passage of United States Senate bill 2935; to the Committee on Interstate and Foreign Commerce.

5688. Also, letter of the Acme Limestone Co. of Alderson, W. Va., protesting against the passage of legislation known as the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5689. By Mr. SINCLAIR: Petition of 200 residents of Crosby, N. Dak., and vicinity, urging cancellation of payment of the 1931 Federal seed loans because of total crop failure; to the Committee on Agriculture.

5690. By Mr. SMITH of West Virginia: Petition of J. S. Huffman and other citizens of Oak Hill, W. Va., protesting against nonemployment by corporations of men on account of age; to the Committee on Labor.

5691. By Mr. WATSON: Resolution passed by the Bethlehem Game, Fish, and Forestry Association, Bethlehem, Pa., opposing the shotgun shell tax; to the Committee on Ways and Means.

5692. By Mr. WEST: Petition of 28 members of Ohio Railroad Employees and Citizens' League, protesting against the unjust, unreasonable, and discriminatory operation of inadequately regulated and taxed busses and trucks engaged in transportation, and against the subsidizing with public funds of water and other forms of transportation competitive with railroads; to the Committee on Ways and Means.

5693. Also, petition of 15 citizens of Mansfield, Ohio, favoring reduction of governmental expenditures; to the Committee on Expenditures in the Executive Departments.

5694. The SPEAKER: Petition of the House of Representatives of Porto Rico, requesting Congress to approve the bill for full payment of certificates of soldiers who served in the World War; to the Committee on Ways and Means.

5695. Also, petition of Teressa A. Wurtsbaugh, requesting Congress to investigate the conduct in office of Luther Way, Federal judge of the United States District Court for the Eastern District of Virginia; to the Committee on the Judiciary.

5696. Also, petition of Jack Scott, requesting Congress to grant citation, citing the defendant judges of the State of Missouri mentioned in the petition for impeachment filed with the Clerk of the House of Representatives, March 21, 1932; to the Committee on the Judiciary.

# SENATE

## FRIDAY, APRIL 8, 1932

*(Legislative day of Thursday, April 7, 1932)*

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

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 | Costigan | Hull | Reed |
| Austin | Couzens | Johnson | Robinson, Ark. |
| Bailey | Cutting | Jones | Schall |
| Bankhead | Dale | Kean | Sheppard |
| Barbour | Davis | Kendrick | Shipstead |
| Bingham | Dickinson | Keyes | Shortridge |
| Black | Dill | King | Smoot |
| Blaine | Fess | Logan | Steiwer |
| Borah | Fletcher | Long | Thomas, Idaho |
| Bratton | Frazier | McGill | Thomas, Okla. |
| Brookhart | George | McKellar | Townsend |
| Broussard | Glenn | McNary | Trammell |
| Bulkley | Goldsborough | Metcalf | Tydings |
| Bulow | Gore | Morrison | Vandenberg |
| Byrnes | Hale | Moses | Wagner |
| Capper | Harrison | Neely | Walcott |
| Caraway | Hatfield | Norbeck | Walsh, Mass. |
| Carey | Hawes | Norris | Walsh, Mont. |
| Connally | Hayden | Nye | Wheeler |
| Coolidge | Hebert | Oddie | White |
| Copeland | Howell | Pittman | |

Mr. FESS. I wish to announce that the senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] have not yet returned from attending the funeral of the late Representative Vestal.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is still detained from the Senate by illness.

I ask that these announcements may stand for the day.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. TOWNSEND. My colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate. 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.

### PETITIONS AND MEMORIALS

Mr. WALSH of Massachusetts presented letters, in the nature of memorials, from 134 citizens of the State of Massachusetts, remonstrating against the imposition of a tax upon sales of securities, which were referred to the Committee on Finance.

Mr. SHEPPARD presented a petition of 500 citizens, being members and friends of the University Place Christian Sunday school, of Enid, Okla., praying for a favorable report from the Judiciary Committee on measures proposed by Mr. SHEPPARD to amend the Volstead Act, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented a resolution adopted by the Rotary Club of Flemington, N. J., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Lawrenceville Grange, No. 170, Patrons of Husbandry, of Lawrenceville, N. J., opposing in the interest of economy and retrenchment the placing of the names of full-time public employees on more than one municipal, county, State, or Federal pay roll, which was referred to the Committee on Civil Service.

Mr. TYDINGS presented a petition of sundry citizens, being disabled veterans, of the State of Maryland, praying for the prompt passage of legislation providing full cash payment of World War adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Baltimore, Md., favoring retrenchment in governmental expenditures and the imposition of a general sales tax rather than special levies in the pending tax bill, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Baltimore, Md., remonstrating against the imposition of a cent-a-shell tax upon shotgun shells, which was referred to the Committee on Finance.

He also presented a letter, in the nature of a memorial, from Mackubin, Goodrich & Co., and signed by members and employees of that company, of Baltimore, Md., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

Mr. ASHURST presented a telegram, in the nature of a petition, from Federal Employees Local, No. 255, of Tuba City, Ariz., protesting against the proposed reduction in salaries of Federal employees, which was referred to the Committee on Civil Service.

He also presented a telegram, in the nature of a petition, from Rutherford Muse and other citizens of Chandler, Ariz., praying for the passage of legislation providing full cash payment of soldiers' adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from Overlock Stevens & Co., of Bisbee, Ariz., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a petition, from the Ray (Ariz.) Chamber of Commerce, favoring amendment of House bill 10236, the revenue and taxation bill, so as to include the general sales tax rather than special levies, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from S. M. McElroy, of Phoenix, Ariz., remonstrating against the proposed increase in letter postage contained in the pending tax bill, which was referred to the Committee on Finance.

Mr. COPELAND presented a resolution of Metropolitan Chapter, Disabled Emergency Officers of the World War, of New York, N. Y., favoring the recommittal to the Committee on Military Affairs of Senate bill 3769, relating to disabled emergency officers of the World War, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted at Toledo, Ohio, at the annual meeting of the Great Lakes Regional Advisory Board, favoring the repeal of the so-called recapture clause of the interstate commerce act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of Stewart Manor Post, No. 172, the American Legion, of Stewart Manor, Long Island, N. Y., favoring the elimination from the Rankin bill of the so-called pauper clauses, which was referred to the Committee on Pensions.

He also presented memorials of sundry citizens of the United States remonstrating against the proposed tax on the sale of securities, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Ogdensburg, N. Y., remonstrating against the enactment of legislation proposing to curtail benefits awarded to disabled war veterans, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of Elmira and Middletown, N. Y., remonstrating against imposition of a cent-a-shell tax on shotgun shells, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of New York, praying for the adoption of the so-called manufacturers' sales tax in lieu of taxes as proposed to be imposed by the House of Representatives, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from the Electrical Association of New York (Inc.), of New York, N. Y., remonstrating against the proposed taxes on electric refrigerators and radios, which was referred to the Committee on Finance.

He also presented a memorial of the Association of Mail Advertising Agencies and Letter Shops in Passaic County, N. J., remonstrating against the proposed 3-cent first-class postage rate, which was referred to the Committee on Finance.

He also presented two petitions of citizens of the State of New York, praying for the enactment of legislation providing for the cash payment of World War adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented a memorial of members of the grand jury of Sullivan County, N. Y., remonstrating against prohibitive restrictions on the possession and legitimate use of firearms by reputable citizens, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Whitestone, Long Island, N. Y., praying for the repeal of the national prohibition laws, which was referred to the Committee on the Judiciary.

He also presented a memorial of the Woman's Christian Temperance Union of Amsterdam, N. Y., remonstrating against the resubmission of the eighteenth amendment of the Constitution to the States, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by two groups of the Polish National Alliance of North America in the State of New York, favoring the designation of October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented several memorials of citizens and organizations of the State of New York, remonstrating against the enactment of legislation reducing the compensation of Government employees, which were referred to the Committee on Civil Service.

He also presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against the policy of the Post Office Department in its dealings with substitute employees, which was referred to the Committee on Post Offices and Post Roads.

### FARM RELIEF

Mr. SCHALL. Mr. President, I ask unanimous consent that a petition of sundry citizens of Hawley, in my State, may be published in the RECORD, without the signatures, and referred to the Committee on Agriculture and Forestry.

There being no objection, the petition was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, without the signatures, as follows:

HAWLEY, MINN., *March 26, 1932.*

*To the Hon. Henrik Shipstead, United States Senator; the Hon. Thomas D. Schall, United States Senator; and the Hon. C. G. Selvig, Member of Congress:*

We, the undersigned, do respectfully petition you as United States Senators and Member of Congress to use your every effort and best ability to secure the favorable consideration and the enactment into law of the farmers' farm relief bill, also known as the Frazier bill. This bill, we believe, is fundamentally sound, and is the only legislation that will relieve the farmers of the United States of the tremendous interest burden and burden of debt under which they are now suffering and struggling. We have been authoritatively informed that this bill has been favorably reported from the Senate committee, and that its chances for passage are better than ever before. We believe that with your active support the bill can be passed in both Houses, and hence urge you to use every effort possible to that end. A strong, energetic, and masterful fight for this bill is a strong, energetic, and masterful fight for the farmers of Minnesota and the country. Fight for this bill and you fight for us. Free the farmer from the interest burden and the farmer is saved.

Respectfully submitted.

### INTERIOR DEPARTMENT APPROPRIATIONS—APPROPRIATION FOR INDIAN SERVICE

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement of the effect of the various reductions of the appropriations for the Bureau of Indian Affairs as shown by the bill reported to the Senate. This statement was prepared by the Indian Bureau at my request.

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

The matter referred to is as follows:

The appropriations for the Indian Service for 1932 are $24,989,496.73. The Budget estimates submitted to Congress aggregate $22,162,839.33, or $2,826,657.40 under the current appropriations. The bill as passed by the House carried a total of $21,773,339.33 for the Indian Service, or $389,500 less than the Budget estimates. The action of the Senate committee in further reducing the Budget estimates by $1,062,900 makes a gross reduction under the Budget estimates of $1,452,400, thereby reducing the total appropriation for 1933 to $20,710,439.33, which is in round figures $4,279,000 less than the aggregate of appropriations for 1932. The foregoing amounts are exclusive of any tribal funds.

The major portion of the expenditures for the Indian Service are set charges made necessary by the tremendous amount of institutional care for a dependent race of people and reduction in the ordinary operating expenses required will necessitate many adjustments which will be to the disadvantage of the Indians.

SALARIES, BUREAU OF INDIAN AFFAIRS (P. 10, LINES 3-5)

| | |
|---|---|
| Budget estimate | $481,000 |
| Allowed by House | 472,900 |
| Reported to Senate | 400,000 |
| Total reduction | 81,000 |

If this reduction stands, five new positions authorized by the Budget and allowed by the House to relieve in part the present shortage of clerical help in the Indian Office will be eliminated, and in addition thereto 34 employees, ranging in salary from $1,320 to $5,600, will have to be stricken from the rolls of the Washington office. The number of employees allowed for 1933 in the Budget was 207. In the fiscal years 1923 and 1924 a total number of 234 was employed. During the intervening years the work of the office has increased due to expansion in the medical, industrial, and educational programs. The reduction, as the bill now stands, will result in crippling the Washington office to such an extent that the effect will be felt throughout the entire Indian Service through an absolute insufficient organization to carry on the work. One activity to be laid down completely would be the statistical section, important to the work of the Indian Service in compiling accurate statistics for presentation to the committees of Congress and to the public at large. Other activities are bound to suffer through this reduction.

PURCHASE AND TRANSPORTATION OF INDIAN SUPPLIES (P. 10, LINES 17-24)

| | |
|---|---|
| Budget estimate | $700,000 |
| Allowed by House | 650,000 |
| Reported to Senate | 650,000 |
| Total reduction | 50,000 |

This will not result in any reduction in personnel. Almost all of this appropriation is used for reimbursing common carriers for freight charges on goods and supplies shipped to the various Indian jurisdictions throughout the United States. Supplies are purchased from other appropriations throughout the bill and must be transported to points of use. A deficiency appropriation will necessarily be required to meet such charges if the amount allowed proves to be insufficient. Congress so understands this situation and has made deficiency appropriations for many years past.

FIELD REPRESENTATIVES, INDIAN SERVICE (P. 11, LINES 1-3)

| | |
|---|---|
| Budget estimate | $23,000 |
| Allowed by House | 23,000 |
| Reported to Senate | 20,000 |
| Total reduction | 3,000 |

This reduction will require the elimination of one field representative of the Commissioner of Indian Affairs at a salary of $4,000. Because of the many complicated problems arising in connection with Indian administration it is necessary that the commissioner have representatives in the field who can investigate charges against employees and assist in adjusting other controverted questions of a miscellaneous nature. These employees likewise bring about a better understanding between office and field of the many complications arising in Indian administration.

PAY OF JUDGES OF INDIAN COURTS (P. 11, LINES 4-6)

| | |
|---|---|
| Budget estimate | $18,000 |
| Allowed by House | 18,000 |
| Reported to Senate | 15,000 |
| Total reduction | 3,000 |

This entire appropriation is used for paying the salaries of judges of Indian courts set up on numerous Indian reservations. These judges are outstanding members of the particular tribe involved, and their influence has an important bearing on general tribal conditions. These judges are paid a nominal compensation. There are 32 receiving $360 a year, 34 receiving $180 a year, and 3 receiving $120 a year. The $3,000 reduction will require us to abolish 6 of the $360 positions and 5 of the $180 positions.

PAY OF INDIAN POLICE (P. 11, LINES 7-11)

| | |
|---|---|
| Budget estimate | $163,000 |
| Allowed by House | 163,000 |
| Reported to Senate | 150,000 |
| Total reduction | 13,000 |

This fund is used to employ approximately 265 Indian police drawing salaries ranging from $420 to $840 a year. All of these employees are Indians and they are performing a valuable service on the reservations in maintaining order among the members of the tribes. The reduction will necessitate the abolishment of 10 positions of chief of police and 10 positions of private. The present law-enforcement organization on Indian reservations is insufficient to meet the needs, and a reduction in the present personnel will add to the difficulties of maintaining proper conditions.

INDIAN AGENCY BUILDINGS (P. 11, LINES 15-23)

| | |
|---|---|
| Budget estimate | $275,000 |
| Allowed by House | 275,000 |
| Reported to Senate | 195,000 |
| Total reduction | 80,000 |

This reduction will make necessary the abolishment of one position of assistant construction foreman. It will also result in neglecting urgent repairs and maintenance to existing Government-owned buildings on the various reservations. Our appropriation for maintaining these buildings has always been extremely limited, and the reduction in the repair item of $60,000 will result in failure to make needed repairs, not only to buildings but to heating, lighting, sewer, and water systems. Such failure to make these needed repairs and maintain buildings and other facilities in a fair state will not result in economy in the long run, but will rather necessitate heavier appropriations in the future. The reduction of $20,000 in the item for physical improvements under this head will make necessary a continuation of present unsatisfactory housing conditions on several of the reservations where employees are herded together in a most unsatisfactory manner. Because of poor housing conditions on some of our reservations we are not able to maintain suitable personnel.

Aside from the one permanent position which will be abolished, the furnishing of irregular labor, principally to local Indians, will be materially reduced.

VEHICLES, INDIAN SERVICE (P. 11, LINES 24-25; P. 12, LINES 1-10)

This item authorizes the use of funds appropriated throughout the bill for the maintenance and repair of passenger-carrying vehicles and the purchase of new vehicles to replace those worn out in service. The House approved the text of this item as submitted by the Budget. The action of the Senate committee reduces the amount for maintenance by $25,000 and the amount to be expended in purchase of new cars by a similar amount. Many field positions require travel over the various reservations. Many of the roads are exceedingly rough and cars suffer through hard usage. If the field forces are to perform the jobs assigned to them in a proper manner, transportation facilities in a fair state of repair are most urgent. We buy light-weight cars (Fords and Chevrolets almost exclusively), and no car is replaced until it has seen at least three years' service. At the end of that period many cars have traveled from 75,000 to 100,000 miles. The cost of upkeep then becomes so heavy that it is an actual economy to replace the car rather than to expend sums for temporary and useless repairs.

REPLACEMENT OF PROPERTY DESTROYED BY FIRE, FLOOD, OR STORM (P. 11, LINES 11-25)

This is not an appropriation but an authorization to expend a certain sum for replacement of property destroyed or rendered unserviceable by fire, flood, or storm. It has been carried in the bill for several years and is most helpful in replacing needed structures that are so destroyed or rendered unserviceable. The money is diverted from general appropriations in accordance with the text of the item. Diversions in any one year have not exceeded the amount carried in the bill as reported to the Senate. No objection is made to this reduction in the limitation of the amount that can be used for these replacements.

AUTHORIZATION FOR ATTENDING HEALTH, EDUCATIONAL, OR OTHER MEETINGS (P. 13, LINES 1-7)

This is not an appropriation but an authorization to use certain sums from general appropriations for expenses of Indian Service employees in attending meetings of certain associations in the interest of work among the Indians. The authorization has been in effect for several years but no large amount has been expended for attendance at these meetings. In 1931 approximately $4,000 was used. The action of the Senate committee in reducing the limit that can be expended in this manner to $10,000 is not objected to.

DETERMINING HEIRS OF DECEASED INDIAN ALLOTTEES (P. 13, LINES 9-17)

| | |
|---|---|
| Budget estimate | $73,000 |
| Allowed by House | 73,000 |
| Reported to Senate | 60,000 |
| Total reduction | 13,000 |

This reduction will require the abolishment of one position in the Washington office at a salary of $2,600 and the abolishment of two positions of examiner of inheritance and three positions of assistant clerk on duty in the field. These field employees are assigned to certain territories and travel from one agency to another conducting hearings for the purpose of determining the heirs of deceased Indian allottees as directed by the act of June 25, 1910. This work is already in arrears and a reduction in this force of employees will delay indefinitely the settlement of many of these heirship cases. It is desirable that the heirs be determined as promptly as possible in order that settlement of the cases may be disposed of. Delays now occurring resulting from our present insufficient force of employees assigned to this work cause constant complaints from interested Indians throughout the country.

PROBATE ATTORNEYS, FIVE CIVILIZED TRIBES (P. 13, LINES 8-25; P. 14, LINES 1-4)

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|---|---|
| Budget estimate | $40,000 |
| Allowed by House | 35,000 |
| Reported to Senate | 30,000 |
| Total reduction | 10,000 |

This reduction will necessitate the abolishment of two positions of probate attorney at $2,900 and two positions of assistant clerk at $1,620. These employees are attached to the Five Civilized Tribes Agency with headquarters at Muskogee, Okla. This jurisdiction covers 40 counties in eastern Oklahoma and handles the affairs of approximately 12,000 restricted Indians. A reorganization has taken place in the probate work within the last year in order that more effective results can be accomplished. Probate attorneys are already burdened with unusually large territories and this reduction will result in further reorganization, enlargement of existing territories, and absolute inability to effectively perform the requirements coming under this head. There is urgent need for the type of assistance rendered by these employees among the restricted Indians of eastern Oklahoma.

SURVEYING AND ALLOTTING INDIAN RESERVATIONS (P. 14, LINES 6-17)

| | |
|---|---|
| Budget estimate | $40,000 |
| Allowed by House | 30,000 |
| Reported to Senate | 30,000 |
| Total reduction | 10,000 |

The larger part of this work is done under the jurisdiction of the General Land Office and while it is desirable that some surveys be completed with as little delay as possible, no great harm will come from the reduction made in the Budget estimate.

PURCHASE OF LAND FOR CHOCTAWS IN MISSISSIPPI (P. 15, LINES 8-14)

| | |
|---|---|
| Budget estimate | $6,500 |
| Allowed by House | 6,500 |
| Reported to Senate | ----- |
| Total reduction | 6,500 |

The first appropriation for this purpose was in 1919. Annual appropriations have been made since 1927 and beginning with 1929 the amount provided annually has been $6,500. Expenditures from this appropriation are reimbursable by the individual Indians benefited.

| | |
|---|---|
| Total expended to June 30, 1931 | $57,932 |
| Area purchased ... acres | 2,356 |
| Families furnished land | 77 |
| Families yet to be furnished land | 95 |
| Additional expenditure of Federal funds required | $77,000 |

The Government has assumed responsibility for approximately 1,668 Choctaw Indians in Mississippi and has been endeavoring to provide lands upon which they may be located and engage in farming activities. A number of schools have been constructed for the benefit of this group of Indians and it is desirable that land be provided as rapidly as possible. Practically no repayments have been made of the money heretofore advanced and while it is desirable that this activity be continued, less harm will result by this item being stricken from the bill than adherence to some of the other suggested reductions.

No employees are paid from this appropriation.

COMPENSATION TO PUEBLO INDIANS OF NEW MEXICO (P. 15, LINES 15–25; P. 16, LINES 1–4)

| | |
|---|---|
| Original Budget estimate | $112,435.33 |
| Allowed by House | 112,435.33 |
| Supplemental Budget estimate | 55,502.02 |
| Total Budget estimate (original and supplemental) | 167,937.35 |
| Reported to Senate | 112,435.33 |
| Total reduction | 55,502.02 |

This reduction covers supplemental or original amounts found due the following pueblos of New Mexico:

| | |
|---|---|
| Nambe | $1.40 |
| San Ildefonso | 73.27 |
| Laguna | 33,566.47 |
| San Felipe | 21,860.88 |

These amounts have been found due by the Pueblo Lands Board created under the act of June 7, 1924 (43 Stat. 636). The amount should be added to the appropriation item contained in the Interior Department bill in order that the awards found due the Indians can be paid. In the case of Laguna, officials of the pueblo have executed an option looking to the purchase of certain areas which they desire to obtain and the money should be made available as early as possible.

No employees are paid from this appropriation.

ADMINISTRATION OF INDIAN FORESTS (P. 17, LINES 22–24; P. 18, LINES 1–9)

| | |
|---|---|
| Budget estimate | $225,000 |
| Allowed by House | 225,000 |
| Reported to Senate | 200,000 |
| Total reduction | 25,000 |

This fund is used on 38 reservations. The total area included in Indian forest lands is 42,845,477 acres. Grazing on the reservations is also under the jurisdiction of the forestry branch of the service. The reduction in this item will involve the abolishment of eight positions with salaries aggregating $19,300, abandonment of contemplated improvements considered necessary for preservation and care of timbered areas, the continued use of worn-out equipment, including trucks and automobiles, and the postponement of purchase of much-needed new equipment.

EXPENSES, SALE OF TIMBER, REIMBURSABLE (P. 18, LINES 10–19)

| | |
|---|---|
| Budget estimate | $150,000 |
| Allowed by House | 140,000 |
| Reported to Senate | 125,000 |
| Total reduction | 25,000 |

This appropriation is used on reservations where timber-sale contracts are in effect. Many areas under contract are inactive at the present time, but if contractors resume operations in the near future it will be necessary that a supplemental appropriation be provided in order that adequate personnel may be employed to supervise these timber operations.

The reduction in this item will result in the abolishment of 10 positions, with salaries aggregating $21,500. The remainder of the cut will be absorbed in postponement of repairs to equipment and the acquiring of new equipment.

SUPERVISING MINING OPERATIONS ON LEASED INDIAN LAND (P. 19, LINES 12–20)

| | |
|---|---|
| Budget estimate | $95,000 |
| Allowed by House | 75,000 |
| Reported to Senate | 60,000 |
| Total reduction | 35,000 |

This appropriation is used to employ technically trained persons qualified to supervise mining operations on leased Indian lands under the provisions of the acts of Congress specified in the text of the item. The reduction in the item will mean the abolishment of eight professional and four clerical positions. The withdrawal of these employees will result in tremendous loss in revenue to the Indians and in waste of natural fuel resources from this reduction valued at hundreds of thousands of dollars.

INDUSTRY AMONG INDIANS, REIMBURSABLE (P. 20, LINES 18–25; P. 21, LINES 1–17)

| | |
|---|---|
| Budget estimate | $500,000 |
| Allowed by House | 500,000 |
| Reported to Senate | 475,000 |
| Total reduction | 25,000 |

No employees are affected by this reduction. The appropriation is used principally in financing Indians in the purchase of farm equipment, livestock, and other articles required by them in the development of their individual allotments. A reduction in this item will directly affect the aid given to individual Indians in their own development.

WATER SUPPLY FOR INDIAN USE (P. 23, LINES 12–21)

| | |
|---|---|
| Budget estimate | $141,000 |
| Allowed by House | 100,000 |
| Reported to Senate | 100,000 |
| Total reduction | 41,000 |

Two full-time employees with salaries aggregating $3,700 and several part-time employees engaged in supervisory work would be stricken from the pay roll under the reduction, and Indians engaged in water-development work will be without employment. This appropriation provides for the development of water for domestic and stock purposes, principally on the Navajo Reservation in Arizona and New Mexico. These Indians are engaged mainly in raising sheep and goats, and water is an essential feature if they are to be successful in their endeavors. The present water supply is woefully inadequate, and until additional supplies are developed overgrazing will continue on numerous sections of this vast domain.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE—ADMINISTRATIVE EXPENSES (P. 25, LINES 6–9)

| | |
|---|---|
| Budget estimate | $102,000 |
| Allowed by House | 102,000 |
| Reported to Senate | 75,000 |
| Total reduction | 27,000 |

This appropriation supports the general administrative expenses in connection with the Indian irrigation service. The reduction will necessitate the abolishment of six full-time positions and two part-time positions with salaries aggregating $21,160. The remainder of the reduction would be absorbed in curtailment of travel, purchase of equipment and supplies, and other miscellaneous expenses. The amount of the Budget estimate is a low minimum required for general supervisory purposes when it is considered that there are 45 projects subdivided into 168 units on the various Indian reservations. Regardless of what may be said with reference to the Indian irrigation service, as long as the projects are in existence and general maintenance and betterment is to be carried on and the project operated, an adequate amount of supervision must be provided.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE, TOTAL (P. 25, LINES 10–11)

| | |
|---|---|
| Budget estimate | $202,000 |
| Allowed by House | 190,000 |
| Reported to Senate | 163,000 |
| Total reduction | 39,000 |

The total of the items listed under this heading as submitted by the Budget was $207,300. The actual Budget estimate was $5,300 less than the total of these several items involved. Without reducing a single one of these specific items, the House reduced the actual appropriation by $12,000, thus giving a differential of $17,300. The action of the Senate committee confirms that of the House and takes into consideration the reduction of $27,000 in the item for general administrative expenses. Such a differential on this appropriation is beyond all reason, and if the Budget allowance is not restored needed improvements must be deferred and necessary operation costs cut down to such an extent that the projects will suffer. All projects under this appropriation are of particular benefit to individual Indians, there being very few white persons either owners or lessees on these miscellaneous small projects.

IRRIGATION PROJECT, GILA RIVER RESERVATION, ARIZ. (P. 26, LINES 9–23)

| | |
|---|---|
| Budget estimate | $100,000 |
| Allowed by House | 100,000 |
| Reported to Senate | 75,000 |
| Total reduction | 25,000 |

This reduction will necessitate the discard of six employees now engaged full time in construction work with wages aggregating $13,780. The remainder of the reduction will be absorbed in the amount required for purchase of supplies and general repairs throughout the project. The amount now allowed will permit no money whatever for continuation of construction. Pursuant to the act of June 7, 1924, and other acts relating to this project, a repayment contract was approved by the Secretary of the Interior on April 27, 1931, and confirmed by the superior court of Pinal County, Ariz., on September 23, 1931. Additional construction and necessary operation and maintenance are imperative if the Indian Service is to live up to the requirements of the repayment contract. This project will be used almost to full capacity when all lands are subjugated and necessary ditches constructed to supply water to the lands.

IMPROVEMENT, ETC., COLORADO RIVER IRRIGATION SYSTEM (P. 27, LINES 1–5)

| | |
|---|---|
| Budget estimate | $28,000 |
| Allowed by House | 28,000 |
| Reported to Senate | 20,000 |
| Total reduction | 8,000 |

The amount allowed by the Budget and the House contemplated an expenditure of $20,000 for replacement of a worn-out pumping plant with a new Diesel plant. The boilers in the present plant are beyond repair and must be replaced. If this improvement is not provided, delivery of water will be impossible, either to Indian farmers or lessees on the reservation. Good use is made of this project, and collections from water users are well above the average. The contemplated reduction will void the possibility of the new plant, and if this improvement is to be denied, the appropriation may as well be reduced to the amount allowed for 1932, namely, $8,000. It is sincerely hoped that the full Budget estimate may be approved.

The reduction in this item will not involve any decrease in personnel.

IMPROVEMENT, MAINTENANCE, AND OPERATION, FORT HALL IRRIGATION SYSTEM, IDAHO (P. 27, LINES 17-18)

| | |
|---|---|
| Budget estimate | $42,000 |
| Allowed by House | 42,000 |
| Reported to Senate | 35,000 |
| Total reduction | 7,000 |

This reduction will make necessary the abolishment of two positions of ditchrider at $1,740 a year. It will also be necessary to defer replacement of structures, cleaning of canals, and other urgent maintenance operations. During 1930 the area of irrigable land actually irrigated was 30,152 acres, of which 10,283 was used by Indians. Collections on this project are above the average, but if delivery of water fails, and structures are not kept in fair repair, nonuse of land may well be expected to follow. The amount allowed by the Budget and House is $3,000 less than is available for 1932.

CONSTRUCTION OF MICHAUD UNIT, FORT HALL PROJECT, IDAHO (P. 27 LINES 19-24; P. 28, LINES 1-5)

| | |
|---|---|
| Budget estimate | $332,500 |
| Allowed by House | 332,500 |
| Reported to Senate | 250,000 |
| Total reduction | 82,500 |

Work on the Michaud division of the Fort Hall project, including certain improvements of general benefit to the entire Fort Hall system, was authorized by the act of February 4, 1931 (46 Stat. 1061). The amount contained in the Budget estimate contemplated only such expenditures as would be of benefit to the entire system. The items involved in the estimate are as follows:

| | |
|---|---|
| Final surveys and preparation of plans | $20,000 |
| Grays Lake north embankment and outlet structure | 10,000 |
| Grays Lake-Blackfoot Reservoir diversion channel: | |
| Right of way | 5,000 |
| Construction and Meadow Creek channel improvement | 10,500 |
| Blackfoot Reservoir: Right of way, purchase of additional necessary right of way not heretofore acquired | 37,000 |
| Blackfoot River and regulating reservoir: | |
| Right of way and damages | 15,000 |
| River-channel improvement, levees, and drains | 74,500 |
| Regulating reservoir and diversion works | 85,500 |
| Idaho or Reservation Canal: | |
| Right of way and damages | 5,000 |
| Replacement of diversion structure and lowering head of canal | 15,000 |
| Rehabilitation Tyhee siphon | 55,000 |
| Total | 332,500 |

It is not known which of these items the Senate committee struck out. With the reduced appropriation, the program of expenditure will have to be rearranged after consultation with the engineers. The entire item could be stricken from the bill with less harm than some of the other proposed reductions.

The proposed reduction will result in eliminating not less than four of the positions contemplated.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, FORT BELKNAP RESERVATION, MONT. (P. 28, LINES 14-18)

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 17,500 |
| Total reduction | 2,500 |

This reduction will make necessary the postponement of replacing old timber structures. In their present condition satisfactory delivery of water is well-nigh impossible. Should it be possible to go through the year without purchasing stored water, a saving might be accomplished in the amount set aside for such purpose, thus permitting the replacement and repair work to go forward. Maximum use is not obtained from the project at this time.

MAINTENANCE AND OPERATION, FORT PECK IRRIGATION SYSTEMS, MONTANA (P. 28, LINES 19-23)

| | |
|---|---|
| Budget estimate | $8,000 |
| Allowed by House | 8,000 |
| Reported to Senate | 5,000 |
| Total reduction | 3,000 |

Improvements on certain units of this project were completed during the fiscal year 1931 through an appropriation provided by Congress after an investigation as to the feasibility of such improvements looking to a better utilization of those units. The amount contained in the Budget estimate and allowed by the House represents minimum operation and maintenance requirements for next year. If these funds are not provided, advantageous use of the project can not be expected and efforts to encourage larger use of the irrigable areas in the future will be in vain.

IRRIGATION SYSTEMS, FLATHEAD RESERVATION, MONT. (P. 28, LINES 24-25; P. 29, LINES 1-20)

| | |
|---|---|
| Budget estimate | $436,000 |
| Allowed by House | 436,000 |
| Reported to Senate | 254,000 |
| Total reduction | 182,000 |

Expenditures on this project are fully justified in the House hearings (pp. 373-386). The amount contained in the Budget was below the original expenditure contemplated in our program for 1933.

*Pablo Reservoir enlargement, $5,000*

The total estimated expenditure for this construction is $250,000. The amount carried in the bill is the second installment on a 3-year program, and this reduction would result in no special harm, since the amount contemplated for completion in 1934 would be increased by $5,000.

*Power distribution system, $55,000*

Electric transmission line construction was begun in 1931, during which a distribution system was provided for the Camas area and work was begun in the Mission Valley division.

Lines of the local power company on Hellroaring Creek have been purchased and it is desirable to continue construction so that all farmers in project towns can be supplied with power. It is desirable to complete the principal distribution lines by the fall of 1933. Not only will power be available for the various communities but it will also be available for pumping and other project purposes. A considerable revenue will be derived from power sold. The elimination of this item will postpone the furnishing of power to farmers on the project, deprive the Government of revenues from the sale of such power, and the project will be without power needed for pumping and other utility purposes.

*Pumping plant, $100,000*

This item is for a pumping plant to lift water from Flathead Lake 300 feet to the Pablo Reservoir. This source of supply is inexhaustible and the construction of the pumping plant will insure the dependability of a water supply for 40,000 acres of the project. The construction of this plant will involve a total outlay of $250,000. The elimination of this item will result in increased costs, since the foundations for the plant and other preliminary work can be done before the reservoir area is flooded as a result of construction now under way.

*Enlargement Tabor Feed Canal*

Enlargement of this canal will permit the carrying of more water from Jocko River to Tabor Reservoir during the high-water season. By this work it is estimated that from 6,000 to 10,000 acre-feet of water can be added to the water supply of the Mission Valley division.

In connection with these items for Flathead, a repayment contract has been executed and public notice was issued by the Secretary of the Interior, pursuant to existing law, on November 1, 1930.

IMPROVEMENT, ETC., IRRIGATION SYSTEM, BLACKFEET RESERVATION, MONT. (P. 29, LINES 21-24; P. 30, LINES 1, 2)

| | |
|---|---|
| Budget estimate | $86,000 |
| Allowed by House | 86,000 |
| Reported to Senate | 41,000 |
| Total reduction | 45,000 |

Based upon definite recommendations of engineers who made a thorough study of the project and with the view of better utilization of certain units of the project, a 3-year construction program was initiated on the Blackfeet Reservation in the fiscal year 1931. This program contemplated expenditures as follows:

| | |
|---|---|
| 1931 | $64,250 |
| 1932 | 46,000 |
| 1933 | 45,000 |
| Total | 155,250 |

Appropriations have been made in fulfillment of this program and the work contemplated carried to or in process of completion at this time. Elimination of the amount required for the third year of the program will not only postpone final completion and use of the project but will result in voiding some of the work already done. Since it was decided by Congress several years ago to proceed with construction looking to effective use of a portion of this project, it is poor economy to withdraw at this time, leaving works already constructed inoperative.

At the conclusion of this 3-year program no further development is contemplated, all future expenditures to be confined to operation and maintenance work.

No decrease in permanent personnel will result from this proposed reduction, but much local day labor will be affected.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, CROW RESERVATION, MONT. (P. 30, LINES 3-11)

| | |
|---|---|
| Budget estimate | $25,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 18,000 |
| Total reduction | 7,000 |

Of the total reduction, $5,000 cut off by the House represented the amount allowed by the Budget for drainage work on certain areas. A small appropriation is available the current year for beginning that work and until such time as the effectiveness thereof can be determined, with the consent of the Bureau of the Budget, the House committee was requested by the Indian Service to transfer that $5,000 to land designation work. The House committee denied our request. One of the largest sources of complaint on this project is and has been the payment of charges on land which owners claim should not be assessed. Some land is covered with brush, other tracts are slightly seeped, while other areas are in need of leveling. It was the hope of the office that studies could be made through the use of this $5,000 to the end that project lands irrigable and assessable could be determined.

Ordinary operation and maintenance costs have been met in the past largely through accumulated collections from water users. These surplus collections have been depleted to such an extent that Federal appropriations are necessary if further use of the project is to be permitted. Expenditures in 1931 from collections were $47,581; estimated expenditures from such funds in 1932, $35,616; and in 1933, $20,000. The total estimated expenditures on this project for 1933, exclusive of the $5,000 referred to in the preceding paragraph, are $40,000, or $23,616 less than for the current year.

The further reduction proposed by the Senate committee will mean postponement of canal cleaning, and other necessary project expenses incidental to delivery of water.

The contemplated reduction will not affect the status of any regular employees.

INVESTIGATIONS, ETC., DAM CONSTRUCTION, DUCK VALLEY RESERVATION, NEV. (P. 31, LINES 1-6)

| | |
|---|---|
| Budget estimate | $15,000 |
| Allowed by House | 15,000 |
| Reported to Senate | 10,000 |
| Total reduction | 5,000 |

This expenditure is authorized by the act of February 28, 1931 (46 Stat. 1458.) The very nature of the work makes it impossible to definitely determine the exact amount that will be required to complete it. Since Congress has directed that the surveys be made and authorized a specific sum therefor, it would seem appropriate to set aside the entire amount of the authorization. If not used in this work, it can be used for nothing else and will revert to the Federal Treasury.

A full discussion of this item appears on pages 411-424 of the House hearings.

IRRIGATION SYSTEMS, WIND RIVER DIMINISHED RESERVATION, WYO. (P. 34, LINES 8-19)

| | |
|---|---|
| Budget estimate | $55,000 |
| Allowed by House | 55,000 |
| Reported to Senate | 45,000 |
| Total reduction | 10,000 |

For the last two or three years increases have been allowed for the replacement of old wood structures with concrete and steel. These replacements have proceeded satisfactorily and have resulted in greater use of the project. During the irrigation season of 1931 about 200 Indian families irrigated 10,263 acres. An agricultural extension agent is assigned to this reservation and encouragement is being given the Indians to use their own lands for raising subsistence and commercial crops.

Approval of the contemplated reduction will make necessary continued use of worthless structures, with resultant inefficient delivery of water. It will also mean postponement of studies looking to the designation of those areas properly assessable under the project.

Surplus collections are used upon this project, and it is necessary to have adequate Federal funds for operation and maintenance costs.

No permanent employees will be affected by the proposed reduction.

INDIAN SCHOOL BUILDINGS (P. 37, LINES 4-25; P. 38, LINES 1-5)

| | |
|---|---|
| Budget estimate | $507,000 |
| Allowed by House | 497,000 |
| Reported to Senate | 442,000 |
| Total reduction | 65,000 |

*Repairs and improvements*

A total reduction of $25,000 is carried for general repair and maintenance of reservation boarding and day schools, including sewer, water, heating, and lighting systems. Present funds permit only minimum expenditures on the upkeep of plants, and this reduction will force postponement of many needed maintenance jobs.

One permanent position at $2,600 will no doubt have to be abolished.

*Physical improvements (Tongue River, Mont.)*

The amount allowed by the House contemplated an expenditure of $50,000 for a new building to provide classroom facilities now housed in the dormitory of this reservation boarding school. The present structure is in a most dilapidated condition, is insanitary, and unfit for occupancy. A new building is highly desirable and should be provided. However, if that can not be, it is believed that an expenditure of $10,000 will permit the making of certain alterations and repairs which will in part overcome existing unsatisfactory conditions.

FLOOD CONTROL, LEUPP SCHOOL AND AGENCY (P. 38, LINES 6-12)

| | |
|---|---|
| Budget estimate | $40,000 |
| Allowed by House | 40,000 |
| Reported to Senate | 10,000 |
| Total reduction | 30,000 |

The bill as passed by the House authorizes the expenditure of $40,000 for the construction of a dike around the Leupp School and Agency plant. The estimate was submitted pursuant to a report made by a board of engineers appointed by the Secretary to consider the feasibility of protecting this plant from flood. Since the submission of the estimate a severe flood occurred, breaking the main dikes surrounding this school in several places, and for the safety of the pupils, hospital patients, and employees the school was temporarily abandoned. The Government has expended more than $80,000 in the last three years in attempting to protect this property from destruction by flood. The school has a capacity of 400 pupils and the hospital a capacity of 60 beds. Upon the abandonment of the institution about half of the pupils were taken care of in near-by reservation or nonreservation boarding schools and the remainder are being accommodated in temporary quarters in the town of Winslow. Some few pupils are attending Government day or State public schools.

A reduction of $30,000 in this item will definitely eliminate the possibility of further expenditure of Government funds in building dikes in an attempt to save this property from destruction by flood. The $10,000 allowed by the Senate will be used to make investigations as to the availability of water supplies preparatory to relocating the facilities abandoned at Leupp.

No permanent employees are affected by this reduction, but a large portion of the original $40,000 would be paid to Indians engaged in dike construction.

EDUCATION, SIOUX NATION (P. 46, LINES 12-17)

| | |
|---|---|
| Budget estimate | $406,500 |
| Allowed by House | 406,500 |
| Reported to Senate | 350,000 |
| Total reduction | 56,500 |

This appropriation is used to maintain about 30 day schools with an average attendance in excess of 500, and 3 reservation boarding schools with a combined capacity of 800, all for the benefit of the Sioux Indians. The amount required for ordinary support purposes, exclusive of repairs to buildings, is $331,500. The fund is also used for general supervisory purposes in the Sioux country, tuition of Indian pupils in mission schools, and repairs to plants.

The reduction will require the abolishment of 10 or more teaching positions, possibly 5 housekeeper position at the day schools, and other much needed positions, principally at the boarding schools. The Budget estimate has already taken into consideration savings of $10 per pupil based on present market prices of commodities, and the reduction here proposed will mean the closing of day schools and the denial of educational facilities to some of the Sioux children.

Public-school facilities are not convenient to this Indian population, and consequently the Government has got to provide its own facilities. The schools operated under this appropriation should be accorded the same treatment as those maintained from the general educational appropriation and the appropriations for the nonreservation boarding schools.

EDUCATION OF NATIVES IN ALASKA (P. 47, LINES 3-24; P. 48, LINES 1-9)

| | |
|---|---|
| Budget estimate | $726,400 |
| Allowed by House | 690,000 |
| Reported to Senate | 650,000 |
| Total reduction | 76,400 |

The amount allowed for salaries under this appropriation is $8,100 less than the appropriation for 1932, and will necessitate elimination of the 25 additional employees approved by the Bureau of the Budget and the House for duty at established stations; prohibit extension of the school term at 31 schools; deny the teacher at Gulkana, where 20 children of school age are available but have no teacher; and prohibit the establishment of 8 positions necessary for opening the Shoemaker Day School, now being completed. In addition to the positions named it will be necessary to reduce the present staff to come within the amount allowed.

The reduction of $2,000 in the travel-expense item was apparently made because of the reduction in personnel. If the salary appropriation is allowed, the Budget estimate for travel should be restored.

The Budget allowance for equipment, supplies, fuel, etc., was $219,000. This amount was reduced by the House to $192,600, and is now reduced further by the Senate to $182,600, or only $12,600 above the amount allowed for 1932, and a total reduction in the Budget estimate of $36,400. Proceeding on the theory that the Shoemaker Day School is not to be opened, since no employees have been allowed therefor, this reduction is accounted for. It is inconceivable that after providing this plant it is the wish of Congress that it remain vacant for one full school term.

The cut of $2,000 in the repair item will force postponement of needed repairs on station buildings, many of which are of crude construction and are constantly in need of attention.

Summarizing, the reductions below the Budget estimates are as follows:

*Budget estimates*

| Object | Budget | House | Senate | Reduction |
|---|---|---|---|---|
| Salaries | $376,900 | $366,900 | $341,900 | $35,000 |
| Travel | 24,000 | 24,000 | 22,000 | 2,000 |
| Equipment, etc | 219,000 | 192,600 | 182,600 | 37,400 |
| Repairs | 25,000 | 25,000 | 23,000 | 2,000 |
| New structures | 13,000 | 13,000 | 13,000 | |
| Freight | 30,000 | 30,000 | 30,000 | |
| Operation of vessels | 35,000 | 35,000 | 35,000 | |
| Rents | 1,500 | 1,500 | 1,500 | |
| Telephone and telegraph | 2,000 | 2,000 | 2,000 | |
| Total | 726,400 | 690,000 | [1] 651,000 | 76,400 |

[1] Error of $1,000 in total of allowances by Senate.

Attention is invited to the amendments on page 47, lines 13 and 14, and lines 21 and 22, striking out the text with reference to the *Boxer* and substituting the word "vessels." Unless the amount of $35,000 "for operation of vessels" is increased by at least $10,000, funds will not be available for continued operation of the *Boxer* in the Alaskan service.

All phases of the situation considered, the total reduction in this appropriation is most severe, and this work will go backward instead of forward.

CONSERVATION OF HEALTH (TRIBAL FUNDS) (P. 52, LINES 20–24; P. 53, LINES 1–2)

This is not an appropriation but merely a limitation, appearing on the face of the bill, as to the amount of tribal funds that may be expended for health work among Indians. If the decrease proposed in tribal-fund expenditures should stand, this reduction in the authorization for health work would be entirely consistent.

