$2,000,000,000 to underwrite the banking structure of the country. It is socialistic, paternalistic, and basically unsound for either the great or the small to expect the taxpayers of the United States to bear their economic burdens through direct contributions from the Public Treasury.

Irrespective of the causes of our present situation I recognize the emergency and would have gone along with the majority of Congress and the administration and supported this measure if there had been any assurance that this fund would be administered equally and justly for the benefit of the large financial institutions and the small financial institutions. When the Congress refused to write into this act that 20 per cent of the funds of the Reconstruction Finance Corporation would be used for loans of \$50,000 or less to institutions whose total borrowings did not exceed \$50,000, that was fair warning to me that the small institutions will quite likely not receive their share of the benefits of this act. Without this amendment the bill as passed leaves the small institutions at the sufferance, the mercy, and the discretion of the board administering this bill. I would not vote for such a measure. Whenever I vote for such paternalistic legislation it must be written into the law that small business will receive its share of the benefits.

In the light of the discrimination against small business since the war one who wishes to represent truly such business is not exercising proper caution if he does not demand that protection for small business be written into the law. Eight thousand local banks have gone broke during the last few years, and this much is certain; no one suggested governmental aid or a Reconstruction Finance Corporation when these 8,000 local banks were going broke. Interest in such a paternalistic movement only became evident when the large banking institutions of the country became embarrassed.

I voted against the bill because there was no protection for small business written into the law. Now that the bill has been passed by the Congress, I hope that my fears were ill founded and that the board which administers this fund will be an exception to the general rule, and that it will deal fairly and equitably as between the small banking institutions of the country and the large banking institutions.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 37. Joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Thursday, January 21, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINY submitted the following tentative list of committee hearings scheduled for Thursday, January 21, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

Commodity short selling.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Construction bill (H. R. 6661).

COMMITTEE ON LABOR

(10.30 a. m.)

All bills pertaining to the prevailing rate of wages.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10 a. m.)

Department of national defense (H. R. 4742, H. R. 7012).

COMMITTEE ON ROADS

(10 a. m.)

National aid to roads of \$125,000,000 per annum (H. R. 4716); also authorization for forest roads.

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

General inquiry into the American merchant marine, the United States Shipping Board, and Merchant Fleet Corporation affairs.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Bridge across inland waterway from Norfolk, Va., to Beaufort Inlet, N. C., between Fairfield and Columbia, N. C. (H. R. 6184).

(11 a. m.)

New York and New Jersey channels (H. R. 395).

COMMITTEE ON EDUCATION

(10 a. m.)

Provision for the promotion of vocational rehabilitation (H. R. 4743).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(11.30 a. m.)

Fee reduction in naturalization proceedings (H. J. Res. 132).

COMMITTEE ON WAYS AND MEANS

(10 a. m. and 2 p. m.)

Miscellaneous taxes.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Section 15a-7116 and 7117, interstate commerce act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

397. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year 1932, amounting to \$415,000, for the general disarmament conference, Geneva, Switzerland (H. Doc. No. 230); to the Committee on Appropriations and ordered to be printed.

398. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the legislative establishment, House of Representatives, for the fiscal year 1933, in the sum of \$4,000 (H. Doc. No. 231); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. H. Res. 111. A resolution authorizing the addition of an assistant to the attending physician of the House (Rept. No. 189). Ordered to be printed.

Mr. LANKFORD of Georgia: Committee on the Public Lands. H. R. 4712. A bill to establish a minimum area for the Shenandoah National Park, for administration, protection, and general development by the National Park Service, and for other purposes; with amendment (Rept. No. 192). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTSON: Committee on Indian Affairs. H. R. 225. A bill providing for payment of \$50 to each enrolled

Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; with amendment (Rept. No. 193). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. H. R. 4583. A bill providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes; without amendment (Rept. No. 194). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the Library. H. J. Res. 152. A joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment; without amendment (Rept. No. 195). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILCHRIST: Committee on Indian Affairs. H. R. 7619. A bill to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinault Indian Reservation, Wash.; without amendment (Rept. No. 196). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. WARREN: Committee on Accounts. H. Res. 108. A resolution to pay Margaret Albrecht, mother of Lillian M. Albrecht, six month's compensation, and an additional amount not exceeding \$250, to defray funeral expenses of the said Lillian M. Albrecht (Rept. No. 190). Ordered to be printed.

Mr. WARREN: Committee on Accounts. H. Res. 107. A resolution for the relief of Jane Wilson (Rept. No. 191). Ordered to be printed.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 4143. A bill for the relief of the Sherburne Mercantile Co.; without amendment (Rept. No. 197). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHANNON: A bill (H. R. 8072) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. MAJOR: A bill (H. R. 8073) to amend the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

By Mr. DYER: A bill (H. R. 8074) providing for a reclassification of watchmen, messengers, and laborers in the Postal and Railway Mail Service of the United States in three grades with increase in salary; to the Committee on the Post Office and Post Roads.

By Mr. GARBER: A bill (H. R. 8075) relating to the construction of a Federal building at Ponca City, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. McLEOD: A bill (H. R. 8076) providing for an appropriation toward the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital; to the Committee on the District of Columbia.

By Mr. BECK: A bill (H. R. 8077) relating to the prescribing of medicinal liquors; to the Committee on the Judiciary.

By Mr. CURRY: A bill (H. R. 8078) to provide for the appointment of prosecuting officers of the Territory of Hawaii, and for other purposes; to the Committee on the Territories.

By Mr. GILBERT: A bill (H. R. 8079) to regulate the admissibility of evidence in certain actions in the courts of the United States; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H. R. 8080) to amend the World War veterans' act, 1924, as amended by providing allowances for widows and children and dependent parents of veterans

of the World War; to the Committee on World War Veterans' Legislation.

By Mr. SABATH: A bill (H. R. 8081) to amend section 13 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. UNDERWOOD: A bill (H. R. 8082) to revise and equalize the rate of pension to certain soldiers, sailors, and marines of the Civil War; to certain widows, former widows of such soldiers, sailors, and marines, and for other purposes; to the Committee on Invalid Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 8083) providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932; to the Committee on Naval Affairs.

By Mr. DAVIS: A bill (H. R. 8084) for the protection of the northern Pacific halibut fishery; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. GILBERT: A bill (H. R. 8085) to regulate the business of executing bonds for compensation in criminal cases and to improve the administration of justice in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CHRISTOPHERSON: A bill (H. R. 8086) to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187); to the Committee on the Judiciary.

By Mr. EVANS of Montana: A bill (H. R. 8087) authorizing the Secretary of the Interior to vacate withdrawals of public lands under the reclamation law, with reservation of rights, ways, and easements; to the Committee on the Public Lands.

By Mr. LEWIS: A bill (H. R. 8088) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes; to the Committee on Labor.

By Mr. CHRISTOPHERSON: A bill (H. R. 8089) providing for the inclusion of certain additional names in the roll of the Yankton Sioux Tribe of Indians; to the Committee on Indian Affairs.

By Mr. DISNEY: A bill (H. R. 8090) providing import duties on crude petroleum and all products of crude petroleum imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. BURCH: A bill (H. R. 8091) to authorize advances of funds to the States for emergency highway construction under the Federal highway act, with a view to increasing employment; to the Committee on Roads.

By Mr. STALKER: A bill (H. R. 8092) providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CHINDBLOM: A bill (H. R. 8093) to amend section 20, as amended, of the act of June 10, 1922, as amended, entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service"; to the Committee on Military Affairs.

By Mr. HALL of Mississippi: Resolution (H. Res. 117) providing for the consideration of H. R. 4650, a bill to provide for the aiding of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes; to the Committee on Rules.

By Mr. COCHRAN of Missouri: Resolution (H. Res. 118) to pay James W. Boyer, Jr., for extra and expert services to the Committee on World War Veterans' Legislation; to the Committee on Accounts.