ASYLUM FOR INSANE INDIANS, CANTON, S. DAK. (P. 53, LINES 3–8)

| | |
|---|---|
| Budget estimate | $50,000 |
| Allowed by House | 50,000 |
| Reported to Senate | 40,000 |
| Total reduction | 10,000 |

This institution for insane persons, while not requiring a larger number of employees than does an ordinary hospital, has always been operated with a small complement of personnel. The present staff is considered as a minimum. The proposed reduction will make necessary the abolishment of not less than four positions, and further savings will have to be effected through a lesser expenditure for food and other supplies. Not only does this appropriation provide for care of patients but for maintenance and upkeep of buildings, including all heating and plumbing, water, light, and sewer systems. This asylum can not be maintained in accordance with even minimum standards if this reduction stands.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (TRIBAL FUNDS)

*General statement*

The total reduction in tribal funds authorized for expenditure for general support and administration purposes, including authorizations from Chippewa funds for general agency purposes and indigent relief, authorizations from Osage funds for agency support and expenses in connection with oil and gas production, and expenditures from the principal funds to the credit of Confederated Bands of Utes under Ute Mountain and Uintah Reservations, is $278,600. The purposes for which these authorizations are expended correspond very closely to those for which the gratuity appropriation for general support and administration of Indian property is utilized. This cut will necessitate a serious reduction in the personnel on the reservations involved; reduction in expenditures for relief of needy Indians, which have been so heavy during the past year and will continue to be heavy until a return of normal conditions and opportunity for employment of the Indians; reduction in expenditures calculated to advance the industrial welfare of the Indians, such as increased farming activities, development of their livestock, 4-H club work, chapter organizations among the adults; and a general decrease in the amount of supervision which can be given the affairs of the Indians in general.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (P. 53, LINES 21–24; P. 54, LINES 1–14)

| | |
|---|---|
| Budget estimate | $1,588,000 |
| Budget estimate, Quapaw item | 20,000 |
| Total Budget estimate | 1,608,000 |
| Allowed by House, combined | 1,596,000 |
| Reported to Senate | 1,400,000 |
| Total decrease | 208,000 |

If this decrease stands not less than 50 positions ranging in salaries from $1,080 to $6,500 will be abolished, salaries of positions so abolished aggregating $90,480. Jurisdictions are constantly complaining under present conditions of the tremendous burden now being carried by the clerical forces at the agencies. Office hours in the field are from 8 to 5, and practically all agency employees are forced to perform many hours of overtime labor in order to keep the work current. Through lack of funds we are constantly denying appeals for temporary clerical assistance or for full-time positions. The elimination of positions now authorized will seriously handicap the local agencies in handling the mass of detail work requiring daily attention.

In addition to the above, it will be necessary to reduce expenditures for the following purposes:

| | |
|---|---|
| Supplies (food, clothing, etc., for direct issue to Indians) | $55,000 |
| Travel expense of employees | 6,000 |
| Repairs to office equipment, agency, machinery, etc | 15,000 |
| Seed for issue to Indians | 5,000 |
| Burial expense of Indians | 4,000 |
| Office equipment, agency machinery, etc., including replacement of automobiles | 20,000 |
| Improving home conditions of Indians | 15,000 |
| Other miscellaneous purposes | 3,920 |

A total of 63 agencies are supported in whole or in part from this appropriation. These agencies are handling the affairs of more than 90 per cent of the Indians under the jurisdiction of the office, and a reduction in this appropriation is striking at one of the most essential of all appropriations of the Indian Service, since it is used for direct benefit for the Indians on the reservations.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (ARIZONA) (P. 55, LINES 12–15)

*Fort Apache*

| | |
|---|---|
| Budget estimate | $25,000 |
| Allowed by House | 25,000 |
| Reported to Senate | 20,000 |
| Total reduction | 5,000 |

Reduction of $5,000 will necessitate the abolishment of one position of farmer or stockman at $1,500 and a decrease of $3,500 in expenditures for relief of Indians, operation of the tribal sawmill, and the construction of Indian homes. This agency has heretofore been supported from tribal funds, but by reason of decreasing revenues the larger part of the general administrative overhead will be borne from gratuity appropriations in 1933.

*San Carlos*

| | |
|---|---|
| Budget estimate | $120,000 |
| Allowed by House | 120,000 |
| Reported to Senate | 100,000 |
| Total reduction | 20,000 |

If this reduction is made, $7,000 must be absorbed through a cut in personnel, probably eliminating 2 laborers, 2 line riders, and 1 deputy special officer. Our industrial program for 1933 contemplated the expenditure of $35,000 in the purchase of bulls and heifers for the tribal herd. This will necessarily be reduced to $22,000, accounting for the remaining $13,000 of the $20,000 decrease. This reservation has an area of 1,610,000 acres and a population of 2,670 Indians. The Indians have been especially interested in livestock activities, and a number of the employees paid from this appropriation are engaged in work directly connected with the livestock industry.

*Truxton Canyon*

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 16,000 |
| Total reduction | 4,000 |

A reduction of $4,000 means the abolishment of one position of farmer at $1,620 and a reduction of $2,380 in proposed expenditures for relief of Indians, and advancement of their livestock interests by cutting expenses in connection with the running of the tribal herd, round-up expenses, water development, etc. This reservation contains 973,000 acres and has a population of 460. Stock activities constitute the main industry of the reservation and are the principal sources of support for the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (COLORADO) (P. 55, LINES 18–20)

*Southern Ute*

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 15,000 |
| Total reduction | 5,000 |

None of this authorization is expended for salaries of regular employees. This reduction will result in less employment for Indians in road and bridge construction and repair work on the reservation and a decrease in the purchase of subsistence supplies for issue to old and indigent Indians.

*Ute Mountain*

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 15,000 |
| Total reduction | 5,000 |

A cut of $5,000 will necessitate abandonment of our plan to construct a community house at Towaoc for the use of the Ute Mountain Indians. Experience at other jurisdictions, especially in the Navajo country, has demonstrated the value of community houses. A similar building for the Indians of this reservation would be of value to them in providing a place where they may meet to discuss subjects relating to home and farm improvement.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IDAHO) (P. 55, LINES 21-24, AND P. 56, LINES 1-2)

*Fort Hall*

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 15,000 |
| Total reduction | 5,000 |

A reduction of $5,000 will necessitate abolishment of a position of deputy special officer at $1,920, a financial clerk at $1,740, and curtailment of industrial activities, relief of Indians, and general administrative expenses to the extent of $1,340. The amount of the Budget estimate was $17,500 less than the appropriation for 1932, or eliminating the $10,000 for weed control, $7,500 less than the ordinary annual authorization for this jurisdiction. Any further reduction without a corresponding increase of the gratuity appropriation will handicap the administration of the affairs of this jurisdiction.

*Fort Lapwai*

| | |
|---|---|
| Budget estimate | $10,000 |
| Allowed by House | 10,000 |
| Reported to Senate | 7,500 |
| Total reduction | 2,500 |

A reduction of $2,500 will necessitate abolishment of one position, probably that of assistant clerk, at $1,740. The remainder of the decrease will necessitate a smaller expenditure for relief of indigent Indians and purchase of farm and garden seeds for issue to them and other activities relating to industrial development.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IOWA) (P. 56, LINE 3)

*Sac and Fox*

| | |
|---|---|
| Budget estimate | $2,000 |
| Allowed by House | 2,000 |
| Reported to Senate | 1,000 |
| Total reduction | 1,000 |

This money is not used to pay salaries of any regular employees. Approximately $1,500 will be required to pay State and county taxes on tribal lands. If only $1,000 is allowed, full tax payment can not be made, and the penalty will accrue on any amount that goes delinquent.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (KANSAS) (P. 56, LINE 4)

*Pottawatomie*

| | |
|---|---|
| Budget estimate | $2,000 |
| Allowed by House | 2,000 |
| Reported to Senate | 1,000 |
| Total reduction | 1,000 |

Reduction to $1,000 means that one position of clerk at $1,920 now charged to this authorization will have to be dropped entirely, or the balance required for his salary provided from some other fund. This employee is on duty at the Pottawatomie subagency located at Mayetta, Kans. There are 891 Indians on the Pottawatomie Reservation and the present clerical force necessary to carry on the required work is extremely limited.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MINNESOTA) (P. 56, LINE 6)

*Red Lake*

| | |
|---|---|
| Budget estimate | $53,000 |
| Allowed by House | 53,000 |
| Reported to Senate | 45,000 |
| Total reduction | 8,000 |

Practically all of the reduction of $8,000 will have to absorbed in the abolishment of seven existing positions or the transfer of salaries of these positions to Red Lake tribal funds made available elsewhere in the bill for the operation of the Red Lake and Cross Lake boarding schools. Practically the entire expense of maintaining this agency is borne from this appropriation. There are about 1,800 Indians on the Red Lake Reservation, which contains approximately 407,000 acres, all of which is in a tribal status. The Indians support themselves largely through lumbering and fishing activities, and some of them engage in farming and chicken raising.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MONTANA) (P. 56, LINES 7-10)

*Blackfeet*

| | |
|---|---|
| Budget estimate | $7,500 |
| Allowed by House | 7,500 |
| Reported to Senate | 5,000 |
| Total reduction | 2,500 |

No regular salaries are charged to this fund. Reduction of $2,500 would be reflected in a decrease to that extent in our program for the relief of needy Indians. Almost the entire amount requested from Blackfeet funds for 1933 is justified as being needed for relief of needy Indians on this reservation, which has a population of approximately 3,550. In addition to expenditures from tribal funds, a large amount of gratuity appropriations is expended each year in providing subsistence supplies and clothing for this group of Indians. If the Indians have funds to their credit, such funds should be used for the relief of indigent members of the tribe.

*Flathead*

| | |
|---|---|
| Budget estimate | $40,000 |
| Allowed by House | 40,000 |
| Reported to Senate | 30,000 |
| Total reduction | 10,000 |

This reduction will probably necessitate abolishment of 1 position of special officer, 1 clerk, 1 laborer, 2 farmers, and 1 physician; also decreased expenditures for other purposes, including the hospitalization of Indians in the Holy Family Mission Hospital at St. Ignatius. There are 3,000 Indians on this reservation. The Budget estimate was $10,400 less than the amount appropriated for 1932, which amount will of necessity be provided at least in part from gratuity appropriations. Funds will not be sufficient in general appropriations to permit employment in the above positions, the abolishment of which would be most unfortunate.

*Fort Peck*

| | |
|---|---|
| Budget estimate | $10,000 |
| Allowed by House | 10,000 |
| Reported to Senate | 5,000 |
| Total reduction | 5,000 |

We do not contemplate the use of any part of this money in payment of the salaries of regular positions. The farm-agent position no doubt will be abolished. The remainder of the reduction will necessitate a corresponding decrease in our general agency and reservation activities, particularly in the amount available for relief of needy Indians. During the present year we have expended large sums both from Red Cross money and gratuity appropriations for the relief of needy Indians on this reservation. Expenditures for education, medical work, and other purposes are borne from general gratuity appropriations.

*Tongue River*

| | |
|---|---|
| Budget estimate | $15,100 |
| Allowed by House | 15,100 |
| Reported to Senate | 10,000 |
| Total reduction | 5,100 |

The proposed reduction of $5,100 will involve abolishment of one position of farmer at $1,380 and decreased expenditures for irregular Indian labor, relief of needy members of the tribe, operation of the tribal sawmill, purchase and issue of garden seed, and encouragement of Indian livestock activities. There are 1,460 Indians on this reservation and the Government is expending from gratuity appropriations large sums for educational, health, and other purposes. Indian labor is hired under this appropriation for road work, fence repair and upkeep, cutting of ice, and other agency and reservation activities, and any compensation received contributes to the support of the individuals employed and their families.

*Rocky Boy*

| | |
|---|---|
| Budget estimate | $2,000 |
| Allowed by House | 2,000 |
| Reported to Senate | 1,000 |
| Total reduction | 1,000 |

The salary of a position of general mechanic, at $1,500, has heretofore been paid from this fund. A cut to $1,000 will require the abolishment of this position. School, health, industrial, and other activities for the benefit of this group of Indians, numbering about 550, are supported from gratuity appropriations. The amount allowed by the Budget represents small annual revenues from rental of surplus grazing land. Expenditures from this fund are of direct benefit to the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEBRASKA)

*Omaha*

| | |
|---|---|
| Budget estimate | $2,000 |
| Allowed by House | 2,000 |
| Reported to Senate | 1,000 |
| Total reduction | 1,000 |

This authorization does not bear the salaries of any regular positions. Reduction to $1,000 means a proportionate decrease in employment of irregular Indian labor, relief of needy Indians, and development of industrial activities among the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEVADA) (P. 56, LINES 12-14)

*Pyramid Lake*

| | |
|---|---|
| Budget estimate | $5,000 |
| Allowed by House | 5,000 |
| Reported to Senate | 2,500 |
| Total reduction | 2,500 |

The proposed reduction of $2,500 will necessitate the abolishment of one position of farmer, at $1,680, and the expenditure of $820 less for direct aid to Indians through the issuance of subsistence supplies, clothing, hospitalization, and other expenses. The use of $5,000 of Indian moneys is small compared to the expenditure of Federal funds for the benefit of this group of 550 Indians.

*Western Shoshone*

| | |
|---|---|
| Budget estimate | $10,000 |
| Allowed by House | 10,000 |
| Reported to Senate | 5,000 |
| Total reduction | 5,000 |

The proposed cut of $5,000, representing half of the estimate, all of which was considered necessary, will necessitate the abolishment of one position of laborer, at $1,260, and decreased expenditures for supplies, materials, equipment, for relief of Indians and care of their livestock. The Budget estimate was $5,200 less than the amount authorized for use in 1932. The decrease is made necessary by reason of diminished income to the tribe from rental of surplus grazing lands. There are approximately 700 Indians on this reservation, and a considerable sum is annually expended from gratuity appropriations for the support of Federal activities for their benefit.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEW MEXICO) P. 56, LINES 15–16)

*Jicarilla*

| | |
|---|---|
| Budget estimate | $30,000 |
| Allowed by House | 30,000 |
| Reported to Senate | 25,000 |
| Total reduction | 5,000 |

A cut of $5,000 will involve curtailment to that extent of our program of industrial development on the reservation, including such items as operation of the tribal sawmill, water development, fence construction and repair, rodent control, and care of the tribal sheep herd. The greater part of this money is expended in the employment of irregular Indian labor, lessening the opportunity for which would be particularly unfortunate at this time in view of the needy condition of the Indians and their extremely heavy stock losses during the past winter. It is anticipated that only two regular employees will be paid from this fund in 1933. During the past year 16 employees at this jurisdiction are chargeable to the tribal fund authorization. The Budget estimate for 1933 was $30,000 less than the authorization for the present year. A further reduction without compensating increase in gratuity appropriations will result in severely crippling the activities of the agency and greatly curtailing the income of individual Indians through lack of employment heretofore provided.

*Mescalero*

| | |
|---|---|
| Budget estimate | $40,000 |
| Allowed by House | 40,000 |
| Reported to Senate | 25,000 |
| Total reduction | 15,000 |

The proposed reduction of $15,000 will necessitate the abolishment of one position of farmer at $1,740 and a sharp decrease in the amount expended in the employment of irregular Indian labor in connection with such projects as the operation of saw mill, water development, construction and repair of fences, and care of the tribal sheep herd. Our plans for the expenditure of the original $40,000 estimate contemplated the expenditure of almost none of it for general administrative purposes and any cut in this authorization can not help but he reflected in projects of direct benefit to the Indians. It is especially desirable to purchase new animals for addition to the cattle and sheep herds and expenditures are necessary for the purchase of supplies and equipment, oil cake, and other feed, repairs to camp buildings, and other purposes necessary to proper handling of the tribal herds. Funds are not provided elsewhere to supplement the loss through this reduction. Since these expenditures are made for the direct benefit of the Indians their funds should stand a major portion of the costs. The Budget estimate for 1933 was $15,000 less than the amount authorized for use in the present fiscal year. As a result of such reduction seven positions have been transferred to the gratuity support appropriation, and under the amount now allowed it is possible that some of these positions will have to be abolished.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (OKLAHOMA) (P. 56, LINES 18–22)

*Otoe*

| | |
|---|---|
| Budget estimate | $1,500 |
| Allowed by House | 1,500 |
| Reported to Senate | 1,000 |
| Total reduction | 500 |

The proposed cut of $500 will necessitate a proportionate reduction in miscellaneous agency and reservation expenditures, such as traveling expense, operation and upkeep of automobiles, relief of needy Indians, etc. The Otoe Indians are under the jurisdiction of the Pawnee Agency, which is supported largely from gratuity appropriations.

*Ponca*

| | |
|---|---|
| Budget estimate | $3,000 |
| Allowed by House | 3,000 |
| Reported to Senate | 2,000 |
| Total reduction | 1,000 |

The proposed cut of $1,000 will mean the abolishment of one position of junior clerk. These Indians are also under the jurisdiction of the Pawnee Agency and share in the benefits derived from expenditures of Federal funds for educational, medical, industrial, and other purposes. The amount contributed from Indian funds is small compared to the expenditure of Federal funds.

*Sac and Fox*

| | |
|---|---|
| Budget estimate | $3,100 |
| Allowed by House | 3,100 |
| Reported to Senate | 2,000 |
| Total reduction | 1,100 |

The proposed reduction of $1,200 means that one position of assistant clerk at $1,800 now paid from this authorization must be abolished. The Sac and Fox Reservation, inhabited by about 700 Indians, is under the administrative jurisdiction of the Shawnee Agency. They receive about $3,000 annually from the rental of surplus grazing lands. They share in the benefits derived from the expenditure of Federal funds for educational, medical, industrial, and other purposes. Children attend the public schools, for which tuition is paid, and a sanatorium is located at Shawnee, Okla. The amount contributed from Indian funds for administrative purposes is small compared to the contribution made by the Federal Government.

*Cheyenne and Arapaho*

| | |
|---|---|
| Budget estimate | $3,000 |
| Allowed by House | 3,000 |
| Reported to Senate | 2,000 |
| Total reduction | 1,000 |

This item was inserted at the request of the Indians to provide money for expenses of the tribal business committee and tribal delegates to Washington. The proposed reduction simply means that there will be $1,000 less available for such purposes. No part of this fund is to be used for administrative purposes by the Indian Service.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (OREGON) (P. 56, LINES 23–24)

*Klamath*

| | |
|---|---|
| Budget estimate | $110,000 |
| Allowed by House | 75,000 |
| Reported to Senate | 50,000 |
| Total reduction | 60,000 |

The Budget estimate of $110,000 represented what we considered at the time of submission the lowest possible amount that would be required for the maintenance of this agency during the next fiscal year. Over a period of four years there has been a cut of approximately 34 per cent in the appropriation of tribal funds for this jurisdiction. During the present year there has been expended on this reservation $25,000 of the gratuity road appropriation. Following a hearing before the House committee on the question of expenditures at this jurisdiction, during which representatives of the Klamath Indians were present and testified, that committee recommended a reduction of $35,000 in this appropriation. Following this action, the superintendent was directed to make a minute study of his needs and to indicate the lowest possible minimum required for operations during the next year. This study revealed that in round figures approximately $100,000 would be required for the agency, including $10,000 for reimbursable loans to Indians and about $4,000 for expenses of the tribal business committee.

There are 23 authorized positions at Klamath at the present time; and if the reduction of $60,000 under the Budget estimate stands, we will be required to abolish positions which we now consider necessary for general reservation work, and in addition thereto the 25-bed hospital will be closed. The money carried in the bill as reported to the Senate will not permit the maintenance of the hospital and the employment of a sufficient clerical force at the agency to handle the routine business connected with per capita payments and numerous miscellaneous matters daily being brought to the agency office for consideration and action. It will also be necessary to deny any applications for reimbursable loans, and there will be no money for expenses of the tribal business committee, either for activities on the reservation or for the expenses of its delegates when visiting Washington. The Indian Service has a responsibility delegated to it by law in the administration of the vast estate of this group of one thousand two hundred and seventy and odd Indians. Necessary administrative expense money must be provided or curtailments of the activities will take place which are bound to create most unfavorable criticism of the Federal Government. If Congress refuses to provide necessary funds to properly maintain this agency, then it should be willing to share the criticism which is bound to result from that action.

*Umatilla*

| | |
|---|---|
| Budget estimate | $9,100 |
| Allowed by House | 9,100 |
| Reported to Senate | 5,000 |
| Total reduction | 4,100 |

Reduction to $5,000 means that we would probably have to dispense with two positions of clerk at $1,560 and $1,260 and reduce other administrative expenses to the extent of $1,280. The authorization for 1932 is $15,000. The Budget estimate is $6,000 under that amount. A further reduction of $4,100, with no supplemental gratuity appropriation, will seriously impair the effectiveness of work done in the past and retard the future progress of this group of 1,100 Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (SOUTH DAKOTA) (P. 57, LINES 1–2)

*Cheyenne River*

| | |
|---|---|
| Budget estimates | $90,300 |
| Allowed by House | 90,300 |
| Reported to Senate | 75,000 |
| Total reduction | 15,300 |

A reduction of $15,300 means the elimination of 1 clerk, 1 carpenter, 1 line rider, 1 hospital attendant, reduction in the amount of irregular labor (almost entirely Indian), smaller quantities of supplies and materials for the agency, the hospital, and needy Indians. There are 3,164 Indians on the Cheyenne River Reservation, which covers an area of approximately 1,330,000 acres. The administrative expenses of this agency are borne almost entirely from tribal funds, and our present force of employees paid from this appropriation is 23, which number includes employees of the hospital maintained for the benefit of these Indians. It is estimated that approximately $15,000 will be required during 1933 for the relief of needy Indians through the issue of subsistence, clothing, and fuel, the furnishing of medical and other supplies, and payment of hospitalization and burial expenses. We believe that this agency is maintained at an extremely low cost, and the reduction of $15,300 will greatly impair the value of the services rendered the Indians.

*Pine Ridge*

| | |
|---|---|
| Budget estimate | $7,000 |
| Allowed by House | 7,000 |
| Reported to Senate | 4,000 |
| Total reduction | 3,000 |

The entire amount of this authorization is set up for miscellaneous agency and reservation purposes, travel expenses, relief of Indians, etc. The proposed cut of $3,000 will restrict our activities accordingly. The original Budget estimate contemplated the expenditure of approximately $3,000 for relief of needy Indians and $4,000 for payment of general administrative expenses, including the hauling of supplies from the railroad to the point of use. There are 8,000 Sioux Indians on this reservation, which contains approximately 2,569,000 acres of land. This amount of money is derived mainly from the rental of surplus grazing lands. Expenditures for educational, health, industrial, and other purposes on this reservation come from gratuity appropriations. During the fiscal year 1931 more than $560,000 was so expended. It will be seen that the amount requested from tribal funds is exceedingly small compared to the expenditures from Federal appropriations.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (UTAH) (P. 57, LINES 3–7)

*Uintah and Ouray*

| | |
|---|---|
| Budget estimate | $15,000 |
| Allowed by House | 15,000 |
| Reported to Senate | 10,000 |
| Total reduction | 5,000 |

The greater part of this annual authorization is expended in the purchase of supplies for the agency, the hospital, and for issue to old and indigent Indians. The proposed reduction of $5,000 will necessitate proportionately decreased expenditures for these needs. No regular employees are paid from this appropriation, and expenditures therefrom are largely for direct benefit to Indians, either through employment or the issuance of supplies.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WASHINGTON) (P. 57, LINES 8–15)

*Colville*

| | |
|---|---|
| Budget estimate | $40,500 |
| Allowed by House | 40,500 |
| Reported to Senate | 30,000 |
| Total reduction | 10,500 |

A reduction of $10,500 will necessitate abolishment of 1 position of forest ranger, 1 junior clerk, 2 laborers, and 1 general mechanic, involving approximately $7,000, and a reduction of $3,500 in the amounts expended for miscellaneous purposes, such as irregular labor, principally Indian, purchase of supplies and materials, and relief of indigent Indians. The administrative expenses of this agency are largely borne from tribal funds. There are about 3,000 Indians on the reservation, which contains more than 378,000 acres of allotted lands and 824,000 acres of tribal lands. They have valuable timber resources, and a large area of their reservation lands are leased for grazing purposes. This is a very active agency, and present employees are unable to keep their work current without much overtime.

*Neah Bay*

| | |
|---|---|
| Budget estimate | $7,500 |
| Allowed by House | 7,500 |
| Reported to Senate | 5,000 |
| Total reduction | 2,500 |

The proposed cut of $2,500 will necessitate abolishment of one laborer position at $1,200 and a decrease of $1,300 in the amount expended for relief of indigent Indians, repairs to machinery and equipment, and the purchase of new equipment. There are 660 Indians under this jurisdiction, and a considerable sum is expended each year from general gratuity appropriations for purposes of general benefit to them.

*Puyallup*

| | |
|---|---|
| Budget estimate | $4,000 |
| Allowed by House | 4,000 |
| Reported to Senate | 2,000 |
| Total reduction | 2,000 |

One thousand dollars of this appropriation is required for upkeep and maintenance of the Puyallup Indian cemetery. This money represents interest at 4 per cent per annum on a trust fund of $25,000 definitely set aside for the purpose. It will be necessary to abolish a position of clerk at $1,680, and the remaining amount of this reduction will necessarily be absorbed through curtailment in other administrative expenditures. This reservation is under administrative control of the Tulalip Agency, which is largely supported from gratuity appropriations.

*Spokane*

| | |
|---|---|
| Budget estimate | $10,000 |
| Allowed by House | 10,000 |
| Reported to Senate | 7,500 |
| Total reduction | 2,500 |

The reduction of $2,500 will necessitate the abolishment of a position of farmer at $1,560 and a reduction in the amount to be expended for relief of needy Indians, including hospitalization and burial expense. There are 774 Indians on this reservation, which contains more than 150,000 acres of land. The reservation is under the administrative control of the Colville Agency.

*Taholah (Quinaielt)*

| | |
|---|---|
| Budget estimate | $36,000 |
| Allowed by House | 36,000 |
| Reported to Senate | 30,000 |
| Total reduction | 6,000 |

Under the wording of the item, $25,000 of this authorization is available only for a sewer and water system for the Indian village at Taholah. This improvement has been requested by the Indians. One thousand dollars of the remaining amount was definitely set aside for expenditure in such manner as the tribal council might determine. This leaves only $4,000 for general purposes, as against $10,000 allowed by the Budget and the House. One position of practical nurse at $1,560 must be abolished. The remainder of the reduction must be absorbed through other reductions in expenses of administration and care of Indians, particularly decreased purchase of supplies for indigent Indians.

*Yakima*

| | |
|---|---|
| Budget estimate | $30,000 |
| Allowed by House | 30,000 |
| Reported to Senate | 20,000 |
| Total reduction | 10,000 |

The proposed reduction of $10,000 in this authorization means that we must abolish positions of physician, 1 farmer, 1 clerk, 1 laborer, employ less irregular labor and expend less for necessary supplies and materials. This reservation is inhabited by 2,916 Indians and has an area of over 1,000,000 acres of land. There is a vast amount of work involved on this reservation in connection with the leasing of lands, the collection of rentals therefrom, and other miscellaneous activities in handling the affairs of this group of Indians. The original Budget estimate for 1933 was decreased by $8,300 under the amount of the appropriation for 1932. Withdrawal of the employees named would work a hardship not only upon the remaining employees but upon the Indians of the reservation.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WISCONSIN) (P. 57, LINES 16–22)

*Keshena*

| | |
|---|---|
| Budget estimate | $75,000 |
| Allowed by House | 75,000 |
| Reported to Senate | 50,000 |
| Total reduction | 25,000 |

The proposed reduction of $25,000, one-third of the amount allowed by the House and the Budget, will seriously cripple our activities at Keshena. Positions which must necessarily be abolished will probably include 1 electrician, 1 clerk, 1 forest guard, 1 blacksmith, 1 laborer, and 1 hospital attendant. The balance will have to be met through reduced expenditures for irregular labor, supplies, materials, equipment, and other necessary expenses incident to agency and reservation activities. The Budget estimate contemplated an expenditure of $10,000 for direct benefit to indigent members of the tribe, $5,000 of which was set aside for maintaining the old folks' home for indigent members of this group and $5,000 for advances to families taking care of indigent members of the tribe. A hospital of 60-bed capacity is maintained for the benefit of this group of Indians and the entire cost of maintenance is borne from tribal funds. The Budget allowed an increase of $4,200 over the 1932 authorization, practically all of which was considered necessary in connection with the operating expenses of the hospital. There are on the Keshena pay roll 25 employees paid from this appropriation, at least 10 of whom are assigned to the hospital. The contemplated reduction will of necessity force curtailment of hospital and medical service to the Indians as well as relief for the indigent members of the tribe.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WYOMING) (P. 57, LINE 23)

*Shoshone*

| | |
|---|---|
| Budget estimate | $50,000 |
| Allowed by House | 50,000 |
| Reported to Senate | 40,000 |
| Total reduction | 10,000 |

The proposed reduction of $10,000 involves the abolishment of forest guard, clerk, and assistant engineer positions; also reduced expenditures for other administrative, agency, and reservation purposes. There are 2,000 Indians under this jurisdiction. The hospital and boarding school have been transferred to gratuity support funds and other activities under this jurisdiction are also being supported from gratuity funds. The Budget estimate as submitted was $24,100 below the amount authorized for 1932, a portion of which was transferred to the gratuity item for general support purposes.

SUPPORT OF CHIPPEWA INDIANS IN MINNESOTA (TRIBAL FUNDS) (P. 58, LINES 1-19)

| | |
|---|---|
| Budget estimate | $100,000 |
| Allowed by House | 100,000 |
| Reported to Senate | 75,000 |
| Total reduction | 25,000 |

The original estimate proposed $100,000, of which $60,000 was set up for agency and general support purposes, and $40,000 for relief of indigent Indians; $15,000 has been cut from the former item and $10,000 from the latter. The $15,000 cut will involve the abolishment of one position of physician, two clerks, one forest guard, and one laborer.

The Consolidated Chippewa Agency has jurisdiction over approximately 13,400 Indians, residing on nine different reservations. It is necessary to maintain subagencies for the benefit of several of the separate groups. Some years ago the numerous Chippewa agencies, except Red Lake, were consolidated, resulting in considerable savings. Further savings at this time will work a hardship upon these Indians and will delay the handling of details of administration to a marked degree. For the Red Lake and Consolidated Chippewa jurisdictions only 24 employees are paid from this appropriation and we consider each of them necessary.

With regard to the proposed $10,000 reduction in expenditures for the relief of needy members of the tribe, we can only say that we know of no better use to which this money can be put and earnestly request that the amount of the reduction be restored. It is sorely needed.

SUPPORT OF OSAGE AGENCY, OKLAHOMA (TRIBAL FUNDS) (P. 59, LINES 10-19)

| | |
|---|---|
| Budget estimate | $210,000 |
| Allowed by House | 175,000 |
| Reported to Senate | 150,000 |
| Total reduction | 60,000 |

This reduction will mean a very drastic cut in personnel, as well as a reduction in other expenses in connection with the administration of Osage affairs, both individual and tribal. It will be necessary to abolish at least 17 positions, preservation of law and order will be disrupted, the field offices or subagencies at Hominy, Fairfax, and Foraker will be closed, and other economies will necessarily be effected. Notwithstanding the diminishing income to this tribe of Indians, there is a vast amount of routine work that must be handled, such as the many individual Indian accounts, supervision of oil and gas mining activities, including receipt and disbursement of funds accruing from royalties, execution of leases and assignment of leases, and aiding Indians in the construction or repair of homes. Because of past history in connection with this reservation, with its large income from natural resources, a complex administrative problem exists. The relinquishment of supervision or withdrawal of clerical assistance will undoubtedly result in many cases of undue advantage being taken of the individual Indians. The Indian Service is charged by law with certain detailed duties, the performance of which require adequate personnel. The Budget estimate was $49,000 less than the amount provided for the current year and $54,000 less than the amount authorized for 1931. While the necessity for curtailment of expenditures is recognized, a too rapid change will be to the actual disadvantage of the Indians. It is believed that $175,000 is the lowest possible minimum that should be provided. As a matter of fact, we feel that the minimum requirement in this transition period is $200,000.

CONFEDERATED BANDS OF UTES, UTAH (TRIBAL FUNDS) (P. 60, LINES 1-21)

*Ute Mountain*

| | |
|---|---|
| Budget estimate | $48,000 |
| Allowed by House | 48,000 |
| Reported to Senate | 42,500 |
| Total reduction | 5,500 |

The proposed decrease of $5,500 will involve the abolishment of two positions of laborer and decreases in the amounts expended for miscellaneous purposes, such as supplies for issue to Indians, purchase of equipment, industrial assistance, and repair of reservation roads, bridges, and fences. Nearly half of this appropriation is paid out per capita to the Indians.

*Uintah*

| | |
|---|---|
| Budget estimate | $20,000 |
| Allowed by House | 20,000 |
| Reported to Senate | 17,500 |
| Total decrease | 2,500 |

This proposed reduction will probably involve the abolishment of one position of clerk at the agency and decreases in the amount expended for irregular labor, mining expenses, road and bridge work, etc.

ADDRESS BY GOVERNOR ROOSEVELT ON POLITICAL AND ECONOMIC CONDITION

Mr. DILL. Mr. President, last night over the radio chain Gov. Franklin D. Roosevelt made an address on the political and economic conditions of the country. It is such a fine discussion of Democratic philosophy and stands out in such striking contrast to the philosophy of Mr. Mills before the Finance Committee that I should like to have it inserted in the RECORD at this point in my remarks.

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

The address is as follows:

Although I understand that I am talking under the auspices of the Democratic National Committee, I do not want to limit myself to politics. I do not want to feel that I am addressing an audience of Democrats nor that I speak merely as a Democrat myself. The present condition of our national affairs is too serious to be viewed through partisan eyes for partisan purposes.

Fifteen years ago my public duty called me to an active part in a great national emergency—the World War. Success then was due to a leadership whose vision carried beyond the timerous and futile gesture of sending a tiny army of 150,000 trained soldiers and the regular Navy to the aid of our allies. The generalship of that moment conceived of a whole nation mobilized for war—economic, industrial, social, and military resources gathered into a vast unit capable of any actuality in the process of throwing into the scales 10,000,000 men equipped with physical needs and sustained by the realization that behind them were the united efforts of 110,000,000 human beings. It was a great plan, because it was built from bottom to top and not from top to bottom.

SEES CRISIS GREATER THAN WAR

In my calm judgment, the Nation faces to-day a more grave emergency than in 1917.

It is said that Napoleon lost the Battle of Waterloo because he forgot his infantry—he staked too much upon the more spectacular but less substantial cavalry. The present administration in Washington provides a close parallel. It has either forgotten or it does not want to remember the infantry of our economic army.

These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power, for plans like those of 1917 that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid.

Obviously, these few minutes to-night permit no opportunity to lay down the ten or a dozen closely related objectives of a plan to meet our present emergency; but I can draw a few essentials—a beginning, in fact—of a planned program.

It is the habit of the unthinking to turn in times like this to the illusions of economic magic. People suggest that a huge expenditure of public funds by the Federal Government and by State and local governments will completely solve the unemployment problem. But it is clear that even if we could raise many billions of dollars and find definitely useful public works to spend these billions on, even all that money would not give employment to the seven or ten million persons who are out of work. Let us admit frankly that it would be only a stop-gap. A real economic cure must go to the killing of the bacteria in the system rather than to the treatment of external symptoms.

How much do the shallow thinkers realize, for example, that approximately one-half of our whole population—fifty or sixty, million people—earn their living by farming or in small towns whose existence immediately depends on farms. They have to-day lost their purchasing power. Why? They are receiving for farm products less than the cost to them of growing these farm products. The result of this loss of purchasing power is that many other millions of people engaged in industry in the cities can not sell industrial products to the farming half of the Nation. This brings home to every city worker that his own employment is directly tied up with the farmer's dollar. No nation can long endure half bankrupt. Main Street, Broadway, the mills, the mines, will close if half of the buyers are broke.

I can not escape the conclusion that one of the essential parts of a national program of restoration must be to restore purchasing power to the farming half of the country. Without this the wheels of railroads and of factories will not turn.

Closely associated with this first objective is the problem of keeping the home owner and the farmer owner where he is without being dispossessed through the foreclosure of his mortgage. His relationship to the great banks of Chicago and New York is pretty remote. The $2,000,000,000 fund which President Hoover and the Congress have put at the disposal of the big banks, the railroads, and the corporations of the Nation is not for him.

His is a relationship to his little local bank or local loan company. It is a sad fact that even though the local lender in many cases does not want to evict the farmer or home owner by foreclosure proceedings he is forced to do so in order to keep his bank or company solvent. Here should be an objective of government itself, to provide at least as much assistance to the little fellow as it is now giving to the large banks and corporations. That is another example of building from the bottom up.

One other objective closely related to the problem of selling American products is to provide a tariff policy based upon economic common sense rather than upon politics, hot air, and pull. This country during the last few years, culminating with the Hawley-Smoot tariff of 1929, has compelled the world to build tariff fences so high that world trade is decreasing to the vanishing point. The value of goods internationally exchanged is to-day less than half of what it was three or four years ago.

Every man and women who gives any thought to the subject knows that if our factories run even 80 per cent of capacity they will turn out more products than we as a nation can possibly use ourselves. The answer is that if they are to run on 80 per cent of capacity we must sell some goods abroad. How can we do that if the outside nations can not pay us in cash? And we know by sad experience they can not do that. The only way they can pay us is in their own goods or raw materials, but this foolish tariff of ours makes that impossible.

What we must do is this—to revise our tariff on the basis of a reciprocal exchange of goods, allowing other nations to buy and to pay for our goods by sending us such of their goods as will not seriously throw any of our industries out of balance, and incidentally making impossible in this country the continuance of pure monopolies which cause us to pay excessive prices for many of the necessities of life.

Such objectives as these three—restoring farmers' buying power, relief to the small banks and home owners, and a reconstructed tariff policy—these are only a part of ten or a dozen vital factors. But they seem to be beyond the concern of a national administration which can think in terms only of the top of the social and economic structure. They have sought temporary relief from the top down rather than permanent relief from the bottom up. They have totally failed to plan ahead in a comprehensive way. They have waited until something has cracked and then, at the last moment, have sought to prevent total collapse. It is high time to get back to fundamentals. It is high time to admit with courage that we are in the midst of an emergency at least equal to that of war. Let us mobilize to meet it.

## REPORTS OF COMMITTEES

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 939) to limit the jurisdiction of district courts of the United States, reported it without amendment and submitted a report (No. 530) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3386) for the relief of Nellie Francis, reported it with amendments and submitted a report (No. 531) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 903. An act for the relief of John J. Corcoran (Rept. No. 532);

H. R. 882. An act for the relief of G. W. Wall (Rept. No. 533);

H. R. 1202. An act for the relief of Lehde & Schoenhut (Rept. No. 534); and

H. R. 2086. An act for the relief of Francis Engler (Rept. No. 535).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 277) defining and regulating power sites upon the Blackfeet Indian Reservation, in the State of Montana, reported it with an amendment and submitted a report (No. 536) thereon.

He also, from the same committee, to which was referred the bill (S. 2393) to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes, reported it without amendment and submitted a report (No. 537) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (S. 3864) authorizing expenditures from Colorado River tribal funds for reimbursable loans, reported it with amendments and submitted a report (No. 538) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the 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, reported it with amendments and submitted a report (No. 539) thereon.

Mr. REED, from the Committee on Military Affairs, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H. R. 5848. An act authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Richmond, Va., in June, 1932 (Rept. No. 540);

H. R. 7788. An act authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department (Rept. No. 541); and

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam (Rept. No. 542).

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 3334) for the relief of William M. Sherman, reported it with an amendment and submitted a report (No. 543) thereon.

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 3179) for the relief of Charles E. Bourke, reported it with an amendment and submitted a report (No. 544) thereon.

He also, from the same committee, to which was referred the bill (S. 1385) for the relief of Dan Davis, reported it without amendment and submitted a report (No. 545) thereon.

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. DILL, from the Committee on the Judiciary, reported favorably the nomination of Charles D. Jones, of Alaska, to be United States marshal, division No. 2, district of Alaska.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. REED, from the Committee on Military Affairs, reported favorably several nominations of officers in the Regular Army.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

## BILLS INTRODUCED

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

By Mr. BARBOUR:

A bill (S. 4342) relating to contracts for the erection or alteration of public buildings; to the Committee on Public Buildings and Grounds.

By Mr. STEIWER:

A bill (S. 4343) relating to loans by the Reconstruction Finance Corporation to farmers for summer following during the year 1932; to the Committee on Banking and Currency.

By Mr. SCHALL:

A bill (S. 4344) granting an increase of pension to Anna S. Christopherson; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4345) to correct the military record of Frank M. Soop, deceased (with accompanying papers); to the Committee on Military Affairs.

By Mr. BULKLEY:

A bill (S. 4346) for the relief of Primo Tiburzio; to the Committee on Claims.

A bill (S. 4347) granting an increase of pension to Georgette M. Perkins; and

A bill (S. 4348) granting an increase of pension to Anna Robinson; to the Committee on Pensions.

By Mr. BROUSSARD:

A bill (S. 4349) authorizing the President of the United States to present a navy cross to Carlos V. Cusachs, late lieutenant commander, United States Navy; to the Committee on Naval Affairs.

REVENUE AND TAXATION—AMENDMENTS

Mr. STEIWER, Mr. TRAMMELL, and Mr. THOMAS of Idaho each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which were severally referred to the Committee on Finance and ordered to be printed.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed and to be printed in the RECORD, as follows:

On page 69, line 8, after "corporation," insert "accumulated after February 28, 1913."

On page 85, line 7, after the word "profits," insert "accumulated after February 28, 1913."

On page 85, line 11, after the period insert the following: "Any earnings or profits accumulated, or increase in value of property accrued, before March 1, 1913, may be distributed exempt from tax, after the earnings and profits accumulated after February 28, 1913, have been distributed, but any such tax-free distribution shall be applied against and reduce the basis of the stock provided in section 113."

On page 86, line 7, after "shareholders," insert "is not out of increase in value of property accrued before March 1, 1913, and."

On page 87, line 4, after the word "profits," insert "accumulated after February 28, 1913."

AMENDMENT TO PHILIPPINE INDEPENDENCE BILL—DUTIES ON SUGARS

Mr. BROUSSARD also submitted an amendment intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed and to be printed in the RECORD, as follows:

On page 8, strike out lines 16 to 23, inclusive, and insert in lieu thereof the following:

"There shall be levied, collected, and paid on refined and unrefined sugars coming from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the Government of the Commonwealth of the Philippine Islands 50,000 long tons of refined sugar and 800,000 long tons of unrefined sugar shall be exempt from the payment of said duty, and that for the second year the amounts of refined and unrefined sugars herein provided to be admitted free of duty shall be reduced by 5 per cent; for the third year by 10 per cent; for the fourth year by 15 per cent; for the fifth year by 25 per cent; for the sixth year by 40 per cent; for the seventh year by 60 per cent; for the eighth year by 85 per cent, and thereafter, and until final independence is granted, full duties shall be paid."

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. ODDIE submitted an amendment intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 76, line 1, strike out "$6,000,000" and insert in lieu thereof "$10,000,000," so as to read:

"Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12a); $10,000,000, to be immediately available and to remain available until advanced to the Colorado River Dam fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in this act under the caption 'Bureau of Reclamation' without regard to the limitations of amounts therein set forth: *Provided*, That of this fund not to exceed $70,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of schools on said reservation."

WAR DEBTS AND REPARATIONS

Mr. BORAH. Mr. President, one of the subjects about which everybody is thinking and about which there is much discussion is war debts and reparations. I ask unanimous consent to have inserted in the RECORD an article by S. O. Levinson, a distinguished lawyer of Chicago, Ill., upon that subject. It approaches the subject from a wholly new and original viewpoint. I believe it is a distinct contribution.

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

[From the New York Times, April 7, 1932]

WAR DEBTS AND REPARATIONS—A PLAN FOR REORGANIZATION AND READJUSTMENT LEADING TO A FINAL SETTLEMENT

To the EDITOR OF THE NEW YORK TIMES:

It seems timely to reconsider the acute international questions in which the United States is heavily interested. Financial complications resulting from our entry into the war, our governmental loans and credits to the Allies during and immediately after the war, and the efforts of American and European bankers to aid in postwar European recovery have, together with the burning question of German reparations, produced perhaps the greatest and most vexing economic problem of all time. Should we not, in our own, as well as in world interest, complete the work of economic recovery by promoting an equitable liquidation of the war inheritances now plaguing mankind?

The proposed plan is based on the assumption that sound American public opinion will support the consummation of a just plan, to which all interested nations and parties are required to make substantial contributions—a plan that will equitably lighten the afterburdens of the war, reconcile the nations of Europe, drastically reduce the staggering costs of armaments, revive for our farmers and manufacturers a normal foreign market, and make possible a return of prosperity and an era of genuine peace.

The proposed plan, following the analogy of a business reorganization, seeks to take account of the most acute international factors and to do substantial justice to all interested nations. A business reorganization is occasioned by an excess of debts. No sound reorganization can take place unless there is an adequate reduction of indebtedness—the crux of the situation.