By Mr. BRUNNER: Joint resolution (H. J. Res. 228) proposing an amendment to the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDRESEN: A bill (H. R. 8094) for the relief of G. E. Blaul; to the Committee on Claims.

Also, a bill (H. R. 8095) for the relief of Harry Fagen; to the Committee on Claims.

Also, a bill (H. R. 8096) for the relief of C. W. Kanne; to the Committee on Claims.

Also, a bill (H. R. 8097) for the relief of John W. Le Crone; to the Committee on Claims.

By Mr. ANDREWS of New York: A bill (H. R. 8098) for the relief of Frank L. Noon; to the Committee on Naval Affairs.

Also, a bill (H. R. 8099) for the relief of James J. Gallagher; to the Committee on Naval Affairs.

By Mr. BACHMANN: A bill (H. R. 8100) for the relief of John Bielska; to the Committee on Claims.

By Mr. BACON: A bill (H. R. 8101) for the relief of Anne B. Slocum; to the Committee on Claims.

By Mr. BALDRIGE: A bill (H. R. 8102) granting an increase of pension to Alfred G. J. Peterson; to the Committee on Pensions.

By Mr. BOEHNE: A bill (H. R. 8103) for the relief of William Pierce; to the Committee on Military Affairs.

Also, a bill (H. R. 8104) granting an increase of pension to Amanda A. Sibrel; to the Committee on Invalid Pensions.

By Mr. BURCH: A bill (H. R. 8105) granting a pension to Keith B. Wilborn; to the Committee on Pensions.

By Mr. CABLE: A bill (H. R. 8106) granting increases of pension to Cynthia F. Chiles and her dependent and helpless daughter, Effie P. Chiles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8107) granting a pension to Artalissa McElhaney; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 8108) to reimburse M. P. Creath for taxes illegally assessed; to the Committee on Claims.

Also, a bill (H. R. 8109) granting a pension to Joseph Snyder; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 8110) granting an increase of pension to Martha J. Blacketer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8111) granting a pension to Mattie L. Stults; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 8112) for the relief of Joseph Duncan Smedberg; to the Committee on Military Affairs.

By Mr. COX: A bill (H. R. 8113) for the relief of John D. Steuart; to the Committee on Claims.

Also, a bill (H. R. 8114) for the relief of John W. Cullens; to the Committee on Naval Affairs.

By Mr. CRAL: A bill (H. R. 8115) granting a pension to Lena Hester; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 8116) granting a pension to Amy Wilson; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 8117) granting a pension to Julia Edmonds; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 8118) granting an increase of pension to Matilda A. Barnes; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H. R. 8119) for the relief of Jennie Bruce Gallahan; to the Committee on the District of Columbia.

Also, a bill (H. R. 8120) for the relief of Jack C. Richardson; to the Committee on Naval Affairs.

By Mr. GREEN: A bill (H. R. 8121) for the relief of John Z. Reardon; to the Committee on Military Affairs.

By Mr. HARE: A bill (H. R. 8122) authorizing and directing the removal of the body of Warren G. Jernegan from Spartanburg, S. C., and interred in the Arlington National Cemetery; to the Committee on Military Affairs.

Also, a bill (H. R. 8123) for the relief of Carteret Street Methodist Episcopal Church South, of Beaufort, S. C.; to the Committee on War Claims.

By Mr. HASTINGS: A bill (H. R. 8124) granting a pension to Virgil A. Williams; to the Committee on Pensions.

By Mr. HILL of Alabama: A bill (H. R. 8125) for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.; to the Committee on Claims.

By Mr. HOGG of Indiana: A bill (H. R. 8126) granting an increase of pension to Louisa Smith; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 8127) for the relief of Arthur M. Crews; to the Committee on Military Affairs.

Also, a bill (H. R. 8128) for the relief of Albert Kimble; to the Committee on Military Affairs.

Also, a bill (H. R. 8129) granting a pension to William J. Smith; to the Committee on Pensions.

By Mr. HOPKINS: A bill (H. R. 8130) authorizing the Secretary of the Treasury to pay a certain claim as a result of damage sustained to Leslie J. Kennedy; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 8131) for the relief of William C. Reese; to the Committee on Claims.

Also, a bill (H. R. 8132) granting a pension to Bessie L. H. Ricks; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 8133) granting an increase of pension to Louisa F. Corn; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 8134) granting a pension to Ida A. Davis; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H. R. 8135) granting an increase of pension to Eliza J. Bowers; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 8136) for the relief of John J. Moran; to the Committee on the Post Office and Post Roads.

By Mr. LOZIER: A bill (H. R. 8137) granting an increase of pension to Samantha Midgett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8138) granting a pension to Artie Newsom; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 8139) granting an increase of pension to William H. Harris; to the Committee on Pensions.

Also, a bill (H. R. 8140) granting an increase of pension to Marie Burch; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 8141) for the relief of John S. Weiden; to the Committee on Military Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8142) for the relief of Millard Filmore Knight; to the Committee on Naval Affairs.

By Mr. MARTIN of Oregon: A bill (H. R. 8143) granting a pension to Samuel F. Gill; to the Committee on Pensions.

By Mr. MILLER: A bill (H. R. 8144) for the relief of O. H. Chrisp; to the Committee on Claims.

By Mr. NELSON of Wisconsin: A bill (H. R. 8145) granting an increase of pension to Margaret Farley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8146) granting an increase of pension to Rebecca Teed; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 8147) granting a pension to Mary A. Brown; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 8148) granting an increase of pension to Harriett E. Trickler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8149) granting an increase of pension to Emma Boys; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 8150) granting an increase of pension to Anna R. Mitchell; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 8151) for the relief of J. Edwin Swanson; to the Committee on War Claims.

By Mr. SPARKS: A bill (H. R. 8152) granting a pension to Isabell Simington; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 8153) for the relief of Helen Fay; to the Committee on Claims.

By Mr. VINSON of Georgia: A bill (H. R. 8154) for the relief of S. C. Davis; to the Committee on War Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 8155) granting a pension to Edgar F. Bradley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8156) granting a pension to Nancy Jane Branham; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

540. By Mr. ALDRICH: Petition of Dr. William C. Thompson and 19 other citizens of Westerly, and Annie E. Parkin and 16 other citizens of north Providence, Johnston, and Cranston, R. I., opposing the repeal, resubmission, or any modification of the eighteenth amendment; to the Committee on the Judiciary.

541. By Mr. BROWNING: Resolution of Johnson City Post, No. 1618, Veterans of Foreign Wars, Johnson City, Tenn.; to the Committee on Ways and Means.

542. By Mr. BURDICK: Petition of Grace P. Barber and 49 others, of Providence, East Providence, Aububrn, and Cranston, R. I., opposed to the repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

543. Also, petition of F. Elizabeth Starrett and 20 other residents of Warren and Bristol, R. I., opposing the repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

544. Also, petition of Ruth E. Richardson and 21 other residents of Providence, R. I., opposing repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

545. Also, petition of Daisy O. Main and 38 others of East Providence, Rumford, and Providence, R. I., opposed to the repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

546. By Mr. CRAL: Petition of United Scenic Artists of America and Warner Bros. Theaters of the Pacific Coast, protesting against the proposed admission tax on sale of tickets to motion-picture theaters; to the Committee on Ways and Means.

547. Also, petition of Madera irrigation district against House bill 4650 in present form, because it benefits only districts having bonds in default and makes no provision for assisting districts incurring future indebtedness; to the Committee on Irrigation and Reclamation.

548. Also, petition of W. R. Dickinson and numerous irrigation districts in California, urging favorable consideration of House bill 4650 for relief of western irrigation districts; to the Committee on Irrigation and Reclamation.