Certainly reparations and debts had a common origin—both arose from the caldron of the World War. The real question is, What is the best solution of this perplexing problem?

The proposed plan is as follows:

1. Procure for the United States, in final readjustment of the allied debts owing us, a total aggregate cash settlement amounting to a little over $4,000,000,000, as follows: Cash already received from the Allies up to the moratorium of June 20, 1931 (report of our Secretary of the Treasury for 1931, p. 551), $2,615,000,000; additional cash to be received from the Allies under proposed plan ($1,400,000,000 at the flat rate of $100,000,000 a year for 14 years, commencing December 15, 1932), $1,400,000,000; total cash payment of Allies to United States, $4,015,000,000. As the original principal of these debts was about $10,000,000,000, the United States would thus receive 40 per cent thereof, or, if computed on the principal as reduced in our 1923–1928 debt settlements, we would be receiving about 60 per cent thereof.

2. In addition the United States to receive $70,000,000 in cash, payable $5,000,000 a year for 14 years, commencing December 15, 1932, in full settlement of the unpaid balance owing on our Army of Occupation costs and the mixed claims governmental award of $42,000,000 (both these are direct German obligations), $70,000,000. This makes a grand total in cash to the United States of $4,085,000,000.

3. All old disputed and vexatious claims in foreign nations against the United States, or its constituent States, especially those asserted by British subjects against some of our Southern States, to be abandoned and canceled.

4. All interallied European debts, the original principal of which was about $7,000,000,000 (mostly owing to Great Britain, by her European allies), to be canceled and released. Among these debtors to Great Britain are France, Italy, Belgium, Rumania, Czechoslovakia, Yugoslavia, Poland, Greece, Lithuania, Finland, Estonia, and Latvia.

5. German reparation payments to the Allies to be reduced from their present annual level of $413,000,000 (including both conditional and unconditional payments) to $150,000,000 annually,

payable unconditionally in gold. The period of reparation payments to be limited to 14 annual flat installments of $150,000,000 each, commencing December 15, 1932, making a total additional reparation payment by Germany of $2,100,000,000. This would yield the Allies, after paying the United States $100,000,000 annually, a balance of $50,000,000 a year in reparations for 14 years for distribution among themselves, or a total of $700,000,000.

6. In addition Germany to pay principal, interest, and sinking funds on her outstanding Dawes and Young bond issues, originally $210,000,000 and $300,000,000, respectively, subject to interest and sinking fund modifications in sections 7 and 8.

7. Reduction in the annual rate of interest by the holders of all Germany's external commercial bonds and notes (including bankers' and investors' loans, governmental, municipal, and industrial loans and also the Dawes and Young plan bonds) from their pre-moratorium general average of about 8 per cent per annum to 5½ per cent. As Germany at 8 per cent has been paying a total of $460,000,000 interest annually on the foregoing external debts, a reduction to 5½ per cent would mean a saving to her in gold payments of about $145,000,000 a year. British, French, American, Dutch, and Swiss banks and bankers handled these external German loans, and they and their respective nationals are now the holders of these bonds and notes.

8. Defer and omit sinking-fund or amortization payments on all the above external German loans, including the Dawes and Young bonds, for a period of three years, same to be resumed thereafter. This will furnish a much-needed breathing spell, and should make unnecessary any further moratorium for that purpose.

9. A general plan of equitable, progressive but drastic disarmament to be evolved and accepted by the nations at the present Geneva disarmament conference. The world has been spending $10,000,000 a day ($4,000,000,000 a year) the past few years for peace-time armaments. If the nations now meeting at Geneva would agree to a progressive pro rata cut of 50 per cent of their armaments, the world would save from economic waste $2,000,000,000 a year, or $5,000,000 a day. The United States would thereby save $350,000,000 a year indefinitely and Europe the sum of $1,200,000,000 a year indefinitely.

10. The treaty of Versailles to be reasonably revised to conform to the spirit and purpose of the proposed readjustment in order to bring about political appeasement and amity among European peoples. This work is strictly European and mainly Franco-German.

11. In view of the great relief from present conditions afforded Germany under this plan, and doubly to insure her permanent acceptance thereof, a plebiscite to be held in Germany ratifying the entire program of readjustment, thereby binding the present and future German Governments in its validity and permanence, regardless of political changes hereafter in the Reich.

If the foregoing plan did not furnish relief to Germany, it should adorn the waste basket. The theory has been to make Germany pay not "the most she can" but "the least she must" to accomplish an equitable liquidation of the war mess. The plan attempts to disentangle and simplify the snarl of international war debts and to reduce them all to a point of moderation and assured payment. The plan requires American and foreign bankers and their clients to contribute $145,000,000 a year by a reduction of the interest rate on German bonds and notes to 5½ per cent. A sound 5½ per cent German bond will command a materially higher price in the financial markets of the world than a precarious 8 per cent German bond now does.

The United States is apparently making the greatest sacrifice in the proposed program. But in reality the sacrifice was largely made years ago and with our eyes open. We voluntarily entered the war with great enthusiasm, shared by the writer and his two soldier sons. Our Government spent $38,000,000,000 in the 19 months we were in the war. We asked nothing and took nothing from the peace table in 1919. We made investments in the form of war loans and credits to the Allies aggregating $10,000,000,000. Here is a staggering total governmental war investment of $48,000,000,000. When did we really lose this money; was it when we expended and loaned it; was it when we refused to share in the spoils of war; or would it be now when we are trying to set the broken world on its feet by accepting 40 cents on the dollar of the original loans from nations whose "capacity to pay," in common with our own, has enormously declined? It is clear that we are making no attempt to get back any of our other $38,000,000,000, which is 80 per cent of it all. It is now only a question of how much we can save out of the remaining 20 per cent of our war investment. The proposed plan would yield us a total of 40 per cent thereof, or $4,000,000,000.

The United States long ago renounced the spoils of war. It was President McKinley who first announced that thereafter the United States would not partake of the fruits of conquest or war victory. President Wilson made a similar pronouncement when we entered the World War. We have not based our action on technical or legal grounds, and it would be in keeping with our record of restraint and unselfishness to promote and help carry out a general settlement. Have the statesmen of Europe the courage and vision not only to join in this movement, but themselves to lead it? If they have, then the recent words of Senator BORAH may become historically prophetic: "I predict that if such a program were inaugurated in Europe, it would strike an immediate response in the hearts of our people."

As has been truly said, the allied and associated powers won the war but lost the peace. It is poor consolation to say that the Central Powers lost both.

How long is the penal servitude of the war to last? And who are really paying its crushing penalties? The innocent common people of every nation of the earth. I appeal from the conduct of war-mad nations to their sober sense of forgiveness, justice, and peace. I appeal to Great Britain, France, Italy, Belgium, Poland, and the other Allies to put an end to the economic and political chaos resulting from the war and to form a solid European phalanx for that purpose. I make especial appeal to the spiritual quality of the great French people whose name is imperishably attached to the creation and life of democracy, to apply their noble emblem of "liberty, equality, and fraternity" to all their international relationships. Europe thinks America is the stumbling-block, America thinks France is. As the treaty renouncing war bears at its head the names of a French and an American statesman, I fervently hope both our peoples will join in leading the world out of the morass of international ill will, injustice, and oppression, into the fertile fields of "equality and fraternity," where God reigns and the blessings of peace may triumph.

S. O. LEVINSON.

CHICAGO, ILL., *April 4, 1932.*

HISTORY OF THE DEMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD a history of the demonetization of silver, taken from the Pittsburgh Post of August 22, 1896. This is an old story, but at the same time it is very pertinent to the discussion that is going on at this time.

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

[From the Pittsburgh Post, August 22, 1896]

THE GREAT CRIME OF 1873 THAT THE PEOPLE MUST RIGHT

I. THE WORLD'S MONEY PRIOR TO DEMONETIZATION

Up to the demonetization of silver by the United States by the act of February 12, 1873, which President Grant signed unconscious of what he did, Great Britain, Turkey, and Portugal were the only European countries on an exclusively gold standard. Turkey, with a basis of inconvertible paper money, made little demand for gold. It was under the influence of Great Britain and the British bondholders, and Portugal was in the same condition, growing out of her rescue from Napoleon by Wellington. The gold standard was part of the price paid by Portugal. At the same time on a single silver standard were Germany, Austria, Russia, Sweden, Norway, Denmark, and Holland. On a bimetallic basis, using silver and gold at a fixed ratio, were the United States and the Latin Union, composed of France, Belgium, Italy, Switzerland, and Greece. England had demonetized silver in 1816 at the close of the Napoleonic wars, when she had an immense bonded debt. The population of the countries demanding a gold basis, excluding Turkey as of no account, was 38,000,000—6,000,000 in Portugal and the remainder in Great Britain. The population of the countries on a bimetallic or silver basis was 250,000,000. The destruction of silver as a primary or redemption money for this vast number of people, with their natural expansion in business and population, caused the demand for gold to increase largely in excess of the supply, thus causing a relative contraction in the amount of primary money and the resulting phenomenon of a continual fall in prices of products of labor and the fastening of debts redeemable in gold upon the world. In 1873 the public debts of the world were about $25,000,000,000, on which the annual interest was not less than the inconceivable amount of $1,000,000,000. The annual interest charge on the public debt of the United States was at that time $98,050,000 on a debt of $2,105,462,000, and of the States and municipalities the debt was $868,000,000, with an interest charge of not less than $45,000,000.

What efforts could not the holders of this vast aggregation of international debt, comparatively few in numbers, make to have it doubled and made perpetual? If silver could be demonetized in the United States, the work would practically be done. Here we have the animating motive of a conspiracy invented in London and executed in Washington.

In 1873 Germany and the United States demonetized silver, and demonetization by the United States was vastly the more important, as it was the largest silver-producing country. This threw the burden of maintaining the existing ratio, with free coinage, upon other and smaller countries, and the task became too difficult. So long as the demand for silver as money was general, the accepted legal ratio with gold was maintained without difficulty; but when it was demonetized by Germany and the United States, the two largest nations of the world, a large source of the demand was cut off and the price fell. The powerful Latin Union, including France, Italy, and other nations, was compelled in the latter part of 1874, to limit the coinage of the 5-franc silver piece, its only silver coin of full debt-paying power. In 1874 Norway and Sweden adopted the gold standard; in 1875 Holland closed its mints to the coinage of silver; in 1876 Russia did the same, except such coins as were struck for the Chinese trade; in 1878 the Latin Union closed its mints to full legal tender silver coin; in 1879

Austria-Hungary and in 1890 Rumania adopted the single gold standard.

Before 1873 only 38,000,000 of the population of Europe and America were on the gold standard. Starting with demonetization by America and Germany in that year, when the "round-up" in the gold interest was accomplished, there were nearly 300,000,000 of the population of the great civilized nations of the world doing most of its business, transferred to the sovereignty of King Gold, with an indebtedness of $25,000,000,000 and an annual interest charge of $1,000,000,000. A great English publicist, Sir Moreton Frewen, declared in the Fortnightly Review for 1893 that this change in the primary money of the world, in the oppression of the people and the enhancement of the gains of bonded capital, has "probaby cost the world of human industry more than all the wars of the century."

### II. THE GREAT LEGISLATIVE CRIME OF AMERICAN HISTORY

We come now to the part of the United States in promoting and making successful the gold conspiracy. It was done secretly and surreptitiously, precisely as if those engaged in it realized that publicity would damn their infamous plot. History seems to show that John Sherman, always the tool and servitor of the money power, was the most potent individual instrument in accomplishing the work. In 1867 he attended the first monetary conference in Paris, not as a member, but as a spectator. He was "converted" to the single gold standard and returned to the United States an advocate of the policy that this country, with its enormous and recently created war debt, should abandon the bimetallic standard and without delay go upon the single gold standard. It is not worth while to discuss his motives—whether it was pride of opinions or the possibility of the profits that made him a millionaire on a moderate salary. In 1868 he made his first move in introducing in the Senate a bill with an uncertain title, but short and plain, stopping the coinage of the silver dollar and making the standard exclusively of gold. It attracted no attention from the public and was opposed with such effect by Senator Morgan, of New York—not the syndicate man—that Sherman discovered it was useless to attempt to pass the bill. In 1870 Mr. Sherman made another attempt in the same direction in connection with Secretary of the Treasury Boutwell and Comptroller John Jay Knox. This bill was substantially the same as the one that became a law in 1873. It was of a deceptive character, and in the debates on it there was no indication it demonetized silver, or that anyone understood that it did. This bill passed the Senate, Sherman himself voting against it as a bulwark against the odium of later years. It went to the House, was amended, came back to the Senate, and was passed by that body January 17, 1873, by a trick which prevented debate upon the section demonetizing silver. It is a mystery the way it was done. The evidence has been presented that the demonetizing section was not printed in the proof bill, which was before the Senate the day of debate and passage. But it succeeded, and the game was so skillfully played that Senator William M. Stewart, the great silver advocate, himself voted for the demonetizing bill. He declared he would never have voted for the bill, under any circumstances, had he known of its character. President Grant signed the bill February 12, 1873, without knowledge of what it contained. Sherman, who engineered the scheme, had been previously, in 1868, balked in his efforts to openly demonetize silver, so in this instance he fell back on secret and deceptive ways. The proof is irresistible.

In condensed form, Mr. Bronson C. Keeler in his valuable monograph on the demonetization of silver says: "The bill came from the Treasury with a mendacious letter from Secretary Boutwell; it was put through the Senate by treachery, through the House by falsehood (that it did not affect silver), through the Senate again by a criminal trick, and was signed by a revered President uninformed as to its contents. It was Mr. Sherman's second attempt to demonetize silver."

There is evidence, although we admit it is not conclusive, that at the time of the passage of the demonetizing act, and for some time before, there was a wealthy ring of European speculators in Washington busy with the mysteries of legislation in the quiet way known to the experienced traffickers in finance and law. Another thing is to be considered, that at the time the bill passed the fever of the war and reconstruction period had not passed. Men gave little attention to political economy, and the measure of values was not generally understood. There was no coin in circulation, and had been none for years. But the British gold speculators and security holders were able to read the future. No question of their acuteness. British domination of the finances of the world is proof of it.

### III. HOW THE GREAT CRIME WAS FIRST DISCOVERED IN ENGLAND

It was not for a year after the act was accomplished that this great crime was discovered. And then, strange to say, it was discovered in England. The British financiers were better posted on the subject than the American people. How this came about was retold by Gen. A. J. Warner, of Ohio, at the great Bryan meeting held in Pittsburgh on Monday evening, August 10. He said:

"I learned of the demonetization in London in 1874, a year after the crime of 1873. In conversation with a number of men, one of whom was afterwards a member of Gladstone's cabinet, the subject of American finances was broached, and I said: 'We will get over our troubles and resume specie payment easier than did England after her Napoleonic wars.'

"They said, 'How so?'

"I replied, 'Our silver mines will help us.'

"Their reply astonished me. It was: 'You have demonetized silver.'

"I smiled at that and said, 'We would not be fools enough to do that'; but one of them said, 'There is no mistake about it. Your last Congress demonetized silver. I wonder if your people understand that act. It was something wonderful to demonetize silver, of which your country is a great producer, before your war debt was paid.'

"When I came back to New York I could find no one who knew anything about it but a few bankers. I had to send to Washington to get the bills before I could understand it.

"We then began to pay our debts by destroying half the money in which it was payable. Ex-Speaker Reed in a speech a few days ago said that the bill was passed after a discussion, but I know, and all know who remember those times, that the bill was passed without a discussion, under a suspension of the rules. There was discussion of immaterial matters connected with the working of the mints, but nothing said in debate of the demonetization of silver."

Even the newspaper press of the United States was in ignorance of the demonetization of silver for nearly a year after the passage of the bill, when the fact was discovered and public agitation commenced to grow for the righting of the wrong to the people.

On January 18, 1873, the day after the demonetization of silver by Congress, probably the most important legislative act since the Civil War ended, the Associated Press sent out to the country this brief dispatch relating to the demonetizing bill, which was all the knowledge the correspondents had of the crime:

"Mr. Sherman called up the bill to revise and amend the laws relating to mints, assay offices, and coinage of the United States, which was amended and passed."

That was all. There are no newspapermen on the face of the globe keener on the hunt of news and more quick to discover the hidden springs and results of legislative acts than the corps of Washington correspondents, representing all parties and all sections of the Union. Yet they knew nothing of it. They were kept in the dark as to this momentous law, which is now engaging the earnest attention of 70,000,000 people on this continent and absorbs the interest of the rulers and economists of Europe.

The way the bill was framed was well calculated to preserve the secrecy of its true intent and main purpose. We have a copy before us. It bears the title: "An act revising and amending the laws relative to the mints, the assay offices, and coinage of the United States." No suggestion in the title that it was to wipe out one of the standard moneys of the world—the primary money, the money of final redemption, the legal tender, which, being given in payment of debt, extinguishes the obligation. And yet at this time we had outstanding of Federal, State, and municipal debts the enormous aggregate of nearly three thousand millions of dollars (as given in the census and debt statement, the exact amount was $2,974,138,818), and the direct and indirect effect of this legislative act snaked through Congress by secret or corrupt methods was to double the burden of this debt on the productive energies of the American people. Where has there been in history a crime equal in magnitude to this? There was repudiation for you. But to get back to the demonetizing bill. It covers 17 closely printed pages and has 67 sections. We defy anyone not acquainted with its purpose or informed of its dodges to go over this bill to-day and locate by line or section the great crime of demonetization.

Embedded around sections laying down the technical details of coinage, the duties of mint officers, their salaries, and the regulation of assay offices are the 59 mischievous words, out of a total of over 9,000 in the bill, which did the work of demonetization. Section 14 makes the gold dollar the unit of value. The demonetizing clause is in the last 23 words of section 15. Then we skip to section 17 for the clause forbidding the further coinage of the 412½-grain silver dollar. There is evidence of an intent to accomplish the perfidy by secret methods everywhere. John Sherman's bill of 1868 to accomplish the same purpose openly had only 800 words, but John grew wiser, and when he made his second attempt his bill was expanded to 9,000 words and its real meaning hidden under a mass of legal verbiage. James G. Blaine signed the bill as Speaker of the House not knowing what its provisions were; President Grant approved the bill unconscious that his signature demonetized silver in the United States, and the argus-eyed press, with its army of alert Washington correspondents, was as ignorant of the intent of the bill as if it had established the Mohammedan faith as the national religion of America.

The reason is evident. An examination of the Congressional Globe shows that not one word was uttered by Mr. Sherman, as chairman of the Finance Committee, or by any member of that committee or by any Senator intimating in the remotest degree that the bill demonetized silver, dropped the silver dollar from our coinage, and placed us on a gold standard.

### IV. THE PEOPLE AROUSED AND THEIR DEMAND FOR REDRESS

It was more than a year after the bill became a law that the people of this country had intimations of its effect and purpose. It was well known in England among British financiers what its intent was, but not in America. General Warner, as we have shown, heard of it first in England, did not believe it, and was not able to verify the facts until he returned to America and had access to the official documents. In time the people became fully aroused to the enormity and consequences of the act. Conventions of all parties denounced the demonetizing law, Congressmen were elected pledged to repeal it, and it is a fact that both the Senate and the House of Representatives have at different times passed bills righting the crime of 1873 by authorizing the free coinage of silver. But, unfortunately, they never did so at one Congress.

The national conventions of both the great parties declared their faith, time and again, in the bimetallic standard as the settled policy of this country. William McKinley, in the Republican National Convention of 1888, was the author of the platform censuring the Cleveland administration for "its efforts to demonetize silver." In 1878 the House passed a free coinage bill, but the Senate did not concur, and the compromise Bland bill was passed over the Hayes-Sherman veto by a two-thirds majority of both Houses of Congress. Under it nearly 500,000,000 silver dollars have been coined with full legal-tender quality, except as against the British bondholder. He must have his gold, and it has been saved to him by repudiation of an act of Congress. Not until this year, 1896, has any national convention of any party declared for the single gold standard and the perpetuation of the crime of 1873. The St. Louis convention that nominated McKinley shouldered the fraud, and, putting a man with a free-coinage record on a gold platform, declared that "the existing gold standard must be maintained"—at least until Great Britain gives its gracious permission for Americans to rule America. On the other hand, William J. Bryan stands for full reparation and the righting of the tricky crime of 1873, with an American financial system, by Americans and for Americans.

V. THE EVIDENCE OF PRESIDENT, SENATORS, AND CONGRESSMEN THEY WERE DECEIVED

It only remains in completing this history to present the proof that the President of the United States, the Speaker of the House, and Senators and Representatives were cheated by John Sherman's tricky legislation of 1873. Only a few days ago he declared the Congress voted it after "exhaustive debate," and charged Members in a flippant way with "pleading the baby act" in confessing they were "tricked." Eight months after the passage of the bill President Grant wrote a letter to his friend, Mr. Cowdrey, every sentence of which shows he was ignorant of the character of the law he signed in February, 1873. The letter appears in McPherson's Handbook of Politics for 1874, pages 134 and 135, and is as follows:

"The panic has brought greenbacks about to a par with silver. I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come, and I predict that it will soon, we will have made a rapid stride toward specie payments. Currency will never go below silver after that. The circulation of silver will have other beneficial effects. Experience has proved that it takes about forty millions of fractional currency to make small change necessary for the transaction of the business of the country. Silver will gradually take the place of this currency and, further, will become the standard of values, which will be hoarded in a small way. I estimate that this will consume from two or three hundred millions, in time, of this species of our circulating medium.

"It will leave the paper currency free to perform the legitimate functions of trade, and will tend to bring us back where we must come at last, to a specie basis. I confess to a desire to see a limited hoarding of money. It insures a firm foundation in time of need. But I want to see the hoarding of something that has a standard of value the world over. Silver has this, and if we once get back to that our strides toward a higher appreciation of our currency will be rapid. Our mines are now producing almost unlimited amounts of silver, and it is becoming a question, 'What shall we do with it?' I suggest here a solution that will answer for some years, and suggest to you bankers whether you may not imitate it: To put it in circulation now; to keep it there until it is fixed, and then we will find other markets."

Evidently General Grant, when he wrote this letter, did not realize the fact that silver was no longer a legal tender, and that it had been demonetized, deprived of its legal tender quality, and remained so until the Bland Act of 1878.

James G. Blaine was Speaker of the House when the demonetizing act of 1873 passed, and as Speaker signed the bill. In the Senate, on February 15, 1878, during the consideration of the Bland silver dollar bill, the following colloquy took place between Senators Voorhees and Blaine:

"Mr. VOORHEES. I want to ask my friend from Maine, whom I am glad to designate in that way, whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized. Did he know, as Speaker of the House, presiding at that time, that the silver dollar was demonetized in the bill to which he alludes?

"Mr. BLAINE. I did not know anything that was in the bill at all. As I have before said, little was known or cared on the subject. [Laughter.] And now I should like to exchange questions with the Senator from Indiana, who was then on the floor, and whose business it was, far more than mine, to know, because by the designation of the House I was to put questions; the Senator from Indiana, then on the floor of the House, with his power as a debater, was to unfold them to the House. Did he know?

"Mr. VOORHEES. I very frankly say that I did not."

No man in the country had the confidence of the people of all parties to a greater extent than the late Senator Thurman, of Ohio. He was in the Senate when the bill of 1873 was passed, and in the same debate, when all Senators were on the confessional that they had no knowledge of John Sherman's trick, Mr. Thurman said:

"When the bill was pending in the Senate, we thought it was simply a bill to reform the mint, regulate coinage, and fix up one thing and another, and there is not a single man in the Senate, I think, unless a member of the committee from which the bill came, who had the slightest idea that it was even a squint toward demonetization."—CONGRESSIONAL RECORD, volume 7, part 2, Forty-fifth Congress, second session, page 1064.

Senator Conkling, in the Senate, on March 30, 1876, during the remarks of Senator Bogy on the bill (S. 263) to amend the laws relating to legal tender of silver coin, in surprise inquired:

"Will the Senator allow me to ask him or some other Senator a question? Is it true that there is now by law no American dollar? And if so, is it true that the effect of this bill is to make half dollars and quarter dollars the only silver coin which can be used as a legal tender?"

Senator Allison, on February 15, 1878, when the bill (H. R. 1093) to authorize the free coinage of the standard silver dollar and to restore its legal-tender character was under consideration, observed:

"But when the secret history of this bill of 1873 comes to be told, it will disclose the fact that the House of Representatives intended to coin both gold and silver and intended to place both metals upon the French relation instead of on our own, which was the true scientific position with reference to this subject in 1873, but that the bill afterward was doctored."

Mr. William D. Kelley, of Pennsylvania, a recognized leader of the Republican Party, who had charge of the bill, in a speech made in the House of Representatives on March 9, 1878, said:

"In connection with the charge that I advocated the bill which demonetized the standard silver dollar, I say that, though the chairman of the Committee of Coinage, I was ignorant of the fact that it would demonetize the silver dollar or of its dropping the silver dollar from our system of coins, as were those distinguished Senators, Messrs. Blaine and Voorhees, who were then Members of the House, and each of whom a few days since interpassed?' 'No,' said Mr. Blaine; 'did you?' 'No,' said Mr. Voorhees. I do not think that there were three Members in the House that knew it."

Again, on May 10, 1879, Mr. Kelley said:

"All I can say is that the Committee on Coinage, Weights, and Measures, who reported the original bill, were faithful and able and scanned its provisions closely; that, as their organ, I reported it; that it contained provision for both the standard silver dollar and the trade dollar. Never having heard until a long time after its enactment into law of the substitution in the Senate of the section which dropped the standard dollar, I profess to know nothing of its history; but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard silver dollar of the United States. I have never found a man who could tell just how it came about or why."

Senator Beck, in a speech made in the Senate January 10, 1878, said:

"It [the bill demonetizing silver] never was understood by either House of Congress. I say that with full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—discovered that it had been done."

We could quote columns of testimony by Members of Congress in line with what is given above. Republicans and Democrats all came forward in 1878, when the weight of public censure was heaviest, to declare they had no knowledge of the character of the law—that they were deceived into voting for this. Such Republicans as General Garfield, of Ohio, and Mr. Cannon and Mr. Burchard, of Illinois, declared to the same effect, while the veteran watchdog of legislation, Mr. Holman, of Indiana, declared its "passage by the House was a colossal swindle." We close our extracts with this cutting statement by Mr. Bright, a prominent Member at that time from Tennessee, who said:

"It passed by fraud in the House, never having been printed in advance, being a substitute for the printed bill; never having been read at the Clerk's desk, the reading having been dispensed with by an impression that the bill made no material alteration in the coinage laws; it was passed without discussion, debate being cut off by operation of the previous question. It was passed, to my certain information, under such circumstances that the fraud escaped the attention of some of the most watchful as well as the ablest statesmen in Congress at that time. * * * Aye, sir, it was a fraud that smells to heaven. It was a fraud that will stink in the nose of posterity, and for which some persons must give account in the day of retribution."

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.

DEPRECIATION OF FOREIGN CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign currency values upon importations of important commodities into the United States, and for other purposes.

Mr. REED. Mr. President, I bore pretty heavily yesterday upon the patience of the Senate, speaking for about two hours on the pending resolution. I have thought it over and, unless there are some questions some Senator cares to ask, I believe that I do not care to take any more of the time of the Senate. I tried yesterday to explain, I might say, that this is a mere request for information; that it covers not only the ad valorem duties but also the specific duties——

Mr. BYRNES rose.

Mr. REED. Does the Senator from South Carolina desire me to yield?

Mr. BYRNES. Will the Senator from Pennsylvania yield to me for the purpose of asking unanimous consent for the consideration of Senate Resolution 194, which was called up yesterday morning and to the consideration of which the Senator from Oregon [Mr. McNARY] said he would not object this morning?

Mr. REED. How long would it take?

Mr. BYRNES. I think it will lead to no debate and will take practically no time.

Mr. REED. May it be reported?

The VICE PRESIDENT. Let the resolution be reported for the information of the Senate.

The CHIEF CLERK. Senate Resolution 194——

Mr. FESS. Mr. President, will not the Senator from South Carolina, in view of what is taking place in the morning in the nature of a conference between Members of the House and the President on the same subject, defer action upon the resolution until at least Monday? I would like to have him do so if he will.

Mr. BYRNES. I will state to the Senator from Ohio that the resolution merely asks for information which would be of great value to the Appropriations Committee of the Senate, which is working to-day on appropriation bills. I feel sure that no Senator would object merely to the request that the President furnish to the Senate and the House the information asked for in the resolution.

Mr. FESS. While I know nothing about it except what I saw in the papers, I would think that the same thing the Senator is asking for is likely to come through the conference to-morrow morning.

Mr. BYRNES. Then may I say to the Senator that no harm can be done by adopting the resolution, because the information which is sent to the House and given to the House could then be given to the Senate in response to its request.

Mr. REED. Mr. President, I know now to which resolution the Senator from South Carolina is referring. The resolution which is the unfinished business of the Senate can be disposed of, I hope, within an hour, and I would rather not have other business interfere with it now.

The VICE PRESIDENT. The Senator from Pennsylvania has the floor.

Mr. REED. As I started to say, I did my best to explain yesterday that the resolution before the Senate calls for information as to the effect of the depreciation of British and other currencies from imports of those articles upon which we have both ad valorem and specific duties. I think, although I do not know, that the information will show that temporarily our ad valorem duties furnish an insufficient protection against imports from countries whose currencies are depreciated. I believe, on the other hand, it will show that our specific duties are perhaps temporarily too high in regard to articles coming from those same countries. In any event, it is information by which every Member of the Senate would be aided and which every one of us ought to have in legislating intelligently upon these emergency questions.

I shall content myself with that explanation and with the statement that there is no good in my again going over the long list of commodities which show very great increases as between 1930, before those countries went off the gold standard, and 1931, after they went off the gold standard. I would like, for the benefit of those Senators who were not here yesterday, to go over that list again, but I shall not presume to take the time of the Senate to do it.

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

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Colorado?

Mr. REED. Certainly.

Mr. COSTIGAN. Not having heard the full discussion of the Senator from Pennsylvania, I may be inadvertenly asking a question he has already answered. Is the Senator aware that the Tariff Commission in 1922 made a report with reference to exchange conditions existing at that time similar to the report he now seeks on present conditions?

Mr. REED. Yes.

Mr. COSTIGAN. Is the Senator also aware that the Tariff Commission under its general powers is authorized to make a report without an invitation from this body?

Mr. REED. I am aware of that, but I am also aware that it has been the custom of this body to ask for such reports as it desires.

Mr. COSTIGAN. It has been a source of surprise to me that it has been deemed necessary to use the time of the Senate over such a resolution, in view of the existing powers of the Tariff Commission.

Mr. REED. I share in that surprise, because the resolution once passed without any apparent dissent, and then was recalled on a motion to reconsider the vote by which it was passed. I, too, was surprised.

PROPOSED ELIMINATION OF TARIFF ITEMS FROM TAX BILL

Mr. TYDINGS. Mr. President, I shall interrupt for only a few moments the discussion of the resolution which is the unfinished business of the Senate and which is now pending. The purpose of the revenue bill now before the Finance Committee is to raise sufficient money, and to raise it quickly, so that the deficit may be eliminated and the Budget balanced. There are, however, in the revenue bill provisions dealing with two commodities upon which it is proposed that tariff duties shall be imposed—oil and coal. An observer on the floor here knows that many other items are under consideration by Members, and attempts will be made to offer amendments to the bill, either before the committee or on the floor, to insert other tariff legislation in that measure.

There is just one thought in connection with tariff provisions in the revenue bill which I think has escaped most of us and which may be worthy of consideration. The bill proposes to raise in excise taxes about $90,000,000 per month from the day it goes into effect. It is perfectly apparent that by the consideration of tariff questions, bringing on months of debate and interminable delay, the final passage of the revenue bill will be considerably postponed into the future, and every month it is postponed means a loss to the Federal Treasury of about $90,000,000. Therefore, if the passage of the bill shall be postponed for six months, it will mean that $500,000,000 of contemplated revenue will not find its way into the Treasury because of such delay, and therefore we shall have a deficit, due to that delay, of $500,000,000 which the revenue bill as projected will not cover.

If the tariff debate should take on a wider range and we should not be able to terminate our consideration of the tax bill for a year, of course a billion dollars of contemplated revenue would likewise be lost. It strikes me, therefore, in view of the great importance of balancing the Budget, that we should keep in mind that every month the passage of the revenue bill shall be delayed will mean that $100,000,000 of contemplated revenue will be lost to the Treasury.

Senators who may contemplate offering amendments providing tariff duties on various products, no matter how great the merit of their cause, must also bear in mind that this loss in revenue will of itself cause new taxes to be laid, because the delay will make the deficit even larger than that which we now contemplate wiping out.

I therefore offer a resolution, which I will not discuss further, but which I ask may now be read and lie on the table, to be taken up at some early date.

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

The Chief Clerk read the resolution (S. Res. 196), as follows:

Whereas the prime purpose of the revenue bill now pending before the Senate Finance Committee is to raise quickly sufficient revenue to take care of governmental expenditures and to offset the impending deficit; and

Whereas the inclusion of tariff rates and embargoes in said revenue bill will mean, from past history, many months of interminable debate and delay of the final passage of said revenue bill; and

Whereas, as projected, the revenue bill is calculated to raise $90,000,000 per month in excise and similar taxes and the delay in the passage of said bill will prevent the Government each month from obtaining said needed revenue to the extent of $90,000,000; and

Whereas tariff rates and embargoes have no place in a purely revenue-raising bill of internal import: Now, therefore, be it

*Resolved*, That the Finance Committee is hereby instructed and directed to strike from said revenue bill all tariff matters included therein and to report the bill to the Senate with no tariff rates or embargoes included therein whatsoever.

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

### DEPRECIATION OF FOREIGN-CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

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

Mr. REED. I move to amend the committee amendment by substituting the word "April" for the word "February," in line 5, page 2.

Mr. HARRISON. I have no objection to substituting "April" for "February."

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to, and the amendment, as amended, is agreed to.

Mr. WALSH of Massachusetts. Mr. President, a committee whose work is sponsored by the majority of the paper mills of the United States has prepared a statement and other information on the effect of depreciation in the value of foreign currencies upon our imports of wood pulp.

This committee was organized to oppose a tariff on wood pulp, and it claims that the result of its study indicates that commodity prices in the countries which have left the gold standard have risen in a direct relationship with the decrease in foreign exchange rates.

I ask to have printed in the RECORD, in connection with the debate on the pending resolution, the information and data prepared by this committee, sponsored by the paper manufacturers of the United States.

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

### DEPRECIATED EXCHANGE

The general thought behind the pending (Senator REED's) resolution and the various bills which have been introduced in Congress with reference to the effect of the depreciation in the value of foreign currencies upon our imports, is that as the currency of a foreign country depreciates its cost of production of manufactured articles depreciates accordingly, thereby giving the foreign country a material advantage in its competition with the industries of the United States. At first thought such an assumption might seem reasonable, but on an analysis of the facts it is found that as the currency of the country depreciates, the items which enter into the cost of production of the article increase; and while there is a slight lag, the increase in commodities, labor, etc., offsets the advantage that would otherwise be gained through the depreciation. About the only advantage gained through depreciated currency is in the matter of debts which have been incurred in the past and which can be paid in the depreciated currency. Current items and obligations incurred after the currency has depreciated adjust themselves to the new level.

This situation is illustrated very clearly in a folder entitled "Depreciated exchange and the tariff," which was prepared and distributed by the temporary committee opposing the tariff on wood pulp. This committee, whose work is sponsored by a majority of the paper mills of the United States, has made an exhaustive study of the subject and presented the matter in the form of two charts and a small amount of descriptive matter. These charts, which are prepared from United States Government figures, show definitely and conclusively that commodity prices in the countries which have left the gold standard have risen in a direct relationship with the decrease in foreign exchange rates.

The purpose of the bills which have been introduced in Congress is to equalize for the amount the currency has depreciated, by taking the value of the article, computed on the par value of the currency of the country of exportation, and deducting the value of the article computed on the exchange rate of the currency of the country of exportation, and levying a duty equal to the difference.

In other words if the currency of the country has depreciated from a mint par of $1 to an exchange rate of 75 cents there has been a depreciation of 25 cents. Under the plan outlined in the bills, this depreciation would be offset by a duty, in addition to any existing duties, on all imports of products of the country whose currency has depreciated this amount of 25 cents, for each $1 of the value computed in terms of the par value of the currency of the exporting country. This would result in an ad valorem duty on the imported value of 33⅓ per cent, which is the amount necessary to be added to the exchange value of 75 cents in order to offset the depreciation of 25 cents.

That such a duty has just the opposite effect from the avowed purpose of equalizing prices and competition is shown by a folder prepared by the same committee entitled "Depreciated Currency and Wood-Pulp Prices." This folder has been prepared from statistics compiled by the Bureau of Foreign and Domestic Commerce, and contains a series of charts showing the average value by months of imports into the United States of various types of wood pulp from the five principal countries exporting wood pulp to the United States. Of these five countries, Germany alone has remained on the gold standard; the other four, Canada, Sweden, Norway, and Finland, departed from the gold standard during September and October, 1931.

These charts and the accompanying data, which are based on imports for the 14 months beginning January 1, 1931, and ending February 29, 1932, cover a period of eight months when all of the countries were on the gold standard and approximately six months when four of them have been on a depreciated-currency basis. From an examination of the charts it is impossible to tell at what date the countries left the gold standard, for there is no break in the prices when the countries left the gold standard, and, in fact, since that time the trend in most of the countries has been slightly upward in contrast with the declining prices which were in evidence before the countries departed from the gold standard.

This folder also contains a most interesting table based on imports of unbleached sulphite wood pulp and exchange rates during February, 1932. The table shows that during this month the imports of unbleached sulphite wood pulp from Germany averaged $30.61 per short ton, from Canada $32.49, from Sweden $33.21, and from Finland $37.19. During the same month, February, 1932, the exchange in the countries which had left the gold standard had depreciated, and to equalize in accordance with the bills now pending would have required an equivalent ad valorem duty of 14.56 per cent on imports from Canada, 38.93 per cent on imports from Sweden, and 68.01 per cent on imports from Finland; Germany, remaining on the gold standard, would not have been affected. Applying this ad valorem duty, the value of the imports would have been as follows: $30.61 per ton from Germany, $37.22 from Canada, $46.14 from Sweden, $62.48 from Finland. In other words, the spread in price between Germany and Finland, the high and low value countries for this particular grade of wood pulp during February, would have increased from $6.58 per ton to $31.87 per ton.

It is interesting to note that in this particular case Finland, whose currency had depreciated the largest amount, had the highest average cost per ton; which in itself would entirely disprove the argument that an equalizing duty is necessary on wood pulp from countries on a depreciated exchange basis.

### DEPRECIATED EXCHANGE AND THE TARIFF

Bills have been introduced in Congress which if passed would place a tariff duty on wood pulp in order to offset the so-called advantage of foreign producing countries which have departed from the gold standard. Such action is proposed in more than a dozen similar bills and is headed up in House bill 8688, which proposes to place, on all items imported into the United States from countries which have departed from the gold standard, an additional tariff duty equivalent to the depreciation from the standard value of currency of the country as of October 1, 1931.

For example, if on March 21, 1932, an article which had a value of 100 krona was imported from Sweden, the additional duty under the proposed bill would be equal to the standard value of 100 krona on October 1, 1931 ($26.80) less the value of 100 krona on March 21, 1932 ($19.92), which would be $6.88 in addition to the existing duty, if any, under the tariff act of 1930. The result would be an additional ad valorem tariff duty of nearly 35 per cent.

In so far as wood pulp, which is on the free list, is concerned, this proposal has two basic economic defects:

1. It assumes that the cost of production is evenly balanced between the United States and the principal foreign countries exporting to the United States, based on the standard value of the currencies of the countries as of October 1, 1931.

2. It assumes that the cost of all items entering into the production of wood pulp, such as labor, wood, chemicals, power, taxes, etc., have decreased, in terms of gold, proportionately to the decrease in the foreign-exchange rate.

The first assumption is immediately disproved by the well-known fact that foreign pulps have consistently been sold in the United States at higher prices than domestic pulps.

The second assumption is entirely disproved by the economic fact that the cost of domestic materials, labor, etc., in a country which has departed from the gold standard tends to increase and in due time adjust itself to the new values, and that other materials must be purchased in the world market in terms of gold.

The charts on the following pages show that the present situation is no exception and that an additional tariff duty, as provided in House bill 8688, would be unjust and unsound.

FOREIGN EXCHANGE RATES

The chart shown below is based on monthly averages of daily quotations of foreign exchange rates as published by the Federal Reserve Board. In order to make the rates directly comparable they have been reduced to the percentage that the published rate bears to the par of exchange. (For example, the par of exchange of the Swedish krona is 26.8 cents. The monthly average of the daily quotations for January, 1932, was 19.19 cents. Therefore the percentage is the percentage that 19.19 is of 26.8, which is 71.6.)

Of the six countries shown, the United States and Germany are still on the gold standard. Gold payments were suspended by Norway and Sweden on September 29, 1931, and by Finland on October 12, 1931. On October 19, 1931, Canada prohibited the export of gold. The chart indicates that the drop in exchange rates has been arrested and that the present tendency is upward.

A comparison of this chart with the chart of Wholesale Commodity Price Indexes shows that in countries where the drop in exchange has been the greatest the increase in wholesale commodity prices has been the greatest. Thus the increase in wholesale commodity prices tends to offset the apparent advantage created by the drop in exchange.

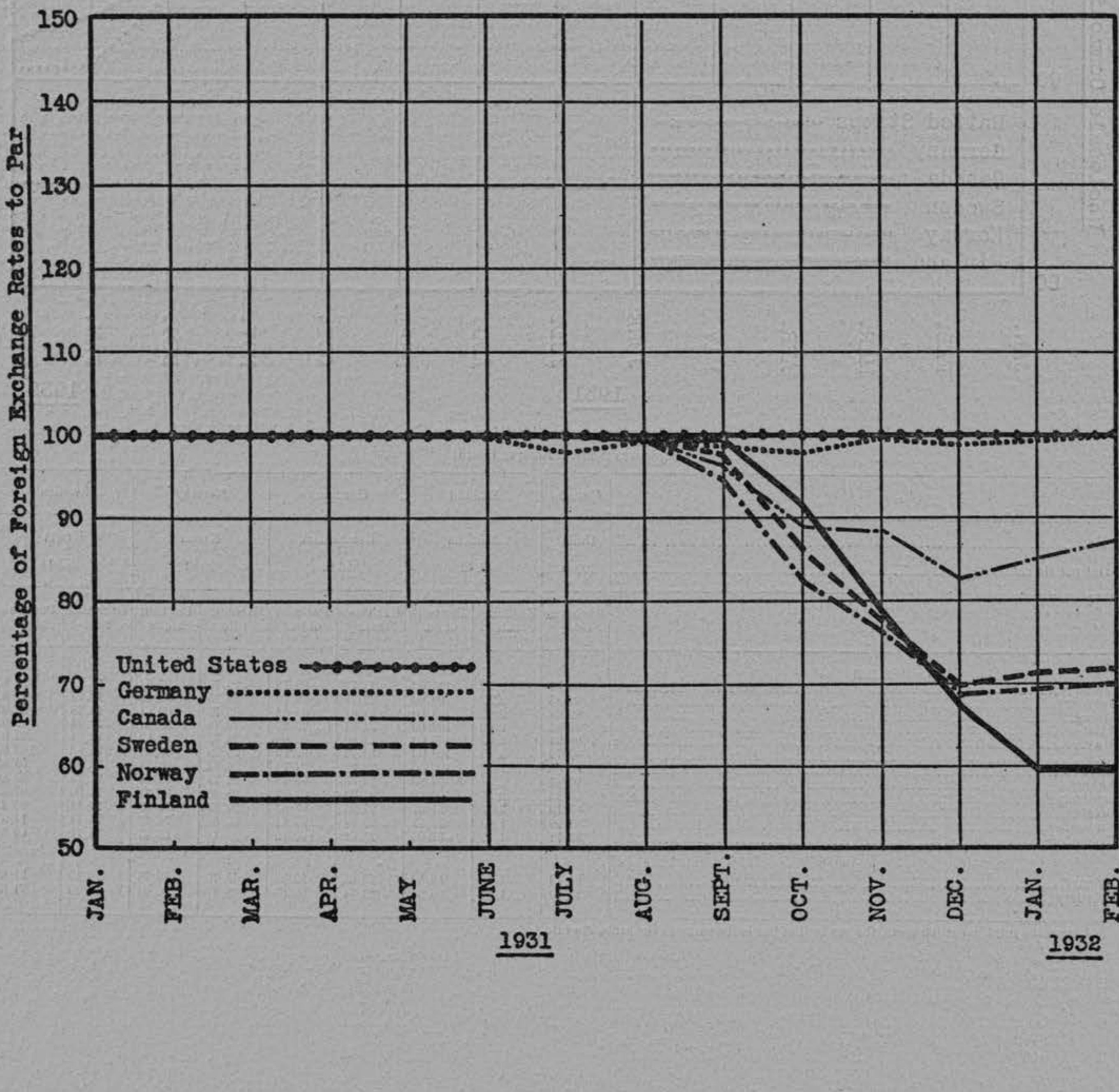
WHOLESALE COMMODITY PRICE INDEXES

The chart reproduced on the following page is based on the wholesale commodity price indexes of the five principal countries exporting wood pulp to the United States and the United States index. Indexes were taken from the United States Department of Commerce compilation and reduced to a common base (August, 1931) in order to make them directly comparable.

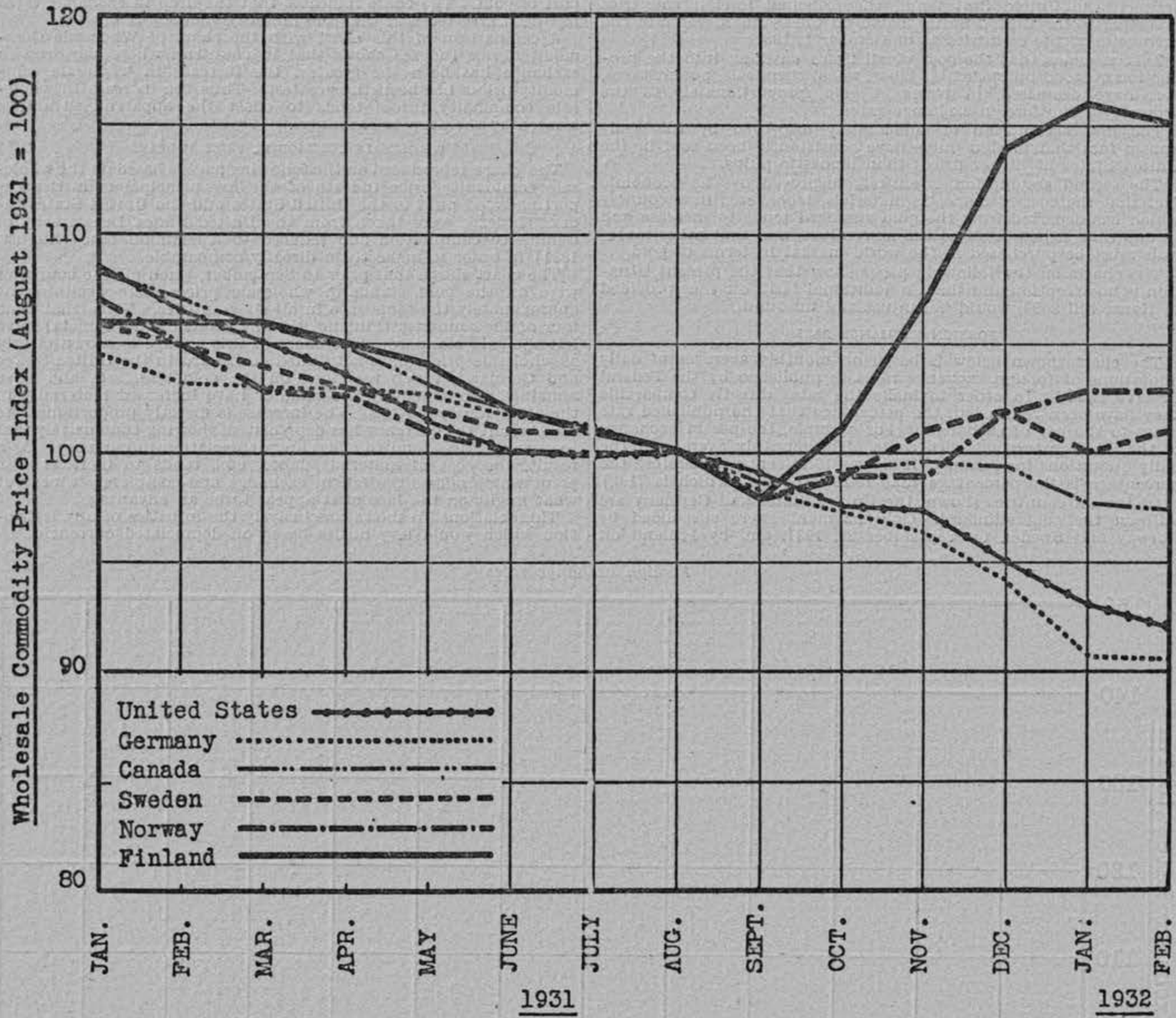
The chart shows that prior to September, when all the countries were on the gold standard, wholesale prices were declining at approximately the same rate in all six countries. Since that time four of the countries (Finland, Norway, Sweden, and Canada) have left the gold standard. The effect of this change is shown clearly as wholesale prices have continued downward in the United States and Germany, which remained on the gold standard, and have remained approximately the same or have increased materially in the other four countries. The increase is directly proportionate to the amount the currency has depreciated, showing conclusively that increasing prices tend to offset any depreciation in currency. As a result, the cost of materials, labor, etc., tends to increase to a point which offsets the fall in exchange and completely wipes out what might on the face of it appear to be an advantage.

This relationship shows conclusively the injustice of any legislation which would levy duties based on depreciated currencies.

*Foreign exchange rates*



*Wholesale commodity price Indexes*




*Foreign exchange rates—Monthly averages*

[Source: Federal Reserve Board]

| | Canada | Finland | | Germany | | Norway | | Sweden | |
|---|---|---|---|---|---|---|---|---|---|
| Unit | Dollar | Markka | | Reichsmark | | Krone | | Krona | |
| Mint par (in cents) | 100.00 | 2.52 | | 23.82 | | 26.80 | | 26.80 | |
| | Exchange rate[1] | Exchange rate | Per cent of par | Exchange rate | Per cent of par | Exchange rate | Per cent of par | Exchange rate | Per cent of par |
| 1931 | | | | | | | | | |
| January | 99.79 | 2.52 | 100.00 | 23.77 | 99.79 | 26.73 | 99.74 | 26.76 | 99.85 |
| February | 99.98 | 2.52 | 100.00 | 23.77 | 99.79 | 26.75 | 99.81 | 26.77 | 99.89 |
| March | 99.98 | 2.52 | 100.00 | 23.81 | 99.96 | 26.75 | 99.81 | 26.78 | 99.93 |
| April | 99.95 | 2.52 | 100.00 | 23.81 | 99.96 | 26.75 | 99.81 | 26.78 | 99.93 |
| May | 99.94 | 2.52 | 100.00 | 23.80 | 99.92 | 26.77 | 99.89 | 26.81 | 100.04 |
| June | 99.72 | 2.52 | 100.00 | 23.73 | 99.62 | 26.78 | 99.93 | 26.80 | 100.00 |
| July | 99.66 | 2.52 | 100.00 | 23.28 | 97.73 | 26.73 | 99.74 | 26.76 | 99.85 |
| August | 99.69 | 2.51 | 99.60 | 23.66 | 99.33 | 26.73 | 99.74 | 26.75 | 99.81 |
| September | 96.25 | 2.51 | 99.60 | 23.42 | 98.32 | 25.40 | 94.78 | 26.09 | 97.35 |
| October | 89.10 | 2.31 | 91.67 | 23.24 | 97.57 | 22.07 | 82.35 | 23.11 | 86.23 |
| November | 88.99 | 1.93 | 78.57 | 23.68 | 99.41 | 20.52 | 76.57 | 20.74 | 77.39 |
| December | 82.71 | 1.69 | 67.06 | 23.62 | 99.16 | 18.48 | 68.96 | 18.71 | 69.81 |
| 1932 | | | | | | | | | |
| January | 85.13 | 1.50 | 59.52 | 23.65 | 99.29 | 18.70 | 69.78 | 19.19 | 71.60 |
| February | 87.29 | 1.50 | 59.52 | 23.74 | 99.67 | 18.77 | 70.04 | 19.29 | 71.98 |

[1] Since the mint par is 100 cents, the per cent of par is the same as the exchange rate.

*Wholesale commodity price indexes*

[Source: Bureau of Foreign and Domestic Commerce]

| | United States | | Germany | | Canada | | Sweden | | Norway | | Finland | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of commodities | 784 | | 400 | | 502 | | 160 | | 95 | | 139 | |
| Base | 1926 | 1931 [1] | 1913 | 1931 [1] | 1926 | 1931 [1] | 1913 | 1931 [1] | 1913 | 1931 [1] | 1925 | 1931 [1] |
| 1931 | | | | | | | | | | | | |
| January | 78.2 | 108.5 | 115.2 | 104.5 | 76.7 | 108.2 | 115 | 106 | 128 | 107 | 86 | 106 |
| February | 76.8 | 106.5 | 114.0 | 103.4 | 76.0 | 107.2 | 114 | 105 | 126 | 105 | 86 | 106 |
| March | 76.0 | 105.4 | 113.9 | 103.3 | 75.1 | 105.9 | 113 | 104 | 124 | 103 | 86 | 106 |
| April | 74.8 | 103.7 | 113.7 | 103.2 | 74.5 | 105.1 | 112 | 103 | 123 | 103 | 85 | 105 |
| May | 73.2 | 101.5 | 113.3 | 102.8 | 73.0 | 103.0 | 111 | 102 | 121 | 101 | 84 | 104 |
| June | 72.1 | 100.0 | 112.3 | 101.9 | 72.2 | 101.8 | 110 | 101 | 120 | 100 | 83 | 102 |
| July | 72.0 | 99.9 | 111.7 | 101.3 | 71.7 | 101.1 | 110 | 101 | 120 | 100 | 82 | 101 |
| August | 72.1 | 100.0 | 110.2 | 100.0 | 70.9 | 100.0 | 109 | 100 | 120 | 100 | 81 | 100 |
| September | 71.2 | 98.8 | 108.6 | 98.5 | 70.0 | 98.7 | 107 | 98 | 117 | 98 | 79 | 98 |
| October | 70.3 | 97.5 | 107.1 | 97.2 | 70.4 | 99.3 | 108 | 99 | 119 | 99 | 82 | 101 |
| November | 70.2 | 97.4 | 106.6 | 96.7 | 70.6 | 99.6 | 110 | 101 | 119 | 99 | 87 | 107 |
| December | 68.6 | 95.1 | 103.7 | 94.1 | 70.3 | 99.2 | 111 | 102 | 122 | 102 | 92 | 114 |
| 1932 | | | | | | | | | | | | |
| January | 67.3 | 93.3 | 100.0 | 90.7 | 69.4 | 97.9 | 109 | 100 | 123 | 103 | 94 | 116 |
| February | 66.3 | 92.0 | 99.8 | 90.6 | 69.2 | 97.6 | 110 | 101 | 123 | 103 | 93 | 115 |

[1] August 1931=100.

DEPRECIATED CURRENCY AND WOOD-PULP PRICES

More than a dozen bills (headed up by H. R. 8688) have been introduced in Congress in an effort to place an additional tariff duty on articles imported from countries which have departed from the gold standard. It is frankly stated by those sponsoring the bills that the primary purpose is to place a tariff duty on wood pulp, which has been on the free list for many years.

On first thought it might seem reasonable that the selling price of articles exported from a country would drop as the currency of the country depreciated. However, it is a well-known economic fact that prices rise in a country which departs from the gold standard, which tends to offset the drop in exchange.

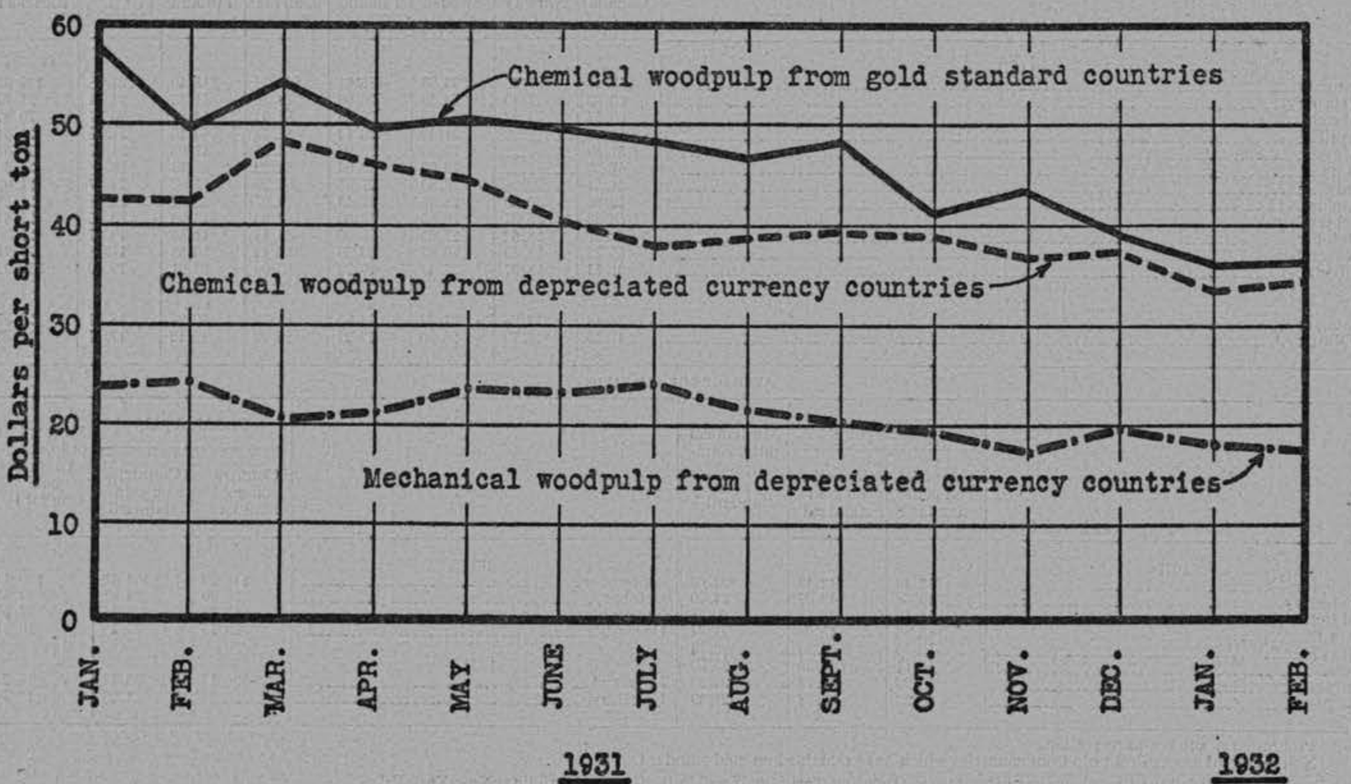
That wood pulp is no exception to this economic fact is illustrated by the chart below and the charts on the following pages.

The chart below presents in United States currency, by months, the average foreign value or export value, whichever is higher, per short ton of wood pulp imported into the United States from Germany, Canada, Sweden, Norway, and Finland. During 1931 these five countries furnished 97.6 per cent of the total tonnage of wood pulp imported into the United States. Of the five countries, Germany is still on the gold standard and has been shown separately. The other four departed from the gold standard during September and October, 1931.

The chart shows that the value per ton of the imports of wood pulp from the countries which left the gold standard did not show any greater fluctuation after the currency depreciated than before. In fact, the fluctuation in these four countries was less than that in Germany, which remained on the gold standard. When it is considered that the currency of Finland has depreciated as much as 40 per cent; Norway, 30 per cent; Sweden, 30 per cent; and Canada, 17 per cent; and that H. R. 8688 and the other bills propose to place a tariff duty which will offset this depreciation on all wood pulp imported from the respective countries, the injustice of such a duty becomes very apparent.

*Average value per short ton of general imports of wood pulp*

(Values per short ton are the foreign value or export value, whichever is higher)



An example of the way in which H. R. 8688 would operate to disrupt wood-pulp prices is shown in the following table based on imports of unbleached sulphite wood pulp and exchange rates during February 1932.

| Country from which imported | Value of imports per short ton | Per cent of par of exchange | Equivalent ad valorem duty (per cent) | Amount of duty | Value plus duty |
|---|---|---|---|---|---|
| Germany | $30.61 | 99.67 | ([1]) | | $30.61 |
| Canada | 32.49 | 87.29 | 14.56 | $4.73 | 37.22 |
| Sweden | 33.21 | 71.98 | 38.93 | 12.93 | 46.14 |
| Finland | 37.19 | 59.52 | 68.01 | 25.29 | 62.48 |

[1] No duty, as H. R. 8688 provides that duty shall be levied only in case depreciation is 5 per cent or more below standard value as of October 1, 1931.

In other words, instead of equalizing the $6.58 per ton spread in value the bill, if enacted into law, would increase the spread to $31.87.

*Average values per short ton of general imports into the United States of wood pulp, by countries of origin*

[Source: Bureau of Foreign and Domestic Commerce]

(The following values are the foreign value or export value, whichever is higher. The values do not include ocean freight and insurance. In general, they are the values f. o. b. the foreign plant in which the wood pulp was manufactured)

| | Unbleached sulphite | | | | Bleached sulphite | | | | Soda |
|---|---|---|---|---|---|---|---|---|---|
| | Germany | Canada | Sweden | Finland | Germany | Canada | Norway | Sweden | Canada |
| 1931 | | | | | | | | | |
| January | $45.82 | $40.90 | $41.11 | $40.57 | $60.82 | $61.12 | $48.83 | $44.56 | $50.12 |
| February | 43.85 | 38.65 | 37.79 | 36.58 | 51.07 | 61.97 | 45.54 | 46.39 | 49.09 |
| March | 40.61 | 39.94 | 43.19 | 38.91 | 56.36 | 59.88 | 54.32 | 53.85 | 45.69 |
| April | 37.87 | 37.48 | 44.22 | 31.45 | 55.52 | 59.53 | 45.01 | 53.96 | 48.08 |
| May | 39.12 | 38.84 | 39.76 | 34.52 | 52.70 | 59.25 | 57.58 | 48.73 | 48.51 |
| June | 37.63 | 38.62 | 39.34 | 32.55 | 53.40 | 56.74 | 47.79 | 48.00 | 49.96 |
| July | 39.11 | 38.00 | 36.88 | 39.09 | 51.89 | 57.00 | 60.86 | 53.76 | 47.77 |
| August | 36.39 | 36.06 | 38.61 | 42.06 | 51.84 | 51.15 | 42.01 | 47.51 | 53.54 |
| September | 38.85 | 34.64 | 39.27 | 40.55 | 51.66 | 52.33 | 48.11 | 47.29 | 48.44 |
| October | 38.19 | 34.92 | 36.88 | 40.93 | 43.85 | 53.03 | 36.19 | 41.70 | 47.53 |
| November | 39.53 | 35.20 | 35.87 | 40.08 | 48.91 | 49.61 | 48.68 | 46.02 | 46.50 |
| December | 32.75 | 36.32 | 35.23 | 36.77 | 48.01 | 50.66 | 42.98 | 42.23 | 42.56 |
| 1932 | | | | | | | | | |
| January [1] | 27.09 | 33.53 | 33.17 | 33.59 | 45.47 | 49.50 | 40.81 | 37.14 | 38.57 |
| February [1] | 30.61 | 32.49 | 33.21 | 37.19 | 40.67 | 51.34 | 37.67 | 36.22 | 37.87 |

| | Unbleached sulphate | | | | Bleached sulphate | | Mechanically ground | |
|---|---|---|---|---|---|---|---|---|
| | Canada | Norway | Sweden | Finland | Canada | Finland | Unbleached | Bleached |
| 1931 | | | | | | | | |
| January | $53.23 | $31.46 | $33.33 | $35.61 | $80.74 | $45.40 | $23.78 | $22.62 |
| February | 60.99 | 27.49 | 33.59 | 26.96 | 78.15 | 41.33 | 24.44 | 21.70 |
| March | 56.57 | 34.23 | 32.82 | 29.36 | 82.34 | 45.81 | 20.74 | 20.82 |
| April | 56.79 | | 31.42 | 26.13 | 81.73 | 40.10 | 21.35 | 21.04 |
| May | 51.59 | | 29.35 | 23.98 | 85.15 | 47.97 | 24.07 | 19.67 |
| June | 47.25 | | 29.20 | 29.96 | 84.22 | 49.73 | 23.08 | 23.30 |
| July | 54.54 | | 26.89 | 27.95 | 85.29 | 45.82 | 24.67 | 21.97 |
| August | 52.86 | 30.09 | 28.46 | 27.48 | 79.97 | 35.82 | 21.38 | 21.64 |
| September | 56.82 | 35.33 | 26.85 | 33.60 | 83.96 | 43.98 | 20.05 | 21.84 |
| October | 42.57 | 28.62 | 27.66 | 28.09 | 80.15 | 41.56 | 19.37 | 22.36 |
| November | 55.22 | 28.59 | 26.82 | 30.59 | 84.12 | 50.53 | 17.48 | 19.71 |
| December | 51.53 | 28.37 | 27.49 | 29.72 | 83.09 | 53.21 | 19.80 | 19.92 |
| 1932 | | | | | | | | |
| January [1] | 38.48 | 27.28 | 27.32 | 28.85 | 81.71 | 50.28 | 18.11 | 20.87 |
| February [1] | 41.19 | 26.79 | 26.50 | 29.21 | 80.92 | 42.12 | 17.37 | 17.73 |

AVERAGES OF ALL KINDS

| | Chemical pulp | | Mechanical pulp, countries off gold standard [2] |
|---|---|---|---|
| | Countries off gold standard | Countries on gold standard | |
| 1931 | | | |
| January | $57.49 | $42.13 | $23.66 |
| February | 49.68 | 42.07 | 24.29 |
| March | 54.16 | 48.18 | 20.75 |
| April | 49.86 | 45.98 | 21.34 |
| May | 50.50 | 44.54 | 23.64 |
| June | 49.74 | 40.30 | 23.09 |
| July | 48.26 | 37.75 | 24.28 |
| August | 46.23 | 38.58 | 21.30 |
| September | $48.22 | $39.17 | $20.14 |
| October | 40.90 | 38.87 | 19.53 |
| November | 43.35 | 36.48 | 17.55 |
| December | 39.15 | 37.39 | 19.81 |
| 1932 | | | |
| January [1] | 36.17 | 33.17 | 18.23 |
| February [1] | 36.31 | 34.58 | 17.39 |

[1] Preliminary; subject to correction.
[2] No imports of mechanical pulp from countries which have remained on gold standard.

Prepared and distributed by Temporary Committee Opposing Tariff on Wood Pulp, Graybar Building, New York City.

Mr. HULL. Mr. President, the resolution offered by the Senator from Pennsylvania [Mr. REED] is entirely innocent on its face; and the utterances and demeanor of the able Senator from Pennsylvania in discussing it, while not in any way intended to conceal or cover up, I think more or less justify that innocent objective which on its face the resolution has.

No one would object to the fullest development of every fact and circumstance pertaining to all phases of depreciated currencies and of our international trade and general economic affairs. We know, of course, that during recent years there has been going on, and at this time there is going on, a wild movement among most of the nations to erect every conceivable kind of barrier and obstruction to the transfer of capital and goods and services across international boundaries. That almost half-insane disposition prevails in most countries at this time, and to-day in the United States we see a general effort, which soon will develop into a scramble, for higher and still higher tariff and other obstructions to every kind and character of international finance, trade, and commerce.

Our Tariff Commission, composed of excellent gentlemen, is, I think, so far as the majority is concerned, deeply imbued with this narrow spirit of what can best be described as economic nationalism. With that slant of mind and that bias, I am not at all certain, Mr. President, how many of the full and comprehensive facts of this situation the commission would, even with the best of purposes, develop and send to the Senate, nor how many facts or partial facts might unconsciously be omitted from the report. I much prefer that we have absolutely impartial facts from absolutely impartial sources at this stage in so far as they relate to this far-reaching purpose, which no one need conceal, to put on a new and additional drive for another layer of tariffs, or their equivalent, upon the already skyscraping structure which we have. Since this is really the avowed object of this movement, we should not deceive ourselves as the resolution makes its way through this body.

What have we to-day, Mr. President, in the way of industrial and commercial and general economic conditions? There is raging at the present time the most far-reaching and destructive panic in this country and in most other countries that the world has ever seen.

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

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

Mr. HULL. I yield.

Mr. LONG. Do I understand that the Senator is opposing the retention of the oil, coal, and other tariff items in the revenue bill?

Mr. HULL. If the Senator will restrain himself for a few minutes, with all due respect, he will discover that I am not speaking of that at all.

Mr. LONG. I beg the Senator's pardon.

Mr. HULL. Mr. President, there is something far more serious than individual interests and individual policies in this country at this time. As I was about to say, since October, 1929, the most destructive panic in all history has been raging in this and other nations. We find almost a total collapse of domestic and international credit, of international price levels, of the international financial and exchange structure, and a collapse of most all budgets, with the result that they are hopelessly out of balance. We have depreciated, diseased, and disordered currencies in most of the nations of the world. We have an all-time low price level of virtually every staple commodity that is in use, especially in international commerce; and yet, Mr. President, few of our statesmen anywhere thus far have undertaken to grapple with the almost unfathomable causes of this awful cataclysm which is sending to their graves from starvation millions of people on this planet, which is depriving of employment tens of millions of wage earners, which has prostrated the great agricultural industry everywhere, which has prostrated most of the mineral industries of the different nations of the world, which has reduced not only domestic production and business to a minimum everywhere but which has reduced international trade almost to a fragmentary condition. These conditions and these causes, involving the most unimaginable distress, financial, commercial, economical, and human, pervade every part of this and other countries of the world; and yet, Mr. President, the highest level that some of us to-day are able to ascend is to get hold of a microscope and ascertain whether, perchance, as I said some weeks ago, a few more pounds of wool are coming in here to supplement the 60 or 70 per cent we produce in order to keep us from freezing, whether a pair of shoes of a new fashion is coming in here, perchance, to supplement other fashions we already have, or whether in some wholly minor phase some other minor industry in this country is being affected.

Mr. President, in the face of these huge fundamental domestic and world problems relating to the checking of this raging panic, to the restoration of confidence that will permit credit to come out from its hiding places, and encourage business to avail itself of it again and start up industry and increase once more the price of staple commodities, which are now hopelessly below the cost of production, and let this country and the world again head back in a direction of sound, stable business recovery, I regret that as we go through this critical period we see nothing except local, selfish, individual interests projected. In considering the great problem, for instance, which the Senator from Maryland has mentioned, of speedily relieving the credit of the Government by enacting a tax measure, we must see if we can not lay the foundation for an entirely new and additional levy of tariffs or similar obstructions around this Nation against any possibility of slight or trivial imports from elsewhere.

I was impressed, as I came through Pittsburgh a couple of days ago, with an editorial of that great midwestern paper, the Pittsburgh Post; and this illustrates again, with all due respect, the heights to which we have failed to rise in dealing with these emergency conditions.

This editorial is headed "Jobs for 1,000." The distinguished junior Senator from Pennsylvania [Mr. DAVIS] is quoted as giving out a statement—I am not arguing the merits of this, but I merely call attention to it to show the state of some of our minds as we face these great mountainous problems—to the effect that the imports of coal amounted to two and a half million dollars, and that that would furnish work for a thousand Pennsylvania miners. That is in the face of the fact that we are exporting about sixteen times that amount of bituminous coal and furnishing work for sixteen times that number of American miners, and selling it to Canada and other foreign sections. Yet that is seriously urged here as a reason why we should abandon these real problems.

I do not stop to discuss the merits of this matter, but merely refer to the fact that we are called upon to halt our proceedings and turn away from consideration of the fundamental causes of our economic ills and broad fundamental remedies for them and devote a large part of the efforts of this great deliberative body during coming months to these small and individual phases of our economic situation.

Mr. President, I think we will search history in vain to discover another such condition of obstructions, the most amazing network of every conceivable kind of artificial obstructions to movements of capital and goods and services, as I said, across international boundaries and across different sections of our country.

Let me read here from the resolutions of the National Apple Growers' Association, which is descriptive. We have, I think, a duty of 25 cents a bushel on apples, and yet the whole salvation of the apple industry depends on exporting somewhere around $30,000,000 worth of their products; and here is a description which these gentlemen give. They are not interested primarily in tariffs, either pro or con; but here is their description of what they have come in contact with in their efforts to export their apples:

> Various governments and political agencies have so injected themselves into private industry and have so violated fundamental economic law that unwieldy surpluses have been built up, overproduction stimulated, confidence weakened, stability disrupted, and fears and antagonisms aroused to the point where the world has entered upon another war—international economic warfare—evidenced by mounting tariffs, total and partial embargoes—

I do not make reference merely to tariffs, Mr. President, but to this long list of other vicious trade obstructions that accompany them—

> Embargoes, drastic restrictions, and the stagnation of commerce. Governmental participation in business and commodity controls by various countries in recent years in rubber, sugar,

coffee, silk, nitrates, and sulphur needs no comment as to the disastrous results, and apparently the same record is now being written again as to wheat and cotton. No matter how well intentioned such acts may be, they are doomed from the beginning—

I am reading this without reference to their views or mine—

No matter how well intentioned such acts may be, they are doomed from the beginning and carry with them ever-mounting consequences of evil.

Among those consequences are the paralysis of initiative and the destruction of confidence and stability. Other fatal consequences are the artificial stimulation of production by nations through fear that another may take them by the throat and attempt to force them to pay beyond the normal price justified by the free play of economic law; and on the other hand is the fear of the possible dumping of surpluses in unknown quantities at unknown times. This results in the erection of trade barriers by abnormal tariffs, embargoes, quarantines, and restrictions to the disruption of long-established areas of production and the creation of commercial stagnation. These artificial barriers beget still other and higher barriers, and thus the vicious circle constantly enlarges.

I could read another page descriptive of these concrete conditions with which this one group of our industrial people have come in contact.

The situation seems to be, Mr. President, that some 10 years of feverish effort on the part of every important country to make itself self-contained, each attempting to export its surpluses but shutting itself off from any imports, has of course resulted in a stalemate. When every nation not only proposes to sell, but to construct one layer of obstruction after another so that it can not possibly buy, then we have every nation going forward without any rhyme or reason to secure the maximum of production in every line that it is capable of developing, with no plans to dispose of its surplus.

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

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

Mr. HULL. Yes.

Mr. KING. The Senator referred to the feverish activities upon the part of countries to increase their tariff duties, and thus to effectuate the object of being self-contained. The Senator will recall that perhaps only Russia and Spain had higher tariffs than the United States. We really set the pace; and many of the higher tariffs since the Fordney Act of 1922 have been brought about by way of retaliation or supposed protection against the products of the United States.

Mr. HULL. The Senator is quite right. I am glad he called attention to that fact at this time.

Mr. President, I desire to emphasize the fact that every nation to-day is glutted with surpluses of one or more, and often, many products, the production of which has been feverishly carried forward during recent years with no thought as to what would become of the surplus. With every nation in that condition, and with every nation unwilling to make even the most profitable exchange of surplus commodities, we have indeed reached a stalemate. Yet the dominant leaders here of the other political party, and many in the other important countries of the world, are still blindly going forward upon the absurd theory that they can continue to produce at the maximum with no thought, I repeat, as to how they will dispose of the surplus.

Mr. President, we are now approaching a culmination of this impossible situation. I want to assert, with all the emphasis I can command, that the already 20,000,000 of unemployed everywhere will find their forces augmented in the future instead of decreased; the prostrate farmers of this and other countries will find their condition fundamentally growing worse; and production of every kind, business of every kind, will find itself walking on wholly unstable ground until some sort of sound basic economic policies that are applicable to great creditor nations and great surplus-producing nations such as ours have been adopted and put into operation in this country.

When the able Senator from Pennsylvania [Mr. REED] came in here with this resolution, I was about to suspect that it was intended more as propaganda than anything else; but the thing that almost startled me was the fact that our trade with other countries had gone down, as I have said, almost to nothing. Our imports for January of this year were only $136,000,000 compared with $183,000,000 in 1931, $310,000,000 in 1930, $368,000,000 in 1929, $337,000,000 in 1928, and $356,000,000 in 1927; while our exports had gone down in January of this year to $150,000,000, compared with $249,000,000 in January, 1931, $410,000,000 in January, 1930, $488,000,000 in January, 1929, $410,000,000 in 1928, and $419,000,000 in 1927. Yet, Mr. President, here is apparently a deliberate movement to freeze out and choke off the miserable fragmentary remnant that we have left here in the way of international trade!

When our wheat growers and our cotton growers are bankrupt for the lack of a market, I am really astonished that we are seriously asked to embark upon a policy here that would choke off still further the extremely limited markets that are now open abroad for our surplus.

Mr. President, I have here some illustrations of what is really going on.

If our international trade had proceeded with the annual ratio of gain that existed before the war, we would have had $245,000,000 more during the intervening years than we have enjoyed. If our trade had progressed as it should, the world would have had to-day an international trade of $48,000,000,000 for the past calendar year, instead of less than $20,000,000,000. The 15 per cent share of what would go to the United States would amount to between three and four billion dollars of additional trade, which would furnish a wonderful outlet for our cotton and copper and automobiles and wheat and machinery and a long list of other products that we can turn out in large surplus quantities and compete easily with the world. Instead of that, this trade is constantly growing less; and, as I say, we are face to face with the alternative of either deciding that we will arouse ourselves and become a forward-looking, resolute, trade-seeking country, and secure an outlet for these surpluses, or we are going to face back in the opposite direction, as we have been, and undertake to confine our production practically to what we can consume alone. That means to cut down our cotton production, our wheat production, our automobile production, and production in all these other great surplus-producing lines to practically what we consume here at home.

Mr. President, to my mind that is an utterly puny and pusillanimous course for a great, resourceful, and proud nation like America even to contemplate for a moment.

When I look back and see what has been done by those nations which did have enough initiative, enough energy, enough creative mind, and enough broad-gauged assertiveness, to become trading nations, it gives me all the more interest and stimulation to advocate the economic policies which I am undertaking to advocate.

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

Mr. HULL. I yield.

Mr. COSTIGAN. About 1921 the able Senator from Tennessee was a member of the Ways and Means Committee of the House of Representatives. At that time I was a member of the United States Tariff Commission. Doubtless the Senator recalls that one of the strongest reasons then urged for the adoption of the flexible tariff provisions was the promise that those provisions would safeguard the United States against a predicted flood of imports then prophesied as a result of foreign exchange conditions. We were then, according to leading spokesmen on the other side of the Chamber, supposed to be menaced particularly by reason of the extraordinary depreciation of the German mark. At that time the present President of the United States, then Secretary of Commerce, was among those called into conference by President Harding with a view to the adoption of the flexible-tariff provisions to offset the assumed threat of depreciated foreign exchange to our domestic business.

Under the Smoot-Hawley Act that threat did not materialize. I therefore venture to inquire whether the Senator from Tennessee is not inclined to conclude that there is no immediate danger from foreign imports to the almost forgotten prosperity of the United States?

Mr. HULL. I thank the Senator. I would not say prosperity, however; I would say to the recovery of prosperity as rapidly as we may get back to it. The truth is that the state of mind was about as wild and unreasonable then in this respect as it is to-day. A great cry went out that this country was about to be flooded with goods from abroad, when, in fact, during the years which immediately followed the war, 1920, 1921, and 1922, we exported $9,600,000,000 more of cotton and wheat and copper and automobiles and all the surpluses we were turning out than we imported.

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

Mr. HULL. I yield.

Mr. REED. Would the Senator make that answer to the cotton grower and the cotton textile plants, after it had been brought out that the monthly importations of cotton fabrics had nearly trebled as the result of Great Britain going off the gold standard, and that importations of the single item of sheets, pillowcases, towels, and napkins have gone up from 900,000 pieces a month to 2,248,000 pieces a month, articles made of Egyptian cotton by cheap English labor, whose wages have been invisibly reduced by England going off the gold standard?

Would the Senator say to the idle operatives of the cotton textile plants and to the cotton growers, who can not sell their products, that this was a trifle, that it was weak and pusillanimous for us even to ask information about it?

Mr. HULL. Mr. President, I have noticed the Senator confuse terms, but I had not observed him confuse words before until this question was asked. I was referring to an international policy when I used the word " pusillanimous."

Mr. REED. The Senator said that the policy which underlay the pending resolution was a weak and pusillanimous policy.

Mr. HULL. If the Senator insists on taking that to himself, I can not protest any further.

Mr. REED. The Senator ascribes a particular intention to me in offering the resolution, and then he says that the policy which he ascribes to me is weak and pusillanimous. I wonder whether he will say that to the idle American workmen who make these articles which are being replaced by these increased imports?

Mr. HULL. That is somewhat like the coal proposition I have discussed, a proposition which is held up to the miner in Pennsylvania, to the effect that coal imports would furnish employment to a thousand miners, but the fact that there were 16,000,000 tons of exports, that would furnish employment to sixteen times a thousand miners, was concealed.

We have a similar situation in the cotton matter. If the Senator will look and see what the export side of our books shows, he will find that we are exporting all kinds and qualities of cotton textiles, made out of forties and forty-fives and under, to 55 nations of the world, and that they constitute one of the largest favorable items in our international trade balance. So that if 1 man is cut out because some sort of specialty happens to drift in here, we will find work here for 10 in his place to turn out export products in the cotton and other textile industries.

Mr. REED. Mr. President, if the Senator will yield again, it is just such facts as that that I am trying to get by this resolution, and it is just that kind of information which the Senator would deny us, because he says some sinister policy inspires this innocent request for the facts.

Mr. HULL. Mr. President, when I was a young lawyer, just to the bar, I went in to listen to the trial of a very big lawsuit. A most able attorney represented one side, and it was really a desperate case for him to win. When court convened he had a little, insignificant associate attorney to offer a motion to dismiss the case, setting forth certain grounds. The real lawyer seemed to be entirely indifferent to what was going on. He was looking in other directions a part of the time. He planned for the court to overrule the motion and then reverse him in the higher court, which he did.

With all due respect, I am trying to emphasize the serious and the ultimate purpose which in all probability would characterize the further course of gentlemen who are pressing this resolution. I have not seen in the Senate in years an abler gentleman than the senior Senator from Pennsylvania. I always pay tribute to his great ability. For that reason, when he is dealing with a strictly partisan and selfish problem, I hope that he will give those of us who are about him the privilege of scrutinizing both his utterances and his actions.

Mr. President, I was about to say, when interrupted—and I shall come to this depreciated-exchange matter in a few moments—that this Nation, and other creditor and surplus-producing nations, have reached a stage where they must decide either to go forward or continue to go backward financially, industrially, and economically generally.

I sat down one day in an effort to see what international trade really meant and signified to important countries, and to civilization itself. I saw, first, that the ancient city of Tyre was originally founded out on a barren piece of ground projecting from the little country of Phœnicia, just a few miles wide and a few miles long, lying there between the mountains of Lebanon and the sea. There was not a vestige of natural resources there. But they proceeded to erect a trading point, and in the course of years, Tyre became a great outstanding nation of the world. It had assembled from all parts of the then known world, and from all races, everything they could contribute in the way of money, and learning, and culture, and civilization.

Then Sidon came along, then Palmyra, exclusively trading nations. Then came Carthage and Rome and Venice, and later came Amsterdam, and the nation of Spain, and finally London, and then, as the result of the Great War, we literally had dropped into our lap as a ripe plum the great position which we to-day occupy in the world financial and economic situation.

Mr. President, when I listened to the Senator from Pennsylvania, who was not urging a constructive idea—and no one possesses more of them than he does—when I listened to him in his efforts to distract this great young country away from its true course under the law of manifest destiny, I immediately thought about the amazing contrast between our forbears and our civilization, people who would stand for and tolerate this proposal.

There were our British ancestors, comprising a hardy race, who settled on those cold, barren islands which we recognize to-day as the United Kingdom, with no natural resources except a little coal and a few other minor minerals. Yet they went out resolutely to every part of the world, established new markets, and proceeded to make themselves a manufacturing and trading nation.

The result is that in the course of generations on those barren isles by world trading and with labor paid higher then in any other nation in history except our own and one or two other new North American countries they forged along until when the World War overtook us that nation had become the center of world finance, the world's banker, the world's chief exporter, and with $20,000,000,000 loaned securely abroad, with which she was able to bear the lion's share of all that vast financing which the World War imposed upon the Allies. Yet in the face of these plain but mighty lessons of history we find the old, fossilized, narrow, selfish, reactionary state of mind among the dominant forces which are leading and governing the American people at this critical time.

Every little, insignificant thing which selfishness could conceive is to-day projected at every step, when the American people should have the privilege of sitting down and diagnosing and analyzing these unprecedented panic conditions and in the most nonpartisan manner deciding whether our new and transformed economic situation as a result of the war does not call for new economic policies to some extent and then proceed with resoluteness and patriotism to carry them out.

Out of a large list of accounts of reprisals and embargoes and retaliations on the part of other nations I shall just read one line about Japan. She yesterday decided to increase her specific rates and her ad valorem rates, and here is one of the reasons:

> Raising the duties on imports from certain countries in proportion to recent tariff increases in those countries.

There is the entire story. There is the moving influence that is behind this wild and panic-stricken world movement in support of extreme economic nationalism.

The question of debased currencies due to nations going off the gold standard was mentioned yesterday. In the first place no one living can single and sort out all the different factors and conditions that have a bearing upon fluctuating prices and changing price levels in this and other countries to-day. The world is in a strait-jacket, as I have tried to say. Every sort of restrictions of exchanges largely prevents the transfer of either money or goods. Every kind of obstruction interferes with price levels, with the result that the most artificial price conditions exist everywhere. I picked up at random some figures as to England since the Senator from Pennsylvania [Mr. REED] had called especial attention to England. I pointed out on yesterday that British exports to this country were steadily growing less instead of greater since England went off the gold standard; so why should we be alarmed? Why should we allow a spirit of unreasoning fear to grip our imagination and send us rushing into this body to make preparations against possibilities that are so remote that they are not even speculative?

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Tennessee yield to the Senator from Utah?

Mr. HULL. Certainly.

Mr. KING. Perhaps the Senator has alluded to it, and if so I ask his pardon, but the Balkan States—four of them now and a fifth will be drawn into the periphery of their activities—are trying to make plans with the aid of MacDonald, of Great Britain, and Tardieu, of France, for the purpose of breaking down tariff barriers in order to save their countries from complete economic destruction. Whereas those states away off in the southeastern part of Europe perceive the importance of trade and commerce and more cooperation among the nations, we, the United States, who ought to take the lead in all great moral as well as financial measures for the advancement of the world, are setting just the reverse example, are leading the battalions in the direction of economic disequilibrium and destruction rather than toward the heights of prosperity.

Mr. HULL. The Senator is correct. We are headed along precisely the course pursued by Spain as she became stagnant economically and became a primitive country. The same identical course was, some thousands of years ago, pursued by China. It is, of course, economic suicide; and I am appealing to this Chamber and appealing to the country, in so far as I can, to halt and reexamine these new and wholly changed postwar conditions with a view to ascertaining whether we should not, as quickly as possible, give the American people and the world a leadership along sound, basic, and constructive economic lines that will be calculated gradually to bring this and other countries out of the awful morass into which they have stumbled under blind, incompetent, and narrow leadership.

Mr. President, here is the situation: In the complete topsy-turvy state of economic affairs everywhere it is not at all significant to single out the effect of the depreciated currency alone in examining the movement of international trade and price fluctuations. For instance, in the case of England, the first condition that confronted her when she went off the gold standard in September last was the fact that several other countries were off and several others proceeded immediately to follow. The result was that most of her markets were related to countries that were off the gold standard, while as to this country she is buying from us just twice what we buy from her, paying for raw materials and foodstuffs at our gold prices. So that, instead of prices in England permitting increased exports to this country, thus far there has really been no appreciable change as a whole. Instead of prices in that country going up in a ratio corresponding to the decline of the pound sterling in terms of gold, prices have only risen to a very scant extent.

That has been true in Japan, which later went off the gold standard. There was a fluctuation upward in their prices, but soon they reacted back to a level not so much above the level that existed when they went off the gold standard. In the face of that one single factor, we are called upon to turn away from the other factors that vitally or materially affect price levels or price fluctuations and trade everywhere, whether nations are on or off the gold standard, and enter upon what I predict will be another wild tariff movement or, as I said, a drive for another layer of obstruction on our already skyscraping structure that we have, because, forsooth, a few hundred thousand dollars of sporadic imports are filtering in here.

Will we never learn what trade means? Can we not realize that if a well-to-do American, for example, wants a Scotch-tweed suit and brings it in here and pays more for it than he would pay for similar goods in this country, we would be able to exchange for such cloth a bale or two of cotton, to exchange a few dozen bushels of wheat or other extremely burdensome surplus commodities that we have on hand? In the first place, a trading nation will go out and hunt new markets and develop them. There never was a greater opportunity, except within recent years, than there is to-day for this Nation, with all of its financial equipment, its overproductive capacity, its transportation facilities, and its loans abroad, to go forward in such a manner as would put to shame even the wonderful achievements of England and other great trading nations that have gone before us.

I insist, Mr. President, that we should take one side or the other of the issue of excessive tariffs and economic nationalism, and not keep the American people suffering longer without some effort at basic remedy. Here is the consensus of opinion, if I may revert just a moment to the price situation. This is from the Agricultural Economic Bureau of March 15:

> The commodity price level in England has remained practically unchanged during January and February at a slightly higher level than that which prevailed just before the value of British exchange was lowered in September.