549. By Mr. CULLEN: Petition of Ohio Hotels Association, urging the Congress to modify the national prohibition laws to permit and legalize the manufacture and sale of wine and beer under proper restrictions, and to take such steps as shall be necessary for a submission to the various States of the Union the matter of the repeal of the eighteenth amendment to the Constitution of the United States of America; to the Committee on the Judiciary.

550. Also, petition of the Ridgewood Real Estate Board (Inc.), protesting against the passing of a bill now in Congress proposing to restore such a real-estate transfer tax; to the Committee on Ways and Means.

551. Also, petition of Maywood Post, No. 223, of the American Legion, Department of California, reaffirming and concurring in the stand of the department convention, American Legion, at Long Beach, and go on record favoring a full cash payment of adjusted-service certificates at their face value by the forthcoming seventy-second session of Congress; to the Committee on World War Veterans' Legislation.

552. Also, petition of the Automobile Merchants Association of New York (Inc.), recording its vigorous protest to any and all measures which would discriminate against the automobile industry through the imposition of special taxes on the sale or use of its products; to the Committee on Ways and Means.

553. Also, petition of the Maryland Hotel Men's Association in annual convention in the city of Baltimore, on the 9th day of December, 1931, petitioning the President of the United States and the representatives of the people in the United States Senate and the House of Representatives to lend their every effort to modify the national prohibition act to permit of the manufacture and sale of beer and wine, and to pass the necessary legislation for submitting to the States the question of the repeal of the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

554. Also, petition of Victory Post, No. 4, of the American Legion, Department of the District of Columbia, urging the speedy passage of legislation transferring the veterans, wives of disabled veterans, and widows of deceased veterans now employed on temporary appointments in the Census Bureau to the classified civil service; to the Committee on Ways and Means.

555. By Mr. GARBER: Petition of the board of temperance, prohibition, and public morals of the Methodist Episcopal Church, Washington, D. C., protesting against methods proposed for the amendment of the prohibition law; to the Committee on the Judiciary.

556. Also, petition of the citizens of Enid, expressing opposition to the proposed 10 per cent tax on theater admissions; to the Committee on Ways and Means.

557. Also, petition urging the passage of House bill 4680, referred to the Committee of Expenditures in the Executive Departments; to the Committee on Expenditures in the Executive Departments.

558. Also, petition of R. S. Kemp, proprietor of Kemp's Drug Store, Billings, Okla., urging enactment of the Capper-Kelly fair trade bill; to the Committee on Interstate and Foreign Commerce.

559. Also, petition of Beaver (Okla.) Woman's Christian Temperance Union, urging enactment of such measures as will make more effective the absolute abolition of the use, traffic in, and conveyance of intoxicating liquors as a beverage, and the retention of the present definition of the alcoholic content of prohibited beverages; to the Committee on the Judiciary.

560. Also, petition of Medford (Okla.) Woman's Christian Temperance Union, expressing opposition to resubmission of the eighteenth amendment, modification, or repeal of the Volstead Act, and urging that the present law be strengthened and enforced; to the Committee on the Judiciary.

561. By Mr. HALL of Mississippi: Petition presented by T. C. Rateliff, adjutant Walter Williams Chapter, Disabled American Veterans, Laurel, Miss., of 2,400 members of the Disabled American Veterans of the World War, of south Mississippi, unanimously indorsing the Patman bill calling for the full payment in cash of the adjusted-compensation certificates, and asking for its immediate enactment; to the Committee on World War Veterans' Legislation.

562. By Mr. HOCH: Petition of various residents of Hamilton, Kans., urging support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal, and that this petition be printed in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

563. Also, resolution adopted by the Women's Christian Temperance Union, of Yates Center, Kans., urging support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal, and that this resolution be printed in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

564. Also, petition of members of the Woman's Christian Temperance Union, of Hamilton, Kans., urging support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal, and that this resolution be printed in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

565. Also, petition of 40 residents of Climax, Kans., urging support of the maintenance of the prohibition law and

its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal, and that this petition be printed in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

566. Also, resolution adopted by the Woman's Christian Temperance Union, of Emporia, Kans., urging support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal, and that this resolution be printed in the CONGRESSIONAL RECORD; to the Committee on the Judiciary.