There is the whole story. Mr. President, I could read for an hour similar statements. I have here from the Bureau of Foreign and Domestic Commerce a rather elaborate statement on this question, which I ask permission to insert in the RECORD without reading and without regard to any views therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

RESPONSE OF PRICES TO CURRENCY DEPRECIATION

According to official index numbers of wholesale prices of various countries, assembled in the Monthly Bulletin of Statistics of the League of Nations, those countries whose currencies depreciated radically in the fall of 1931, owing to the abandonment of the gold standard, experienced a counterbalancing rise in wholesale prices toward the close of the year. This price advance, however, lagged behind the depreciation of the currency in each case, and, moreover, was less pronounced than such depreciation. English prices, for example, reached their lowest level in September—although the pound depreciated rapidly in the last 10 days of that month—and advanced only a little over 7 per cent between September and November, 1931—as against a further decline of slightly over 2 per cent in United States prices—although the pound depreciated by over 23 per cent in the same period.

The following table gives a comparison of wholesale-price developments in leading countries, whose currencies remained virtually at par and those whose currencies depreciated to a considerable degree during September and October, 1931:

*Development of wholesale price indexes in certain gold-standard countries and countries which have lately gone off gold*

| | Base | Average, 1930 | August, 1931 | September, 1931 | October, 1931 | November, 1931 |
|---|---|---|---|---|---|---|
| Gold-standard countries: | | | | | | |
| United States | 1913=100 | 123.6 | 100.6 | 99.0 | 98.0 | 97.9 |
| Belgium | 1913=100 | 108.4 | 89.8 | 86.0 | 85.2 | 84.2 |
| France | 1913=100 | 108.7 | 90.5 | 86.9 | 84.1 | 82.9 |
| Germany | 1913=100 | 124.6 | 110.2 | 108.6 | 107.1 | 106.3 |
| Italy | 1913=100 | 111.6 | 89.8 | 88.9 | 88.9 | 88.5 |
| Netherlands | 1913=100 | 117.0 | 94.0 | 91.0 | 89.0 | 89.0 |
| Switzerland | 1914=100 | 126.5 | 108.1 | 106.3 | 106.4 | 106.2 |
| Czechoslovakia | 1914=100 | 117.9 | 105.1 | 104.6 | 104.3 | 103.8 |
| Non-gold-standard countries: | | | | | | |
| United Kingdom | 1913=100 | 119.5 | 99.5 | 99.2 | 104.4 | 106.4 |
| Canada | 1913=100 | 135.3 | 110.8 | 109.4 | 110.0 | 110.3 |
| Denmark | 1913=100 | 130.0 | 109.0 | 109.0 | 113.0 | 117.0 |
| Sweden | 1913=100 | 122.0 | 109.0 | 107.0 | 108.0 | 110.0 |
| Norway | 1913=100 | 137.0 | 120.0 | 117.0 | 119.0 | 119.0 |
| Australia | 1911=100 | 159.6 | 139.9 | 139.1 | 140.2 | ------- |
| Finland | 1926=100 | 90.0 | 81.0 | 79.0 | 82.0 | ------- |
| British India | 1914=100 | 118.0 | 92.0 | 91.0 | 96.0 | 97.0 |

COMPARISON BETWEEN THE UNITED STATES AND THE UNITED KINGDOM

It is difficult to obtain comparable data as to actual prices of individual commodities in various countries to determine the effect of exchange developments, owing to the difference in grade or character of the products on which statistics are obtainable. Considerable material is compiled, however, by the Annalist (New York) and the Board of Trade Journal (London), which gives a fair basis for comparison between the United States and Great Britain. On the basis of these data the attached tables, Exhibit A and Exhibit B, have been prepared. As even in these periodicals the commodities are only partially comparable, the percentage of change rather than the actual change in gold prices has been stressed in Exhibit B, while in Exhibit A (index numbers of commodities groups) the groupings constitute merely a rough approximation in the various commodities covered.

In view of the material at hand, a comparison between the United States as representative of gold-standard countries and the United Kingdom as representative of non-gold-standard countries seems to be of greater value than any other method of bringing out the facts of the case.

PRICE TRENDS IN THE UNITED STATES AND THE UNITED KINGDOM AS SHOWN BY COMMODITY INDEX FIGURES

As between the United States and Great Britain the influence of exchange depreciation has tended to be offset, so far as wholesale prices of primary commodities are concerned, by advances in prices. Between January and August, 1931, indexes of all groups of commodities, as shown in the accompanying table (Exhibit A), declined in both countries. The pound sterling went off gold in September, 1931, and indexes of all commodities groups, as well as the general index, advanced in Great Britain, while in the United States the individual indexes continued to decline, except fuels, and the general index also declined. Between January, 1931, and August, 1931, the United States wholesale index for all commodities declined 11.4 per cent, while the United Kingdom index declined 6.8 per cent; between August, 1931, and December, 1931, however, while the United States index showed a further decline of 4 per cent, the United Kingdom index recovered by 6.3 per cent. There was a depreciation of 29.5 per cent in the British pound between August 31 and December 31. Apparently British prices, on the average, are in the neighborhood of 10 per cent higher than would have been the case had the pound sterling remained at par; evidently the increase in prices was an offset, though only partial, to the currency depreciation.

EXHIBIT A

*Wholesale price variations in United States and United Kingdom*

[Indexes—Sources: For United Kingdom, Board of Trade Journal, January 7, 1932; for United States, the Annalist, January 29, 1932]

| | United Kingdom | | | | United States | | |
|---|---|---|---|---|---|---|---|
| | Jan., 1931 | Aug., 1931 | Dec., 1931 | | Jan., 1931 | Aug., 1931 | Dec., 1931 |
| | Based on 1924 average—100 | | | | Based on 1913 average —100 | | |
| Cotton | 44.0 | 37.9 | 42.6 | Textile products | 105.2 | 91.5 | 81.3 |
| Wool | 45.3 | 43.3 | 46.9 | Farm products | 107.7 | 87.7 | 83.7 |
| Other textiles | 50.4 | 45.7 | 54.1 | | | | |
| Cereals | 54.8 | 53.0 | 62.8 | | | | |
| Foods (other than cereals, meat, and fish). | 68.4 | 67.3 | 70.0 | Food products | 118.9 | 113.1 | 103.3 |
| Coal | 70.9 | 68.7 | 74.6 | Fuels | 140.8 | 120.9 | 126.9 |
| Iron and steel | 75.9 | 71.8 | 72.7 | Metals | 105.8 | 101.7 | 98.7 |
| Minerals and metals (other than coal, iron, and steel). | 68.5 | 60.5 | 71.5 | | | | |
| All commodities | 64.3 | 59.9 | 63.7 | All commodities | 114.8 | 101.7 | 97.6 |

PRICE DEVELOPMENTS IN INDIVIDUAL COMMODITIES DURING 1931 IN THE UNITED STATES AND THE UNITED KINGDOM, AS INDICATED BY ANNALIST AND BOARD OF TRADE STATISTICS

Continuing the comparison of price developments in the United States (as representative of countries remaining on the gold standard) and the United Kingdom (as representative of countries which went off gold during 1931), the attached table (Exhibit B) gives the situation as concerns 13 commodities for which more or less comparable data are obtainable. This table brings out the following points: (a) The decline in prices (on the basis of quotations in gold values) was greater in the United Kingdom than in the United States, but evidently not to the extent of the depreciation of the pound sterling (the gold value of the pound in December, 1931, was nearly 31 per cent lower than in December, 1930); (b) the discrepancy between the decline in gold prices in the United Kingdom and the United States was most pronounced in those commodities which are obtained locally in the United Kingdom, or the supplies of which are derived from countries which have likewise gone off gold—e. g., fresh beef, bricks, and lumber; (c) the discrepancy is least in those commodities which are derived from the United States or other high-exchange countries, or which are such staples in world trade as to be influenced more by world developments than by currency fluctuations—e. g., cotton, copper, gasoline, and wheat (in the case of cotton and copper it will be noted that the decline in gold prices in the United Kingdom was actually smaller than in the United States); (d) the United Kingdom has obtained an advantage where local labor is a notable factor in the cost of commodity (such as pig iron, wool yarns, etc.), as there has been little advance in wages in England to compensate for the decline in the exchange value of the pound, hence manufactured products, especially those in which the labor element is predominant, have received the greatest advantage.

It may also be observed that the benefits derived from exchange developments will tend to be eliminated as adjustments are made to the new exchange value in the way of wages, costs of living, etc., provided there is no renewed depreciation of the pound sterling. It was pointed out in connection with earlier currency depreciations (Germany, France, Italy, Belgium, etc.) that the internal value of the currency was temporarily greater than its external purchasing power, but that this advantage disappeared gradually when the depreciation was halted.

EXHIBIT B

*Wholesale prices (gold) of primary commodities in the United States and England*

(Development during 1931)

| | United States | | | United Kingdom | | |
|---|---|---|---|---|---|---|
| | | | | Average | | |
| | Jan. 6, 1931 | Jan. 6, 1932 | Per cent decline | Dec. 1930 | Dec. 1931 | Per cent decline |
| Wheat, per bushel | $0.979 | $0.724 | 26 | $0.796 | $0.628 | 21 |
| Flour, per 196 pounds (barrel) | 6.30 | 5.45 | 13 | 3.43 | 2.69 | 22 |
| Beef, per 100 pounds | 18.00 | 14.50 | 19 | 20.89 | 12.57 | 40 |
| Pig iron, per gross ton | 15.90 | 14.79 | 7 | 15.42 | 9.89 | 36 |
| Steel, finished (per 100 pounds) | 2.12 | 2.05 | 3 | ------- | ------- | ------- |
| Steel, rails, heavy (per 100 pounds) | ------- | ------- | ------- | 1.84 | 1.24 | 33 |
| Copper, electrolytic (per long ton) | 235.20 | 162.40 | 31 | 243.32 | 150.79 | 38 |
| Cotton, American middling (per 100 pounds) | 10.15 | 6.35 | 37 | 11.09 | 7.32 | 33 |
| Cotton yarn (per pound) | .21 | .155 | 26 | .185 | .129 | 30 |
| Wool yarns (worsted) (per pound) | 1.45 | 1.20 | 17 | .794 | .557 | 30 |
| Bricks (per thousand) | 12.64 | 11.93 | 6 | 12.69 | 8.65 | 32 |
| Lumber (United States, per 1,000 feet; United Kingdom, per standard) | 19.40 | 16.50 | 15 | 133.56 | 82.66 | 38 |
| Gasoline (per gallon) | .0531 | .04 | 25 | .304 | .218 | 28 |
| Rubber (per pound) | .0825 | .05 | 39 | .092 | .043 | 53 |

EXCHANGE NOT THE ONLY FACTOR IN PRICE DISCREPANCIES

From statistics available regarding the change in actual prices of primary commodities over a period of years it appears that other factors in certain cases have exerted an even greater influence than have the variations in exchange. Among these may be mentioned price fixing to protect domestic agriculture or industry. For example, the price of wheat in France and Germany is at present practically as high as in 1925 and 1926, owing to Government regulation, while in Canada, the United States, and Great Britain the price has declined over 50 per cent. The statistics given in Exhibit B show a heavy decline in the price of pig iron in the United Kingdom as against only a slight decline in the United States; that this is not attributable wholly to the exchange factor, however, is proved by the fact that in France, a high-exchange country, the decline has been even sharper than in England, where the exchange has weakened. The international data on commodity prices are rather incomplete and the countries for which statistics are available vary considerably for the different commodities; no tabular statement is therefore appended, but the material available can be compiled if the Senator desires.

Mr. HULL. This confirms what I have been undertaking to say to the Senate as to the effect of currency depreciation thus far on price levels. I, of course, agree that when any country goes off the gold standard there is in a local sense a percentage of decline in its unit of currency, such as the pound sterling, and a corresponding rise of prices; but while on one occasion in the past there was somewhat of a corresponding increase in domestic price levels, that has not been true except during certain portions of the World War in certain countries. The point I am making is that there are four or five material factors beyond the control of any one nation that are apparent in all the changing and fluctuating price levels which we observe, both in a domestic and an international way.

Mr. President, almost every utterance on the economic situation relates to labor. I think I have been as sympathetic with labor in my votes and in my utterances and actions as any person on this floor during my twenty-odd years of service in the Congress; but I have often wondered how long it will be possible for these special pleaders to mislead 80 to 85 per cent of the wage earners in industry in the United States. We have about 28,000,000 wage earners, all told, leaving out some twelve or fifteen million salaried earners; but of that number only about 8,500,000 are employed in what we call the manufacturing industry. There is such a vast portion of manufacturing industry that either has no tariffs at all or tariffs that confer no benefits whatever, as in the case of the automobile industry; that scarcely more than 15 or 20 per cent of that 8,500,000 wage earners employed in the manufacturing industry are in businesses that pretend to derive any shelter from it whatsoever. There has not been one dollar of wage increase in this country during the past 15 years, with rare exceptions, on account of tariff shelter.

Wage increases have come from the increased productivity of our American industrial system, greater horsepower, up-to-date plants, efficient management, vast materials very handy, highly skilled and intelligent labor. There is the whole story. Some of these days, Mr. President—and it is tragic even to contemplate it—when enough millions of American wage earners are kept out of employment long enough, they will finally demand a showdown, just as President Roosevelt in 1912 demanded a showdown for them as to what amount was in the pay envelope.

Here is a most astonishing situation. A comparatively few dollars' worth of imports come in here, and instead of letting us exchange them for a few thousand bushels of wheat or cotton or automobiles or machinery or cotton textiles or any of the scores of other surpluses of the great industries in this country, we must stop and undertake to find ways to shut them out, while we proceed to harbor the vast surpluses which glut our markets and dislocate and destroy our prices and consign to indefinite unemployment from eight to ten million of our patriotic wage earners.

Mr. President, this question will not down, and I confidently hope soon to see the day when we shall have a line-up between some two political organizations on the question of whether we are going to shrivel and scrooch up and sit down here and undertake merely to live off ourselves or whether we are going to broaden out like the great, far-seeing, forward-looking American people we are and take our rightful place as the leader in the trade affairs of the world. It will be the issue of economic nationalism versus moderation of existing extreme tariff and like obstructions and liberalization of trade policies.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. HULL. Yes.

Mr. LONG. A great deal of that shriveling up has been due not only to the loss of our foreign trade but I will ask the Senator if he does not think that the concentration of wealth within the country has had a great deal to do with the shriveling-up process?

Mr. HULL. I never previously mentioned this, Mr. President, but I will now state that, with the great help of others, I struggled for seven years to get an estate and an income tax system drafted, and finally it was enacted by Congress. From such taxes we collected $15,000,000,000 off the war profits to pay that much of the expenses of the war, instead of issuing bonds. Since then we have assessed over $18,000,000,000 of the wealth of the country, exempting all farmers and all wage earners, and until the present panic we were getting about 62 per cent of our tax revenue from income and inheritance taxes.

Mr. LONG. I will say to the Senator that that does not alter the fact that the wealth of the country, regardless of the income tax—and I think that tax is a wonderful thing, and that the services of the Senator in that regard have been of great benefit to the Nation—since 1916 has become doubly concentrated. In 1916, 2 per cent of the people owned 60 per cent of the wealth, while to-day 1 per cent of the people own 60 per cent of the wealth.

I agree with the Senator that the stifling of our exports is largely the cause of our trouble; but the point I am making is, Are we not shriveling up within by letting large fortunes continue to be accumulated in this country and the masses to become paupers?

Mr. HULL. Frankly, I had in mind to discuss that question when we reach the tax bill provided we can identify it from the tariff bill; but I think the Senator from Louisiana has a great many strong facts to support the idea that he suggests. I have discussed that more or less in the past.

Mr. President, I wish to refer to just another phase of the labor situation. We have been led to believe that the little driblets of imports of commodities which we produce to some trivial or minor extent, together with many that we do not produce at all, should pay a tax at the customhouse, because they displace American labor and do it a positive injury.

Mr. President, there never was such an outrageous fraud perpetrated upon American labor. The fact is, for instance, that in 1930 we exported $3,781,000,000 worth of goods which American labor produced at a good price and with a high living standard. At the same time we imported only $398,000,000 worth of finished dutiable manufactures, and that included from $70,000,000 to $80,000,000 worth of burlaps or other commodities that are not competitive in this country.

The balance of our imports, outside sugar and wool and a number of other products which we do not produce in sufficient quantities, were made up largely of such raw materials as silk and rubber and tin, and a long list of other commodities that we must have in the United States in carrying on our domestic production. Yet, Mr. President, American labor is taught that it is being crucified every time some commodity filters in here even though we make the most profitable exchange of some of our surpluses which labor has produced.

Mr. President, I suggest to the Senator from Pennsylvania, if he is searching for items in the tariff law that need a little attention, he will find, I think in the basket clause in paragraph 372—I know that was the number of the paragraph in the Fordney-McCumber Act—the item of promiscuous machinery of which we imported $10,000,000 worth and exported $250,000,000 worth, while the domestic production of such machinery is $1,400,000,000 worth. The duty is 27½ per cent. The tariff law is filled with that kind of provisions affecting commodities of which there are small importations or none at all, and from two to five or ten or twenty times that amount of exportations, the benefit of which goes not only to American capital but to American labor, and to the American producer.

One other result of this narrow policy of economic internationalism which I desire to emphasize before closing is that we have to-day more than 2,000 either branch or other plants that American capital has been literally or almost forced to establish and construct abroad in order to make itself a profitable part of the economic system of the world. Just a few weeks ago I observed that within one week practically 10 such plants had gone into Canada. A stream of American capital is going abroad in order to get behind the impregnable tariff walls which have been constructed under our leadership, to a large extent, seeking refuge there in order to find a place for its utilization. If that condition shall be allowed to continue, this Nation, in my judgment, will within a very few years reach a humiliating position besides prolonging and protracting the unsound and uncertain economic conditions which underly the present panic situation.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Ashurst | Costigan | Hull | Reed |
| Austin | Couzens | Johnson | Robinson, Ark. |
| Bailey | Cutting | Jones | Schall |
| Bankhead | Dale | Kean | Sheppard |
| Barbour | Davis | Kendrick | Shipstead |
| Bingham | Dickinson | Keyes | Shortridge |
| Black | Dill | King | Smoot |
| Blaine | Fess | Logan | Steiwer |
| Borah | Fletcher | Long | Thomas, Idaho |
| Bratton | Frazier | McGill | Thomas, Okla. |
| Brookhart | George | McKellar | Townsend |
| Brussard | Glenn | McNary | Trammell |
| Bulkley | Goldsborough | Metcalf | Tydings |
| Bulow | Gore | Morrison | Vandenberg |
| Byrnes | Hale | Moses | Wagner |
| Capper | Harrison | Neely | Walcott |
| Caraway | Hatfield | Norbeck | Walsh, Mont. |
| Carey | Hawes | Norris | Wheeler |
| Connally | Hayden | Nye | White |
| Coolidge | Hebert | Oddie | |
| Copeland | Howell | Pittman | |

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

Mr. HARRISON. Mr. President, I understood that the amendment had been agreed to changing the date from February, I believe, to the 1st of April; has it not?

Mr. REED. Yes; the amendment to the committee amendment has been agreed to, and the amendment itself has been agreed to as amended.

Mr. BAILEY. Mr. President, I do not intend to detain the Senate save for a moment.

I shall vote for the resolution. I wish to read a letter from a manufacturer in North Carolina, addressed to myself, under date of March 24 of the present year, as follows:

I am engaged in the manufacture of rayon goods. The rayon industry has in the past occupied a field which, in the price range, is located between cotton and cotton fabrics in the cheaper field and silk and silk fabrics in the more expensive trade. There has always been ample territory between the price range of cotton and silk in which the rayon industry has properly developed.

On account of the wide fluctuation in exchange, silk, when priced in American money, has declined to the point where it now occupies the field heretofore occupied by rayon. To illustrate: When the war started between Japan and China, and before the principal foreign countries went off the gold standard, Japanese silk was selling at 4 yens per pound, and the yen was worth 50 cents of American money, which made the price of silk in America $2 per pound. At present silk has advanced to 5 yens per pound, but in American money the yen is only worth 32 cents, and therefore silk at 5 yens per pound is costing only $1.60 in American money.

After the passage of our last tariff act many foreign countries set up tariff schedules against articles manufactured in the United States. To nullify this many of our big corporations established branches in foreign countries, while small companies like ours have necessarily gone out of the export business. The condition of the exchange is now destroying the American market for the American manufacturer in a manner similar to the way our export business was destroyed more than a year ago. We are not going to be able to pay for our raw products and pay our labor in American money and compete with the foreign manufacturer who can sell his goods to our people for American money and get the enormous advantage that comes when he exchanges American money for the money of his government. I write mainly to inquire if anything can be done to remedy the situation; and if so, what?

I take it that the first step in answering an inquiry like this, or finding a remedy for a situation like this, is to ascertain the facts. Whatever they may predicate, I do not know; but, regardless of any suspicion of motives—and I have none whatever—I wish to face the realities of a very grave situation, and then find my way according to the facts as they may be developed.

For that reason I shall vote for the resolution.

Mr. WALSH of Montana. Mr. President, on yesterday, in connection with the debate on the pending resolution, reference was made to importations of copper and the declining price of that product.

Inasmuch as the matter is of very grave importance to the people of my State, I ask that there may be incorporated in the RECORD figures with relation to that industry contained in the compilation which I send to the desk, entitled "Copper Tariff Statistics."

Inasmuch as the compilation of the pamphlet extends only to and including the year 1930, I offer from the last monthly Summary of Foreign Commerce of the United States the statistics of exportations and importations of copper for the six months ending December, 1930, and December, 1931, and similar statistics for January, 1931, and January, 1932. I ask that these likewise be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, the compilations referred to will be printed in the RECORD.

The matter referred to is as follows:

COPPER TARIFF STATISTICS

MEMORANDUM TO ACCOMPANY COPPER TARIFF STATISTICS

Analytical study of these statistics and charts (omitted) points to the following general conclusions:

1. Exhibits A-1 and A-2 show that there has existed an exportable surplus of copper in the United States for over 30 years. That just as long as this condition of exportable surplus exists, a copper tariff would not be effective in permanently increasing the domestic as compared to the foreign price of copper is proved by.

2. Exhibits B-1 and B-2, which show that during the last four years of the former copper tariff, 1891 to 1894, inclusive, when there was an export surplus of the metal, the difference between the New York and London prices of copper was negligible, so that in 1894 the duty, universally recognized to be useless, was removed without a protest.

3. Exhibit C, showing foreign and domestic prices of wheat with a 42-cent duty during recent years, offers further proof of the futility of a tariff where an export commodity is concerned.

4. Exhibits D-1, D-2, and D-3, showing in detail the present productive capacity of the United States copper mines and statistics of past United States consumption, indicate that with a normal annual increase in the latter, our domestic mines as now equipped can and probably will produce more copper than the country can consume until at least 1943. It therefore follows that a tariff can not be made effective for over 10 years.

5. Exhibits E-1, E-2, E-3, E-4, and E-5 include a highly optimistic, detailed estimate of the world's productive capacity and indicate that world copper consumption is very likely to overtake this developed productive capacity of the world's copper mines within a much shorter length of time, which will soon place the industry once more on a sound basis.

6. Exhibit F shows the important part which foreign copper plays in the refining industry of the United States and suggests the serious injury which exclusion of foreign copper would cause to this important industry.

LIST OF EXHIBITS

A-1: Copper statistics showing United States production, consumption, stocks, and exportable surplus annually from 1902 to 1930, inclusive, considering Cuban production as domestic.

A-2: Chart showing graphically United States production, consumption, and exportable surplus from 1902 to 1930, inclusive, based on the statistics of Exhibit A-1. (Omitted.)

B-1: Copper imports, exports, and excess exports, 1889 to 1895, inclusive.

B-2: Copper prices in New York and London by months, 1890 to 1899, inclusive.

B-3: Chart showing graphically comparative London and New York copper prices for the years 1890 to 1899, inclusive, based on the statistics of Exhibit B-2. (Omitted.)

C: Wheat prices, comparison of foreign and domestic, 1926-1930, inclusive.

D-1: Potential copper production of the United States mines as now equipped.

D-2: United States copper consumption, 1890 to 1930, inclusive.

D-3: Chart showing United States consumption and potential production, 1890 to 1930, inclusive. (Omitted.)

E-1: Potential copper production of the world as now equipped.

E-2: World copper consumption, 1890 to 1930, inclusive.

E-3: Possible world copper situation in 1941.

E-4: Chart showing world consumption, 1890 to 1930, inclusive, and potential production. (Omitted.)

E-5: Chart showing both United States and world consumption, 1890 to 1930, and United States and world potential production. (Omitted.)

F: United States and foreign copper production and refinery capacities compared.

EXHIBIT A-1

*Copper statistics—United States*

(Preliminary. Cuba considered as domestic. In short tons)

| | 1931 |
|---|---|
| Stocks beginning of year: | |
| Refined | 307,500 |
| Blister | 225,000 |
| Production of primary refined copper: | |
| United States | 523,000 |
| Cuba | 10,498 |
| Imports (less Cuba) | 279,881 |
| | 1,345,879 |
| Exports | [1] 280,000 |

[1] Returns for this figure not quite complete, so estimated in small part.

| Stocks end of year: | 1931 |
|---|---|
| Blister | 156,000 |
| Refined | 452,500 |
| Apparent consumption | 457,379 |
| | 1,345,879 |

RECONCILIATION

| | |
|---|---|
| Imports (less Cuba) | 279,881 |
| Exports | 280,000 |
| Excess exports | 119 |
| Increased stocks | 76,000 |
| Surplus | 76,119 |

NOTE.—Imports and exports taken from A. B. of M. S. monthly reports. These reports use Bureau of Foreign and Domestic Commerce figures which are the same as used heretofore.

*Copper statistics—United States*

(Cuba considered as domestic)

(Short tons)

| | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 | 1929 | 1930 | Total, 11 years |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Stocks beginning of year: | | | | | | | | | | | | |
| Refined | 315,500 | 329,500 | 229,500 | 108,000 | 132,000 | 121,500 | 62,000 | 73,000 | 85,500 | 57,000 | 153,000 | 315,500 |
| Blister | 136,500 | 232,500 | 141,500 | 180,500 | 216,000 | 196,500 | 216,000 | 227,500 | 200,500 | 211,500 | 250,000 | 136,500 |
| Production of primary refined copper (United States and Cuba) | 600,466 | 313,728 | 465,320 | 744,161 | 849,063 | 858,103 | 876,570 | 874,615 | 903,263 | 996,441 | 708,616 | 8,190,346 |
| Imports (less Cuba) | 233,581 | 166,215 | 257,522 | 326,158 | 372,451 | 309,831 | 378,800 | 344,022 | 386,173 | 482,081 | 395,574 | 3,652,408 |
| | 1,286,047 | 1,041,943 | 1,093,842 | 1,358,819 | 1,569,514 | 1,485,934 | 1,533,370 | 1,519,137 | 1,575,436 | 1,747,022 | 1,507,190 | 12,294,754 |
| Exports | 312,027 | 314,402 | 371,520 | 414,657 | 558,458 | 542,104 | 482,843 | 538,365 | 562,510 | 496,448 | 376,884 | 4,970,218 |
| Stocks end of year: | | | | | | | | | | | | |
| Refined | 329,500 | 229,500 | 108,000 | 132,000 | 121,500 | 62,000 | 73,000 | 85,500 | 57,000 | 153,000 | 307,500 | 307,500 |
| Blister | 232,500 | 141,500 | 180,500 | 216,000 | 196,500 | 216,000 | 227,500 | 200,500 | 211,500 | 250,000 | 225,000 | 225,000 |
| Apparent consumption | 412,020 | 356,541 | 433,822 | 596,162 | 693,056 | 665,830 | 750,027 | 694,772 | 744,426 | 847,574 | 597,806 | 6,792,036 |
| | 1,286,047 | 1,041,943 | 1,093,842 | 1,358,819 | 1,569,514 | 1,485,934 | 1,533,370 | 1,519,137 | 1,575,436 | 1,747,022 | 1,507,190 | 12,294,754 |
| RECONCILIATION | | | | | | | | | | | | |
| Imports (less Cuba) | 233,581 | 166,215 | 257,522 | 326,158 | 372,451 | 309,831 | 378,800 | 344,022 | 386,173 | 428,081 | 395,574 | 3,652,408 |
| Exports | 312,027 | 314,402 | 371,520 | 414,657 | 558,458 | 542,104 | 482,843 | 538,365 | 562,510 | 496,448 | 376,884 | 4,970,218 |
| Excess exports | 78,446 | 148,187 | 113,998 | 88,499 | 186,007 | 232,273 | 104,043 | 194,343 | 176,337 | 14,367 | *18,690* | 1,317,810 |
| Decreased stocks | | *191,000* | *82,500* | | *30,000* | *40,000* | | *14,500* | *17,500* | | | |
| Increased stocks | 110,000 | | | 59,500 | | | 22,500 | | | 134,500 | 129,500 | 80,500 |
| Surplus | 188,446 | *42,818* | 31,498 | 147,999 | 156,007 | 192,273 | 126,543 | 179,843 | 158,837 | 148,867 | 110,810 | 1,398,310 |

| | 1909 | 1910 | 1911 | 1912 | 1913 | 1914 | 1915 | 1916 | 1917 | 1918 | 1919 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Stocks beginning of year: | | | | | | | | | | | |
| Refined | 60,938 | 70,743 | 61,402 | 44,186 | 52,749 | 45,193 | 86,820 | 41,215 | 64,028 | 57,000 | 90,000 |
| Blister | 117,007 | 133,377 | 122,609 | 109,932 | 137,036 | 123,895 | 101,534 | 137,000 | 212,000 | 205,500 | 281,000 |
| Production of primary refined copper (United States and Cuba) | 4,918 | 44,429 | 5,394 | 5,144 | 2,681 | 9,330 | 14,959 | 21,064 | 23,033 | 14,062 | 8,178 |
| | 532,782 | 535,947 | 550,635 | 601,838 | 618,412 | 605,212 | 693,853 | 944,376 | 936,773 | 941,437 | 716,743 |
| Imports (excluding Cuba) | 155,982 | 167,790 | 161,910 | 199,977 | 202,099 | 143,845 | 142,890 | 210,104 | 255,117 | 273,241 | 206,516 |
| | 871,627 | 912,286 | 901,950 | 961,077 | 1,012,977 | 927,475 | 1,040,056 | 1,353,759 | 1,491,011 | 1,491,840 | 1,302,437 |
| Exports | 341,423 | 354,158 | 393,277 | 387,500 | 463,221 | 420,040 | 340,959 | 394,896 | 566,416 | 373,845 | 258,314 |
| Stocks end of year: | | | | | | | | | | | |
| Refined | 70,743 | 61,402 | 44,186 | 52,749 | 45,193 | 86,820 | 41,215 | 64,028 | 57,000 | 90,000 | 315,500 |
| Blister | 133,377 | 122,609 | 109,932 | 137,036 | 123,895 | 101,534 | 137,000 | 212,000 | 205,500 | 281,000 | 136,500 |
| Apparent consumption | 326,084 | 374,117 | 354,555 | 383,792 | 380,668 | 319,081 | 520,882 | 682,835 | 662,095 | 746,995 | 592,123 |
| | 871,627 | 912,286 | 901,950 | 961,077 | 1,012,977 | 927,475 | 1,040,056 | 1,353,759 | 1,491,011 | 1,491,840 | 1,302,437 |
| RECONCILIATION | | | | | | | | | | | |
| Imports (excluding Cuba) | 155,982 | 167,790 | 161,910 | 199,977 | 202,099 | 143,845 | 142,890 | 210,104 | 255,117 | 273,241 | 206,516 |
| Exports | 341,423 | 354,158 | 393,277 | 387,500 | 463,221 | 420,040 | 340,959 | 394,896 | 566,416 | 373,845 | 258,314 |
| Excess exports | 185,441 | 186,368 | 231,367 | 187,523 | 261,122 | 276,195 | 198,069 | 184,792 | 311,299 | 100,604 | 51,798 |
| Decreased stocks | | *20,109* | *29,893* | | *20,697* | | *10,139* | | *13,528* | | |
| Increased stocks | 26,175 | | | 35,667 | | 19,266 | | 97,813 | | 108,500 | 81,000 |
| Surplus | 211,616 | 166,259 | 201,474 | 223,190 | 240,425 | 295,461 | 187,930 | 282,605 | 297,771 | 209,104 | 132,798 |

| | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 |
|---|---|---|---|---|---|---|---|
| Stocks beginning of year: | | | | | | | |
| Refined | 141,007 | 78,608 | 87,537 | 47,531 | 36,135 | 23,249 | 62,873 |
| Blister | | | | | 55,000 | 67,655 | 87,627 |
| Production of primary refined copper (United States and Cuba) | 329,754 | 349,022 | 406,269 | 450,954 | 443,841 | 392,136 | 437,925 |
| Imports (less Cuba) | 71,565 | 84,354 | 90,646 | 105,362 | 105,340 | 125,926 | 109,178 |
| | 542,326 | 511,984 | 584,452 | 603,847 | 640,316 | 608,906 | 697,603 |
| Exports | [1] 188,649 | [1] 160,161 | [1] 283,819 | [1] 276,313 | [1] 223,350 | [1] 254,514 | [1] 330,970 |
| Stocks end of year: | | | | | | | |
| Refined | 78,608 | 87,537 | 47,531 | 36,135 | 23,249 | 62,873 | 60,938 |
| Blister | | | | | 67,655 | 87,627 | 117,007 |
| Apparent consumption | 275,069 | 264,286 | 253,102 | 291,399 | 326,062 | 203,952 | 188,688 |
| | 542,326 | 511,984 | 584,452 | 603,847 | 640,316 | 608,966 | 697,603 |

*Copper statistics—United States*—Continued

| | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 |
|---|---|---|---|---|---|---|---|
| RECONCILIATION | | | | | | | |
| Imports (excluding Cuba) | 71, 565 | 84, 354 | 90, 646 | 105, 362 | 105, 340 | 125, 926 | 109, 178 |
| Exports | [1] 188, 649 | [1] 160, 161 | [1] 283, 819 | [1] 276, 313 | [1] 223, 350 | [1] 254, 514 | [1] 330, 970 |
| Excess exports | 117, 084 | 75, 807 | 193, 173 | 170, 951 | 118, 010 | 128, 588 | 221, 792 |
| Decreased stocks | *62, 339* | | *40, 000* | *11, 396* | *231* | | |
| Increased stocks | | 8, 929 | | | | 59, 596 | 27, 445 |
| Surplus | 54, 685 | 84, 736 | 153, 167 | 159, 555 | 117, 779 | 188, 184 | 249, 237 |

[1] These figures do not include manufactures for export.

EXHIBIT A–2

Chart omitted.

EXPORTS

Exports do not include a considerable quantity of copper in fabricated and manufactured form, as electrical manufactures, automobiles, freight cars, and locomotives, in brass ingots, plates, bars, pipes, tubes, brass or bronze wire, builders' hardware, other brass and bronze manufactures, nickel—silver and copper sulphate. Copper exported in these forms would be included in the totals for exports if authentic Government figures were available, and the exportable surplus totals for each year, shown above, would be augmented by this very considerable amount.

APPARENT CONSUMPTION

Calculation starts with stocks at beginning of year, both blister and refined, plus domestic refined production (including Cuba) and imports of all classes of material (excluding Cuba), giving a total supply from which are deducted all exports (except certain manufactures) and stocks at end of year, giving a figure which we call "apparent consumption."

EXHIBIT B–1

COPPER IMPORTS (SHORT TONS)

| | 1889 | 1890 | 1891 | 1892 | 1893 | 1894 | 1895 |
|---|---|---|---|---|---|---|---|
| Copper contents of ores | 1, 886 | 1, 724 | 4, 466 | 3, 835 | 3, 628 | 2, 402 | 4, 461 |
| Copper contents of regulus, etc | 30 | 111 | 1, 202 | 152 | 1, 588 | 2, 937 | 1, 552 |
| Bars, ingots, and pigs | 2 | 3 | 1 | 11 | 277 | 303 | 3, 990 |
| Scrap | 10 | 142 | 67 | 36 | 30 | 80 | 668 |
| Total imports | 1, 928 | 1, 980 | 5, 736 | 4, 034 | 5, 523 | 5, 722 | 10, 671 |

COPPER EXPORTS (SHORT TONS)

| | 1889 | 1890 | 1891 | 1892 | 1893 | 1894 | 1895 |
|---|---|---|---|---|---|---|---|
| Ore and matte | 409 | 216 | 336 | 472 | 418 | 44 | 138 |
| Pigs, bars, sheets, and old | 8, 407 | 5, 486 | 34, 640 | 15, 258 | 69, 492 | 81, 197 | 60, 664 |
| Total exports | 8, 816 | 5, 702 | 34, 976 | 15, 730 | 69, 910 | 81, 241 | 60, 802 |
| Excess exports | 6, 888 | 3, 722 | 29, 240 | 11, 696 | 64, 387 | 75, 519 | 50, 131 |

NOTE.—Published by the U. S. Geological Survey, 1900, pp. 162, 163, 168.

EXHIBIT B–2

*Copper prices*

| | New York, Lake | London, best select | Difference |
|---|---|---|---|
| 4 CENTS PER POUND DUTY | | | |
| 1890—January | 14. 80 | 12. 53 | 2. 27 |
| February | 14. 33 | 11. 94 | 2. 39 |
| March | 14. 50 | 11. 83 | 2. 67 |
| April | 14. 40 | 12. 08 | 2. 32 |
| May | 15. 125 | 12. 96 | 2. 17 |
| June | 16. 00 | 14. 01 | 1. 99 |
| July | 16. 80 | 14. 15 | 2. 65 |
| August | 15. 40 | 14. 24 | 1. 16 |
| September | 17. 00 | 14. 58 | 2. 42 |
| October | 16. 90 | 14. 47 | 2. 43 |
| 1¼ CENTS PER POUND DUTY | | | |
| November | 16. 80 | 13. 91 | 2. 89 |
| December | 15. 90 | 13. 33 | 2. 57 |
| Average, 1890 | 15. 75 | 13. 33 | 2. 22 |
| 1891—January | 14. 75 | 12. 88 | 1. 87 |
| February | 14. 50 | 12. 89 | 1. 61 |
| March | 14. 00 | 12. 67 | 1. 33 |
| April | 13. 75 | 12. 47 | 1. 28 |
| May | 13. 20 | 12. 56 | . 64 |
| June | 13. 00 | 12. 97 | . 03 |
| July | 13. 00 | 12. 94 | . 06 |
| August | 12. 20 | 12. 48 | . 28 |
| September | 12. 50 | 12. 13 | . 37 |
| October | 12. 25 | 11. 40 | . 85 |

*Copper prices*—Continued

| | New York, Lake | London, best select | Difference |
|---|---|---|---|
| 1¼ CENTS PER POUND DUTY—continued | | | |
| 1891—November | 11. 00 | 10. 78 | 0. 22 |
| December | 10. 63 | 10. 79 | . 16 |
| Average, 1891 | 12. 63 | 12. 27 | . 36 |
| 1892—January | 11. 00 | 10. 80 | . 20 |
| February | 10. 63 | 10. 40 | . 23 |
| March | 10. 38 | 10. 90 | . 52 |
| April | 11. 50 | 10. 90 | . 60 |
| May | 11. 63 | 11. 05 | . 58 |
| June | 11. 88 | 11. 04 | . 84 |
| July | 11. 50 | 10. 66 | . 84 |
| August | 11. 50 | 10. 58 | . 92 |
| September | 11. 13 | 10. 53 | . 60 |
| October | 11. 50 | 10. 88 | . 62 |
| November | 11. 88 | 11. 16 | . 72 |
| December | 12. 38 | 11. 32 | 1. 06 |
| Average, 1892 | 11. 55 | 10. 87 | . 68 |
| 1893—January | 12. 13 | 11. 03 | 1. 10 |
| February | 12. 00 | 10. 78 | 1. 22 |
| March | 11. 88 | 10. 83 | 1. 05 |
| April | 11. 38 | 10. 79 | . 59 |
| May | 11. 00 | 10. 57 | . 43 |
| June | 11. 00 | 10. 55 | . 45 |
| July | 10. 88 | 10. 35 | . 53 |
| August | 10. 00 | 10. 07 | . 07 |
| September | 9. 88 | 10. 26 | . 38 |
| October | 9. 75 | 10. 04 | . 29 |
| November | 10. 00 | 10. 06 | . 06 |
| December | 10. 25 | 10. 24 | . 01 |
| Average, 1893 | 10. 75 | 10. 41 | . 34 |
| 1894—January | 10. 13 | 9. 95 | . 18 |
| February | 9. 63 | 9. 66 | . 03 |
| March | 9. 81 | 9. 61 | . 20 |
| April | 9. 50 | 9. 61 | . 11 |
| May | 9. 80 | 9. 35 | . 45 |
| June | 8. 94 | 9. 11 | . 17 |
| July | 9. 00 | 9. 16 | . 16 |
| August | 9. 13 | 9. 30 | . 17 |
| September | 9. 40 | 9. 68 | . 28 |
| FREE OF DUTY | | | |
| October | 9. 88 | 9. 89 | . 01 |
| November | 9. 60 | 9. 49 | . 11 |
| December | 9. 80 | 9. 54 | . 26 |
| Average, 1894 | 9. 56 | 9. 44 | . 12 |
| 1895—January | 10. 00 | 9. 65 | . 35 |
| February | 10. 00 | 9. 52 | . 48 |
| March | 9. 75 | 9. 31 | . 44 |
| April | 9. 75 | 9. 52 | . 23 |
| May | 10. 25 | 10. 15 | . 10 |
| June | 10. 63 | 10. 15 | . 48 |
| July | 11. 25 | 10. 43 | . 82 |
| August | 12. 00 | 11. 13 | . 87 |
| September | 12. 25 | 11. 34 | . 91 |
| October | 12. 00 | 11. 03 | . 97 |
| November | 11. 00 | 10. 44 | . 56 |
| December | 10. 50 | 10. 22 | . 28 |
| Average, 1895 | 10. 76 | 10. 22 | . 54 |
| 1896—January | 9. 87 | 9. 94 | . 07 |
| February | 10. 64 | 10. 79 | . 15 |
| March | 11. 03 | 10. 97 | . 06 |
| April | 10. 98 | 10. 93 | . 05 |
| May | 11. 15 | 11. 34 | . 19 |
| June | 11. 67 | 11. 71 | . 04 |
| July | 11. 40 | 11. 60 | . 20 |
| August | 10. 98 | 11. 12 | . 14 |
| September | 10. 66 | 11. 03 | . 37 |
| October | 10. 66 | 11. 03 | . 37 |
| November | 11. 23 | 11. 63 | . 40 |
| December | 11. 28 | 11. 58 | . 30 |
| Average, 1896 | 10. 88 | 11. 14 | . 26 |

*Copper prices*—Continued

| | New York, Lake | London, best select | Difference |
|---|---|---|---|
| FREE OF DUTY—continued | | | |
| 1897—January | 11.75 | 11.72 | 0.03 |
| February | 11.92 | 11.86 | .06 |
| March | 11.80 | 11.63 | .17 |
| April | 11.48 | 11.31 | .17 |
| May | 11.03 | 11.27 | *.24* |
| June | 11.11 | 11.37 | *.26* |
| July | 11.11 | 11.18 | *.07* |
| August | 11.16 | 11.28 | *.12* |
| September | 11.30 | 11.44 | *.14* |
| October | 11.13 | 11.20 | *.07* |
| November | 10.88 | 11.04 | *.16* |
| December | 10.78 | 11.08 | *.26* |
| Average, 1897 | 11.29 | 11.37 | *.08* |
| 1898—January | 10.99 | 11.31 | *.32* |
| February | 11.28 | 11.44 | *.16* |
| March | 11.98 | 11.80 | .18 |
| April | 12.14 | 12.08 | .06 |
| May | 12.00 | 12.02 | *.02* |
| June | 11.89 | 11.72 | .17 |
| July | 11.63 | 11.64 | *.01* |
| August | 11.89 | 11.91 | *.02* |
| September | 12.31 | 12.01 | .30 |
| October | 12.41 | 12.31 | .10 |
| November | 12.86 | 12.87 | *.01* |
| December | 12.93 | 12.95 | *.02* |
| Average, 1898 | 12.03 | 12.01 | .02 |
| 1899—January | 14.75 | 14.65 | .10 |
| February | 18.00 | 17.02 | .98 |
| March | 17.54 | 16.01 | 1.53 |
| April | 18.43 | 16.98 | 1.45 |
| May | 18.25 | 17.55 | .70 |
| June | 17.93 | 17.47 | .46 |
| July | 18.33 | 17.63 | .70 |
| August | 18.50 | 17.51 | .99 |
| September | 18.46 | 17.58 | .88 |
| October | 17.76 | 17.49 | .27 |
| November | 16.93 | 17.30 | *.37* |
| December | 16.40 | 16.79 | *.39* |
| Average, 1899 | 17.61 | 17.00 | .61 |

EXHIBIT B-2

Chart omitted.

EXHIBIT C

***Comparative wheat prices received by the American farmer and in Liverpool***

YEARBOOK OF AGRICULTURE, 1931

| | American farmer [1] | Liverpool [2] | Differential [3] | |
|---|---|---|---|---|
| | | | Liverpool less United States | Both prices referred to Galveston |
| 1926 | *Cents* | *Cents* | *Cents* | *Cents* |
| January | 158.1 | 181 | | |
| February | 155.5 | 175 | | |
| March | 146.0 | 161 | | |
| April | 142.2 | 171 | | |
| May | 142.1 | 173 | | |
| June | 138.9 | 169 | | |
| July | 127.7 | 167 | | |
| August | 125.1 | 162 | | |
| September | 117.7 | 160 | | |
| October | 121.4 | 171 | | |
| November | 123.6 | 171 | | |
| December | 122.8 | 163 | | |
| Average | 135 | 168.66 | 33.66 | 17.16 |
| 1927 | | | | |
| January | 122.2 | 160 | | |
| February | 122.8 | 157 | | |
| March | 120.9 | 155 | | |
| April | 117.2 | 156 | | |
| May | 123.2 | 165 | | |
| June | 130.1 | 165 | | |
| July | 127.3 | 161 | | |
| August | 123.5 | 160 | | |
| September | 119.2 | 151 | | |
| October | 113.7 | 149 | | |
| November | 111.4 | 147 | | |
| December | 113.9 | 148 | | |
| Average | 120.45 | 156.16 | 35.71 | 19.21 |
| 1928 | | | | |
| January | 115.2 | 149 | | |
| February | 116.2 | 146 | | |
| March | 121.6 | 151 | | |
| April | 129.2 | 159 | | |
| May | 144.3 | 155 | | |
| 1928—Continued | *Cents* | *Cents* | *Cents* | *Cents* |
| June | 132.0 | 147 | | |
| July | 118.1 | 141 | | |
| August | 95.2 | 126 | | |
| September | 94.4 | 126 | | |
| October | 98.7 | 129 | | |
| November | 97.1 | 129 | | |
| December | 98.2 | 126 | | |
| Average | 113.35 | 140.33 | 26.98 | 10.48 |
| 1929 | | | | |
| January | 98.5 | 131 | | |
| February | 104.2 | 135 | | |
| March | 104.7 | 131 | | |
| April | 99.8 | 125 | | |
| May | 90.1 | 116 | | |
| June | 86.8 | 117 | | |
| July | 102.4 | 141 | | |
| August | 110.7 | 142 | | |
| September | 112.1 | 137 | | |
| October | 111.5 | 136 | | |
| November | 103.4 | 125 | | |
| December | 108.1 | 141 | | |
| Average | 102.85 | 131.41 | 28.56 | 12.06 |
| 1930 | | | | |
| January | 107.5 | 140 | | |
| February | 101.3 | 124 | | |
| March | 91.9 | 119 | | |
| April | 93.4 | 120 | | |
| May | 87.5 | 114 | | |
| June | 87.9 | 110 | | |
| July | 70.6 | 106 | | |
| August | 74.0 | 105 | | |
| September | 70.3 | 92 | | |
| October | 65.6 | 86 | | |
| November | 60.0 | 81 | | |
| December | 61.3 | 74 | | |
| Average | 80.94 | 105.83 | 24.89 | 8.39 |

[1] Estimated average price per bushel received by producers of all wheat. Monthly prices weighted by production for each State.

[2] Average price per bushel of all imported wheat.

[3] After adding to American farmer price 23 cents per bushel, freight Kansas to Galveston, and deducting from Liverpool price 6½ cents per bushel, freight Liverpool to Galveston or a net differential of 16½ cents per bushel.

EXHIBIT D-1

*Potential copper production—United States of America*

| | Short tons |
|---|---|
| Anaconda, Butte | 181,000 |
| Calumet and Hecla | 90,000 |
| Copper Range | 20,000 |
| Consolidated Copper Mines | 30,000 |
| Ducktown | 6,000 |
| East Butte | 3,500 |
| Engels | 6,000 |
| Inspiration | 70,000 |
| Isle Royal | 5,400 |
| Kennecott-Alaska | 14,000 |
| Lebanon | 2,000 |
| Magma | 30,000 |
| Matahambre (Cuba) | 22,500 |
| Miami | 55,000 |
| Mohawk | 12,000 |
| Mother Lode | 6,000 |
| Nevada-Ray-Chino | 183,000 |
| North Butte | 4,000 |
| Ohio | 1,500 |
| Old Dominion | 10,000 |
| Phelps Dodge—United States | 220,000 |
| Quincy | 12,000 |
| Seneca | 2,000 |
| Shattuck-Denn | 5,000 |
| Tennessee | 7,500 |
| United Verde | 81,000 |
| United Verde Extension | 27,000 |
| Utah | 200,000 |
| Utah Apex | 2,300 |
| Utah Delaware | 2,700 |
| Walker | 7,500 |
| Total primary | 1,318,900 |
| Secondary to primary refineries | 150,000 |
| Total copper | 1,468,900 |

EXHIBIT D-2

*United States copper consumption*

| | Short tons |
|---|---|
| 1890 | 95, 224 |
| 1891 | 88, 534 |
| 1892 | 128, 165 |
| 1893 | 75, 805 |
| 1894 | 98, 745 |
| 1895 | 129, 351 |
| 1896 | 97, 626 |
| 1897 | 116, 997 |
| 1898 | 139, 703 |
| 1899 | 205, 756 |
| 1900 | 181, 446 |
| 1901 | 258, 881 |
| 1902 | 275, 069 |
| 1903 | 264, 286 |
| 1904 | 253, 102 |
| 1905 | 291, 399 |
| 1906 | 326, 062 |
| 1907 | 203, 952 |
| 1908 | 188, 688 |
| 1909 | 326, 084 |
| 1910 | 374, 117 |
| 1911 | 354, 555 |
| 1912 | 383, 792 |
| 1913 | 380, 668 |
| 1914 | 319, 081 |
| 1915 | 520, 882 |
| 1916 | 632, 835 |
| 1917 | 662, 095 |
| 1918 | 746, 995 |
| 1919 | 592, 123 |
| 1920 | 412, 020 |
| 1921 | 356, 541 |
| 1922 | 433, 822 |
| 1923 | 596, 162 |
| 1924 | 693, 056 |
| 1925 | 665, 830 |
| 1926 | 750, 027 |
| 1927 | 694, 772 |
| 1928 | 744, 426 |
| 1929 | 847, 574 |
| 1930 | 597, 806 |

NOTE.—United States figures from 1890–1901 inclusive are the "available supplies" as reported by the U. S. Geological Survey; from 1902 to 1930, inclusive, are the result of calculations made, details of which are shown in Exhibit A. All figures used in this connection come from Government sources.

EXHIBIT D-3

Chart omitted.

EXHIBIT E-1

*Potential world copper production*

SUMMARY

| | Short tons | Short tons |
|---|---|---|
| United States, primary | 1, 319, 000 | |
| United States, secondary to primary refineries | 150, 000 | |
| United States total | | 1, 469, 000 |
| South America | | 495, 000 |
| Mexico | | 90, 000 |
| Europe | | 148, 000 |
| Australia | | 12, 000 |
| Asia | | 93, 000 |
| Canada | | 273, 000 |
| Africa: | | |
| Rhodesia | 272, 000 | |
| Katanga | 216, 000 | |
| Miscellaneous | 10, 000 | |
| | | 498, 000 |
| | | 3, 078, 000 |

SOUTH AMERICA

| | |
|---|---|
| Andes | 95, 000 |
| Braden | 125, 000 |
| Cerro de Pasco | 66, 000 |
| Chile | 180, 000 |
| Gatico | 3, 000 |
| Naltagua | 7, 000 |
| Poderosa | 3, 000 |
| Miscellaneous | 16, 000 |
| | 495, 000 |

MEXICO

| | |
|---|---|
| Boleo | 12, 000 |
| Cananea | 50, 000 |
| Mazapil | 5, 000 |
| Moctezuma | 21, 000 |
| Tezuitlan | 1, 700 |
| | 89, 700 |

EUROPE

| | Short tons |
|---|---|
| Bor | 45, 000 |
| Mansfeld (and other Germany) | 36, 000 |
| Rio Tinto | 42, 000 |
| Miscellaneous northern ore (Scandinavian, etc.) | 25, 000 |
| | 148, 000 |

AUSTRALIA

| | |
|---|---|
| Mount Lyell | 12, 000 |

ASIA

| | |
|---|---|
| Furukawa | 19, 000 |
| Indian Copper | 3, 500 |
| Sumitomo | 20, 000 |
| Japan, miscellaneous | 50, 000 |
| | 92, 500 |

CANADA

| | |
|---|---|
| Abana | 3, 000 |
| Amulet | 3, 000 |
| Britannia | 24, 000 |
| Consolidated M. & S. | 7, 000 |
| Eustis | 2, 000 |
| Granby | 27, 000 |
| Hudson Bay | 25, 000 |
| International Nickel | 120, 000 |
| Noranda | 50, 000 |
| Sherritt-Gordon | 12, 000 |
| | 273, 000 |

AFRICA

| | |
|---|---|
| Mufulira | 66, 500 |
| Rhokana | 130, 000 |
| Roan Antelope | 75, 000 |
| Total Rhodesia | 271, 500 |
| Katanga | 216, 000 |
| Messina | 7, 000 |
| Namaqua | 2, 500 |
| | 497, 000 |

EXHIBIT E-2

*World copper consumption*

| | Short tons |
|---|---|
| 1890 | 318, 019 |
| 1891 | 331, 475 |
| 1892 | 344, 770 |
| 1893 | 330, 962 |
| 1894 | 366, 142 |
| 1895 | 391, 730 |
| 1896 | 426, 311 |
| 1897 | 464, 301 |
| 1898 | 477, 870 |
| 1899 | 515, 546 |
| 1900 | 565, 149 |
| 1901 | 544, 757 |
| 1902 | 642, 090 |
| 1903 | 646, 719 |
| 1904 | 730, 164 |
| 1905 | 801, 813 |
| 1906 | 796, 522 |
| 1907 | 731, 486 |
| 1908 | 785, 389 |
| 1909 | 871, 589 |
| 1910 | 1, 010, 589 |
| 1911 | 1, 051, 704 |
| 1912 | 1, 144, 959 |
| 1913 | 1, 203, 739 |
| 1914 | 1, 056, 044 |
| 1915 | 1, 249, 738 |
| 1916 | 1, 480, 609 |
| 1917 | 1, 523, 268 |
| 1918 | 1, 556, 337 |
| 1919 | 1, 010, 580 |
| 1920 | 1, 150, 651 |
| 1921 | 778, 648 |
| 1922 | 1, 095, 811 |
| 1923 | 1, 331, 040 |
| 1924 | 1, 491, 923 |
| 1925 | 1, 673, 843 |
| 1926 | 1, 726, 532 |
| 1927 | 1, 758, 720 |
| 1928 | 2, 019, 965 |
| 1929 | 2, 090, 953 |
| 1930 | 1, 731, 713 |

NOTE.—World figures from 1890–1912, inclusive, as reported by the Metallgesellschaft, Germany; from 1913–1930, inclusive, as reported by the American Bureau of Metal Statistics.

EXHIBIT E-3

*Potential copper production*

| | Short tons |
|---|---|
| United States | 1, 469, 000 |
| Foreign | 1, 609, 000 |
| World | 3, 078, 000 |

*Possible copper situation in 1941*

| | Short tons |
|---|---|
| World consumption in 1941, if it should reach potential, would be | 3, 078, 000 |
| United States consumption (estimated) | 1, 350, 000 |
| Foreign consumption would be | 1, 728, 000 |
| Plus 50 per cent increase foreign consumption per capita | 864, 000 |
| Foreign consumption might be | 2, 592, 000 |
| United States consumption (without per capita increase) (estimated) | 1, 350, 000 |
| Possible world consumption (1941) | 3, 942, 000 |

EXHIBIT E-4

Chart omitted.

EXHIBIT E-5

Chart omitted.

EXHIBIT F

*United States refined copper production (excluding secondary)*

| | 1928 | | 1929 | | 1930 | |
|---|---|---|---|---|---|---|
| | Total | Electro only | Total | Electro only | Total | Electro only |
| | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* |
| Domestic sources | 1, 791, 797, 387 | 1, 607, 120, 026 | 1, 982, 732, 289 | 1, 785, 754, 654 | 1, 391, 224, 205 | 1, 228, 416, 733 |
| Foreign sources | 695, 810, 392 | 693, 787, 036 | 757, 380, 087 | 756, 555, 087 | 765, 834, 973 | 765, 189, 037 |
| Total | 2, 487, 607, 779 | 2, 300, 907, 062 | 2, 740, 112, 376 | 2, 542, 309, 741 | 2, 157, 059, 178 | 1, 993, 605, 770 |
| Per cent of total from foreign sources | 28 | 30. 1 | 27. 6 | 29. 7 | 35. 5 | 38. 4 |

*Primary and secondary copper produced by primary refining plants*

| | 1928 | | 1929 | | 1930 | |
|---|---|---|---|---|---|---|
| | Total | Electro only | Total | Electro only | Total | Electro only |
| UNITED STATES PRODUCTION [1] | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Pounds* |
| Domestic sources | 2, 024, 443, 192 | 1, 798, 443, 055 | 2, 316, 890, 392 | 2, 117, 612, 757 | 1, 671, 753, 689 | 1, 507, 840, 103 |
| Foreign sources | 695, 810, 392 | 693, 787, 036 | 757, 380, 087 | 756, 555, 087 | 765, 834, 973 | 765, 189, 037 |
| Total | 2, 720, 253, 584 | 2, 492, 230, 091 | 3, 074, 270, 479 | 2, 874, 167, 844 | 2, 437, 588, 662 | 2, 273, 029, 110 |
| Per cent of total from foreign sources | 25. 5 | 27. 8 | 24. 6 | 26. 3 | 31. 4 | 33. 7 |
| WORLD PRODUCTION [2] | | | | | | |
| Total | 3, 925, 854, 000 | 3, 365, 988, 000 | 4, 535, 132, 000 | 3, 938, 800, 000 | 3, 877, 256, 000 | 3, 362, 630, 000 |
| Per cent of world total refined in United States | 69. 3 | 74. 0 | 67. 7 | 72. 8 | 62. 8 | 67. 5 |

[1]As reported by United States Department of Commerce (Bureau of Mines). Mineral Resources, Copper in 1928, 1929, 1930.
[2]American Bureau of Metal Statistics.

*Custom electrolytic refinery capacity (estimated), 1931–32*

| | Pounds |
|---|---|
| United States | 3, 394, 000, 000 |
| Canada | 360, 000, 000 |
| Europe | 656, 000, 000 |
| Total North America and Europe | 4, 410, 000, 000 |
| United States, per cent of total | 76. 9 |

*Monthly summary of foreign commerce—Exports of domestic merchandise, by articles and principal countries*

[From p. 29 of the Monthly Summary of Foreign Commerce of the United States for January, 1932]

| Articles, and countries to which exported | Unit of quantity | January— | | | | 6 months ending December— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 1931 | | 1932 | | 1930 | | 1931 | |
| Copper | Lb. | [1] 85,996, 328 | 9, 099, 601 | [1] 34,408, 431 | 2, 718, 527 | [1] 398, 182, 125 | 46, 559, 410 | [1] 202, 748, 994 | 17, 682, 521 |
| Ore, concentrates, matte, and regulus (copper content) | Lb. | 19, 151 | 1, 383 | | | 116, 139 | 10, 341 | 17, 143 | 2, 445 |
| Refined copper in ingots, bars, or other forms | Lb. | 68, 017, 608 | 7, 021, 718 | 26, 200, 849 | 1, 945, 806 | 311, 841, 409 | 34, 819, 919 | 141, 627, 318 | 11, 568, 667 |
| Belgium | Lb. | 5, 770, 194 | 615, 455 | 650, 810 | 46, 627 | 14, 122, 503 | 1, 559, 731 | 7, 560, 979 | 642, 354 |
| France | Lb. | 20, 074, 301 | 2, 057, 881 | 11, 284, 134 | 811, 661 | 79, 771, 510 | 8, 839, 526 | 38, 100, 828 | 3, 111, 323 |
| Germany | Lb. | 13, 628, 373 | 1, 384, 901 | 3, 051, 182 | 224, 521 | 54, 008, 843 | 5, 967, 078 | 18, 582, 088 | 1, 473, 967 |
| Italy | Lb. | 5, 575, 645 | 574, 465 | 3, 364, 236 | 272, 533 | 36, 453, 204 | 4, 139, 277 | 18, 707, 008 | 1, 498, 323 |
| Netherlands | Lb. | 3, 284, 989 | 330, 929 | 437, 197 | 38, 008 | 16, 306, 621 | 1, 828, 626 | 6, 902, 654 | 563, 144 |
| Sweden | Lb. | 4, 053, 349 | 409, 687 | 1, 839, 631 | 133, 536 | 15, 876, 670 | 1, 828, 013 | 7, 266, 701 | 625, 408 |
| United Kingdom | Lb. | 13, 374, 783 | 1, 417, 083 | 4, 411, 048 | 327, 880 | 65, 689, 759 | 7, 436, 309 | 32, 815, 972 | 2, 709, 336 |
| Other Europe | Lb. | 1, 123, 148 | 114, 226 | 326, 083 | 27, 565 | 11, 993, 643 | 1, 295, 774 | 2, 379, 193 | 204, 365 |
| Canada | Lb. | 203, 786 | 22, 139 | 16, 525 | 1, 496 | 5, 931, 178 | 681, 340 | 3, 923, 936 | 321, 944 |
| British India | Lb. | 25, 250 | 2, 661 | | | 1, 772, 681 | 194, 029 | 150, 257 | 14, 242 |
| China [2] | Lb. | 705, 561 | 70, 052 | 145, 586 | 10, 191 | 3, 472, 631 | 366, 910 | 2, 799, 232 | 206, 791 |
| Japan | Lb. | | | 448, 041 | 33, 603 | 2, 414, 539 | 245, 298 | | |
| Old and scrap | Lb. | 8, 541, 803 | 783, 108 | 3, 809, 916 | 246, 355 | 22, 290, 073 | 2, 216, 564 | 28, 412, 624 | 2, 019, 957 |
| Pipes and tubes | Lb. | 151, 361 | 29, 580 | 107, 783 | 19, 829 | 1, 362, 164 | 300, 250 | 912, 508 | 173, 441 |
| Plates and sheets | Lb. | 577, 476 | 92, 458 | 134, 341 | 22, 188 | 7, 119, 152 | 1, 012, 417 | 1, 872, 915 | 243, 476 |
| Rods | Lb. | 6, 009, 950 | 676, 569 | 2, 995, 263 | 260, 583 | 39, 617, 217 | 4, 896, 293 | 23, 742, 803 | 2, 328, 407 |
| Belgium | Lb. | 853, 915 | 92, 180 | 336, 619 | 33, 418 | 6, 334, 946 | 786, 338 | 4, 871, 732 | 488, 751 |
| Denmark | Lb. | 224, 212 | 26, 233 | 347, 532 | 27, 159 | 784, 182 | 94, 352 | 448, 190 | 47, 157 |
| Finland | Lb. | | | 110, 342 | 9, 103 | 866, 902 | 115, 729 | 661, 939 | 55, 160 |
| France | Lb. | | | 336, 591 | 27, 883 | 1, 378, 618 | 149, 010 | 2, 489, 815 | 247, 582 |

*Monthly summary of foreign commerce—Exports of domestic merchandise, by articles and principal countries*—Continued

| Articles, and countries to which exported | Unit of quantity | January— 1931 | | January— 1932 | | 6 months ending December— 1930 | | 6 months ending December— 1931 | |
|---|---|---|---|---|---|---|---|---|---|
| Copper—Continued. | | | | | | | | | |
| Rods—Continued. | | | | | | | | | |
| Norway | Lb | 371, 477 | 40, 106 | 45, 005 | 3, 946 | 1, 587, 732 | 195, 187 | 812, 133 | 77, 693 |
| United Kingdom | Lb | 2, 634, 278 | 297, 621 | 1, 356, 701 | 119, 425 | 11, 871, 206 | 1, 548, 281 | 8, 371, 967 | 831, 738 |
| Other Europe | Lb | 1, 063, 836 | 127, 100 | 224, 219 | 17, 378 | 3, 686, 017 | 436, 788 | 2, 882, 576 | 271, 765 |
| Canada | Lb | 663, 946 | 68, 911 | 3, 450 | 494 | 9, 937, 002 | 1, 183, 192 | 787, 168 | 74, 903 |
| Brazil | Lb | 80, 089 | 8, 815 | 156, 942 | 13, 983 | 2, 156, 322 | 261, 623 | 1, 267, 951 | 111, 947 |
| Wire | Lb | 905, 352 | 129, 602 | 413, 055 | 48, 743 | 6, 205, 416 | 896, 449 | 1, 794, 441 | 211, 414 |
| Insulated copper wire and cable— | | | | | | | | | |
| Rubber-covered wire | Lb | 297, 650 | 61, 955 | 207, 477 | 46, 044 | 1, 735, 096 | 379, 752 | 862, 003 | 202, 657 |
| Weatherproof wire | Lb | 151, 431 | 21, 862 | 171, 972 | 24, 304 | 1, 083, 118 | 179, 890 | 798, 178 | 114, 478 |
| Telephone cable | Lb | 177, 805 | 25, 832 | 90, 788 | 12, 304 | 540, 770 | 90, 601 | 308, 651 | 47, 274 |
| Other insulated copper wire | Lb | 1, 146, 741 | 214, 830 | 276, 987 | 73, 104 | 6, 271, 571 | 1, 340, 787 | 2, 400, 410 | 536, 532 |
| United Kingdom | Lb | 86, 481 | 26, 175 | 178, 515 | 52, 766 | 543, 449 | 163, 889 | 504, 472 | 148, 262 |
| Other Europe | Lb | 26, 386 | 11, 817 | 17, 926 | 4, 701 | 211, 634 | 68, 753 | 99, 870 | 30, 691 |
| Canada | Lb | 81, 410 | 20, 722 | 9, 184 | 510 | 666, 314 | 205, 620 | 237, 466 | 57, 341 |
| Central America | Lb | 88, 193 | 11, 745 | 14, 624 | 1, 805 | 267, 220 | 46, 631 | 261, 345 | 40, 989 |
| Mexico | Lb | 90, 354 | 14, 351 | 4, 852 | 889 | 423, 457 | 84, 260 | 74, 966 | 16, 552 |
| Cuba | Lb | 186, 759 | 27, 051 | 14, 913 | 2, 039 | 545, 981 | 87, 161 | 105, 949 | 18, 473 |
| Brazil | Lb | 15, 508 | 3, 040 | 325 | 60 | 97, 192 | 25, 581 | 58, 954 | 10, 521 |
| Chile | Lb | 61, 811 | 12, 597 | 3, 572 | 531 | 476, 927 | 92, 495 | 148, 590 | 27, 811 |
| Colombia | Lb | 6, 218 | 1, 409 | 91 | 172 | 122, 250 | 20, 374 | 44, 861 | 9, 669 |
| Venezuela | Lb | 133, 510 | 19, 156 | 7, 285 | 1, 109 | 268, 830 | 50, 143 | 54, 784 | 7, 475 |
| Other South America | Lb | 101, 617 | 18, 260 | 581 | 155 | 208, 935 | 51, 561 | 190, 799 | 44, 675 |
| China [1] | Lb | 18, 594 | 4, 755 | 29 | 17 | 142, 578 | 33, 863 | 102, 353 | 19, 474 |
| Philippine Islands | Lb | 184, 428 | 27, 588 | 6, 641 | 1, 129 | 610, 304 | 120, 659 | 224, 947 | 32, 115 |
| Australia | Lb | 10, 804 | 4, 913 | 9, 639 | 3, 171 | 107, 633 | 43, 974 | 81, 274 | 25, 909 |
| Other copper manufactures | | | 40, 704 | | 19, 267 | | 416, 147 | | 203, 773 |
| Brass and bronze | | | 775, 115 | | 272, 582 | | 5, 153, 253 | | 2, 387, 881 |
| Scrap and old | Lb | 3, 208, 174 | 245, 212 | 1, 407, 537 | 65, 637 | 20, 166, 934 | 1, 617, 815 | 7, 928, 573 | 446, 454 |
| Ingots | Lb | 102, 013 | 9, 873 | | | 779, 790 | 88, 374 | 323, 876 | 28, 632 |
| Bars and rods | Lb | 459, 751 | 59, 968 | 50, 813 | 7, 949 | 1, 081, 823 | 182, 134 | 952, 202 | 119, 395 |
| Plates and sheets | Lb | 59, 420 | 14, 200 | 28, 297 | 5, 143 | 556, 299 | 128, 769 | 227, 938 | 44, 102 |
| Pipes and tubes | Lb | 317, 555 | 55, 188 | 129, 273 | 22, 141 | 2, 059, 488 | 414, 583 | 1, 364, 293 | 247, 593 |
| Pipe fittings and valves | Lb | 230, 315 | 126, 308 | 76, 409 | 43, 156 | 1, 278, 592 | 738, 765 | 746, 841 | 399, 588 |
| Plumbers' brass goods | Lb | 74, 175 | 40, 357 | 21, 162 | 12, 204 | 453, 723 | 266, 412 | 299, 573 | 162, 461 |
| Wire of brass or bronze | Lb | 146, 856 | 43, 677 | 8, 059 | 2, 666 | 727, 619 | 209, 086 | 523, 929 | 115, 320 |
| Brass wood screws | Gross | 23, 016 | 5, 645 | 7, 421 | 2, 207 | 178, 254 | 53, 866 | 221, 553 | 40, 201 |
| Hinges and butts of brass or bronze | Doz. prs. | 1, 262 | 3, 004 | 1, 662 | 2, 575 | 9, 641 | 30, 769 | 5, 526 | 14, 052 |
| Other hardware of brass or bronze (excluding locks) | | | 32, 014 | | 17, 511 | | 235, 985 | | 133, 135 |
| Other brass and bronze manufactures | | | 139, 669 | | 91, 393 | | 1, 186, 695 | | 636, 951 |

[1] Not including pounds of "Other copper manufactures."
[2] Prior to 1932 includes Hong Kong and Kwantung.

*Monthly summary of foreign commerce—General imports of merchandise, by articles and principal countries*
[From p. 64 of the Monthly Summary of Foreign Commerce of the United States for January, 1932]

| Articles, and countries from which imported | Unit of quantity | January— 1931 | | January— 1932 | | 6 months ending December— 1930 | | 6 months ending December— 1931 | |
|---|---|---|---|---|---|---|---|---|---|
| Copper | Lb.[1] | 46, 726, 142 | 4, 977, 672 | 78, 155, 004 | 5, 324, 517 | 381, 830, 057 | 39, 474, 526 | 325, 484, 451 | 24, 226, 521 |
| Ore (copper content) free | Lb | 515, 255 | 51, 461 | 2, 172, 827 | 107, 373 | 46, 175, 068 | 4, 491, 277 | 8, 712, 813 | 482, 022 |
| Germany | Lb | | | | | 189, 556 | 19, 061 | | |
| Spain | Lb | | | | | 4, 184, 837 | 415, 786 | | |
| United Kingdom | Lb | 94, 890 | 9, 489 | | | 10, 820 | 1, 082 | | |
| Canada | Lb | | | | | 21, 992, 085 | 2, 233, 797 | | |
| Mexico | Lb | 112, 423 | 11, 175 | 33, 243 | 2, 181 | 482, 2[illegible]2 | 53, 292 | 394, 576 | 30, 629 |
| Cuba | Lb | 105, 140 | 10, 504 | | | 5, 319, 106 | 312, 266 | 567, 360 | 31, 770 |
| Chile | Lb | 67, 074 | 6, 707 | 2, 088, 912 | 101, 986 | 12, 723, 457 | 1, 309, 631 | 6, 997, 877 | 365, 016 |
| Peru | Lb | 22, 202 | 2, 220 | 47, 032 | 2, 881 | 291, 822 | 44, 310 | 502, 565 | 37, 908 |
| Concentrates (copper content) free | Lb | 10, 736, 937 | 878, 306 | 6, 677, 118 | 384, 564 | 33, 770, 605 | 2, 932, 605 | 58, 815, 989 | 3, 817, 063 |
| Canada | Lb | 3, 491, 511 | 283, 899 | 2, 869, 830 | 200, 468 | 3, 892, 091 | 397, 055 | 17, 157, 743 | 1, 210, 287 |
| Mexico | Lb | 2, 927, 846 | 292, 785 | 4, 240 | 254 | 12, 802, 640 | 1, 296, 429 | 9, 565, 749 | 657, 627 |
| Cuba | Lb | 3, 248, 000 | 221, 850 | | | 15, 769, 000 | 1, 103, 348 | 10, 780, 000 | 738, 795 |
| Chile | Lb | 983, 310 | 71, 145 | | | 58, 413 | 10, 383 | 319, 779 | 21, 478 |
| Regulus, coarse metal, and cement copper (copper content) free | Lb | 244, 817 | 22, 649 | 155, 179 | 8, 693 | 1, 411, 180 | 136, 197 | 647, 387 | 44, 390 |
| Unrefined, black, blister, and converter free | Lb | 26, 288, 220 | 3, 097, 876 | 21, 258, 922 | 1, 424, 109 | 253, 027, 755 | 26, 772, 566 | 133, 115, 276 | 9, 523, 049 |
| United Kingdom | Lb | | | | | 163, 685 | 10, 035 | | |
| Canada | Lb | 7, 508, 828 | 1, 274, 671 | 2, 512, 991 | 228, 285 | 68, 630, 129 | 8, 310, 623 | 19, 583, 127 | 1, 462, 515 |
| Mexico | Lb | 9, 754, 754 | 918, 095 | 7, 526, 134 | 535, 226 | 55, 479, 843 | 5, 442, 773 | 40, 813, 669 | 3, 139, 885 |
| Chile | Lb | 5, 407, 811 | 489, 559 | 2, 521, 625 | 131, 959 | 40, 469, 265 | 4, 075, 032 | 25, 837, 523 | 1, 820, 861 |
| Peru | Lb | 1, 544, 793 | 161, 727 | 6, 948, 318 | 432, 156 | 54, 136, 624 | 4, 731, 227 | 44, 175, 60[illegible] | 2, 939, 787 |
| Africa | Lb | 2, 072, 034 | 253, 824 | 1, 749, 854 | 96, 483 | 28, 104, 245 | 3, 563, 574 | | |
| Refined free | Lb | 8, 577, 552 | 897, 438 | 47, 315, 301 | 3, 363, 914 | 44, 829, 688 | 4, 808, 297 | 121, 657, 296 | 10, 201, 297 |
| Canada | Lb | 2, 653, 282 | 276, 187 | 16, 604, 134 | 1, 301, 655 | 6, 266, 188 | 726, 978 | 64, 330, 221 | 5, 677, 825 |
| Chile | Lb | 5, 924, 270 | 621, 251 | 30, 709, 917 | 2, 062, 186 | 38, 563, 500 | 4, 081, 319 | 57, 062, 416 | 4, 502, 894 |
| Scrap, scale, and clippings free | Lb | 362, 651 | 25, 165 | 544, 188 | 29, 152 | 2, 549, 097 | 200, 681 | 2, 535, 445 | 115, 610 |
| Composition metal, copper chief value free | Lb | 710 | 51 | 31, 469 | 951 | 66, 696 | 5, 453 | 245 | 20 |
| Copper manufactures, n. e. s dut | | | 4, 726 | | 5, 341 | | 127, 450 | | 43, 070 |
| Brass and bronze | | | 127, 020 | | 71, 600 | | 1, 121, 009 | | 720, 046 |
| Brass, old, etc., for remanufacture free | Lb | 515, 419 | 34, 490 | 404, 886 | 13, 404 | 2, 304, 874 | 147, 957 | 1, 940, 723 | 80, 625 |
| Brass manufactures dut | | | 40, 002 | | 22, 273 | | 522, 156 | | 345, 530 |
| Bronze manufactures dut | | | 52, 528 | | 35, 923 | | 450, 896 | | 293, 891 |

Mr. HARRISON. Mr. President, it can not be forgotten that in the tariff bills heretofore proposed by our friends on the opposite side, the excuse was advanced, generally speaking, that currencies had depreciated in foreign countries, or that exchange was out of gear, causing the necessity for tariff revision. So we have the matter up this time, coming right after the consideration of a tariff bill, but the purposes of which have been very clearly stated by the Senator from Pennsylvania [Mr. REED]. He was very candid; he was very frank; and I desire to serve notice on the Senate of what the Senator from Pennsylvania on yesterday said in the discussion, so that the objects of this proposal can not be misunderstood.

I read from the RECORD.

Mr. REED. What page?

Mr. HARRISON. Page 7674:

> Mr. HARRISON. Suppose the Senator's resolution passes and we get the information. What does the Senator propose to do then? In other words, what is the object of passing the resolution and getting the information?
>
> Mr. REED. I tried to answer that a little while ago.
>
> Mr. HARRISON. I am sorry I did not hear it.
>
> Mr. REED. For myself, I want to disclaim with emphasis any desire to make a permanent change in any item of the tariff law on the information that this resolution produces.
>
> Mr. HARRISON. The Senator says "permanent change." Does he, then, intend to make a temporary change?
>
> Mr. REED. That depends entirely upon the gravity of the case.
>
> Mr. HARRISON. Yes. Then if the commission should send in an opinion that would justify the Senator temporarily in asking for a still higher rate of duty on certain items, he would feel justified in doing it and feel impelled to do it?
>
> Mr. REED. No; I would not ask for any permanent amendment in the tariff act——

He was fencing a little bit then. He was not as direct in his answer as later.

> Mr. HARRISON. I did not say "permanent"; I said "temporary."
>
> Mr. REED. Temporary, yes; and if, on the other hand, the information that comes in shows that the specific duties are too high—and it may well show it—then I should expect similar action to be taken temporarily in the other direction.

So there is no difference of opinion on this score, that if the information which is sought to be obtained shows that there ought to be a temporary increase in tariff rates, the Senator from Pennsylvania, powerful member of the Finance Committee, expects to sponsor it, and the object of getting this information is to write still higher tariff rates into the law; temporarily, he says; but sometimes when we put them in temporarily it is hard to get them out. So I say to Senators not to be deceived into thinking that this is not a movement to get increased tariff duties. Notice has been served by no less a distinguished figure in this body than the distinguished Senator from Pennsylvania.

Now, let me refer to what was said in 1921. Our friends on the other side tried to write an emergency tariff bill. It originated in the House and was known as the Young bill. Exchange difference at that time was pronounced. There were depreciated currencies in foreign countries, and the Republicans wanted to do what they seem to want to do now.

There was written into that emergency tariff law at that time, which was supposed to afford some relief to farmers, a provision which dealt with depreciated currencies. That was the act of 1921. The provision to which I refer was not enacted. The bill went to the House, it was passed by the House, it came to the Senate, but that provision did not get anywhere. The Senator from Utah, Mr. SMOOT, and the Senator from North Dakota, Mr. McCumber, who at that time was chairman of the Committee on Finance, struck it from the bill.

The distinguished leader on the Democratic side in the House at that time, Mr. Kitchin, one of the ablest men who ever graced the House of Representatives, and certainly one who was an expert in tariff matters, as ranking minority member of the Ways and Means Committee at that time, made this observation in his report on the Fordney bill, which came a year later. Mr. Kitchin said:

> In the emergency tariff, as reported to the House, the majority of the Ways and Means Committee inserted a provision regarding the depreciation of foreign money and attempted to justify it by the fall which had taken place in foreign currency.

The exact situation we have now. Already in the House at least 20 bills have been introduced seeking what was sought at that time. My friend from Pennsylvania, smart, astute, and able, tries to take another tack and is now attempting to lay the foundation for it, because he knew that at this particular time, with the atmosphere charged against increasing tariff rates, he could not get the other thing done, but thought, perhaps, he might squeeze this innocent-looking little proposition through the Senate, and that some would fall for it.

Mr. Kitchin in this report further said:

> This is the same reason, in other words, for the present proposition.

In other words, in 1921, when the Fordney bill was reported to the House, and Mr. Fordney presented his reasons, in a report, for the high tariff rates sought to be imposed in that proposal, he coupled with it, too, the so-called American valuation scheme, which my friend the Senator from Utah remembers so well, and which was repudiated by him and his colleagues on the Finance Committee. The object in 1921, when Mr. Fordney was in charge of that proposal, was to put the American valuation proposition in the law in order to take care of the depreciated currency situation in the world at that time and to lift rates higher. It was that phase of the bill to which Mr. Kitchin, in the report on the Fordney bill in 1921, was alluding. He said:

> This is the same reason, in other words, for the present proposition. In the debate in the House, and in the subsequent consideration in the Senate, the falsity of this argument was so conclusively shown that the proposition of the majority of the Ways and Means Committee was absolutely excised from the bill.

That is, the depreciated currency provision of the Young bill in 1921, which was the forerunner of the Fordney bill, was stricken out by the Finance Committee over here, and it did not get a chance; and there was never a word said about it on the floor of the Senate in the discussion of the emergency tariff.

Mr. Kitchin said:

> We do not recall an instance in legislation where the Senate so completely extirpated a provision insisted on by the House majority, where the leaders of that majority came back to the House and never in the slightest degree explained how thoroughly they had been emasculated, how completely their proposition had been repudiated. Their proposal was so conclusively shown to be a preposterous blunder that they never mentioned it when they came back with their conference report and let their humiliation go by in silence. Although we can assure them that while not mentioned upon the floor of the House, their discredit was an object of amusement.

He cited the case of Germany and quoted this statement of the majority of the Ways and Means Committee:

> That equal quantities of bread in the city of Berlin cost in September, 1913, 2.83 marks; and in September, 1920, 22.5 marks; cereals in September, 1913, 0.30 mark; and in September, 1920, 4.87 marks.

Exchanges were fluctuating, prices were changing in those days, just the same as they are now, and, as I have shown, in 1921, when the emergency tariff bill was proposed by the Republicans of the House, they tried to do what is being attempted to be followed here after this is done in the Senate, take care of depreciated currencies.

Let us see how different the situation was in 1921 from the situation now. Mr. Fordney said in his report to the House, in substantiation of his American valuation scheme, which was supposed to take care of the depreciated currency and difference in exchanges:

> The necessity for this remedial legislation is accentuated by after-war conditions which have resulted in the depreciation in the value of the currency of the nations of Europe in general. The effect of depreciated currency has been to reduce production costs in many countries with whose products American goods must compete. It is against these countries that protection is most needed.
>
> Several proposals have been submitted to the committee to overcome adverse conditions resulting from the depreciation of foreign exchange. After much careful consideration of the question in general, the committee has come to the conclusion that the assess-

ment of ad valorem duties on the values of comparable articles in the principal markets of the United States will have a beneficial result, and in a large degree overcome the difficulties occasioned by the rapid decline in the value of the currency of some of the principal competing nations.

So that was the scheme at that time, for the American valuation, which was proposed to take care of that situation, quite similar to the situation to-day. When his scheme got over to the Senate, the distinguished Senator from Utah [Mr. SMOOT] and the chairman of the committee, Mr. McCumber, and the Republican leadership here would not stand for the American valuation scheme as an attempt to take care of the depreciated currency. So they temporarily suggested the flexible provision.

I read, during the discussion of the recent tariff bill, the views expressed by Mr. McCumber, the chairman of the Finance Committee when the McCumber bill was being considered, and by other distinguished Republican leaders, to show that at that time the flexible provision was a temporary proposal, and intended merely to meet the fluctuating changes in commodity prices and depreciated currencies in the world—the difference in exchanges.

The object of those who sought the high protective duties was to find some reason upon which they might reach the higher rates. So they made the rates in the Fordney bill tremendously high, because of world conditions and depreciated currencies and difference in exchanges.

Mr. President, I was not surprised when the very able Senator from Pennsylvania, just on the eve of our passing tariff legislation at this session, should conceive an idea quite similar to what his predecessors of the Republican Party had conceived in 1921 in the writing of the emergency tariff bill and in 1921, also, when they put through the Fordney-McCumber measure. One day, out of a clear sky—innocent little proposition as it was—my friend offered this little resolution. It was not as broad in those days as it is now. He just called on the Tariff Commission for their opinion, and so it was passed here, and no questions were asked about it; it just went through.

That was before we took up in the Senate for consideration the last tariff bill. The Senator was trying to lay his foundations for a fight against that bill. I was not in the Senate at the particular time the resolution came up, or I certainly would have opposed it. Next morning, looking over the CONGRESSIONAL RECORD, I saw that it had passed, and I came upon the floor of the Senate at 12 o'clock and moved to reconsider the vote by which it had been agreed to, and the Senate is aware of what happened. By a very large vote, over the objection of the Senator from Pennsylvania, the vote was reconsidered, the resolution was sent to the Committee on Finance, and the committee broadened it and changed it in a great many respects.

I think it is a better resolution now than it was in its original form, because it does ask the commission to investigate the increases of commodity prices resulting from the depreciated currencies, as well as the difference in exchange features.

After the committee reported the resolution and it was placed upon the Senate calendar, it will be recalled that the Senator from Pennsylvania was able to get a place for his resolution on the program promulgated by the majority party. So it was placed on the calendar, to be taken up at a certain time for consideration. One day the Senator, not being willing to take his chance of the resolution being reached on the calendar, because it would come then after the passage of the tariff bill, made a motion to bring his resolution up, trying all the time to shoot it ahead of the tariff controversy and the tariff bill. He wanted to get the information, perhaps, which the Tariff Commission already had, that he might buttress his arguments for higher tariff duties and higher tariff arguments.

Oh, yes, the Tariff Commission is supposed to be not very partisan, but we know what the Tariff Commission has done. We know the influences that are at work upon certain members of the Tariff Commission. Their opinion is sought. Mere facts are not sought. The tariff is a fact-finding commission and not a commission to give opinions. The Senator tried to force his measure before we considered the tariff bill, but the sense of the Senate was too fair for that and would not stand for it, so he was repulsed in that movement, and he had to await his time with patience until after the tariff bill was passed. Now it has been passed. That is the reason why I asked the Senator yesterday what was his object in passing the resolution, and if he got the information what he was going to do with it. He told us candidly and frankly that temporarily he intended, where the facts warranted, to try to increase the rates.

Mr. President, the situation to-day is bad, of course. There are differences in exchanges throughout the world. Depreciated currencies in many of the European and other countries have, of course, affected world trade. They have made it difficult in some instances for us to sell to them; and, as stated by the Senator from Pennsylvania, it has caused them perhaps to increase their export trade. But this is nothing new. We have had fluctuations in commodity prices at times. We have had differences in exchange values. Currencies of various kinds are not maintained at the same stable price always. We have had it through the years, and we are going to continue to have it. We can not sit in judgment upon the constant changes of price levels and price commodities and currencies. They are changing all the time. The Senator stated yesterday, I think, that in those countries where they have gone off the gold standard and the currency has been depreciated, the community prices have increased. That is exactly what I have found from my investigation of the subject matter. Indeed, they have increased almost proportionately upward as the currency has depreciated downward; and in the end, so far as this country is concerned, the effect would be not very great.

The Senator from Pennsylvania is doing a very unusual thing here. We heard him yesterday defend the gold standard and decry any attempt to go off the gold standard. I take it that those are his views. But the Senator knows that the impression has gone upon the winds at times here, based upon rumors, that this country was about to go off the gold standard, and it has had its effect. Its repercussions have been felt not only here but throughout the world. Men high up in the affairs of the Nation have had to send out their notices of warning that it was not true. And yet, Mr. President, the Senator's speech on yesterday shows, if it shows anything, that in those countries which were on the gold standard and which have suspended it and depreciated their currency, the commodity prices have increased and their exports have increased and perhaps their imports have fallen off.

The Senator cited Great Britain as a case. I compliment the statesmanship of England. Too much praise can not be showered upon her statesmanship in this tragic time, when they are burdened with heavy debts and have tremendous unemployment; and when her currency was going down and down as well as her commodity prices, her statesmanship had wisdom enough and courage enough to adopt a plan that lifted commodity prices, that lessened and reduced unemployment and balanced the budget in a very short time. But the statesmanship of this country has in a spineless way witnessed day after day a decline of commodity prices, refusing to do anything that might cure the situation, but just letting it shift and drift along.

Mr. REED rose.

Mr. HARRISON. From the arguments made by the Senator from Pennsylvania it would seem very possible for a lot of people throughout the world to gather the impression that going off the gold standard might increase commodity prices and help the economic condition of the country. They may think that the Senator, being so close to the administration as he is, is intimating that this is the first step toward this Government going off the gold standard or at least suspending it for a time. That it is gathering information for that purpose.

I yield to the Senator from Pennsylvania.

Mr. REED. It would still be easier for the people to think, from what the Senator has just said, that the statesmen of

England, whom he praises so highly, purposely and intentionally went off the gold standard. The Senator must know that they did not want to abandon the gold standard but were driven from it.

Mr. HARRISON. I think it is quite true that they were driven from it; but the Senator's argument yesterday was that after they were driven from it and the gold standard was suspended, commodity prices went up, unemployment was lessened, and that the budget has been balanced in that country, and the situation has been greatly helped.

Mr. REED. Of course, there was a temporary benefit, but they will pay for it in the future many times over.

Mr. HARRISON. I am not here to-day criticizing English statesmanship for what they have done when it is shown that her situation is very much improved. I hope the ill effects which the Senator prophesies will not come true.

Mr. THOMAS of Oklahoma. Mr. President——

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

Mr. HARRISON. I yield.

Mr. THOMAS of Oklahoma. If I may suggest it to the Senator, conditions are much better in Great Britain. The pound went so low and gave such satisfactory results that when the pound started to go up again the statesmen of Great Britain proposed to put into circulation £100,000,000 to keep it from going up. They wanted it kept down. That is the deliberate judgment of the English statesmen at this hour.