567. By Mr. HOGG of West Virginia: Petition of the West Virginia Motor Transportation Association, of Charleston, W. Va., protesting against any tax being levied by the Congress of the United States upon motor vehicles or upon gasoline used in the operation thereof; to the Committee on Ways and Means.

568. Also, petition of Central West Virginia Automobile Club, protesting against any tax being levied by the Congress of the United States upon motor vehicles or upon gasoline used in the operation thereof; to the Committee on Ways and Means.

569. By Mr. JOHNSON of Texas: Petition of R. J. Jackson, Corsicana, Tex., opposing automobile sales tax; to the Committee on Ways and Means.

570. By Mr. KENDALL: Petition of First Presbyterian Sunday school of Brownsville, Pa., opposing repeal, resubmission, or any modification of the eighteenth amendment; to the Committee on the Judiciary.

571. By Mr. KETCHAM: Petition of Mrs. B. M. Hiscock and 71 other citizens of Allegan, Mich., and vicinity in support of the maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

572. By Mr. KURTZ: Petition of Charlotte Harrison Woman's Northside Christian Temperance Union, also Second U. P. Church Missionary Society, Pittsburgh, Pa., opposing the resubmission of the temperance question; to the Committee on the Judiciary.

573. Also, petition of official board of Civic Club, Cambria County, Pa., opposing resubmission of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

574. Also, petition of residents of Lewistown, Pa., urging support of the maintenance of the prohibition law and its enforcement and opposing any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

575. Also, petition of members of Woman's Christian Temperance Union, of Carnegie, Pa., protesting against the resubmission of the temperance question; to the Committee on the Judiciary.

576. Also, petition of residents of Chambersburg, Pa., opposing the resubmission of the temperance question; to the Committee on the Judiciary.

577. By Mr. LINTHICUM: Petition of Baltimore Canned Foods Exchange and John S. Gibbs, president Gibbs & Co. (Inc.), Baltimore, Md., protesting against prices of canned goods packed in Canada; to the Committee on Interstate and Foreign Commerce.

578. Also, petition of Van Sant, Dugdale & Corner (Inc.), Monitor Controller Co., Thomsen-Ellis Co., all of Baltimore, Md., and American Creosote Works, New York City, urging the passage of the Reconstruction Finance Corporation bill; to the Committee on Ways and Means.

579. Also, petition of American Trust Co., Barton, Duer & Koch Paper Co., James O'Meara, American General Corporation, the Equitable Trust Co., R. C. Heller Co. (Inc.), J. W. Breedlove & Co., Read Drug & Chemical Co., all of Baltimore, Md., in opposition to retroactive taxation legislation; to the Committee on Ways and Means.

580. Also, petition of R. L. Maloney, president the M-M-T Motor Co., Baltimore, and Davis Bros. garage, Abingdon, Md., in opposition to increasing taxes on automobiles, accessories, etc.; to the Committee on Ways and Means.

581. Also, petition of McDowell & Co. (Inc.), Maryland Mortgage & Guaranty Co., Harry N. Reuschling, and Sauerwein & Lindsay, attorneys, all of Baltimore, Md.; to the Committee on Ways and Means.

582. Also, petition of Frederick C. Robbins, M. D., Perry Point; E. L. Robertson, M. D., Chevy Chase; R. E. Sands and Robert H. Fitts, Jr., Baltimore, Md., protesting against amendments to the emergency officers' retirement act; to the Committee on Military Affairs.

583. Also, petition of Wyatt & Nolting, architects; the Johns Hopkins Hospital; and Motte & White, architects, Baltimore, Md., urging passage of House bill 6987, to direct the Secretary of the Treasury to contract for architectural and engineering services in the designing and planning of public buildings; to the Committee on Public Buildings and Grounds.

584. Also, petition of Manuel-Reuling Motor Co. (Inc.), Cross Roads Garage, Henry Reckord, Central Garage, Bob Fleigh (Inc.), Jarman Motors (Inc.), R. J. Loock & Co., Walter Scott (Inc.), Automobile Trade Association of Maryland, Sterrett Operating Service, the Mar-Del Mobile Co., and J. R. Hunt & Co., all of Baltimore, Md., in opposition to increasing taxes on automobiles, accessories, and parts; to the Committee on Ways and Means.

585. Also, petition protesting brush manufacture in Leavenworth prison; to the Committee on Labor.

586. Also, petition of the Maryland Society of the Colonial Dames of America, Baltimore, Md., urging passage of House bill 4509 and Senate bill 570; to the Committee on the District of Columbia.

587. Also, petition of Frederick Kisten, Baltimore, Md., urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

588. Also, petition of DeCourcy W. Thom, Maryland Forestry Association, Baltimore, Md., protesting omission of appropriation for forestry research in the agricultural appropriation bill; to the Committee on Appropriations.

589. Also, petition of the Purity Building Association, Madison Square Permanent Building Association, Colombo Building Loan & Savings Association (Inc.), the Traders' Savings & Loan Association, Waldorf Savings & Loan Association, the State Mutual Building Association, Loyola Perpetual Building Association, Fillmore Cook, Esq., Washington Loan & Savings Association, No. 1, Eastern Permanent Building & Loan Society, and Harrison Building Association, No. 10, all of Baltimore, Md., stating the discriminatory provision of the home loan discount bills; to the Committee on Banking and Currency.

590. Also, petition of Emma O. Lanahan and Baltimore Federation of Labor, Baltimore, Md.; Capt. J. F. Hellweg, superintendent United States Naval Observatory, Washington, D. C.; Amanda E. D. Angel; and National Association of Letter Carriers, Oriole Branch, No. 176, Baltimore, Md., protesting against reductions in salaries of Federal employees; to the Committee on the Civil Service.

591. Also, petition of William T. Terry, Baltimore, Md., urging sufficient appropriation for the National Guard; to the Committee on Appropriations.

592. Also, petition of James O'Meara, Baltimore, Md., urging passage of House bill 4680 to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

593. Also, petition of Joseph Votta, of Baltimore, Md.; the Federal Bar Association, Washington, D. C.; W. G. Clary and J. R. Walker, Baltimore, Md., protesting against reductions in salaries of Federal employees; to the Committee on the Civil Service.

594. By Mr. MAPES: Petition of 46 members of the Grand Rapids (Mich.) Real-Estate Board, urging the enactment of the President's Federal home loan discount bill; to the Committee on Banking and Currency.

595. By Mr. RAMSEYER: Petition of voters of University Park, Iowa, protesting against any change in the prohibition

amendment or the prohibition laws; to the Committee on the Judiciary.

596. Also, petition of resident of Blakesburg, Iowa, opposing an excise tax on automobiles, accessories, or motor fuels; to the Committee on Ways and Means.

597. By Mr. RUDD: Petition of the Maryland Hotel Men's Association, favoring the modification of the national prohibition act; to the Committee on the Judiciary.

598. Also, petition of New York Board of Trade, New York City, favoring such legislation as will provide relief for the railroads, as indorsed by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

599. By Mr. SNOW: Petition of M. D. Smith and many other citizens of Westfield, Me., requesting the enactment of appropriate legislation to place highway trucks and highway bus lines under regulations; to the Committee on Interstate and Foreign Commerce.

600. By Mr. STALKER: Petition from the members of the Ulysses Unit Women's Republican Club, favoring disarmament; to the Committee on Foreign Affairs.

601. Also, petition from the residents of Atlanta, N. Y., favoring prohibition; to the Committee on the Judiciary.

602. By Mr. WELCH of California: Petition of national business and professional women of San Diego, opposing a decrease in the salaries of Federal employees; to the Committee on Appropriations.

603. By Mr. WOLCOTT: Petition of World War veterans of Macomb County, Roseville, Mich., requesting legislation authorizing the payment in full of adjusted-service certificates; to the Committee on Appropriations.