Mr. SHIPSTEAD. Mr. President——

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

Mr. HARRISON. I yield.

Mr. SHIPSTEAD. The majority of the committee which made the report stated in the report that they considered they had made a mistake when they went off the gold standard in 1925. They had the experience of being on the gold standard until September, 1931. That report came out last June. In that report several members of that committee, including Reginald McKenna, manager of the biggest bank in England with the exception of the Bank of England, made that statement.

Mr. HARRISON. I thank the Senator. I do not want anyone to misconstrue what I am saying. I say that the argument of the Senator from Pennsylvania presents that situation. I am not advocating that this country should go off the gold standard or suspend it. I do think, however, that something ought to be done by those who direct the Federal reserve system or the fiscal policies of the country, if it be possible, to put a stop to further decline of commodity prices. What we need now is—I will not say inflation, but, as Irving Fisher said reflation—or something so that prices can at least go up to some measure of what they should be.

The Senator from Pennsylvania cites these depreciated currencies; and I am saying that the argument he has made is liable to give the impression to the world that this is the first step in this country toward taking a different position with reference to the gold standard.

Mr. FESS. Mr. President——

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

Mr. HARRISON. I yield.

Mr. FESS. I am glad to hear the Senator say that his words are not to be interpreted as a recommendation that we leave the gold standard.

Mr. HARRISON. The Senator from Ohio was not here when I made my statement. I was answering the argument of the Senator from Pennsylvania [Mr. REED] and stating that his argument would give the impression to the world that this was the first step that might be taken in that direction.

Mr. FESS. The statement I heard the Senator make seemed to compliment Great Britain for what she did.

Mr. HARRISON. That is true. Does not the Senator compliment Great Britain for what she did?

Mr. FESS. No.

Mr. HARRISON. If the Senator had been there, he would have acted differently and probably would then have had more unemployment and a more greatly unbalanced budget than now.

Mr. FESS. The question was what a public man might do in the face of a mutiny in the British fleet if he were a member of Parliament of England. The Senator knows the gold standard was recommended to be preserved and steps were taken to do it. They had two ways to do it, one being to deflate the cost of government and the other to inflate the purchasing power. They decided to adopt the former plan, to deflate the cost of government which meant a reduction of wages and unemployment allowances. Immediately it was followed in five days by a mutiny in the British fleet. The day after that they recommended going off the gold standard. I do not know what a man might do in the face of a situation like that, but certainly no one is going to say that Great Britain voluntarily went off the gold standard.

Mr. HARRISON. I do not say that Great Britain went voluntarily off the gold standard, but I do say that I admire the statesmanship of Great Britain that they had the courage and forethought to do something, whether it was balancing the budget, or whether it was deflation of government expenditures, or going off the gold standard and suspending it temporarily in order to inflate commodity prices, or whatnot. The proof of the pudding is the eating thereof. They have made pretty much of a success of the situation. They have relieved unemployment largely. They have caused commodity prices to be lifted. They have balanced their budget.

Mr. FESS. That is true, but the Senator recognizes that Great Britain has become a debtor country, and a debtor country as a rule agrees to cheapen the money and repudiate a part of her obligations. Great Britain never did it until she came to that stage. France will probably do it if she gets to that stage, but I doubt it very much. What I am concerned about is whether the words of the Senator—and I say this because it is true—which are read and considered with considerable conviction throughout the country, are to be interpreted as meaning that he is commending what has been done in Great Britain as being an example that we should follow. I assume that such a statement would have a tremendously injurious effect in the country to-morrow if that were his meaning.

Mr. HARRISON. Now that the Senator has finished lecturing me [laughter]——

Mr. FESS. I withdraw my statement if the Senator takes it that way.

Mr. HARRISON. That is all right. I like to be lectured by the Senator from Ohio, because he is a very good schoolteacher, but a very poor Senator. [Laughter.] I may say, of course, that the situation in England is such that they have been confronted with many problems different from our own. I have voted for some legislation here that I did not like, because I thought it might tend to inflate a little bit. I think we have deflated too greatly, too precipitously, and now we have to inflate back a little bit. I do not think we are going to have a normal return to economic conditions until commodity prices have gone up somewhat. So, having that very largely in view, I voted for the Reconstruction Finance Corporation act, which I hoped might stop the closing of so many banks by affording them some credit, in order that they might in turn extend credit to their customers, thereby putting more money in circulation and tending slightly to inflate the currency and start the prices of commodities upward.

I then voted for the so-called Glass-Steagall bill as a temporary measure. I hoped that the Federal Reserve Board would heed the admonition, because it appeared at that time that the administration was strongly in favor of such legislation and that it was going to use it as a means of putting more money into circulation and causing some inflation. I do not mean radical inflation; I do not mean skyrocketing inflation; but I mean reasonable, rational inflation; for I realize, as every Senator and every American citizen must realize, that no one who incurred indebtedness in the flush times of four or five years ago and who to-day is in debt, the value of his property, whatever it may be, whether stock or land or commodities, or whatnot, having declined to the present figures under the enormous deflation which has occurred, can ever expect to see the light of day so far as being removed from under the burden of debt is concerned. So we have got to inflate in some rational way in order to increase the prices of commodities in this country.

Therefore I find no fault, may I say, with the statesmanship of England because of what that Government did when it temporarily went off the gold standard, if that was the only resource left to them in order to increase the price of commodities and balance their budget.

I stated that I voted for these other pieces of legislation, the Reconstruction Finance Corporation bill, the bill to increase the capital stock of the Federal land banks, and the Glass-Steagall bill, in the hope that it would not be necessary for us to be compelled to suspend the gold standard in this country even temporarily. I believe yet that those who direct the fiscal policies of this Nation can work out some policy through the Glass-Steagall law which may give us a little inflation; at least, I hope so.

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

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

Mr. HARRISON. I yield to the Senator.

Mr. REED. While the Senator from Mississippi is praising British statesmen so highly for their conduct last September, does he include in that praise their action in establishing a protective tariff?

Mr. HARRISON. The Senator from Pennsylvania has heard me speak about that four hundred and ninety-nine times, or a little more, I think.

Mr. REED. A few more times, I think.

Mr. HARRISON. Yet, may I say, I can not blame England, I can not blame France, nor Germany, nor Spain, nor Canada, nor any of the other nations of the world. When this great giant Nation here, that had a trade with them, took the first step in imposing enormous tariff rates, against their protest and over their admonitions, building tariff walls here so high that their goods could not come here and help to pay, to the slightest extent, even, the debts they owed us, what was left for them to do? Was it not perfectly natural that they should retaliate? Was it not perfectly natural that they should establish boycotts and cartels? We led them into the war of tariff reprisals and retaliation, and until we do something to inflate the prices of commodities somewhat and remove tariff barriers to some extent, and build up a little exchange of trade and commerce, we are going to continue to walk in the mud and to bog down as we have been during the last three years.

I yet hope that my friends who smilingly sit here with me now will change their policy and will bring their influence on those at the other end of the Avenue to admit that they have been wrong, and will say, "Let us change our policy now a little bit; we have been narrow; we have been too selfish; we have been looking out for the steel interests; we have been looking out for the sugar interests and this interest and that interest; now let us look at this thing in a broad way and try to help restore world economic conditions."

Mr. President, this is about all I have to say. I think it is unfortunate that the pending proposition is before us. I do not think we ought to reconstitute the Tariff Commission and make of it a body to report its opinions about economic questions; but if the Senator from Pennsylvania insists upon the adoption of his resolution, I expect to offer a substitute for it, providing that the President of the Senate shall appoint a committee to investigate this subject, using the exact words of the Senator's resolution. Then the committee may draw to itself all the agencies of the Government from the Tariff Commission, the Treasury Department, the Department of Commerce, and everywhere else, and may submit their opinions to the Senate as to all the facts but not alone the opinions of the Tariff Commission, about which in some aspects I care very little.

Mr. SHIPSTEAD. Mr. President, a great deal has been said about British statesmanship incidental to Great Britain going off the gold standard. It is true that many of the business men and statesmen of Great Britain were opposed to Great Britain going off the gold standard. Ever since they returned to the gold standard in 1925 great controversy has taken place there between, on the one hand, shippers and men of commerce and men of industry and, on the other hand, men connected with the banking business. It is true they were forced off the gold standard in a sense because the descending price level, the deflation that was going on there, as it is going on here, brought on a situation that made economic conditions so bad that the safety of the government was threatened. The process of deflating price levels could not go on any further without danger of a revolution. We may have to go that far here; we are moving in that direction. Some one asked the other day what we would do in case we were forced off the gold standard.

In reference to what the Senator from Mississippi [Mr. HARRISON] said regarding inflation under the Glass-Steagall bill, I wish to say that I do not think it can be brought about, because that bill is based upon inflating through the banks, and the banking system is based upon credit, and credit again is based upon confidence, and, when confidence is gone, the credit structure can not be inflated, as it was in 1924, 1925, 1926, 1927, 1928, and 1929, because borrowers can not be found with collateral. When we talk about inflation and the cheap dollar, that is what we did during the period of those years by inflating the credit structure. The banking system inflated credits for the financing of $70,000,000,000 in new stocks and bonds.

If the credit structure can not be inflated because confidence, which is the foundation of the credit structure and the banking system, has gone, is there another way by which inflation can be brought about by inflating the currency? I know that the term inflation is an obnoxious one; it is offensive; it used to be called expansion of the currency; but the only difference between inflation of the credit system and inflation of the currency is, that when credit is inflated, as it was during the war and as it was after the deflation of 1920, which was another artificial deflation, debts were increased, and to that extent the dollar was cheapened. Inflating credits increases debts. Inflating currency makes it possible to pay debts. Either method carried to the extreme is dangerous.

As we have created the enormous amount of debts now outstanding, the production of gold with which to pay them has not kept pace. I am not advocating now that we should go off the gold standard; I do not think that is necessary as yet; but every responsible economist in the world will say that 40 per cent gold coverage for currency is not necessary. We have, now, enough gold to cover an additional $2,000,000,000 in currency. If it is necessary further to inflate the currency and do it on the gold standard, the gold coverage can be cut to 30 or 20 per cent and we would still be on a safe basis.

In regard to what has been said about the British imposing tariff duties, a British statesman told me in June that for the last fiscal year, the year ending on June 30, 1931, the British Government found that they had a surplus of imports over exports of $1,500,000,000. He said, "Since you raised your tariff other countries have raised their tariff against our goods, and we bought a billion and a half dollars' worth more than we have been able to sell, and," he said, "that policy continued would bankrupt any nation. We will have to do something to shut you out." He said further, "We may have to eat less, but we can not afford to permit to come in every year a billion and a half dollars' worth of goods more than we are able to sell."

In Germany I asked a German statesman why, in view of the fact that Germany had on the average imported annually $800,000,000 of agricultural products, she had put a tariff on food products, increasing the cost of food to her people? "Well," he said, "you know we have not the gold with which to pay for imports of agricultural products. Your people will not take our goods in payment for agricultural products we buy from you, and so," he said, "we have nothing with which to pay. We can not afford to let your agricultural products come in here, because we have nothing with which to pay for them, and so we had to levy a high tariff in order to shut you out and to stimulate agricultural production at home."

Mr. President, much has been said about the butter market going to smash in the United States because of the flood of imports from Canada following the depreciation of the Canadian currency in comparison with our gold dollar. For the purpose of the RECORD, I want to insert the figures which I have of butter imports from Canada, the figures having been furnished me by the Department of Commerce. They show that instead of there having been an increased flood of butter from Canada since last September there has been, in fact, a great decrease of such importations. In October, just after Canada, at least for practical purposes but not theoretical, went off the gold standard, butter imported into the United States from Canada in terms of Canadian dollars was valued at $53,895; in November the imports increased to $73,142 worth; but in December they dropped to $6,663, and in January this year the importations of butter from Canada amounted only to $1,999.

While we are discussing the question of international exchange I should like to have read at the desk an editorial from a very conservative Republican newspaper, the St. Paul Pioneer Press.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the St. Paul Pioneer Press, Monday, March 14, 1932]

A WORLD MONEY CONFERENCE

At a meeting of the House Committee on Coinage, Weights, and Measures last week the members were advised by several distinguished economists of the desirability of a world conference on monetary problems. James Heckscher, vice president of the Irving Trust Co., of New York, told the committee that monetary dislocation undoubtedly has played an important rôle in the depression. Winston Churchill, distinguished British statesman, has recently spoken to the same purpose.

The last Congress appointed a committee for study of one aspect of the monetary question—the silver problem. As the purchasing medium of half the people of the world, the stabilization of silver is an important part of the question. An international conference on silver was also authorized but never summoned.

Since the silver situation could hardly be divorced from the monetary question as a whole, a conference devoted to the broader program would seem more practical. There are few subjects more closely related to the economic well-being of the world. An international study might clarify many aspects of the problem about which there now is only confusion or disagreement. The findings of such a conference would be of the greatest value to every civilized nation.

Mr. SHIPSTEAD. Mr. President, I believe it is proper in discussing this resolution to call the attention of the Senate to the fact that the Senate has requested the President to call an international conference on the stabilization of exchange and international currencies. The President has not done so. The reasons for not doing so I think we ought to know.

The question of international exchange is undoubtedly as important in connection with international trade as the question of tariffs. We can not solve this problem by discussing tariffs alone. We must probe and discuss every part of the picture, and the question of international exchange, the export of capital, the segregation of gold, and the lack of a medium of exchange upon which to make settlement, certainly must be faced by this Congress and by the parliament of every government in the world. Unless this Congress and this Government will get down to rock-bottom matters. and do something to relieve the situation, instead of enacting legislation consisting merely of palliatives, this Congress had better not go home. The attack upon the Parliament of Newfoundland the other day should be a lesson to every government in the world.

In one of the concluding paragraphs of the McMillan report, which I quote because it was a report made by some of the most distinguished statesmen and economists of England, they said that it was evident that the monetary system had failed to solve the problems presented to them by nonmonetary problems. They also said that one of the great difficulties in making a report was that the question of money, even to intelligent people, was a mystery. It was a closed book. Therefore, I believe the Senator from Mississippi is justified in emphasizing the study that ought to be made of the monetary question mentioned in this resolution in connection with the effect of tariffs upon international trade; that not only must the depreciation of foreign currency be studied, but whether or not it is a fact that the appreciation of the American gold dollar has had as much effect upon stopping our foreign commerce as has the depreciation of foreign currency in comparison to the dollar.

I should like to have printed in the RECORD at this point as a part of my remarks—and with this statement I will conclude—an editorial from the Daily News of New York, a Republican newspaper, a newspaper that I understand has the largest circulation of any newspaper in the city of New York. This editorial asks for a study of this problem. We must do away with our prejudices, we must search for the facts that we may find a decision based upon the facts of the situation as it is presented to us in relation to our international trade, in relation to the descending price level, in connection with the wiping out of all values.

It is said that we must let the depression take its natural course. There is no natural course in questions of finance. It is all artificial manipulation. If we say, "Let matters take their natural course," the bottom is zero. Who will say that it is 5 or 10 or 15 degrees above zero?

If I may be permitted to do so, I want to remind the Senate that a year ago, when the Federal Reserve Board cut the rediscount rate to 1½ per cent, the newspapers quite generally said this meant another inflation of the credit system, such as we had in 1924. I took occasion at that time to say:

This time you can not do it. This time you can not inflate the credit system, because that system is based on confidence, and confidence is gone. Therefore you have a paralysis of the credit system, and this time it can not be done.

Now a year has gone by, and instead of stopping the deflation, deflation has continued and values have been wiped out and they are disappearing; and still statesmen sit expecting the old tricks and the old art of credit jugglery to perform miracles when it can not be done.

Mr. President, I send to the desk this editorial and ask that it be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the New York Daily News of Wednesday, March 30, 1932]

SHOULD WE INFLATE?

Wheat made a net gain of 1⅛ cents on the Chicago Board of Trade one day this week, and all the traders felt encouraged. The high reached that day was 57⅝ for September wheat. This was encouraging only if you concentrated on the present time. When you looked back at the $3.50 wheat of 1919, you didn't feel so rosy.

The wheat-price curves shown here make us wonder whether gold after all is the commodity to use as a standard of value. Everything seems to march up and down with the price of wheat—business activity, other grain prices, the prices of manufactured goods, and, needless to say, the farmer's prosperity. And the farmer, whatever you may think of him personally, comes pretty close to being the foundation man of the country. Our farm population is 43 per cent of the total. When the farmer suffers all of us suffer. Is it possible, as some unorthodox economic thinkers say, that we should base our business system on the price of wheat rather than gold?

We don't know. It is a fact, though, that most other nations since the war have found gold too expensive (because it takes so much goods or labor to buy gold nowadays) to be used as their standard of value. Great Britain has quit the gold standard; France has telescoped the franc 80 per cent; Germany has leaped from the mark to the rentenmark; Russia has repudiated every pre-Bolshevik public debt, domestic as well as foreign.

Almost alone among nations we struggle on to pay in more and more expensive gold-standard money the public debts we piled up in the war and the boom days.

The Federal Government's total debt is sixteen billions. States, cities, counties are in debt for roads, bridges, public improvements of every kind, bought in the days when there seemed no limit to prosperity. Farmers are mortgaged for land bought in the $3 and $2.50 wheat days and priced accordingly. But the bottom has dropped out of wheat prices, and incidentally out of farm-land prices. Staggering under these old debts the farmers can not buy new shoes, radios, cars; and so business stagnates.

Yet we go on trying to pay these debts in gold-standard money which grows dearer and dearer.

Is there anything left to do except to inflate the currency, meaning to cheapen our money? Currency inflation is an economic heresy, we know. But economic orthodoxy—gold-standard orthodoxy—seems to be pushing us deeper into the swamp of business stagnation and bankruptcy.

We have never before been left high and dry on the gold standard, almost alone among nations. It may be just possible—we don't say it is, but we do say there should be more frank argument and less horrified refusing to think about the proposition—that this new situation of ours calls for the adoption of new economic principles.

Memo: Whatever we do, let's not cut the national defense expenses below the $700,000,000 which President Hoover has called the irreducible minimum. The Shanghai and Manchuria episodes indicate that such a saving of $700,000,000 now might cost us seven billions, or seventeen or even seventy billions a few years hence.

Mr. GEORGE. Mr. President, when this resolution was presented to the Finance Committee I voted against it. I voted against it for two reasons.

In the first place, the Tariff Commission itself is authorized to increase rates on dutiable merchandise to a maximum of 50 per cent to meet exactly the situation presented by depreciated currencies. It is true that within the limitation of 50 per cent the Tariff Commission may not be able to make the duty imposed in our tariff act fully effective in every instance. Nevertheless, that was the purpose; that, at least, was the avowed reason upon which the flexible provision was inserted in the tariff act of 1922.

Again I felt that we were depending too much upon the recommendations of departments and commissions in writing and enacting laws general in character.

It is of the essence of bureaucracy that it tends to shape the policies and control the action of government; the legislative branch of government depends more and more upon the recommendations of boards, bureaus, and commissions.

On the question of depreciated currencies, it seemed to me that if the Tariff Commission had any function to perform, it might well perform that function by recommending to the President increases in the duties imposed in the act. If an increase of 50 per cent of a duty fixed in the act will not provide adequate relief, then the matter is clearly one for Congress; and the opinion and judgment of the Tariff Commission on the question should have but little weight with the Congress.

Mr. President, I do not go as far as some have gone in suggesting that the purpose of the Senator from Pennsylvania [Mr. REED] is to bring about a marked increase in tariff duties, but I am compelled to make this statement: The passage of this resolution at this time will be interpreted by most of the nations of the world as a move on the part of the United States again to raise its tariff duties. It is true that the purpose of the resolution may be to obtain information upon which to base legislation to meet a passing difficulty or condition, but it is hardly probable that other nations will so regard it.

In 1922, when the flexible provision became law, it was said again and again in the Congress that the necessity for it arose out of the chaotic condition of European exchanges and currencies, and therefore that the flexible provision should be inserted for the express purpose, as declared by responsible spokesmen on the other side of the aisle, of enabling the President, with the aid of the commission, to adjust the duties fixed in that act when conditions in Europe had become normal.

The effect of depreciated currencies upon our tariffs is appreciated. Whether we have suffered generally from such cause is questionable. In the case of certain articles of commerce and trade our industries have unquestionably felt the effect of depreciated currencies. The point I make, however, is that the passage of this resolution at this time will be interpreted by the industrial nations as the first step toward a further increase in tariff duties by the United States. Indeed, during the last week, when we were discussing the bill dealing with the tariff, more than one responsible spokesman on the Republican side expressed the view that our tariff rates were too low, rather than too high.

I believe that the distinguished Senator from Utah, the chairman of the Finance Committee, emphasized the thought that we needed to increase rather than decrease many of our tariff duties. This resolution, if it is passed in its present form, will be interpreted, I think, as a definite step in the direction of higher duties.

What is the situation? Without discussing the merits or demerits of the tariff act, without regard to particular duties in the act, the fact is that it has long since gone around the world and is believed by most of the nations of the earth that we have established here in the United States a virtual embargo, so far as dutiable merchandise is concerned. That has led to competition in tariff making, to intense competition in the writing of tariff schedules by other nations, and that competition undoubtedly has contributed to general business conditions in the United States and outside the United States. I do not say that it is the primary cause; I do not say that it is the chief cause, but unquestionably it is a contributing cause.

Mr. President, I want to put into the RECORD at this point some statistics which I believe to be illuminating. In 1925 and 1926 there were 16 upward revisions of tariffs in European countries. In 1927 there was upward revision in 10 European countries. It was in 1926 and 1927 that many of the world's leading industrialists and financiers pointed out that this competition in tariff making was undermining the prosperity of the world. The then Secretary of the Treasury, Mr. Mellon, joined in that declaration. He stated that the competition in tariff making, especially in European countries, containing but small populations and covering but relatively small areas, was adversely affecting the commerce and trade and therefore the prosperity of the world.

Following the declaration of the industrialists and financiers in 1928 there was an upward revision of tariffs in only five European countries. In 1929 probably only two European countries revised their tariffs upward.

In 1929 we entered upon the consideration of what we now know as the Smoot-Hawley bill. Even before we had passed that bill Canada had raised against us countervailing duties. Immediately after its passage Mexico placed a high tariff against our wheat and against our flour, and within six months important groups in Argentina were advocating a boycott of American goods.

The boycott failed, but Argentina and the United Kingdom negotiated reciprocal treaty arrangements under which Great Britain's finished or manufactured articles could go into Argentina and Argentina's raw products would be favored in British markets.

What has been the result? Argentina's commerce during the first six months of 1931 decreased only 24 per cent; her commerce with the United States decreased 57 per cent during the same period. Yet we are dumb enough to wonder whether our tariff policy has affected the prosperity of producers in the United States.

Mr. President, I desire to put into the RECORD some additional figures which I have collected. I claim no credit for the compilation of the figures, but I have collected them and attempted to verify them. These figures respect the loss in foreign trade in 1930 in 10 important countries of the world, both in the Eastern and in the Western Hemispheres. This loss is expressed in percentages.

The United Kingdom during 1930 lost 17.3 per cent of its foreign trade, Germany lost 16.6 per cent, France 12.2 per cent, Canada 23.6 per cent, British India 23.7 per cent, Japan 26 per cent, Holland 12.7 per cent, Belgium 14.9 per cent, Argentina 34 and a fraction per cent, the United States 28.4 per cent.

Of the 10 important commercial nations, the loss in percentage in foreign trade by the United States was greater than that in any one of the countries in the Eastern Hemisphere, more than that of any country of the Western Hemisphere save Argentina alone.

In 1931 the foreign commerce of four important or leading industrial and commercial nations discloses losses in 1930 and 1931 as follows: The United Kingdom, 36.2 per cent; Germany, 39.9 per cent; France, 33 per cent; the United States, 53.2 per cent.

The loss, expressed in percentages, of the four leading industrial countries during 1930 and 1931 amounted to an average of 41.9 per cent, while the loss of the United States in foreign commerce was 53.2 per cent.

Mr. President, I have already drawn attention to the facts with reference to the loss of trade by Argentina and the loss of business with Argentina by the United States following the tariff agreement between the United Kingdom and Argentina after the passage of the Smoot-Hawley Act.

Our foreign trade during January and February, 1932, dropped more than one-third below the figures for 1931, and about two-thirds below the figures for 1929. The value of our foreign trade was not only out, according to the figures of the Department of Commerce, but the volume of our foreign trade has been reduced; that is, between 1930 and 1931 exports were reduced 20 per cent, imports 10 per cent.

I gave these figures yesterday, and as given at the point in the address of the Senator from Pennsylvania it might be inferred that the figures represented the status of commerce between the United States and Great Britain, in part, at least, since Great Britain went off the gold standard. The figures were not intended to apply to that situation at all.

Mr. President, I wish to put into the RECORD the following figures: During the first six months of 1930 exports of all the industrial and commercial nations fell off, but it is a notable fact that the exports of the United States during that period, when we had, of course, virtually agreed upon the Smoot-Hawley tariff rates, declined 21 per cent. Great Britain's exports declined 15 per cent, Italy's 11 per cent, France's 5.5 per cent, Germany's 5 per cent.

The Department of Commerce has furnished figures showing that since the passage of the Smoot-Hawley Act, and during 1930 alone, there were six general revisions, upward, of course, of tariffs in European countries; there were 19 limited revisions of tariffs upward in European countries; there were 5 general revisions upward in Latin-American countries.

In 1931 this process went on, this tariff war continued, until at this time nearly all of the important nations have revised their tariffs upward or have imposed quota, license, or currency control measures.

Mr. President, the question is not whether a particular rate is wise or unwise, not whether a particular duty is proper or improper, but whether any move by the United States which unquestionably may be and will be interpreted as the first step toward another revision upward of tariff duties will contribute to the return of normal business or whether it will retard the return of normal intercourse between the trading nations of the world.

Following the passage of the Fordney-McCumber Act we witnessed the upward revision of tariff duties in most important countries. This tendency had been checked when we entered upon the consideration of the tariff which ended in the Smoot-Hawley Act. Immediately after the passage of that act, indeed before it was passed, we again witnessed rising tariff walls in Europe and Latin America.

Whether duties were or should have been raised in retaliation is not the question. The fact is that duties were raised in Europe and in the Western Hemisphere. The fact is that the Smoot-Hawley Tariff Act operated as a fire alarm in the night. It excited the other nations of the world and, whether from necessity or fear, they raised their tariff duties. Duties were generally increased everywhere.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. SMOOT. Am I to understand the Senator to say that he would like the rates in the present tariff act decreased?

Mr. GEORGE. I said I would not discuss the merits or demerits of our rates for the time being.

Mr. SMOOT. Does the Senator prefer not to express an opinion as to what rates in the present act he would like to have decreased?

Mr. GEORGE. I am not discussing that question now. I unhesitatingly say many of them are too high, but I am not discussing that question. I am discussing a broader question.

Mr. SMOOT. I will undertake to show, as to almost any rate the Senator would cite as being too high, that we have petitions for an advance in the rates.

Mr. GEORGE. Yes; I know. I know the Senator has petitions for increases in rates. I recall that last week he stated many of the rates were too low and ought to be raised rather than decreased. It is exactly that state of mind, that policy, about which I am talking. The passage of the pending resolution is serving notice again on the world that the Republican Party proposes to increase rates. No more economically insane policy could possibly be adopted by any commercial and industrial country at this time. As a matter of fact, the tariff does not operate under present conditions. As a matter of fact, the tariff can not effectively operate under present conditions.

Mr. SMOOT. Even under the conditions existing to-day, the Senator must admit that importations are not falling off very much in the United States. So far as yards and pounds are concerned, the importations under the existing tariff law are almost equal to what they were before the extreme depression came upon the United States.

Mr. GEORGE. I have put the figures in the RECORD, and I have quoted the Department of Commerce. The Department of Commerce has made the estimate, based upon a large number of articles considered by the department, that between 1930 and 1931 there was a decline in our exports of 20 per cent in volume and 10 per cent in imports.

But, Mr. President, I wish to come back to a further discussion of the pending resolution and the results of the passage of the resolution. About 1886 American factories began to move into other countries. It is true that migration of American manufacturing plants and American capital for the construction of new plants abroad was in progress many years before the passage of the Fordney-McCumber or the Smoot-Hawley Acts. But it is also true that the tendency to remove manufacturing plants from the United States, the tendency of American capital to migrate into other countries for the purpose of constructing American-owned manufacturing plants or factories received a notable check by the events of the World War. Seizure of alien property by nearly every country involved in the war, indeed, as I recollect it, by all the countries involved in the war, served definitely to check the tendency upon the part of American manufacturers to extend their plants into other countries.

The Smoot-Hawley Tariff Act, beyond question of doubt, supplementing the Fordney-McCumber Act, again set in motion the migration of American manufacturing plants abroad.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. GEORGE. I yield.

Mr. LONG. With all that the Senator has said I agree very much, but what about the copper mines in this country which are closed down because we have no tariff on copper?

Mr. GEORGE. I do not want to enter into a discussion of the copper question at this time, nor the oil question, but I will say to the Senator, and I invite him to examine the statement: Wherever any American product must meet the competition of the world, either in this market or abroad, the tariff is not going to be of very much service.

The migration of American capital, the migration of American plants, has gone on at an accelerated pace since the passage of the Smoot-Hawley Act. Let me invite the attention of Senators to the fact that it is mainly American factories which are standing idle even in Canada; it is mainly American machinery that is not turning in Canada. The biggest thing we have exported since 1922, when the Fordney-McCumber Act was passed, has been capital, has been money. We have displaced Great Britain as the creditor and banker nation of the world.

We loudly profess that we do not intend to give up our debts against foreign governments. We loudly proclaim that we intend to insist upon payment of our debts, and yet it is obvious that we can not have our principal back or even the interest on it if we will not take merchandise. We have already taken the gold. We have already drawn the gold from other great industrial countries of the globe. It has been brought here and put down 85 feet beneath the surface of Wall Street, where it has lain almost as useless during many of the distressing months just passed as if it had never been mined out of the bowels of the earth. We can not have our payment in gold because we have the gold. We have assisted in forcing other nations off the gold standard. They have exhausted their supplies of gold.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. Certainly.

Mr. SMOOT. The Senator must admit that France to-day has as much gold as we have.

Mr. GEORGE. I am coming to that.

Mr. SMOOT. The United States had about $5,000,000,000 of gold, and it went down to about $2,500,000,000, and the other day France had more gold than the United States had.

Mr. GEORGE. I am coming to that matter.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I yield.

Mr. THOMAS of Oklahoma. I do not want the statement to go in the RECORD unchallenged that the United States has only $2,000,000,000 of gold. That is about 50 per cent correct. The Federal Reserve Bank of New York City has $3,000,000,000 of gold, where the Senator from Georgia just stated it is. According to a statement of a few days ago from the Treasury, we have $4,388,000,000 of gold.

Mr. GEORGE. I thank the Senator from Oklahoma. I do not think the Senator from Utah wants to lead me from my line of argument.

Mr. SMOOT. Nor do I want the statement of the Senator from Oklahoma to go unchallenged. I was speaking of one time and he referred to another entirely.

Mr. GEORGE. Very well.

Mr. President, for a long time Great Britain was the creditor nation of the world. Great Britain was the banking nation of the world. Great Britain was on a free-trade basis. Great Britain not only did accept but she gladly accepted the merchandise sent her by all of her debtor nations, sent to her, indeed, by any nation whether debtor or not. What now has happened?

The creditor nations of the world have become the United States and France. They have the gold. Both are protectionists. Both France and the United States believe in protection. Both France and the United States have carried the protective theory to the extreme. How, then, are these creditor nations of this New World and this new era to be satisfied? We will not accept the goods of our debtors. We will not accept the commerce of our debtors, but we insist upon the payment of our debts.

Mr. President, if the United States sincerely insists upon the payment of the debts due by other governments, by other peoples, we have followed an inconsistent course in so arranging our tariff walls as to make the payment of those debts impossible except in gold. Our trade and commerce, it has been pointed out many times, following the Fordney-McCumber Act of 1922, was sustained in large part by the great volume of capital, money which the United States placed abroad either in the form of investment or in the form of loans. We reached the limit, of course. We can not continue to place gold abroad. We therefore can not continue by that means to sustain our foreign commerce. Every dependable figure that has a bearing upon the subject indicates beyond a question of doubt that exports from the United States have declined more rapidly than the exports from any other commercial nation.

We have suffered a greater loss in percentage of our foreign commerce than any European country, greater than any single country in the Western Hemisphere, Argentina alone excepted, at the time the figures which I have placed in the RECORD were compiled. Now, we are invited to pass the pending resolution, a resolution which can but be interpreted by other nations as a necessary step in the further upward revision of our tariff duties.

Mr. President, when a nation has perfected its machinery, when it has perfected its manufacturing, when it has developed mass production, is it not sensible that attention be given to the expansion of the foreign market? Is it not time that we were giving more thought to the development of our international trade and commerce? I think we have made the most remarkable progress in the development of our machinery here and in the development of production here. In the state of our development we can not hope to continue the rate of expansion and growth and progress heretofore enjoyed unless we do give attention to our foreign markets.

The progress of the United States does not call for drastic reduction and removal of all tariff duties, but for more liberal trade policies, for greater concern for our position in foreign trade. It must depend more and more upon the development and expansion of trade and commerce wherever it is possible to expand trade and commerce without injury to our industry at home.

So I think, Mr. President, the adoption of this resolution, while unobjectionable as making effective the rates as actually written in our tariff act, will be interpreted as preparatory to another general upward revision of our tariff—not a limited revision, I will say to the Senators who believe that the time has come when there should be a duty placed upon copper or oil or on any particular product, but another general upward revision of the tariff which will intensify and prolong the tariff competition among the nations of Europe and of this hemisphere, and which must necessarily prolong the period of stagnation in commerce and business from which the world is now suffering.

Before I take my seat, Mr. President, I desire to call attention to another fact, and it is a fact that no sophistry can explain away: From 1922 to 1929 industry in the United States was at the peak. We experienced the high tide of our industrial expansion. Yet, with the home market in this condition, American agriculture lost ground from 1922 to 1929 and on until this day.

How did agriculture share in this prosperity? If there were no other reason why we should give more attention to foreign markets, if there were no other reason why we should be more considerate of those who now wish to trade with us, and who are yet willing to trade with us, certainly a reason can be found in the condition of American agriculture. We have lost ground in our international trade and commerce until to-day we are back where we were in the closing months of 1910, both with respect to exports and imports; and when we find ourselves back in our old position of November and December of 1910, we find our commodity prices low; there are new lows for wheat and cotton and all other raw products which must meet the competition of the world, either in the United States or in the foreign market.

It is true that commodity prices are low elsewhere; it is true that commodity prices have everywhere broken down; it is also true that the prices of protected articles have broken down, because the tariff can not be made to effectively function in the face of world conditions as they exist to-day. However, whenever conditions begin to move back toward normal the tariff, of course, will function so far as industry is concerned and so far even as raw products are concerned which do not have to meet world competition either at home or abroad.

Mr. President, I have finished what I desire to say, but I wish again to emphasize the thought that if we are sincere in our statement that we wish to collect our foreign debts, if we are to take at least a consistent and understandable position as the creditor nation of the world, as the banking nation of the world, we must be willing to accept something other than gold not only for the debts now due but for debts that will be or may be hereafter created in our favor.

It is no answer, Mr. President, to say that rather than reduce our duties in any degree it would be better for American industry to forego the collection of every dollar due us by European governments. That is only a partial answer to the universal question: What is the creditor nation of the world to do? The United States and France have become the creditor nations of the world. Are they to maintain protection, insisting upon higher and higher duties, upon higher and yet higher tariff rates, and yet perform the functions of creditor to the remainder of the world? I dare say, Mr. President, that the shifting of position of the free-trade United Kingdom, the United States, and France, with their contrary, hostile tariff policies, has raised an important economic question the answer to which is not in sight.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President, will the Senator permit me at this time to offer a substitute for the pending resolution?

Mr. SMOOT. I have no objection.

Mr. HARRISON. I offer a substitute for the pending resolution and the Senator from Nevada [Mr. PITTMAN] has suggested an amendment to it, which I shall accept and perfect the substitute in that way.

I may say in explanation, so that the time of the Senate may not be unduly taken up, that the substitute which I propose is in the exact language of the resolution of the Senator from Pennsylvania [Mr. REED]. It provides, however, for the appointment by the Presiding Officer of the Senate of a special committee of five Senators to make the investigation, using the agencies of the Tariff Commission, the Treasury Department, or what not, as the committee may see fit.

The amendment of Mr. HARRISON, as modified, in the nature of a substitute, is as follows:

Strike out all after the word "*Resolved*" and in lieu thereof insert:

"That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) 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 and exportation from the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932.

"For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

"In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Mississippi, as modified.

Mr. SMOOT. Mr. President, I intend to take but little of the time of the Senate. Those who are opposing the pending resolution in all the speeches that have been made have pointed to the fact that the rates in the existing tariff law were responsible for the decline of our exports as well as the decline of our imports. It is true, however, that in the case of many commodities our exports in 1931 increased over those of 1930.

To-day I received from the Commerce Department a report to which I am going to call attention, for the reason that I doubt very much whether Senators have read it. I quote from the report as follows:

A large number of widely different commodities valued at $597,000,000 in 1931, or 25 per cent of the total value of all exports, were exported in larger quantity in 1931 than during 1930.

The following statement shows commodities which are representative of those exported in larger quantity in 1931 than during 1930:

| | Per cent increase |
|---|---|
| Dried milk and cream | 106 |
| Fresh fish, including shell fish | 13 |
| Cattle hides | 18 |
| Patent side upper leather | 21 |
| Sole leather | 11 |
| Oil cake and meal | 78 |
| Oranges | 117 |
| Apples | 12 |
| Dried and evaporated fruits | 15 |
| Ginseng | 29 |
| Raw cotton | 5 |
| Sheeting, unbleached, 40 inches wide and wider | 7 |
| Cotton denims | 4 |
| Printed cotton fabrics, 7½ and more yards per pound | 25 |
| Cotton fabrics sold by the pound | 27 |
| Doors of wood | 10 |
| Crude petroleum | 8 |
| Electrical refrigerators, commercial, up to 1 ton | 12 |
| Radio receiving sets | 92 |
| Diesel engines over 10 horsepower | 9 |
| Borax | 5 |
| Hydroxide caustic soda | 4 |
| Carbon black | 15 |
| Motion-picture films, sensitized, not exposed | 24 |

There was, however, a much larger number of leading commodities that were exported in much smaller quantities than in 1930 or in other recent years.

I will call the attention of the Senate to what they are——

Mr. HULL. Mr. President——

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

Mr. SMOOT. I yield.

Mr. HULL. The Senator, of course, is aware that the total exports of this country declined in dollars—and the monetary value is what the people are interested in more than anything else—from $3,843,181,282 in 1930 to $2,423,759,239 in 1931?

Mr. SMOOT. That has nothing to do with what I am speaking about, Mr. President.

Mr. HULL. I may have misunderstood the Senator; I thought he was referring to certain commodities which we exported in larger value in 1931 than in 1930.

Mr. SMOOT. I did read a list of them, and I say again that they represented a value of $597,000,000, which is 25 per cent of the total value of our exports.

Mr. HULL. I merely called attention to the huge loss in our total foreign trade rather than singling out some few items which might be an exception within themselves.

Mr. SMOOT. There is no need of saying anything about that, because I stated to the Senate that the commodities, the exports of which have increased, represent 25 per cent of our total exports, and I was about to say that there are a larger number of leading commodities which were exported in much smaller quantity than in 1930 or in any other recent year. I want to mention the principal ones:

Among those which declined in quantity between 1930 and 1931 were heavy iron and steel (51 per cent), passenger automobiles

(46 per cent), motor trucks and busses (43 per cent), wheel tractors (39 per cent), and copper, gasoline, lumber, and meat products with quantity declines ranging from 26 to 33 per cent.

Mr. HULL. At the present rate of decline in those exports, how long, in the Senator's opinion, will it take for them to disappear entirely?

Mr. SMOOT. Let me take, for instance, automobiles. The tariff duty on automobiles was reduced from 25 per cent to 10 per cent.

Mr. GEORGE. Mr. President, will the Senator yield to me for just a moment on that point?

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

Mr. SMOOT. I yield.

Mr. GEORGE. Following the enactment of our tariff act, Canada and Australia negotiated a reciprocal trade arrangement by the terms of which American automobiles and automobile chassis and parts made in Canadian factories by Canadian workmen could be admitted into Australia on the payment of a duty of 15 per cent; but the chassis and parts of an American automobile, made in an American factory by an American workman, had to pay a duty, and to-day have to pay a duty of about 32 per cent to get into Australia. Does the Senator wonder why our exports of automobiles and automobile chassis and parts have therefore declined?

Mr. SMOOT. I would rather take a different illustration than Australia, where very, very few American automobiles have ever been sent.

Mr. GEORGE. O Mr. President, the last year before the passage of the Smoot-Hawley Act we sold to Australia $16,500,000 worth of chassis and parts, and last year we sold to Australia $3,000,000 worth. The export is not big but it is material.

Mr. SMOOT. Then I will say to the Senator, as far as the percentage is concerned, that it is greater in the case of the other powers of the world than in the case of Australia. There has been a reduction in the automobiles exported from the United States of 46 per cent. The few that went to Australia make no difference, or little difference, as affecting the 46 per cent; and the Senator knows it.

Mr. GEORGE. Mr. President, the same trade relationships have been created between all members of the British Empire.

Mr. SMOOT. I want to say, and the Senator knows it, that American automobile manufacturers have made automobiles in nearly all countries.

Mr. GEORGE. Exactly.

Mr. SMOOT. That was not on account of the tariff. The Senator knows, I think, that when the tariff bill was up the question arose, and the automobile people told us they did not care whether there was any tariff on automobiles or not.

Mr. GEORGE. I know that; and Mr. Ford came down here——

Mr. SMOOT. It was not Mr. Ford.

Mr. GEORGE. His representatives came down and said that they not only did not want a tariff on automobiles, but that it would be against their interest to have it, and asked that it be not put on.

Mr. SMOOT. I am speaking of Mr. Ford. He did not come to me personally.

Mr. GEORGE. No; but his representative came before the committee.

Mr. SMOOT. I am speaking, however, of the officials of other automobile manufacturing concerns in the United States. Does the Senator think the 10 per cent duty that we get at least a little revenue out of made any difference whatever as to the exportation of our automobiles?

Mr. GEORGE. The 10 per cent duty that we imposed on their automobiles?

Mr. SMOOT. Yes.

Mr. GEORGE. No; but when we shut out the wheat of Argentina, and when we shut out other things produced in Argentina, and Argentina made trade arrangements with Great Britain by which she got all of her finished goods from Great Britain or the United Kingdom, and none of them or virtually none of them from us, that affected automobiles.

Mr. SMOOT. The importations from all South American countries fell off. Why? Because the farmers of our country demanded certain protection on the products of the farm and all that was made from the products of the farm; and we complied with the wishes of the representatives of the farm organizations, and the rates of duty on farm products in the present tariff were raised higher than any other duties in the bill. There is where the great increases in the Smoot-Hawley tariff bill are found.

Mr. GEORGE. What good has it done the farmer?

Mr. SMOOT. Just let the Senator try to take the duty off butter, and see whether the farmers will not think it did them any good. Take the duty off milk, take it off other farm products, and see whether it does not do them any good. The Senator will see.

Mr. GEORGE. Is it doing wheat much good?

Mr. SMOOT. I knew the Senator would say "wheat."

Mr. GEORGE. It is not doing cotton any good. It is not doing any good to any product that we have to export.

Mr. SMOOT. Why did the Senator vote, then, for a duty of 7 cents a pound on cotton?

Mr. GEORGE. I said at the time that it would not do any good.

Mr. SMOOT. Ah, but the Senator from Mississippi [Mr. HARRISON] does not say so.

Mr. GEORGE. I do not know about the Senator from Mississippi.

Mr. SMOOT. No; nor the other Senators. They all voted for it.

Mr. GEORGE. I say, and the RECORD will bear me out, that it was utterly worthless.

Mr. SMOOT. I say right now that if we put the matter to a vote here in the Senate, and had it in such shape that the Senators could vote for it, they would vote for 7 cents a pound on long-staple cotton, just the same as they did before. Does the Senator say that the duty on sand produced in Georgia has not done his State any good? Does he say that the duty upon pitch has done Georgia no good?

Mr. GEORGE. Mr. President, the waves of the ocean bring in the sand, and the tariff is not effective against it. There is not any tariff on sand.

Mr. SMOOT. The Senator knows what sand I meant, and he knows that it is produced in Georgia.

Mr. ROBINSON of Arkansas. Mr. President——

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

Mr. SMOOT. Certainly.

Mr. ROBINSON of Arkansas. It would be interesting to know what sand the Senator means.

Mr. SMOOT. It is the white sand produced in Georgia.

Mr. ROBINSON of Arkansas. Why does the Senator think the Senator from Georgia needs sand especially? [Laughter.]

Mr. SMOOT. Well, we all have a little sand in us—sometimes not enough.

Mr. President, there is no need of talking any further in relation to the details. We could go right along down the road here. I do not know whether the Senator from Georgia is going to vote for a duty on copper or not. I judge he is not, from what he said to-day. There are a lot of Senators who are going to vote for a duty on copper. I know the Senator from Oklahoma [Mr. THOMAS] is going to vote for a duty on oil, and I want the Senator to know that I am not complaining of it.

Mr. THOMAS of Oklahoma. Mr. President, I am going to vote for a tax on oil, not a duty.

Mr. SMOOT. Oh, yes.

I think we ought to vote upon this resolution, because I should like to get the Interior Department appropriation bill through before we adjourn this afternoon; so I will say no more, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, understanding that the Senate wishes to vote on this resolution, I shall not attempt to enter upon a complete discussion of the issues that have been raised here.

Mr. HARRISON. Mr. President——

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

Mr. HARRISON. I suggest the absence of a quorum.

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

Mr. ROBINSON of Arkansas. I do.

The VICE PRESIDENT. The clerk will call the roll.

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

| | | | |
|---|---|---|---|
| Ashurst | Costigan | Hull | Reed |
| Austin | Couzens | Johnson | Robinson, Ark. |
| Bailey | Cutting | Jones | Schall |
| Bankhead | Dale | Kean | Sheppard |
| Barbour | Davis | Kendrick | Shipstead |
| Bingham | Dickinson | Keyes | Shortridge |
| Black | Dill | King | Smoot |
| Blaine | Fess | Logan | Steiwer |
| Borah | Fletcher | Long | Thomas, Idaho |
| Bratton | Frazier | McGill | Thomas, Okla. |
| Brookhart | George | McKellar | Townsend |
| Broussard | Glenn | McNary | Trammell |
| Bulkley | Goldsborough | Metcalf | Tydings |
| Bulow | Gore | Morrison | Vandenberg |
| Byrnes | Hale | Moses | Wagner |
| Capper | Harrison | Neely | Walcott |
| Caraway | Hatfield | Norbeck | Walsh, Mass. |
| Carey | Hawes | Norris | Walsh, Mont. |
| Connally | Hayden | Nye | Wheeler |
| Coolidge | Hebert | Oddie | White |
| Copeland | Howell | Pittman | |

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

Mr. ROBINSON of Arkansas. Mr. President, there is no intention of prolonging this discussion indefinitely. The Senate is about ready to vote. The debate has taken a very wide range and has comprehended subjects which are related but are somewhat remote from the resolution and the purposes underlying it.

Through the confusion and dispute which usually envelop tariff debates, one fact stands out indisputably. That fact is that in spite of the high tariff rates imposed under what we know as the Smoot-Hawley Tariff Act, commercial and business conditions in the United States are worse than at any time in the memory of the oldest Senator. The declaration that is often made, here and in political campaigns, that high tariffs certainly bring prosperity to American interests, has been shown to be untrue, has been proved to be unfounded.

When the present tariff law was under consideration in the Senate in 1930, the leader of the majority, the senior Senator from Indiana [Mr. WATSON], expressed the opinion that within 30 days after the enactment of the law there would be such a marked change in business conditions as to give assurance of the early, if not the immediate, return of prosperity. With the rates carried in the Smoot-Hawley Act in force, business has been constantly declining, and many doubt whether the decline has reached the bottom. So that those who have heretofore regarded high protective tariffs as guarantees of prosperity in this country, must now recognize the unwisdom of their attitude and look to some other means and measures of restoring prosperity which has disappeared or vanished in spite of high import duties.

The second thought I wish to emphasize is that the effect, if not the purpose, of this resolution of the Senator from Pennsylvania will be to give notice to mankind of a movement in the Congress to increase existing rates, which, on the whole, are so high as to have provoked retaliatory tariff measures on the part of our foreign competitors.

If the resolution, in my judgment, were calculated to obtain for the Senate information not readily procurable from existing sources, information of real value in the determination of such issues as are now or soon will be confronting us, I should make no objection to its passage. But to me it is doubtful policy to pass a resolution which must prove futile, which in large measure, I believe, is unnecessary, at the risk of stimulating those antagonisms, rivalries, and jealousies which have already gathered such momentum and volume as to threaten the expansion of our foreign commercial interests.

The resolution imposes five obligations on the Tariff Commission, all related but differing in important features from one another. The first is "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, and exportation from, the United States of all of the more important commodities."

That task, if it is to be done in a scientific and reliable way, can not be quickly performed. It will require a considerable period. There is now in the Department of Commere nearly all the information which could be obtained through this resolution. It is true that the opinion of the Tariff Commission called for by the resolution is not comprehended in the records of the Department of Commerce.

The finding of the effect on importations and exportations of the depreciation in currencies of foreign countries involves not alone the discovery and disclosure of the facts, but also conclusions from those facts.

The second feature of the resolution relates to "the effect of such depreciation on the general trend of international trade in the same period," not so much calling for facts or records as for findings or conclusions on the part of the Tariff Commission. Whatever may be its value, the point I am making is that if these investigations are made by the commission in the usual way and under the usual circumstances, months will be required before they can report.

The third subject matter of investigation is "the increase in purchasing power of all gold-standard currencies."

One can readily see from the mere expression that this feature of the examination is almost world-wide; it extends to every country which remains on the gold standard.

The fourth is "the general decrease in commodity prices in the United States and elsewhere."

How long do Senators think it would take the Tariff Commission to reach a conclusion as to the effect on our commerce of the decline of commodity prices in this country and in all the other countries of the world? We know that commodity prices are not stable, they vary from day to day, from week to week, and from month to month, and that process of variation still continues. The standard of conclusion or finding required of the commission under this feature would require an indefinite period.

Before the work of the commission contemplated by the resolution could be completed, the conditions would have so materially changed as to make the findings and conclusions inapplicable.

In illustration of what I am saying, just a few months ago we read in the press that the value of the pound sterling was $3.16. Now it is said to be something like $3.84. Yesterday it was something slightly different from that, I believe. The point I am making is that this currency or exchange is not maintained on a fixed basis. It is constantly varying so that at last we come as an important matter to one general question, What is the effect upon American commerce of the constantly fluctuating standards of exchange in countries with which we are competitor for trade or commerce? That question can be answered upon the facts which are easily obtainable from the Department of Commerce. That question can be answered in so far as it is possible to answer it from facts that are already available to the Congress.

The fifth feature of the resolution that calls for action by the commission will require a great amount of work:

> The said commission is directed to compute and report to the Senate as soon as practicable the ad valorem equivalent of specific duties imposed by said tariff act as of the date of the passage of said act and as of February 1, 1932.

Everyone knows now that as commodity prices decline the measure of protection afforded by specific duties is increased. It does not require an investigation by the Tariff Commission to reach that conclusion. If the Tariff Commission is required to make all five of these investigations as one, and the commission performs its duties in the manner and through the agencies to which it usually resorts, it will probably be a year or more before the report can be available. We hope that within the next year conditions will have changed so notably as to make conclusions applicable to the 1st of February, 1932, useless in the consideration of measures relating to the tariff.

It is for these reasons that I do not give my approval to the resolution of the Senator from Pennsylvania.

Mr. PITTMAN. Mr. President, the Senator from Mississippi [Mr. HARRISON], who has offered a substitute, has accepted an amendment which I have proposed as a part of his substitute. I wish to explain that amendment.

I think the question that is aroused by the original resolution, or the most important question so aroused, is the effect of the depreciation in the exchange value of the foreign currencies upon our export trade, not upon our import trade. Since 1929 our export trade has decreased over 53 per cent. The total consumption in the United States has decreased 52 per cent. Of the total consumption in the United States, not to exceed 3 per cent comes from abroad. If none of that 3 per cent came from abroad, if there was an entire embargo upon it, we would still have a decreased consumption in this country of 49 per cent.

A report made by the Foreign Relations Committee over a year ago disclosed very clearly what had happened to our exports to China and to all silver-using countries. The matter is well known to the Senator from Pennsylvania [Mr. REED], as disclosed by our colloquy yesterday. China uses silver as money. In the interior and all through China it passes at par just as our silver dollar does here. One can go into China and buy silk very cheaply and bring it over here because he can exchange one of our dollars for four and one-half of theirs with which to buy their silk. As far as they are concerned, they are getting the same amount of dollars for their labor and the same amount for their silk as ever. But when we reverse the situation, see what the result is.

We sold a great many automobiles in China prior to 1929 or prior to the sudden drop in the price of silver. The lowest-priced automobile was $600 in Shanghai. That is $600 in our money, gold. When silver was around 60 cents an ounce we valued their silver dollar at 50 cents, because there is seventy-eight one-hundredths of an ounce of silver in a dollar, and at 60 cents an ounce that meant the silver in a dollar was worth about 50 cents. When the buyer of an automobile in China went to pay $600 in gold, he paid for the gold with silver at 50 cents on the dollar, and so it cost him $1,200 in his money for an automobile. The same conditions exist in China to-day except that to-day he has to pay $2,700 for the same automobile in his money, because he has to pay four and one-half dollars of his money for one dollar of our gold, as silver is now below 30 cents an ounce, thus making the cost of the automobile $2,700.

That is not all. How does it affect the tariff? We have given them tariff autonomy with the understanding that the revenues collected shall go to pay the foreign debts. Let us say that there is a 10 per cent ad valorem duty on an automobile. That is $60 in gold, but when they pay that duty in silver, as it is based on the gold unit, $270 in their money or four and one-half times $60. That means $2,700 plus $270 tariff, and as they earn no more than they have ever earned, they have ceased to buy automobiles. They have ceased to buy lumber from the Pacific coast, and, therefore, three of the big banks in Tacoma have failed since the passage of the Reconstruction Finance Corporation act and the Glass-Steagall bill. The banks were carrying lumber paper. Our exports to China have dropped off over 65 per cent in the chief commodity.

But it is said it has dropped off almost as much to England. It may be true, but exchange is triangular. According to British reports from 1929 to 1930 their exports of cotton piece goods to China dropped off from 210,000,000 linear yards to 64,000,000 linear years; and when it did that, Great Britain ceased to buy cotton, with the result that the exports of our raw cotton to England dropped off 40 per cent. That is the triangular effect of exchange fluctuation.

It is a fine thing to try to investigate the effect of exchange upon trade and commerce, but I contend that its effects on increased importations to this country are infinitesimal as compared with the effect on exports to this country.

Mr. REED. Mr. President——

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

Mr. PITTMAN. Certainly.

Mr. REED. The resolution calls for information on both phases, imports and exports.

Mr. PITTMAN. In my opinion the Senator emphasizes the value of one phase of it, and I sought by amendment to emphasize the phase with regard to export for fear that it might be overlooked. I believe that the Senator would accept my proposal if he understood its purpose. I have offered it to the amendment of the Senator from Mississippi, and if it is adopted, all right; if not, I shall ask the Senate to accept it as an amendment to the original resolution.

I wish to say, as everyone knows, except possibly the Treasury Department—and I do not wish to misquote any member of the department—that over half the people of the world use silver as money just as we use gold as money. We can not shut our eyes to that fact in dealing with them. The exchange value of that money has its effect on how much they buy from us. We all know, as the Senator from Pennsylvania knows and said yesterday, that no matter what par value they place on their money, we give it only the intrinsic value of the silver in it based on the world market price. Consequently, we have no power to aid in the raising of the purchasing power of silver money throughout the world or its exchange value with our gold money except by aiding in increasing the price of that silver.

We have been shown time and time again that it has been artificially beaten down by an oversupply from India from the melting of silver coins. We can not stop that. We could stop it by an international conference, and that, too, whether Great Britain was in the conference or not and whether France was in the conference or not. It could be stopped easily; but we can not get the conference, so we have quit trying to do that thing.

But we offer another measure which will not cost the United States Government a cent, but by which they may take off the supply of American production for about a year or two and offset the oversupply from these melted-up coins. We are told by our Treasury Department that silver is nothing but a commodity, like potatoes or anything else, and that we can not treat it in any other way.

Mr. NORRIS. Mr. President——

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

Mr. PITTMAN. I yield.

Mr. NORRIS. I am very much interested in the illustration the Senator gave about the actual operations that would occur in the exporting of an automobile to China, where she is on one monetary basis and we on another. I am curious to have the Senator express his opinion as to what would be the result in that particular illustration if we were on the same silver basis as China.

Mr. PITTMAN. We were once on the same basis in this way, by comparison: In 1920 silver was $1.38 an ounce, which was higher than our parity price of silver, with the result that one silver dollar in China bought one gold dollar of the United States, and we had the highest exportation trade to China that we ever had. It in no way whatever affected our economic system.

Mr. NORRIS. I agree to all that; I think that is perfectly correct; but right at the present time, when the question is about remaining on or going off the gold standard, suppose we went off the gold standard, what would be the practical application of the situation to a sale of that same automobile? What if any difficulty would arise?

Mr. PITTMAN. Take the situation of China to-day. They have to exchange four and one-half of their silver dollars for one of our gold dollars to pay for the automobile. In England to-day, assuming the exchange has gone down 25 per cent, they have to pay one-fourth less of the amount of silver for a gold unit in England that they have to pay here. In other words, England has 25 per cent the best of it in selling to China to-day, because Chinese can buy British money for 25 per cent less than they can buy ours, with the result that the British factories are increasing in production and unemployment is decreasing. The exchange value of the pound sterling is going up all the time as measured by our gold. If their trade continues sufficiently, which I hope it will, they will be back on the gold standard in a short time. The whole discrimination between the United States and Great Britain then will be wiped out.

But it is inevitable that we have the worst of it in every market of the world when we hold our money at a higher value than that of the exchange value of the currencies of the other countries of the world.

As was stated by the Senator from Pennsylvania [Mr. REED] yesterday, there are practically only two countries left on the gold basis, namely, the United States and France. There are some that may be said to be on the gold basis, such as Belgium and Switzerland, Norway and Sweden; they are nominally on the gold basis; and if conditions should not change, they may remain there.

However, all admit that we have the worst of it, because of the high value at which we hold our money by comparison with the value we place on the currency of other countries of the world. We lose by it; it reduces our tariff wall to that extent, I will admit, of course, and that can not be helped.

A man who can go to England and buy first the pound sterling with gold for 25 per cent less than he could buy it a year ago, and with the pound sterling buy goods in England, in reality gets those goods 25 per cent cheaper than he used to be able to get them; there is no question about that; we do not deny it. That is the import side of it. The export side of it, however, is exactly the opposite, because when they come over here with their money they have got to pay 25 per cent more with the pound sterling for our gold with which to buy our goods than they used to have to pay; and the Chinese have to pay two and a half times more than they had to pay two years ago for our gold with which to buy our goods. So they have stopped buying them. There is not any doubt in my mind that until we can reopen the natural markets for our surplus products in the channels of trade which that surplus was originated for the purpose of filling, there can never be prosperity in this country or any other country that has such surpluses.

Oh, it is said, the surplus is only about 10 per cent of our production; but when that 10 per cent, with nowhere else to go, is dumped upon the domestic market it is bidding for gold with which to pay debts and is beating prices down to the point where we find them to-day, and that surplus which labor and machinery have cooperated to create never can be gotten rid of until those markets shall be opened up again.

Those markets are closed by two causes. One of them is tariff walls and the other, which, in my opinion, is far more effective, because it is four or five times as high as the tariff wall, is the fact that their money, which at home is good and which passes at par, when they try to exchange it for our gold they have got to exchange too much of it to enable them to deal with us profitably.

Nothing can be done to increase the purchasing power in exchange value of the pound sterling except to aid in opening up the markets of the world; and they are being opened up and England's pound sterling is going back to the gold exchange value; but her markets in China and in India were destroyed because of decrease in the value of exchange of her customers. It is true that it was the British Government from India that destroyed it, because after the other countries quit debasing their silver coinage and dumping silver on the markets of the world, India, with over a billion ounces of silver coin subject to being melted, started to melt it, and throw the silver on the markets of the world as bullion. They did not have sense enough to know the history of the production and consumption of silver for money. That is the trouble. They did not know that the production of silver has never increased more than about 3 per cent annually from the beginning of time, just sufficient to meet the increased demands of population and business, and when they started to dump an extra supply over the mine supply they broke the price down from 60 cents an ounce, where it had remained for 20 years, to 25½ cents an ounce, and with it they broke the purchasing power of India, the purchasing power of China, and Mexico and South America. When they did so, England lost a market in China and India and those other countries for her cotton goods, and we lost our market for our raw cotton. That is the triangular effect of variations in exchange.

All I see that we can do is to use every power at our command to remove or offset the unnatural dumping of silver by India, so long as we can not stop it. We could stop it by a conference, but we can not get a conference because the President will not call one. Not being able to get a conference, all that we can possibly do is to buy with silver certificates, which cost the Government nothing, the American supply at the world's market price and store it here in the vaults, redeeming the silver certificates if presented with silver dollars. That will take off the market 31,000,000 ounces a year, the American production, which is not much, but it will offset the 35,000,000 ounces a year India is dumping. That will bring about the status quo that existed before the dumping commenced and silver should go to what is regarded as its normal price where it remained for 20 years, namely, around 60 cents an ounce, in which case the Chinese can start up buying from us as they bought up to that time.

Therefore I am interested in this resolution. I have studied it; I have read the reports from the various departments. I think that the Tariff Commission knows less about this subject than does the Department of Commerce; I think it knows less about it than does the Bureau of the Mint; but I think we could secure valuable information if a committee, headed by the Senator from Pennsylvania, would call the Tariff Commission before it and tell them what they wanted, and when the Tariff Commission supplied the information, if it was not sufficient, have them go back and get more, and tell the Department of Commerce to do the same thing and the Treasury Department to do the same thing; that is, if we could get it into the heads of the members of the Treasury Department that silver is money.

When the silver aspect of the situation was brought to the attention of the Treasury Department, the answer we got back from that department was, "Why should we think about silver; it is a commodity?" Do they not realize that since the beginning of time up to now four-fifths of the silver ever produced was and is used for monetary purposes, while on the other hand only half the gold of the world now being produced by the mines and only half of that which has ever been produced has been used for monetary purposes and the other half has gone into the arts and sciences? Until they realize, no matter how we treat silver in this country, that other countries treat it as money and until they are willing to consider it in that light in dealing with the exchange question we will get nowhere.

We have passed the Reconstruction Finance Corporation act. It has probably prevented the failing of some banks; I think it has reduced the number of failures, and it may have prevented some railroads from going into the hands of receivers; but ever since its passage the prices of stocks on the New York Stock Exchange have steadily gone down; the prices of commodities have steadily fallen; unemployment has steadily increased. What is the answer? Was that the remedy we ought to have had? If not, what is the remedy? We passed the Steagall-Glass banking bill, making possible an increase of a billion dollars or two in the currency. That bill has been a law for some time; and yet since the additional currency was available under that act the prices of stocks in this country have continued to go down, commodity prices have continued to fall, and the number of bank failures, although reduced, is still appreciable.

Mr. LONG. Mr. President——

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

Mr. PITTMAN. I will yield in a few moments. Will not the Treasury Department ever understand that people can not buy unless commodity prices are such that there is a profit in them after paying their debts and expenses of operation? Do they not understand that the reason the Steel Corporation to-day is running on 25 per cent capacity is because the automobile factories and other factories are working on 30 or 40 per cent capacity? Why are the automobile factories working on such a low capacity? Because the people who used to buy automobiles can not now buy them. How can we expect the people of the cotton sections, numbering over 10,000,000, whose cotton is selling for 5½ cents a pound, to buy automobiles, when, after their crop is sold, they have not sufficient money left with which to buy anything, and not even sufficient to save their property from sale on account of unpaid taxes? Nor can we expect the wheat producer, at the price he obtains for his wheat after paying his debts, to have anything with which to buy manufactures. Is it not fundamental?

However, that is not all. Take the vicious circle and see what happens. When the Steel Corporation dropped its capacity 25 per cent, it followed that 75 per cent of its employees were discharged; and when the automobile factories reduced their capacity by 30 per cent, then 70 per cent of their employees were discharged. What happened? Before their discharge those men and their families were purchasers; but when the employees were discharged and placed among the idle of the country, they ceased to be purchasers, and when they ceased to be purchasers there could not be a demand for the products of increased capacity production. It is perfectly evident that we have got to open the markets of trade in the world by so far, as it lies in our power, removing the artificial barriers that are responsible for the obstruction of the movement of trade in its natural channels.

I am dealing principally not with the tariff question, because I am not an expert upon it, but I am dealing with and have been studying for months the money question, particularly as affected by silver. A committee of which I am a member has been studying that question for months, and the fact stands undenied that so long as the price of silver is beaten down unnaturally by the melting up of large amounts of silver coin in India and dumping it, the price of silver can never rise; and so long as it can never rise, the countries using silver can not afford to exchange four and one-half of their dollars for one of our dollars with which to buy our goods. They can not afford to do it. England can not afford to do so, even with a 25 per cent reduction in the value of her money, and when England can not sell her cotton goods to China or India, she is in the same position as our own people who can not sell our goods there, and she will not buy our raw cotton. It is a circle that must be broken, and yet we have tried for over a year, in fact, for nearly two years, after a unanimous report from the Foreign Relations Committee going fully into this subject and furnishing the evidence—proof—to get some action, and we can hardly get consideration from any source whatsoever.

Great bankers, who think they know when a bank is sound, great bankers who think they know what money is, great bankers who have not the slightest knowledge of international trade and who have never cared anything about it, come to us with the sole remedy, "Sustain our banks; sustain our railroads; sustain our bonds, and this country will flourish and prosper." We have done that and the country is sinking faster and faster every day.

It is said that the great emergency measure is to balance the Budget; that the great emergency is to assure the people that the bonds and securities of this Government will be paid. Suppose we do tell them that; suppose we prove to them that they will be paid, then what will happen? Will conditions ease? Suppose a man has a million dollars in a bank, what will he buy with it to-day—farm products, land, manufactures? He will buy nothing, for nothing will pay. Will the banks lend on farms, manufacturing plants, railroads, or anything else? No, because they will not pay them to do so. The foundation of all prosperity goes back to the proposition of disposing of the surplus of this country and the surpluses of every other country, and it can not be done until we remove the pressure on the exchange of other countries. Now I yield to the Senator from Louisiana.

Mr. LONG. I notice that the Senator states that relieving the inequality that exists in the relative exchanges between China and England and America would naturally afford a market for our goods and take up the surplus; and the Senator naturally concludes from that that that would relieve the existing distress, dispose of the surplus, create a market, and probably bring up purchasing power. Does he think, even though that were done, that in a country with 1 per cent of the people owning 60 per cent of the wealth there could be any respectable market for the class of people, practically 90 per cent of the whole, who own none of the property, regardless of credit?

Mr. PITTMAN. Of course we would enrich them as we enriched the masses of the people. I mean, it would not change the relative wealth of different people.

Mr. LONG. No; but I conclude from what the Senator said that it would naturally provide credit and furnish a better market. Regardless of the currency, however, and regardless of the credit, and regardless of the gold, and regardless of the silver, and regardless of the medium of exchange, how are we going to restore prosperity in a country when 90 per cent of the people are practically pauperized and penniless and have no property, regardless of what the currency is?

Mr. PITTMAN. If we could put raw cotton back to 23 cents a pound, where it was in 1929, when they sold practically all of their 13,000,000 bales, we would have three billions in gold coming into the South when only one billion is coming into the South now. That two billions coming into the South would be as much as the Reconstruction Finance Corporation can distribute. There is no doubt that 23-cent cotton would make the South prosperous, and the South would start buying new automobiles and radios and clothing, and when they did, the factories would start employing men, and the employees of those factories would start buying things to eat and live on. I can not help but say that when we got rid of the surplus by sending it into the channels that it was created to fill, the competition of commodities within a country to buy gold to pay debts would be less.

Mr. REED. Mr. President, I am not going to delay the vote more than five minutes; but I want to say, in reply to what our Democratic friends have been telling us all day long, that the contrast we make with the Governments of Great Britain and France and Germany in this time of crisis is not at all to our credit.

Great Britain last September, in 48 hours, put on a protective tariff, because she had come to the conclusion that it was necessary to her people's welfare that she do so. She went off the gold standard. She was forced off it. Almost instantly, by presidential decree, Germany put up compensatory duties against those British products to protect German work people against sudden gushes of imports from countries that had gone off the gold standard. With similar promptness, France did the same thing. By executive decree she put on more than a tariff; she put on an absolute embargo of the importation of goods from those countries beyond specified quotas, which were purposely held down very low.

Contrast that with what we are doing. Here is a resolution merely asking for facts, and it is being fought as if it were a comprehensive change of our tariff system. None of us knows what the facts are that would be given in response to this resolution, and none of us can know what action would be indicated by those facts when we get them. But what impression must it create on our people who are walking the streets because British factories are doing their work, because the output of British workmen comes in to take the place of that of American workmen? What impression must we give to those Americans who are unemployed when we say to them, "No; we are so afraid of what the facts may be that we will not even let the American people know the facts. We are going to beat this resolution, so that the facts will never come to the knowledge of the Congress or the knowledge of the Americans who are suffering from this upset in normal trade"?

What a picture we paint when we take that position! What can there be so delicate or fragile about the tariff policy of my friend from Mississippi that he can not face the facts with it, that he can not expose it to the people in company with a knowledge of the existing situation?

It must be a fine theory of government, Mr. President, that can not bear the scrutiny of people who know what the facts are. The Senator puts himself in the position of a fugitive from truth when he refuses to let us know just what is happening to American industry as the result of this financial catastrophe abroad.

Mr. NORRIS. Mr. President, the immediate question before the Senate is whether we will substitute the amendment offered by the Senator from Mississippi for the pending resolution.

I may not be able to fathom this proposal; I may not understand it; I admit I am not an expert on it; and, after listening to Senators making very interesting addresses, I conclude that I am not the only Senator who is not an expert on the subject; yet I have been greatly impressed with many things that have been said. I can not lead myself to the theory that we ought to reject this resolution, which, in the main, calls for information that would be, I think, very interesting and instructive, if we could get it.

I am not sure that we are going to be able to get it. I am not at all convinced that the Tariff Commission is the proper tribunal through which we ought to seek it. I am not at all fearful that a committee of the Senate could not get this information, as provided for by the substitute; but I am utterly unconvinced on the proposition that we ought to defeat the resolution itself.

Whatever good there is in the replies that may come, we will be able to get out and analyze, it seems to me. If something comes that is not founded upon fact, we ought to be able to find that out upon an analysis of it. If it is of value in legislation that we are trying to enact or to study, certainly we shall be able to ascertain that fact when we get an opportunity to look into it.

If the Senator from Mississippi will offer his substitute as an amendment, I shall be very glad to support it. I believe, too, that if the Senator from Mississippi had offered his resolution first, and the resolution of the Senator from Pennsylvania had been offered as a substitute for it, I should have voted against the substitute. I think it would be of great value to the Senate to pass the substitute that has been offered as an independent proposition, or as an amendment to this resolution; and then we would be able to compare the results that we get from the Tariff Commission and from the investigation of the committee.

Mr. HARRISON. Mr. President——

Mr. NORRIS. I yield to the Senator from Mississippi.

Mr. HARRISON. Under the substitute proposition, if some other plan could be offered that would accomplish the same result, of course that would be all right. I think it is broadened by the appointment of a committee—not just the Finance Committee, but a select committee. All the information that is requested in the resolution of the Senator from Pennsylvania can be obtained through that committee. They can go farther and get it from the Treasury Department or from the Commerce Department or anywhere else if they want to.

If the Senator and the Senate suggest that we create, for instance, a select committee, with specific instructions by the Senate that the Tariff Commission send this report to the special committee, I have no objection in the world. That gets it just the same; but let them go farther if they want to. I want to get the opinion of a select committee that might study the proposition rather than just the opinion of the Tariff Commission, which may already have an opinion on the subject. I am willing to get that, and go farther and get more.

Mr. NORRIS. Mr. President, I am not one who believes that the opinion of the Tariff Commission as now constituted is anything sacred. I would not agree in advance to accept their conclusions; but if any reasonable number of Members of the Senate feel that they can get valuable information from the Tariff Commission, I am perfectly willing that they should get it. I would not stand in the way of their getting it, even though I had no faith in it.

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

Mr. NORRIS. Just a moment further.

The Senator's substitute may be a better way to get this information. I am not denying that; but as long as there is doubt as to which is the better way—and, in my judgment, it will be an inexpensive thing, although it will entail considerable labor—I am perfectly willing that we should adopt both methods. If it were known in advance that we had done so, I think it would have a tendency to induce both the Tariff Commission and the committee to be more careful, more cautious, more judicial, more earnest in their efforts to get the real facts, than though only one of them were studying the subject.

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

Mr. NORRIS. In just a moment I will yield to the Senator from Pennsylvania. I promised to yield to the Senator from Mississippi.

Mr. HARRISON. Mr. President, the Senator has suggested that if my amendment had been offered as an amendment to this resolution, rather than as a substitute for it, it would have been more to his liking, as I understood, because he does not want to be put in the attitude of denying information. Of course we go on the theory that this is not denying it but it is getting it, but getting it through a committee, and broadening the matter so that they can get it in another way.

Mr. NORRIS. Yes.

Mr. HARRISION. In the time of the Senator from Nebraska, would the Senator from Pennsylvania have any objection to my offering this as an amendment to the Senator's proposition, so that we can go at it in both ways?

Mr. REED. The Senator means as an addition to the original resolution? I should be very glad indeed to accept that suggestion.

Mr. NORRIS. All right, if that is agreeable to the Senator.

Mr. HARRISON. Then, of course, the report of the commission, while coming to the Senate, would naturally be referred to the select committee; and if they wanted to go farther, they might be able to do so.

Mr. REED. The Senate could determine what it wanted to do with the information when it got it, but I should think it probably would be treated as a public document and referred to that committee.

Mr. HARRISON. I think, then, that that might be a solution of the problem.

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

Mr. NORRIS. I yield.

Mr. SHIPSTEAD. I do not want anything I have said to be construed as an attack upon the resolution of the Senator from Pennsylvania. I think he has rendered a great service by bringing it here. I believe, also, that the Senator from Mississippi has rendered a service by broadening, in my opinion, the scope of the investigation.

I do not like to have this question, or the many questions involved in this problem, passed upon solely by the Tariff Commission. Certainly the Tariff Commission can give us a great deal of information, so far as that part of the picture affected by the tariff is concerned, but I believe that if the two ideas can be combined so that a committee of the Senate can have control of the investigation and get information wherever they may find it available and find it reliable, and then base an opinion or a report to the Senate on that, we would get a better report than by getting a report from the Tariff Commission alone.

I do not want the opinion of the Tariff Commission. I am perfectly willing that they shall send a report of the facts. I want to form my own opinion.

Mr. NORRIS. Mr. President, I think that what the Senator from Minnesota has said only adds to the force of my argument, and he has done it in a much better and more concise way. We ought to respect each other's judgment. There are some Senators who would like to have the Tariff Commission do it; other Senators say, "Let us have a committee do it."

Any reasonable number of Senators, in my judgment, seeking for information on an important subject like this, ought to be enabled to get the information from the source they pick and in the way in which they want it, because there may be dispute when it comes here, if we get it from one source only, as to whether it is reliable or otherwise.

The solution I have suggested, it seems to me, will not only bring information which will be more thorough and which will be more carefully prepared for us when it comes, but it will satisfy all Senators I should think, and when the information came we would be better enabled to use it profitably if some one criticized it and said it was not reliable.

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

Mr. NORRIS. I yield.

Mr. HARRISON. Carrying out that suggestion—and there seems to be no opposition to it—I offer the amendment which I send to the clerk's desk, not in the form of a substitute but to be written in following the resolution of the Senator from Pennsylvania, at the end of his resolution.

Mr. REED. As a second paragraph?

Mr. HARRISON. As a second paragraph to it.

The PRESIDENT pro tempore. The Chair understands the question to be in this form: The Senator from Mississippi offers an amendment which, on page 2 of the printed resolution, will be added with the words "and be it further resolved."

Mr. REED. That is exactly right.

Mr. SMOOT. I would like to have it read.

Mr. HARRISON. I would like to state that the Senator from Nevada suggested an amendment which I have given to the clerk and explained. I think the amendment suggested by the Senator from Nevada, which broadens the resolution, should be incorporated not only in the resolution of the Senator from Pennsylvania, but also in the other resolution.

Mr. REED. I think that on further reading of the original resolution the Senator has found that it covers exports just as much as imports. I must have misled him in my discussion yesterday about imports. It does cover exports, just in the same way.

Mr. PITTMAN. The Senator makes particular reference to the increased purchasing power of gold-standard currencies, and I added after that, "and depreciation of the currencies of other countries as affecting the export trade of the United States."

Mr. REED. That is all right.

Mr. HARRISON. The Senator has no objection to having his resolution amended at the same place, because what I have offered is a reproduction of what the Senator has said.

Mr. REED. That is all right.

The PRESIDENT pro tempore. The Chair understands the Senator from Pennsylvania to have accepted the language suggested by the Senator from Nevada as a portion of his resolution.

Mr. REED. That is correct.

The PRESIDENT pro tempore. The Senator from Pennsylvania is in control of his own resolution, and may modify it, and does modify it to that extent.

The Senator from Mississippi offers an amendment in the way of a further resolution, which the Senator from Utah wishes to have read. The clerk will read.

The LEGISLATIVE CLERK. The Senator from Mississippi [Mr. HARRISON] moves to add, at the end of the resolution of the Senator from Pennsylvania [Mr. REED], the following:

*Resolved further*, That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) 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, and exportation from, the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States, and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of Februry 1, 1932.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommitee such information and data in their possession as may be deemed of assistance.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. SMOOT. Mr. President, I do not want to delay the passage of the resolution, because I agree with both of the suggestions, but if I am correct, there is an expense attached to the resolution just read, and under the law it will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. That is correct.

Mr. FESS. I think that is not quite accurate. It is only when the expenses are to be paid out of the contingent fund of the Senate that a resolution has to go to the Committee to Audit and Control the Contingent Expenses. I do not think this would come under that heading.

Mr. HARRISON. Mr. President, I left the amount blank, expecting that when the resolution was passed, I would ask that it go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. If the amendment is agreed to in the form in which it is proposed, the Chair will hold that under the law the resolution must go to the Committee to Audit and Control the Contingent Expenses of the Senate. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

The amendment was agreed to.

The PRESIDENT pro tempore. The resolution as amended is referred, under the law, to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution as amended was referred 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, and exportation from, 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, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decreases in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States, and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and be it further

*Resolved*, That said commission be directed to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932.

*Resolved further*, That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) 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, and exportation from, the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of February 1, 1932.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance.

### EXPENDITURES OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Secretary Hyde in reply to a chart published with reference to expenditures in the Department of Agriculture, the letter appearing in the Chicago Tribune.

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

WASHINGTON, D. C., *April 2, 1932.*

On March 13 the Tribune printed a chart which purported to show that the expenditures of the United States Department of Agriculture had increased from $30,000,000 in 1917 to nearly $300,000,000 in 1931.

No explanation, no statement of items accompanied the chart. It created the impression that this increase was for agricultural purposes.

Because this impression is wholly false, and because it does an injustice to the cause of the American farmer, I am asking you to give equal publicity to the following facts:

One hundred seventy-four million dollars of the 1931 expenditures went to the States as Federal aid in highway construction. This money served the general welfare and relieved unemployment.

Fifty million dollars went to farmers in drought areas as emergency-relief loans. The Department of Agriculture did not ask for the money. It was no part of our regular program.

Fourteen million dollars went to the States for experiment stations, extension services, and forest-fire prevention. The Department of Agriculture did not spend it. We were merely the channel through which the money passed.

Deducting these sums leaves $58,000,000 spent by the department. This contrasts with the $30,000,000 spent in 1917. (All other moneys were either paid to the States direct or were emergency funds for which this department made no request.)

But even this $58,000,000 is not a fair statement of the expenditures for agricultural purposes.

Four million dollars, in 1931, went to the Weather Bureau, including $1,200,000 for commercial aviation—only $50,000 of the entire appropriation being directly for agriculture.

Six million dollars went for eradication of bovine tuberculosis—a public-health service fully as much as an agricultural service.

Five million dollars went for meat inspection—another service primarily for public health.

One million six hundred thousand dollars was expended for enforcement of the food and drugs laws—another health service.

Fifteen million dollars, in addition to payments to States for forests roads already counted, went to the Forest Service to conserve our national resources for all the people.

Two million dollars went to Biological Survey, principally for wild-life conservation.

These items add up to $33,600,000. Minor nonagricultural items bring the total well above $35,000,000. That leaves, of the $58,000,000, only $23,000,000 that can properly be charged against the Department of Agriculture for strictly agricultural expenditures. Of the $30,000,000 expended in 1917 about $11,000,000 was for strictly agricultural purposes.

The increase in expenditures by the Department of Agriculture for agricultural purposes from 1917 to 1931 was, therefore, about $12,000,000. Any other statement is unjust to agriculture.

Since 1917 Congress has enacted 24 laws to be administered by the Department of Agriculture. Here are 24 reasons why it costs more to run the department now than in 1917. In spending money to enforce these laws the department merely obeys a mandate from Congress.

Is the department justified, is it intelligent in spending $17,000,000 for agricultural research as it did in 1931? Agriculture has long thought so. Business and the general public must think so, too, if they will recall items like these:

Research on the southern cattle tick not only showed us how to control that disease-carrying insect, but demonstrated how yellow fever, malaria, typhus fever, African sleeping sickness, Rocky Mountain fever, and other maladies are transmitted.

Hog cholera losses have been reduced because the Department of Agriculture developed a preventive serum. That is of importance to one of Chicago's largest industries.

A calcium salt, once so rare it cost $150 a pound, now may be had for 50 cents a pound because of work by the department's chemists.

New vat dyes, which permit the dye industry to meet competition from abroad, and to use cotton and artificial silk to better advantage, are in wide use because the department some years ago synthesized an entire new series of vat-dye intermediates.

Cheap nitrogen from the air, of importance to our national defense as well as to agriculture, is in large part a reality because of research in this department.

Instances might be multiplied which would convince you that our expenditures for agricultural purposes are thoroughly justified. This does not minimize the need for economy and for reduction of expenditures at this time. We have reduced our expenditures so far as it lies in our power to do so. Our 1933 budget estimates for general bureau expenditures are $7,457,714 less than the 1932 appropriations provided. The total budget estimate for 1933, including payments to States, road funds, is $49,500,000 less than the 1932 appropriations. The Senate has added $1,000,000 for Government participation in the Century of Progress at Chicago, which is only incidentally agricultural.

We shall continue to cooperate in every possible way to reduce expenditures. The amount of savings which it is possible to make must depend upon Congress. We shall interpose no objection to any economy the Congress may make; we ask only that Congress and the public be truthfully informed.

ARTHUR M. HYDE,
*Secretary of Agriculture.*

### INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I move that the Senate proceed to the consideration of House bill 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for action on the committee amendments.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and that order will be entered.

### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

[For nominations this day received see the end of Senate proceedings.]

### MERGER OF DISTRICT STREET RAILWAYS

Mr. NORRIS. Mr. President, with the hope that Senators may read what will possibly come before us later for action, I ask unanimous consent to have printed in the RECORD an editorial quoting from and commenting on a report made by the Senator from Kansas [Mr. CAPPER] and the Senator from Wisconsin [Mr. BLAINE], from the Committee on the District of Columbia, on the merger of the street railways in the District.

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

The matter referred to is as follows:

[From the Washington Herald of Friday, April 8, 1932]

MERGER COST TOO HIGH

Senators CAPPER and BLAINE, leading members of the Senate District Committee, have performed an admirable public service for the people of Washington, street-car riders and nonpatrons as well, by filing a minority report setting forth their objections to the pending traction merger resolution and offering vital amendments.

The essence of the brief report is that—

"The public is, in principle, in favor of a merger of the local street railways, but the price exacted by the resolution is too great.

"No direct benefits flow to the public by this legislation. The companies are relieved of substantial burdens at the expense of the general public.

"The form of the legislation is contrary to public policy in that certain inviolable rights are created which are immune from regulation, even by the supreme legislative body, the Congress of the United States.

"Extraordinary powers are conferred on the public utilities involved. The merger resolution goes far beyond the scope of the act of March 4, 1925, which authorized the merger of the local street-railway companies, subject to the approval by a joint resolution of Congress."

Careful analysis of the merger resolution, which the Public Utilities Commission drafted, without reflecting any credit on itself, reveals that issuance of universal transfers was the only direct benefit the public could hope to derive from the legislation. Yet, strangely enough, the resolution made no provision for the compulsory issuance of such transfers. Unless the Capper-Blaine amendments are adopted, every taxpayer in the District will have to bear his share of the financial burden for paving and police of which the companies would be relieved.

ADJOURNMENT TO MONDAY

Mr. McNARY. I move that the Senate adjourn until Monday at 12 o'clock.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) adjourned until Monday, April 11, 1932, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate April 8 (legislative day of April 7), 1932*

FOREIGN SERVICE OFFICER (CLASS 5), CONSUL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Paul Trauger Culbertson, of Kansas, to be a Foreign Service officer of class 5, a consul, and a secretary in the Diplomatic Service of the United States of America.

UNITED STATES ATTORNEYS

Lewis L. Drill, of Minnesota, to be United States attorney, district of Minnesota. He is now serving in this position under an appointment which expires May 23, 1932.

Robert W. Colflesh, of Iowa, to be United States attorney, southern district of Iowa, to succeed Ross R. Mowry, whose term will expire May 26, 1932.

UNITED STATES MARSHALS

R. John Allen, of Wyoming, to be United States marshal, district of Wyoming, to succeed Hugh L. Patton, deceased.

Rolla Duncan, of Montana, to be United States marshal, district of Montana, to succeed Thomas Bolton, whose term will expire May 2, 1932.

PUBLIC HEALTH SERVICE

Dr. Estella Ford Warner to be a surgeon in the Public Health Service, to take effect from date of oath.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO INFANTRY

Lieut. Col. Edwin Gunner, Quartermaster Corps (detailed in General Staff Corps), with rank from November 6, 1927, effective July 1, 1932.

PROMOTIONS IN THE REGULAR ARMY

*To be colonels*

Lieut. Col. John Henry Read, jr., Ordnance Department, from April 1, 1932.

Lieut. Col. Robert John Binford, Infantry, from April 1, 1932.

Lieut. Col. John Augustus Brockman, Infantry, from April 1, 1932.

*To be lieutenant colonels*

Maj. James Hutchings Cunningham, Coast Artillery Corps, from April 1, 1932.

Maj. Simon Bolivar Buckner, jr., Infantry, from April 1, 1932.

Maj. John Kimball Brown, Cavalry, from April 1, 1932.

*To be majors*

Capt. William Henry Halstead, Infantry, from April 1, 1932.

Capt. Randolph Gordon, Infantry, from April 1, 1932.

Capt. Charles McDonald Parkin, Infantry, from April 1, 1932.

*To be captains*

First Lieut. Oakley George Kelly, Air Corps, from April 1, 1932.

First Lieut. Bernard Tobias Castor, Air Corps, from April 1, 1932.

First Lieut. James Alexander Mollison, Air Corps, from April 1, 1932.

First Lieut. Harold Webster Beaton, Air Corps, from April 1, 1932.

First Lieut. Lawrence Brownlee Savage, Quartermaster Corps, from April 1, 1932.

First Lieut. Richard Clark Jacobs, jr., Infantry, from April 1, 1932.

First Lieut. Richard Earl Moore, Infantry, from April 1, 1932.

First Lieut. Charles Stricklen Shadle, Chemical Warfare Service, from April 1, 1932.

*To be first lieutenants*

Second Lieut. Roy Jacob Herte, Infantry, from April 1, 1932.

Second Lieut. Arthur Edwin Watson, jr., Coast Artillery Corps, from April 1, 1932.

Second Lieut. James Oka Wade, Infantry, from April 1, 1932.

Second Lieut. Brookner West Brady, Infantry, from April 1, 1932.

Second Lieut. Harry McNeill Grizzard, Infantry, from April 1, 1932.

Second Lieut. Charles Herman Deerwester, Air Corps, from April 1, 1932.

Second Lieut. Charles Winslow O'Connor, Air Corps, from April 1, 1932.

Second Lieut. Bernard Alexander Bridget, Air Corps, from April 1, 1932.

Second Lieut. Josiah Ross, Infantry, from April 1, 1932.

Second Lieut. Charles Arthur Bassett, Air Corps, from April 1, 1932.

Second Lieut. Grant Albert Williams, Cavalry, from April 1, 1932.

VETERINARY CORPS

*To be major*

Capt. Herbert Kelly Moore, Veterinary Corps, from April 2, 1932.

CHAPLAIN

*To be chaplain with the rank of major*

Chaplain Harry Dubois Southard (captain), United States Army, from April 4, 1932.

# HOUSE OF REPRESENTATIVES

## FRIDAY, APRIL 8, 1932

The House met at 12 o'clock noon.

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

Again our Lord and our God, Thou hast manifested Thyself as our merciful Heavenly Father. We thank Thee for all the days of strength we have had in the midst of weakness and for the comforts we have had in the midst of sorrows. To-day may we stand with open vision and with grateful hearts toward Thy throne of confession and thanksgiving. May we understand more perfectly how great is the goodness of the Lord toward us. Send forth Thy light upon our great nation. Grant that ignorance may flee away and that knowledge may prevail. Thou art calling us these days by unnumbered blessings. Bring all our fellow citizens together at our country's altar in praise and gratitude for