604. By Mr. WOODRUFF: Petition of past president of the Michigan Woman's Christian Temperance Union on the subject of resubmission of the prohibition amendment to the Constitution; to the Committee on the Judiciary.

605. By the SPEAKER: Petition by the Englewood First Methodist Episcopal Church, of Chicago, Ill., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

606. Also, petition of the Bethlehem South Side Civic League requesting relief; to the Committee on Ways and Means.

607. Also, petition of H. Ely Goldsmith, New York, requesting Congress to appoint special court for review of affirmance of conviction; to the Committee on the Judiciary.

SENATE

THURSDAY, JANUARY 21, 1932

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

O God, whose most dear Son did take little children in His loving arms that He might bless them there, betokening Thy tender love to all mankind; draw near to us in this our day of serving Thee, when stress of thought, the toil of life, and duty's urgent call reveal to us our utmost need of the Father's never-failing care. Remove from every eye each filming fear, that we may see the hidden things Thou wouldest impart, till we become sincere of soul, stainless in honor, faithful in action, serving no private ends, and learn by the divine alchemy of Thy grace to cool the fevered brow of hate and soothe with gentle touch each sorrow's wound. We ask it for the sake of Jesus Christ, our Lord and Savior. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. 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	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bailey	Dale	Kendrick	Shipstead
Bankhead	Davis	Keyes	Smith
Barbour	Dickinson	King	Smoot
Bingham	Dill	La Follette	Steiner
Black	Fess	Lewis	Thomas, Idaho
Blaine	Fletcher	Logan	Thomas, Okla.
Borah	Frazier	McGill	Townsend
Bratton	George	McKellar	Trammell
Brookhart	Glass	McNary	Tydings
Bulkeley	Glenn	Morrison	Vandenberg
Bulow	Goldsborough	Moses	Wagner
Byrnes	Gore	Neely	Walcott
Capper	Hale	Norbeck	Walsh, Mass.
Caraway	Harris	Norris	Walsh, Mont.
Carey	Harrison	Nye	Waterman
Connally	Hayden	Oddie	Watson
Coolidge	Howell	Patterson	Wheeler
Copeland	Hull	Pittman	White
Costigan	Johnson	Robinson, Ark.	

MR. LOGAN. I desire to announce the necessary absence of my colleague the senior Senator from Kentucky [Mr. BARCKLEY] on official business. I ask that this announcement may stand for the day.

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

INVITATION TO WASHINGTON BICENTENNIAL CELEBRATION

MR. GLASS. Mr. President, I send to the desk and ask to have read a communication from the George Washington Birthday Association, of Alexandria, Va., to the Senate of the United States.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

THE GEORGE WASHINGTON BIRTHDAY ASSOCIATION,
Alexandria, Va., January 19, 1932.

To the SENATE OF THE UNITED STATES,

Washington, D. C.

GENTLEMEN: Alexandria, Va., celebrates on February 22, 1932, the bicentennial of the birth of Gen. George Washington.

Following a custom of very long standing, a parade of military, civic, and fraternal units will be held at 2:30 p. m. on that day.

It is our pleasure to extend to your honorable body an invitation to be the guests of our association and lend your presence to the fitting observance of the birth of our illustrious citizen.

Yours very respectfully,

GEORGE WASHINGTON BIRTHDAY ASSOCIATION,
By M. E. GREENE, Secretary.

The VICE PRESIDENT. The communication will lie on the table.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on January 20, 1932, the President approved and signed the joint resolution (S. J. Res. 79) to provide an appropriation for expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 12) relative to the commemoration of the two hundredth anniversary of the birth of George Washington, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

MR. BORAH. Mr. President, I present a petition signed by some 150 individuals. I ask that the body of the petition, which is very brief, may be printed in the RECORD and that the petition be referred to the Committee on Agriculture and Forestry.

There being no objection, the petition was referred to the Committee on Agriculture and Forestry, and the body of it was ordered to be printed in the RECORD, as follows: