

Nathan Bedford Forrest, Jr., to be first lieutenant, Air Corps.

Paul Bertram Rupp (captain) to be chaplain with the rank of major.

## POSTMASTERS

## CALIFORNIA

Ethel R. Costello, Acampo.  
Robert A. Clothier, Cotati.  
Elaine M. Strohl, Imola.  
James A. Drace, Linden.  
Edmund V. Murphy, Madera.  
John J. Nestor, Mojave.  
Janet R. Carroll, Pebble Beach.  
William W. R. Reeves, Suisun City.  
Edith I. Day, Woodlake.

## COLORADO

John F. Redman, Greeley.

## DELAWARE

Daniel G. Conant, Rehoboth Beach.

## INDIANA

Frank Ulmer, Bluffton.

## IOWA

Harry A. Gooch, Sioux City.

## MARYLAND

James G. Archer, Bel Air.  
Bushrod P. Nash, Brentwood.  
Howard Raymond Hamilton, Cardiff.  
James F. Rafferty, Cockeysville.  
Henry Holland Hawkins, La Plata.  
Ralph Sellman, Mount Airy.

## MISSOURI

Lurla F. Irely, Fortuna.  
Albert Linxwiler, Jefferson City.  
Ernest A. Hisle, Miami.  
Earl F. Wiek, Rich Hill.  
Rector A. Henderson, Tina.  
Edna P. Largent, Wheatland.

## NEW YORK

John Hamill, Sr., Groton.  
John A. Donahue, Newburgh.

## PENNSYLVANIA

Emilie D. Stoneback, Black Lick.  
Frank H. Black, Greensboro.  
Robert A. Rupp, Hamburg.  
Kathryn K. Endy, Stony Creek Mills.

## SOUTH CAROLINA

William C. Coward, Cheraw.  
William S. Gibson, Sharon.  
David E. Sauls, Smoaks.  
George C. Cartwright, York.

## SOUTH DAKOTA

Gertrude S. Severson, Brandt.  
James R. Kohlman, Conde.  
Alfred E. Paine, Doland.  
Norbert F. King, Frankfort.  
Alex C. Lembcke, Garretson.  
Robert H. Benner, Gary.  
Mary A. Ralph, Henry.  
Sam P. Madsen, Hurley.  
Charles E. Stutenroth, Redfield.  
Oscar I. Ohman, Toronto.

## UTAH

Wells P. Starley, Fillmore.  
James Walton, Tremonton.

## VIRGINIA

King Forsyth, Esmont.  
James H. Ashby, Exmore.  
Regina E. Selby, Greenbackville.  
Howard O. Rock, Irvington.

Arthur Gartrell, Middleburg.  
Martin E. Kline, Middletown.  
John H. Tyler, Upperville.

## WEST VIRGINIA

Marion L. Taylor, Ansted.  
Thomas R. Moore, Charles Town.  
Russell W. Casto, Nitro.  
Vesta Lee Connell, Pennsboro.  
Lawrence E. Poling, Philippi.  
J. Wade Bell, Quinwood.  
James B. Saville, Romney.  
Ruskin J. Wiseman, Summersville.  
Ben Gillespie, Sutton.

## WISCONSIN

Helen A. Tuttle, Balsam Lake.  
Joseph O. Goff, Bristol.  
Ronald F. North, Eau Claire.  
Alphonse J. McGuire, Highland.  
Cyril H. Eldridge, Hilbert.  
Leo J. Ford, Janesville.  
Malcolm R. Dalton, Silverlake.  
Edward Laneville, Withee.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 20, 1934

The House met at 12 o'clock noon.

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

Almighty God and our Savior, too, we thank Thee that we are still folded in the eternal arms from whose embrace no fear, no evil, and no death can separate us. Enable us always to exercise that needful virtue which is the grace of patience, and bless us with heart renewals and with soul reinforcements. As the servants of a great people we pray and listen, like the prophet of old, with our faces turned skyward. Let us catch the deep and welcome undertone which assures us of a brighter and a better day. Gracious Lord and our Heavenly Father, let us not forget that the real significance of life is within. Oh, here is the sacred shrine! At this altar may we kneel, and here do Thou inspire in us the new chivalry that is to come and the new knighthood that is to be. Amen.

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

## MESSAGE FROM THE SENATE

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

H.R. 7295. An act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes."

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. GLASS, Mr. McKELLAR, Mr. TRAMMELL, Mr. STEIWER, and Mr. DICKINSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2728. An act to repeal Federal liquor prohibition laws to the extent they are in force in the Territory of Hawaii; and

S. 2729. An act to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes.

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

H.R. 6574. An act entitled "An act to make inapplicable in Puerto Rico and the Virgin Islands certain Federal laws relating to intoxicating liquors."

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. TYDINGS, Mr. PITTMAN, Mr. HAYDEN, Mr. JOHNSON, and Mr. ROBINSON of Indiana to be the conferees on the part of the Senate.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1935

Mr. SANDLIN, from the Committee on Appropriations, reported the bill (H.R. 8134) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1935, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

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

#### THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes with reference to a bill which I am introducing today.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is not another Navy bill, is it?

Mr. VINSON of Georgia. It is a very important Navy bill.

Mr. BLANTON. Is it along the lines of the other one?

Mr. VINSON of Georgia. Not at all.

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

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, since the House has passed the authorization bill to bring the Navy up to treaty strength, which is designed to give this country what it is entitled to and what it desires—a navy second to none—there is another step which must be taken in order that the fleet may attain its maximum efficiency.

The administrative organization of the Naval Establishment needs a complete modernization from top to bottom. I measure my words when I say that the administrative organization is at present, in my opinion, archaic, clumsy, and confused. Quick action and economy are impossible under the present set-up. Nothing short of a complete reorganization of it will permit the fleet to bring its full force to bear in defense of the country's interest.

That this is recognized by the Navy itself is attested by the fact that board after board has been repeatedly appointed by the Navy Department since the armistice to study the problem of reorganization and to recommend a solution, but nothing has ever happened. The reason for this is that there are too many bureaus, too many special corps, too much vested interest, too much inertia, and too much obsolete law on the books.

After 17 years' continuous service on the Naval Affairs Committee of the House, I am convinced that without legislative help the Navy Department will never be able to reorganize itself. Action from the Congress is necessary.

I have, therefore, today introduced a bill to completely reorganize the administrative organization of the entire Naval Establishment. All conflicting statutes are to be wiped out.

Instead of having the business of the Navy divided among eight bureaus and half a dozen separate divisions in the Chief of Naval Operation's office, the Marine Corps headquarters, the Judge Advocate General, the Assistant Secretary's office, and Heaven only knows how many other boards and offices, each pursuing its own way, the bill I have introduced will consolidate everything for the control and support of the fleet into three offices under the Secretary of Navy:

First. The Office of the Secretary.

Second. The Office of the Naval Operations.

Third. The Office of Naval Material.

The bill provides for appropriate division in each office to handle the essential work with economy and dispatch.

Instead of segregating officers into various corps, each of which harbors jealousies and endeavors to build itself up year after year, the bill places all naval officers except

medical officers and the chaplain in a single pool or on a single list, eligible for any duty to which the Secretary may assign them in view of their education and experience. Specialization is provided for in all essential respects, but no further.

I firmly believe that if this bill is enacted into law, and I trust it will be, millions upon millions of dollars of the taxpayers' money will be saved.

Such a law will promote the effectiveness and economy of the national defense by simplifying and strengthening the organization, administration, control, and finance of the whole Naval Establishment. [Applause.]

#### THE LATE CHARLES P. COADY

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. PALMISANO. Mr. Speaker, it is with great regret that I announce the death of the Honorable Charles P. Coady, who passed away in the city of Baltimore on Friday, February 16, 1934.

Mr. Coady was a former Member of the House and represented the Third District of Maryland in the Sixty-third, Sixty-fourth, Sixty-fifth, and Sixty-sixth Congresses.

He was born on the 22d day of February 1868 in Baltimore. He began practicing law in 1894. Mr. Coady was a Member of the State senate for 8 years and upon his retirement from Congress he was appointed tax collector for the city of Baltimore by the Honorable Howard W. Jackson, the present mayor of Baltimore.

Mr. Coady was in every sense a Democrat, always approachable and loved by everyone who knew him.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. SNELL. Mr. Speaker, I want to join with that a request that the gentleman from Ohio [Mr. COOPER] may have permission to proceed for 10 or 15 minutes.

Mr. BLANTON. Mr. Speaker, each request must stand on its own bottom. Surely, the gentleman from New York can get 10 minutes for so distinguished a Member as the gentleman from Ohio.

Mr. SNELL. I appreciate that, but if we grant such permission to five or six men on that side, then when we ask for time on this side, some one objects. I suppose there is business before the House today?

Mr. BLANTON. Mr. Speaker, so distinguished a parliamentarian as the former Chairman of the Rules Committee knows that a Member cannot couple two requests in this manner. It is against the rules of the House.

Mr. SNELL. Look up the rules and see.

Mr. BLANTON. That is a rule that has existed for a long time.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the subject?

Mr. PATMAN. I would like to speak on the payment of the adjusted-service certificates.

Mr. MARTIN of Massachusetts. I object, Mr. Speaker.

Mr. BLANTON. That comes from the Republican side—against the bonus for the soldiers.

Mr. SNELL. The gentleman is out of order and the gentleman knows it.

Mr. BLANTON. Well, it came from the Republican side—the gentleman's side.

#### THE ELLENBOGEN RESOLUTION CONTEMPLATES A NATIONAL CONTRIBUTORY SYSTEM OF OLD-AGE PENSIONS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, on February 15, 1934, the House of Representatives unanimously passed my resolution (H.Res. 249), which directs the Committee on Labor to



prepare such data and make such studies as are necessary for the drafting of legislation to establish a national system of old-age pensions on a contributory basis.

Although the Congress of the United States has considered the subject of old-age pensions for many years, my resolution marks the first time that it was proposed to the Congress to consider the establishment of a national system of old-age pensions on a contributory basis. My original resolution, H.R. 212, was introduced on January 8, 1934, 5 days after the Seventy-third Congress convened in regular session.

THE PITTSBURGH PRESS SUPPORTS ELLENBOGEN OLD-AGE PENSION RESOLUTION

Mr. Speaker, the resolution which I introduced at once gained the attention of the country and received support throughout the United States. The Pittsburgh Press, a Scripps-Howard newspaper of the highest standing, in an editorial of February 1, 1934, strongly endorsed the enactment of this resolution and expressed the hope that the Congress would act favorably upon it. This editorial was inserted in the CONGRESSIONAL RECORD under date of February 5, 1934, on page 1935.

THE MODERN INDUSTRIAL SYSTEM HAS CREATED THE PROBLEM OF OLD-AGE SECURITY

The problem of insecurity of our old people springs from our modern industrial system. In an agricultural society it did not exist. As long as the American people were pre-vaillingly engaged in agriculture, old people could always look forward to spending their last years in peace and comparative comfort on the farm.

Under our present system of modern industrial machine production the situation is entirely different. The specialization of work in modern large-scale industry, where each worker performs over and over again the same stereotyped operation, has largely dispensed with the need for the experienced and skilled worker; the speed-up processes of the modern industrial plant with its ever-increasing nervous strain demands younger and younger workers. As a result most major industries have practically eliminated the aged worker. They will not employ men and women beyond the age of 40 or 45 years, and in some plants the age limit is even as low as 35 years.

The adoption of private industrial pension schemes has also lowered the age at which the companies having such pensions will employ men. Most of these companies require that a man must be at least 65 or 70 years of age when he is pensioned and must have been employed from 20 to 30 years by the company. These companies are unwilling to employ a person who would not be eligible under the pension scheme because of the dissatisfaction which that would create among its employees. Thus these companies refuse to employ men and women beyond the age of 40 and 45 years.

Group insurance in effect in some large industrial concerns has also aggravated the problem of old-age security. The premium rates for group insurance are based upon the average age of the insured employees. Rates for old persons are much higher than for younger ones, and therefore employers prefer younger men so as to reduce the amount of money which they have to expend for their insurance.

THE TOTAL NUMBER AND THE PROPORTION OF OLD PEOPLE IS FAST INCREASING IN THE UNITED STATES

Owing to modern public-health measures, Mr. Speaker, the average span of life has been tremendously increased in the United States. In 1840 the average duration of life in the United States was 39 years, whereas in 1930 it had risen to about 60 years.

In 1870 the total population of the United States was 38½ millions, of which 1,153,649, or 3 percent, were 65 years or over.

In 1930 the total population was nearly 123,000,000 people, of which 6,600,000 persons, or almost 5½ percent, were 65 years of age or over.

DEPENDENCY AMONG OUR OLD PEOPLE IS STEADILY INCREASING

It appears, according to various studies which have been made, that under our modern industrial system of mass machine production, over 40 percent of all people 65 years

of age and over are in need and dependent. This would indicate that in 1930 about 2,700,000 people 65 years of age and over were dependent in the United States.

IMPORTANT FACTORS CREATING THE PROBLEM OF OLD-AGE INSECURITY

Mr. Speaker, permit me to summarize these facts, because they are extremely important:

First. The problem of old-age insecurity has been created by the modern industrial system of machinery mass production.

Second. The total number of older people is steadily increasing.

Third. The percentage of old people in proportion to the whole population of the United States is steadily and speedily growing.

Fourth. The number of dependents among our older people is steadily increasing.

These and other factors which I shall take up in this speech will convince all fair-minded students of the facts that the situation is reaching a point where a permanent and adequate system must be established in the United States to care for our old people.

THE POORHOUSE IS A CRUEL AND DEGRADING METHOD OF TREATING OLD PEOPLE

Until recently older people were supposed to find a refuge in what are known as "poorhouses" or "almshouses." These still exist in some States, including Pennsylvania.

Here is how the New York State commission, in its 1930 report, described conditions in poor or almshouses—pages 395-398:

Worthy people are thrown together with moral derelicts, with dope addicts, with prostitutes, bums, drunks, with whatever dregs of society happen to need the institution's shelter at the moment; sick people are thrown together with the well, the blind, the deaf, the crippled, the epileptic; the people of culture and refinement with the crude and ignorant and feeble-minded.

The large dormitory system prevails rather than the individual room or the roommate system. Privacy, even in the most intimate affairs of life, is impossible; married couples are quite generally separated; and all the inmates are regimented as though in a prison or penal colony. Private possessions other than the clothes on the back are almost out of the question, since individual bureaus, closets, tables, or other articles of furniture, outside of a bed, are generally not provided. Instead, rusty tin dishes, heavy cracked enamelware, and bare table tops for all inmates alike still set the general tone of most of these institutions. So that, despite the conscientious and often kindly efforts of the superintendent, the whole atmosphere of the almshouses tends to become more and more depressing, "institutionalized", and dehumanized.

How much better would it be to take care of our old people through pensions instead of herding them into poorhouses? How much more humane, more civilized, to let these old people live a decent, quiet, reasonable life in their own community and in the same surroundings where they spent their younger years?

POORHOUSES ARE MUCH MORE EXPENSIVE THAN OLD-AGE PENSIONS

Human decency always pays, even from the point of view of dollars and cents. It is a known fact that old-age pensions are much cheaper than poorhouses. To illustrate:

In New York State the average cost for each inmate of a poorhouse was \$39.61 per month. In 1930 a law was passed which established an old-age pension system in that State. The average cost per person under that system was only \$23.80. By treating these citizens in a humane and civilized way and giving them old-age pensions instead of sending them to the poorhouse, New York State saved \$15.81 per month for each person. In New York State 16 persons could thus be paid old-age pensions for the same outlay which was previously required to support 10 inmates in a poorhouse.

More than half the money spent in poorhouses is wasted in useless overhead. For instance, the Pennsylvania Department of Welfare found in 1925 that for every dollar spent in Pennsylvania on poorhouses only 30.5 cents went into the actual maintenance of the poorhouse, whereas 69.5 cents went into payment of administrative and operative expenses. In 1931 the cost of overhead amounted to the incredible figure of 77.3 cents out of every dollar.

The Pennsylvania commission, appointed by the State Legislature of Pennsylvania also made a study and analysis of the quality and quantity of food consumed in 1 year by inmates and stewards of poorhouses in a typical county. This analysis showed the following differences:

Kind of food	Consumed per steward	Consumed per inmate
Butter.....	30	17½
Eggs.....	200	38
Milk.....	101	23
Chicken.....	10	1

<sup>1</sup> Pounds.

<sup>2</sup> Ounces.

<sup>3</sup> Quarts.

These figures are almost incredible. In the poorhouse of that county in Pennsylvania a steward consumed an average of 200 eggs per year, whereas an inmate received only 38. Another instance: A steward consumed 10 pounds of chicken per year, whereas an inmate only received 1 ounce. These disclosures are not only startling; they are shocking. The people of Pennsylvania, I am certain, will end these intolerable conditions.

THE OLD-AGE PENSION LAW OF PENNSYLVANIA IS IN REALITY POOR RELIEF

Twenty-seven States of the Union have passed laws providing for old-age pensions of one sort or another; but in quite a few of these States the laws are not mandatory or do not afford adequate relief. In December 1933 the Pennsylvania State Legislature, in special session, passed a so-called "old-age pension law." Under that law no person is eligible unless he is "indigent." That is, no one is eligible to receive an old-age pension unless he is a pauper. For instance, if an old couple should happen to own a little home, although they should have no other income whatsoever, they would, it appears, not be eligible under the Pennsylvania law, because they would not be indigent.

Under the Pennsylvania act, in order to be eligible a person must be 70 years of age or over; must have resided in Pennsylvania continuously for at least 15 years and must comply with other requirements. The pension payments are scheduled to become available on December 1, 1934.

The act passed by the Pennsylvania State Legislature will be a great disappointment to our old people. It is in reality not a step forward, but backward, because it will tend to decrease the interest for a real old-age pension law and will discourage some persons who have fought for years for adequate and fair pensions for the old people of Pennsylvania. What we need in Pennsylvania is not a new "poor" law, but a real old-age pension law such as exists in the State of New York and in other States.

A NATIONAL SYSTEM OF OLD-AGE PENSIONS IS THE BEST FOR THE UNITED STATES

The most feasible system to provide old-age pensions throughout the United States in an adequate and proper way is through the establishment of a national system of old-age pensions. The enactment of old-age pensions in the various States is a slow and painful process; but even if it should be possible eventually to obtain old-age pension laws in the various States, a national system would be far superior.

Here are some of the advantages:

First. Only a national system can protect all dependent persons of old age, because in all the States which have old-age-pension systems, there are resident requirements of 10, 15, 20, and even 25 years. Therefore—

(a) A citizen who would not have the necessary length of residence could not qualify and would therefore be without protection.

(b) The aged would be prevented from moving from one State into another State if they desired to take advantage of the old-age pension laws.

Pennsylvania, for instance, has a 15-year residence clause, which would mean that a man of 55 dare not leave his State to become eligible for a pension at 70. (Editorial in the Pittsburgh Press of Feb. 1, 1934.)

Second. Transient persons of old age can be cared for only under a national system.

Third. Some States might never adopt old-age-pension systems, and thus only a part of the citizens of the United States would receive the benefits conferred by such a system.

Fourth. A system by States would create great discriminations between residents of the various States: The amount of the pension would greatly vary. Some States would begin to pay at the age of 60, some at 65, some at 70, and some at 75 years. The requirements as to length of residence would vary. There ought to be no discrimination between the aged of different States. They should all be treated on an equal basis.

Fifth. A system by States might place the States which adopt a fair and adequate system at an economic disadvantage as against States which have no old-age-pension system, or only an inadequate one, because the payment of pensions might affect the cost of manufacturing.

Many States would therefore refuse to adopt an old-age-pension system or would adopt an inadequate one. They will plead that to do otherwise would put them at an economic disadvantage as against competing industrial States.

THE MOST FEASIBLE SYSTEM IS A CONTRIBUTORY SYSTEM

A contributory system of old-age pensions is really a compulsory system of old-age insurance. Under it the employer and the employee would contribute a very small, an almost insignificant sum of money, from his salary or wages to the pension fund. In many countries the Government also makes contributions. The amount would be small. For instance, for a person of 18 years the total weekly contribution would be less than 28 cents, so that if it is divided between the employer and the employee, each would contribute less than 14 cents per week. During periods of unemployment no contributions would be required under this system. When a person becomes 60 or 65 years of age, he is then entitled to a pension which is paid out of his own contributions.

Of course, until the contributory system is well established and has operated long enough to accumulate sufficient funds, it would be necessary for the States or for the Federal Government, or for both jointly, to pay adequate pensions to our old people out of public funds.

I believe, too, that a contributory system offers the best basis for the establishment of a national system of unemployment insurance.

THE UNITED STATES IS THE ONLY LARGE INDUSTRIAL COUNTRY WITHOUT OLD-AGE PENSIONS

The experience of foreign countries has proven that the contributory system which I have proposed and which is contemplated by my resolution passed by the House of Representatives on February 15, 1934, is the most feasible and the best plan to provide permanently for adequate pensions for old people. Today 42 foreign countries have old-age pension systems. Out of these 42 countries, 31 have contributory systems. The United States, China, and India are the only large countries which have no national system of old-age pensions. Of the large industrial nations, the United States is the only one without an adequate system of old-age security.

The poorhouse, with its unspeakable horror and degradation, with its separation of husband and wife, must be abolished. Men and women of older years who, after a lifetime of toil and hard work, have become dependent through circumstances beyond their control are entitled to spend their later days in peace and security in their own homes.

Modern industrial conditions demand modern laws for the security of old people. The time has come for the establishment of fair and adequate old-age pensions. Let us keep up the fight for it. It is a fight for a just and noble cause. It is a fight which we can win; it is a fight which in the end we shall win.

EXTENSION OF REMARKS

Mr. EICHER. Mr. Speaker, I ask unanimous consent that there may be read into the RECORD a telegram from the



Iowa Soap Co., of Burlington, Iowa, contradicting the statement of the gentleman from Nebraska as to the percentage decline in price of soap since 1926.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

REVENUE BILL FOR 1934

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. CANNON of Missouri in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill, of which the Clerk will read the title.

The Clerk read the title.

Mr. TREADWAY. Mr. Chairman, I yield myself 2 minutes. Mr. Chairman, ordinarily there is no occasion in the course of debate like this to make reference to articles in the press, but an item appeared this morning that I think does an injustice to the House as well as to the Ways and Means Committee. It alleges that rich people may find loopholes in the new bill; in fact, says that they have already been found. If they have been found as alleged it is the duty of the one who found them to call the Ways and Means' attention to them today or tomorrow morning.

We have labored long and faithfully in our efforts to try and close many loopholes, and I think we have accomplished it; but if the general public is led to believe that other loopholes still exist it is the patriotic duty of citizens to call the attention of the Chairman of the Ways and Means Committee to these loopholes, rather than announce the fact through the public press.

Mr. HOEPEL. Will the gentleman yield?

Mr. TREADWAY. My time has expired.

Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the Ways and Means Committee has brought in a bill designed to tighten up certain so-called "leaks" in income tax laws, and estimated by them to raise something like \$250,000,000 out of additional income taxes and other miscellaneous taxes.

I want to call the attention of the House and the country to the fact that our relief expenditures are going on at the rate of \$425,000,000 a month. The British dole, last year, cost £78,275,000, or approximately \$395,000,000. For the 6 months ending last October the cost was on the basis of £73,500,000 per year, or approximately \$365,000,000; so we are spending more in 1 month than the British are spending in a year.

But that is just a small part of the story. Our expenditures for 1934, the year we are now in, are going to run approximately \$11,000,000,000. Our estimated receipts are \$3,250,000,000, or a deficit of nearly \$8,000,000,000.

The committee has estimated for 1935, \$1,250,000,000 of income tax. To balance the Budget we must have at least \$5,000,000,000, or four times what this bill provides, from the income tax.

An American with an income of \$3,000 and a wife, pays approximately \$20 tax. A British subject with a wife and a \$3,000 income pays approximately \$300 tax. Let me say to the House and to the country that if our expenditures are to continue at the rate they are now going that we must have a 10-percent tax on the small incomes, and no exemptions, if we are going to balance the Budget. I want the Membership of the House and the people back home to realize what we are headed for in the line of a tax bill unless we stop the terrific expenditures that are now going on.

Has anybody the courage either to follow me in stopping these expenditures or to put on the tax necessary to balance the Budget?

Mr. HOEPEL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOEPEL. Does the gentleman know that in the independent offices bill we appropriated \$204,000,000 for the war veterans and their dependents, and in another bill \$750,000,000 to keep the farmers idle and destroy their crops?

Mr. TABER. I know that we provided more than \$284,000,000. We are never going to balance the Budget unless we levy enough taxes to pay our bills as we go along. There is no use in kidding ourselves any longer.

Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

PRESENT TAX BILL

Mr. PATMAN. Mr. Chairman, this tax bill contains many items intended to seal up the loopholes in the tax law. We could, perhaps, eliminate some taxes most objectionable and obnoxious if we had a way of distributing the money all over the country and increase the paying power of the people.

A dollar in a locality does not mean one dollar always; it may mean from fifteen to forty dollars in purchasing power, because it turns over from 15 to 40 times every year. So if we can arrange some way to distribute a large amount of money through some vehicle where no new policy is involved, it certainly would be in the interest of the general welfare.

CONSIDERATION OF H. R. 1 ASKED

I have just signed a petition for the consideration of the bill to pay the adjusted-service certificates. [Applause.] There are 3,545,284 certificates as of January 1, 1934, of the aggregate face value of \$3,543,981,515. Three million nineteen thousand five hundred and eighty-two of these veterans out of a total number of 3,545,000 have borrowed money on their certificates. They have borrowed \$1,340,659,199.38, leaving a remainder due of approximately \$2,200,000,000, and if that money is paid, it will go into every nook and corner of the Nation. It will not only benefit these veterans but it will benefit everybody. It will find its way into the local banks, and there be used as a reserve for the issuance of ten additional dollars for every dollar of reserve. That will help the country generally, as the people are very much in need of additional purchasing power. This will not be giving away \$2,200,000,000 but it will be paying \$2,200,000,000 on a debt that Congress has heretofore confessed was due to the 3,545,284 veterans in the United States.

HOW AMOUNT OF ADJUSTED-SERVICE CERTIFICATES ARRIVED AT

The committee that passed on this matter ascertained that there was a difference of between \$1 and \$1.25 a day between the pay received by the lowest-paid laborer in the United States during the war and what a private in the United States Army received. Many laborers in civilian life received several times as much as the lowest-paid laborers and the skilled workers received very high wages. Therefore the committee said we should at least compensate the soldiers to the extent of that difference between what the lowest-paid laborer received and what the average private received, the difference being between \$1 and \$1.25. Congress allowed them the \$1 a day for home service extra and \$1.25 a day extra for service overseas. If this money is paid as of the time they rendered service, the full amount was due October 1, 1931. The reason it is not due now on its face is because there were 7 years from the time the services were rendered to January 1, 1925, the date of the certificates, the veterans were not allowed interest. So if you will go back and date the certificates as of the time they rendered the service and give the veterans the customary rate of interest paid to everyone else connected with the war the full face value of each certificate was due on October 1, 1931, and this bill provides that no interest shall be charged the veterans subsequent to that time. I believe it is the best means, it is the best vehicle, that has ever been proposed to put purchasing power into the hands of the masses of the people in every nook and corner of the Nation.

CONTROLLED EXPANSION OF CURRENCY

House bill 1 provides for controlling expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates in new currency—

United States notes. These notes will not bear interest and will be lawful money of the United States and shall be maintained at a parity value with the standard unit of value fixed by law. No new principle of issuing money is involved. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be re-issued. Such notes, when held by any national banking association or Federal Reserve bank, may be counted as a part of its lawful reserve.

#### STABLE PRICES AND MONEY

The bill further provides that when the index number of the wholesale all-commodity prices rises above the index number of such prices for the years 1921 to 1929 the Secretary of the Treasury shall be privileged to contract the currency in the following manner:

First. Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal Home Loan Bank Act and retirement of such bonds as security for circulating notes as rapidly as practicable.

Second. Termination of the issuance and reissuance of national bank circulating notes and the retirement of such notes from circulation as rapidly as practicable.

Third. Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

Fourth. Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

Fifth. Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

#### SAME KIND OF MONEY AS NOW CIRCULATING

The amount paid to the veterans will be permanent circulating medium and of the same wording, form, size, and denominations as United States notes issued under existing law and now in circulation.

#### NO INTEREST SUBSEQUENT TO OCTOBER 1, 1931

If this bill is enacted, a veteran who has not negotiated a loan on his adjusted-service certificate will be permitted to receive the full amount now in cash. A veteran who has borrowed on his certificate will receive the amount of the certificate in cash less the amount of his loan with interest to October 1, 1931. Under this bill, no interest is charged, since the full amount of the certificates was due at that time, if the veterans are paid as of the time they rendered their services, together with the customary rate of interest received by others on war contracts, tax refunds, and so forth.

#### CASH INTO HANDS OF MASSES

This bill will put cash money in every nook and corner of the Nation, into the hands of nearly 4,000,000 World War veterans who will use it to purchase comforts and necessities of life, pay debts, taxes, and otherwise place it into the channels of trade and production. This money will find its way into the banks all over the Nation and will be used as a reserve for the issuance of additional credit, thereby helping everybody in every community.

#### IF THIS BILL IS ENACTED

First. It will save the Government more than a billion dollars, or \$112,000,000 a year for 12 years.

Second. It will save the Government more than \$10,000,000 in administration expenses of the Adjusted Compensation Act between now and 1945.

Third. It will pay a debt heretofore confessed by the Government to the veterans for services rendered. It is no bonus. The term bonus is a misnomer.

Fourth. It will be granting to the veterans the right to deposit a Government obligation and receive in return therefor new currency, the same right that is now enjoyed by Federal Reserve banks and all national banks.

Fifth. It will prevent the veterans from losing a valuable equity by releasing them from the payment of compound interest on their loans. Veterans, who have borrowed 50 percent under the present law, will have very little remaining in 1945. It is not right for the Government and the banks to consume these valuable equities by requiring the veterans to pay compound interest on their own money.

Sixth. It will require no bond issue, no increase in taxes, no additional interest payment by the Government. The debt must be paid sometime. Everybody will be helped if it is paid now.

Seventh. The Treasury holds in the general fund \$3,140,000,000 in gold. It is unencumbered. This does not include the gold owned by the Federal Reserve banks. This is sufficient gold to issue \$8,000,000,000 in new currency without reducing the gold reserve less than 40 percent. No nation on earth has ever claimed that more than a 40-percent gold reserve as a reserve for issuing money is required. If it is desired to back this money with gold, it will be very convenient to do so, although it is unnecessary.

Purchasing power must be placed in the hands of the masses. In this way, it can be distributed quickly without the possibility of graft or favoritism. It is the best plan that has been proposed to be used as a vehicle to convey additional money into the hands of those who will buy goods.

#### HOW OTHERS USE CREDIT OF NATION

Under subsection 1 of section 3 of the bill, it is provided that the circulation privilege extended certain bonds may be abolished if there is too much money in circulation at any time. Let me explain what I mean by that. The national banks of the Nation are capitalized for about \$1,590,000,000. Under the present law, these banks may deposit with the United States Treasury bonds bearing interest at a rate not in excess of 3½ percent and receive in return therefor \$1,590,000,000 in new currency, the same kind of money we propose to issue in this bill. The only obligation is that the bank will keep on deposit at the Treasury 5 percent of the amount of such money for redemption purposes. This places the Government in this idiotic position. The Government sells to the bank a thousand-dollar bond drawing 3½-percent interest, or \$33.75 interest for a year. The bank immediately redeposits the bond with the same United States Treasury that sold it to the bank, and receives in return therefor \$1,000 in new money. Fifty dollars of the money is left on deposit with the Treasury. The bank gets the use of the money and also gets interest on the bonds deposited. There is a small charge of one half of 1 percent against the bank for expenses in connection with the issuance and reissuance of the money. Therefore, banks can take Government obligations due in 1945 and receive new money in return for them, and at the same time get interest on the obligations. Why is it not fair to let the veteran take his obligation, made payable in 1945, and receive money in a similar manner? There is no difference in the two obligations. They are both made payable in 1945; they are both backed by the credit of this Nation; they are both obligations of this Nation. Money purchased one, services purchased the other. If it is fair for the bank, it is fair for the veterans. The National City Bank (Mr. Mitchell's bank) can obtain \$124,000,000 in this way. The Chase National Bank (Mr. Wiggins' bank) can obtain \$148,000,000 in this way. Certainly banks take advantage of this opportunity.

Under this bill, if there is too much money in circulation, the bank will be required to return their currency or part of it and receive their bonds in exchange, thereby taking a certain amount of money out of circulation.

#### ANOTHER WAY OF CONTRACTING CURRENCY

It is also provided in the bill that there may be a termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States Government and secured by gold or gold certificates, or by notes, drafts, bills of exchange, acceptances, or bankers'



acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

#### BLANKET MORTGAGE

Under the present law a Federal Reserve member bank may deposit Government obligations, payable in 1945, or any other time regardless of the amount and regardless of the amount of its capital stock and may receive the same amount in new Federal Reserve notes. These notes are new money and are guaranteed by the United States Government. The wording on each note speaks for itself. It is a blanket mortgage on all the property and the incomes of all the people in this Nation. It is enjoyed by a few at the expense of the many. The banks also receive interest on the Government obligations while they are on deposit, but are required to pay the rediscount rate to the Federal Reserve banks, which is considerably less than the interest on the Government bonds.

#### A BANK'S NOTE EXCHANGED FOR CURRENCY

Under the present law banks may put up their own notes to the Federal Reserve banks and receive new money or Federal Reserve notes in return for them.

#### NOT NECESSARY TO WITHDRAW EITHER

After our bill passes, and if it is necessary to contract the currency in any way, the privileges enjoyed by the banks should be terminated first or the money we propose to issue will not bear interest and no one will be paying interest on it while it is in circulation. However, I do not believe it will be necessary to withdraw the money in circulation by the banks or the money that will be issued under this bill. There is a real necessity for an additional circulation medium.

To be exact, 3,545,284 adjusted-service certificate holders, as of January 31, 1934, 3,019,582 have negotiated loans on their certificates, having borrowed \$1,340,657,139.38, not including interest. The face value of all the certificates aggregate \$3,543,981,515, leaving a remainder due the veterans of approximately \$2,200,000,000, which will be distributed to each county of the United States approximately as follows:

#### COUNTIES AND AMOUNTS TO BE PAID TO HOLDERS OF ADJUSTED-SERVICE CERTIFICATES IF H. R. 1 BECOMES A LAW

Alabama: Autauga, \$222,345.26; Baldwin, \$319,382.81; Barbour, \$366,078.25; Bibb, \$234,606.20; Blount, \$316,345.80; Bullock, \$225,980.64; Butler, \$340,901.55; Calhoun, \$627,848.19; Chambers, \$443,843.77; Cherokee, \$228,272.51; Chilton, \$277,496.91; Choctaw, \$231,591.77; Clarke, \$293,720.64; Clay, \$200,600.72; Cleburne, \$145,381.33; Coffee, \$367,557.24; Colbert, \$337,119.40; Conecuh, \$287,093.41; Coosa, \$140,673.40; Covington, \$466,909.24; Crenshaw, \$267,076.24; Cullman, \$463,465.79; Dale, \$261,645.75; Dallas, \$622,011.26; De Kalb, \$452,774.16; Elmore, \$387,021.20; Escambia, \$315,702.27; Etowah, \$715,774.71; Fayette, \$208,221.47; Franklin, \$286,449.88; Geneva, \$339,874.16; Greene, \$222,921.05; Hale, \$296,531.85; Henry, \$257,637.80; Houston, \$518,606.15; Jackson, \$416,386.49; Jefferson, \$4,871,555.97; Lamar, \$203,231.29; Lauderdale, \$464,357.70; Lawrence, \$304,175.18; Lee, \$407,151.27; Limestone, \$413,541.41; Lowndes, \$258,292.62; Macon, \$305,992.87; Madison, \$729,593.67; Marengo, \$411,249.54; Marion, \$293,167.43; Marshall, \$449,364.58; Mobile, \$1,336,318.27; Monroe, \$339,490.30; Montgomery, \$1,113,995.59; Morgan, \$521,327.04; Perry, \$297,886.65; Pickens, \$281,143.58; Pike, \$363,989.60; Randolph, \$303,260.69; Russell, \$309,086.33; St. Clair, \$276,717.90; Shelby, \$311,333.04; Sumter, \$304,028.41; Talladega, \$510,770.89; Tallapoosa, \$352,112.52; Tuscaloosa, \$724,287.37; Walker, \$671,134.05; Washington, \$184,760.85; Wilcox, \$280,895.20; Winston, \$176,078.84; total, \$29,876,139.92.

Arizona: Apache, \$302,182.65; Cochise, \$697,375.98; Coconino, \$239,228.64; Gila, \$527,582.16; Graham, \$176,444.73; Greenlee, \$168,160.86; Maricopa, \$2,567,999.70; Mohave, \$94,779.72; Navajo, \$360,646.02; Pima, \$947,048.76; Pinal, \$375,597.81; Santa Cruz, \$164,724.84; Yavapai, \$484,274.70; Yuma, \$303,050.16; total, \$7,409,096.73.

Arkansas: Arkansas, \$305,064; Ashley, \$344,065.68; Baxter, \$130,219.92; Benton, \$482,261.04; Boone, \$204,338.16; Bradley, \$239,317.92; Calhoun, \$133,407.36; Carroll, \$216,417.60; Chicot, \$309,797.28; Clark, \$341,069.76; Clay, \$373,163.04; Cleburne, \$155,582.64; Cleveland, \$174,337.92; Columbia, \$373,737.60; Conway, \$300,262.32; Craighead, \$612,043.20; Crawford, \$308,470.32; Crittenden, \$543,328.56; Cross, \$351,890.64; Dallas, \$200,699.28; Desha, \$298,415.52; Drew, \$272,615.04; Faulkner, \$388,252.08; Franklin, \$215,624.16; Fulton, \$148,209.12; Garland, \$492,904.08; Grant, \$134,529.12; Greene, \$357,417.36; Hempstead, \$421,986.96; Hot Spring, \$247,676.40; Howard, \$239,249.52; Independence, \$331,398; Izard, \$176,088.96; Jackson, \$382,260.24; Jefferson, \$877,626.72; Johnson, \$263,873.52; Lafayette, \$231,657.12; Lawrence, \$296,349.84; Lee, \$364,394.16; Lincoln, \$277,020; Little River, \$212,245.20; Logan, \$329,824.80; Lonoke, \$461,823.12; Madison, \$182,409.12; Marion, \$121,423.63; Miller, \$418,416.48; Mississippi, \$947,873.52; Monroe, \$282,505.68; Montgomery, \$147,306.24; Nevada, \$279,167.76; Newton, \$144,515.52; Ouachita, \$408,

\$895.20; Perry, \$105,267.60; Phillips, \$556,543.44; Pike, \$161,314.56; Poinsett, \$406,227.60; Polk, \$203,243.76; Pope, \$363,162.96; Prairie, \$207,758.16; Pulaski, \$1,884,105.36; Randolph, \$230,795.28; St. Francis, \$456,829.92; Saline, \$214,228.80; Scott, \$161,465.04; Searcy, \$151,246.08; Sebastian, \$744,547.68; Sevier, \$223,859.52; Sharp, \$146,581.20; Stone, \$109,344.24; Union, \$763,344; Van Buren, \$163,640.16; Washington, \$537,008.40; White, \$523,519.92; Woodruff, \$310,289.76; Yell, \$291,561.84; total, \$25,369,313.76.

California: Alameda, \$11,416,187.32; Alpine, \$5,793.64; Amador, \$204,195.76; Butte, \$819,595.72; Calaveras, \$144,432.32; Colusa, \$246,602.32; Contra Costa, \$1,889,736.32; Del Norte, \$113,925.56; Eldorado, \$200,133; Fresno, \$3,470,871.16; Glenn, \$262,877.40; Humboldt, \$1,039,321.32; Imperial, \$1,464,108.12; Inyo, \$157,582.20; Kern, \$1,984,932.80; Kings, \$610,255.40; Lake, \$172,270.64; Lassen, \$302,639.56; Los Angeles, \$53,092,147.68; Madera, \$412,622.56; Marin, \$1,001,217.92; Mariposa, \$77,721.32; Mendocino, \$565,060.20; Merced, \$883,421.92; Modoc, \$193,233.52; Mono, \$32,694.40; Monterey, \$1,291,068.20; Napa, \$550,443.88; Nevada, \$254,727.84; Orange, \$2,852,922.96; Placer, \$588,210.72; Plumas, \$190,228.52; Riverside, \$1,947,816.96; Sacramento, \$3,413,655.96; San Benito, \$271,916.44; San Bernardino, \$3,218,956; San Diego, \$5,040,202.36; San Francisco, \$15,250,831.76; San Joaquin, \$2,474,677.60; San Luis Obispo, \$711,896.62; San Mateo, \$1,860,816.20; Santa Barbara, \$1,566,614.68; Santa Clara, \$3,488,636.72; Santa Cruz, \$899,889.32; Shasta, \$334,805.08; Sierra, \$58,224.88; Siskiyou, \$612,539.20; Solano, \$981,649.36; Sonoma, \$1,495,816.88; Stanislaus, \$1,361,649.64; Sutter, \$351,416.72; Tehama, \$333,338.64; Trinity, \$67,528.36; Tulare, \$1,861,705.68; Tuolumne, \$222,874.84; Ventura, \$1,321,623.04; Yolo, \$568,401.76; Yuba, \$272,397.24; total, \$136,481,114.04.

Colorado: Adams, \$420,488.65; Alamosa, \$178,663.54; Arapahoe, \$470,378.19; Archuleta, \$66,547.08; Baca, \$219,538.90; Bent, \$189,713.18; Boulder, \$674,111.12; Chaffee, \$168,777.02; Cheyenne, \$77,326.71; Clear Creek, \$44,759.35; Conejos, \$203,608.31; Costilla, \$120,029.83; Crowley, \$123,249.18; Custer, \$44,115.48; Delta, \$295,017.08; Denver, \$5,978,872.97; Dolores, \$29,327.24; Douglas, \$72,653.46; Eagle, \$81,501.48; Elbert, \$136,666.60; El Paso, \$1,029,568.90; Fremont, \$392,469.92; Garfield, \$207,180.75; Gilpin, \$25,173.24; Grand, \$43,783.16; Gunnison, \$114,795.79; Hinsdale, \$9,325.73; Huerfano, \$354,377.74; Jackson, \$28,787.22; Jefferson, \$452,993.70; Kiowa, \$78,635.22; Kit Carson, \$201,988.25; Lake, \$101,752.23; La Plata, \$269,490.75; Larimer, \$688,255.49; Las Animas, \$747,886.16; Lincoln, \$163,044.50; Logan, \$414,278.42; Mesa, \$538,109.16; Mineral, \$13,292.80; Moffat, \$100,962.97; Montezuma, \$161,964.46; Montrose, \$243,861.34; Morgan, \$379,758.68; Otero, \$506,580.30; Ouray, \$37,053.68; Park, \$42,620.04; Phillips, \$120,403.69; Pitkin, \$36,762.90; Prowers, \$306,606.74; Pueblo, \$1,371,609.26; Rio Blanco, \$61,894.60; Rio Grande, \$206,723.81; Routt, \$194,241.04; Saguache, \$129,812.50; San Juan, \$40,189.95; San Miguel, \$45,361.68; Sedgwick, \$115,896.60; Summit, \$20,499.99; Teller, \$86,008.57; Washington, \$199,205.07; Weld, \$1,352,064.69; Yuma, \$282,742.01; total, \$21,513,379.07.

Connecticut: Fairfield, \$7,196,524.22; Hartford, \$7,836,615.17; Litchfield, \$1,536,367.18; Middlesex, \$956,330.68; New Haven, \$8,624,785.89; New London, \$2,213,957.26; Tolland, \$533,343.99; Windham, \$1,006,540.46; total, \$29,904,464.83.

Delaware: Kent, \$523,466.04; New Castle, \$2,647,366.08; Sussex, \$748,135.08; total, \$3,918,967.20.

District of Columbia: Total, \$18,198,685.

Florida: Alachua, \$570,115.35; Baker, \$104,069.07; Bay, \$200,589.69; Bradford, \$156,028.95; Brevard, \$220,364.97; Broward, \$333,359.46; Calhoun, \$121,073.82; Charlotte, \$66,575.67; Citrus, \$91,510.44; Clay, \$113,790.81; Collier, \$47,828.97; Columbia, \$242,844.42; Dade, \$2,371,623.45; DeSoto, \$128,489.55; Dixie, \$106,491.21; Duval, \$2,579,794.77; Escambia, \$889,124.46; Flagler, \$40,910.94; Franklin, \$104,234.97; Gadsden, \$495,875.10; Gilchrist, \$68,632.83; Glades, \$45,821.58; Gulf, \$52,789.38; Hamilton, \$156,841.86; Hardee, \$171,673.32; Hendry, \$57,932.28; Hernando, \$82,087.32; Highlands, \$152,495.28; Hillsborough, \$2,546,880.21; Holmes, \$214,409.16; Indian River, \$111,551.16; Jackson, \$530,365.71; Jefferson, \$222,438.72; Lafayette, \$72,348.99; Lake, \$384,240.99; Lee, \$248,684.10; Leon, \$389,466.84; Levy, \$206,645.04; Liberty, \$67,471.53; Madison, \$259,036.26; Manatee, \$373,308.18; Marion, \$490,699.02; Martin, \$84,791.49; Monroe, \$226,022.16; Nassau, \$155,531.25; Okaloosa, \$164,191.23; Okeechobee, \$68,500.11; Orange, \$825,136.83; Osceola, \$177,496.41; Palm Beach, \$859,046.79; Pasco, \$175,422.66; Pinellas, \$1,031,051.91; Polk, \$1,199,307.69; Putnam, \$300,212.64; St. Johns, \$309,834.84; St. Lucie, \$117,075.63; Santa Rosa, \$233,636.97; Sarasota, \$206,379.60; Seminole, \$310,813.65; Sumter, \$176,583.92; Suwannee, \$260,977.29; Taylor, \$217,926.24; Union, \$123,230.56; Volusia, \$709,338.63; Wakulla, \$90,714.12; Walton, \$241,815.84; Washington, \$202,066.20; total, \$24,357,620.49.

Georgia: Appling, \$161,099.40; Atkinson, \$83,417.40; Bacon, \$85,365.50; Baker, \$94,597.80; Baldwin, \$276,823.80; Banks, \$117,406.30; Barrow, \$150,052.10; Bartow, \$306,904.40; Ben Hill, \$157,868.70; Berrien, \$177,216.60; Bibb, \$932,208.20; Bleckley, \$110,509.30; Brantley, \$83,426.50; Brooks, \$258,093; Bryan, \$72,019.20; Bulloch, \$320,758.90; Burke, \$353,610.40; Butts, \$113,074.50; Calhoun, \$127,969.60; Camden, \$76,689.80; Campbell, \$119,826.30; Candler, \$108,791.10; Carroll, \$414,691.20; Catoosa, \$113,994.10; Charlton, \$53,010.10; Chatham, \$1,275,715.10; Chattahoochee, \$107,617.40; Chattooga, \$186,424.70; Cherokee, \$242,036.30; Clarke, \$309,917.30; Clay, \$84,010.30; Clayton, \$124,146; Clinch, \$84,881.50; Cobb, \$428,436.80; Coffee, \$238,841.90; Colquitt, \$370,526.20; Columbia, \$106,395.30; Cook, \$136,863.10; Coweta, \$304,036.70; Crawford, \$84,942; Crisp, \$209,850.30; Dade, \$50,166.60; Dawson, \$42,374.20; Decatur, \$285,826.20; De Kalb, \$850,363.80; Dodge, \$261,347.90; Dooly, \$218,102.50; Dougherty, \$269,902.60; Douglas, \$114,478.10; Early, \$221,103.30; Echols, \$33,202.40; Effingham, \$122,984.40; Elbert, \$223,668.50;



Emanuel, \$291,622.10; Evans, \$85,934.20; Fannin, \$156,924.90; Fayette, \$104,846.50; Floyd, \$538,870.70; Forsyth, \$128,550.40; Franklin, \$192,414.20; Fulton, \$3,854,902.70; Gilmer, \$88,862.40; Glascock, \$53,094.80; Glynn, \$234,740; Gordon, \$203,836.60; Grady, \$232,320; Greene, \$152,653.60; Gwinnett, \$337,021.30; Habersham, \$154,250.80; Hall, \$366,787.30; Hancock, \$158,147; Haralson, \$158,147; Harris, \$134,794; Hart, \$183,605.40; Heard, \$110,134.20; Henry, \$192,680.40; Houston, \$136,488; Irwin, \$147,607.90; Jackson, \$261,468.90; Jasper, \$103,987.40; Jeff Davis, \$98,227.80; Jefferson, \$250,796.70; Jenkins, \$156,186.80; Johnson, \$153,440.10; Jones, \$108,803.20; Lamar, \$117,914.50; Lanier, \$2,799; Laurens, \$395,585.30; Lee, \$100,768.80; Liberty, \$98,651.30; Lincoln, \$94,948.70; Long, \$50,578; Lowndes, \$362,927.40; Lumpkin, \$59,616.70; McDuffie, \$109,069.40; McIntosh, \$69,732.30; Macon, \$201,360.30; Madison, \$180,544.10; Marion, \$84,312.80; Meriwether, \$271,487.70; Miller, \$109,819.60; Milton, \$81,433; Mitchell, \$285,802; Monroe, \$140,432.60; Montgomery, \$121,242; Morgan, \$111,501.50; Murray, \$696,451.80; Muscogee, \$209,209; Newton, \$151,104.80; Oconee, \$97,792.20; Oglethorpe, \$156,416.70; Paulding, \$149,156.70; Peach, \$124,242.80; Pickens, \$117,212.70; Pierce, \$151,516.20; Pike, \$131,321.30; Polk, \$304,206.10; Pulaski, \$108,960.50; Putnam, \$101,240.70; Quitman, \$46,222; Rabun, \$76,605.10; Randolph, \$207,805.40; Richmond, \$883,179; Rockdale, \$87,688.70; Schley, \$64,698.70; Screven, \$248,086.30; Seminole, \$89,406.90; Spalding, \$284,289.50; Stephens, \$142,054; Stewart, \$134,479.40; Sumter, \$324,280; Talbot, \$102,341.80; Taliaferro, \$74,681.20; Tattnall, \$186,473.10; Taylor, \$128,465.70; Telfair, \$181,463.70; Terrell, \$221,309; Thomas, \$394,605.20; Tift, \$194,422.80; Toombs, \$207,696.50; Towns, \$52,586.60; Treutlen, \$90,604.80; Troup, \$444,699.20; Turner, \$135,471.80; Twiggs, \$101,301.20; Union, \$76,714; Upson, \$236,058.90; Walker, \$317,092.60; Walton, \$255,527.80; Ware, \$321,351.80; Warren, \$135,290.10; Washington, \$302,863; Wayne, \$153,028.70; Webster, \$60,887.20; Wheeler, \$110,702.90; White, \$73,277.60; Whitfield, \$251,776.80; Wilcox, \$162,611.90; Wilkes, \$192,922.40; Wilkinson, \$131,212.40; Worth, \$255,237.40. Total, \$35,192,922.60.

Idaho: Ada, \$702,750.25; Adams, \$53,125.51; Bannock, \$579,358.98; Bear Lake, \$145,868.16; Benewah, \$118,054.63; Bingham, \$343,935.33; Blaine, \$69,821.04; Boise, \$34,224.91; Bonner, \$243,706.56; Bonnerville, \$364,373.92; Boundary, \$84,404.15; Butte, \$35,837.02; Camas, \$26,145.83; Canyon, \$573,132.90; Caribou, \$39,302.13; Cassia, \$243,039.48; Clark, \$20,790.66; Clearwater, \$122,279.45; Custer, \$58,591.86; Elmore, \$83,218.23; Franklin, \$173,792.87; Fremont, \$183,891.72; Gem, \$137,474.07; Gooding, \$140,457.40; Idaho, \$187,282.71; Jefferson, \$169,938.63; Jerome, \$154,873.74; Kootenai, \$360,760.57; Latah, \$329,796.94; Lemhi, \$86,034.79; Lewis, \$97,060.16; Lincoln, \$60,074.26; Madison, \$154,095.48; Minidoka, \$155,707.59; Nez Perce, \$325,961.23; Oneida, \$108,771.10; Owyhee, \$76,028.59; Payette, \$135,602.54; Power, \$82,588.21; Shoshone, \$353,181.80; Teton, \$66,207.69; Twin Falls, \$552,712.84; Valley, \$64,632.64; Washington, \$147,535.86; Yellowstone National Park, \$18.53; total, \$8,246,442.96.

Illinois: Adams, \$1,293,350.40; Alexander, \$464,365.20; Bond, \$296,763.60; Boone, \$310,506.80; Brown, \$162,575.20; Bureau, \$800,207; Calhoun, \$165,500.40; Carroll, \$379,719.80; Cass, \$340,622.20; Champaign, \$1,324,023.80; Christian, \$773,282.80; Clark, \$368,163.20; Clay, \$332,793; Clinton, \$440,201.40; Coles, \$768,689; Cook, \$82,031,733.80; Crawford, \$434,351; Cumberland, \$214,631.40; De Kalb, \$672,466.40; De Witt, \$383,118.80; Douglas, \$369,028.40; De Page, \$1,895,158.80; Edgar, \$514,299.60; Edwards, \$171,041.80; Effingham, \$391,667.80; Fayette, \$483,832.20; Ford, \$319,073.40; Franklin, \$1,224,505.20; Fulton, \$906,049.80; Gallatin, \$207,874.60; Greene, \$420,590.20; Grundy, \$384,766.80; Hamilton, \$267,697; Hancock, \$544,252; Hardin, \$143,273; Henderson, \$180,826.80; Henry, \$903,330.60; Iroquois, \$678,007.80; Jackson, \$735,008; Jasper, \$263,865.40; Jefferson, \$639,300.40; Jersey, \$258,653.60; Jo Daviess, \$416,841; Johnson, \$210,181.80; Kane, \$2,581,736.20; Kankakee, \$1,031,957; Kendall, \$217,433; Knox, \$1,057,521.60; Lake, \$2,150,372.20; La Salle, \$2,012,517; Lawrence, \$450,831; Lee \$665,977.40; Livingston, \$805,295.20; Logan, \$594,577.80; McDonough, \$562,977.40; McHenry, \$722,627.40; McLean, \$1,506,210.20; Macon, \$1,683,658.60; Macoupin, \$1,003,281.80; Madison, \$2,962,898; Marion, \$734,081; Marshall, \$268,273.80; Mason, \$311,369; Massac, \$290,068.60; Menard, \$217,845; Mercer, \$342,804.60; Monroe, \$254,801.40; Montgomery, \$726,726.80; Morgan, \$705,344; Moultrie, \$272,888.20; Ogle, \$579,230.80; Peoria, \$2,911,686.40; Perry, \$469,000.20; Piatt, \$321,112.80; Pike, \$501,754.20; Pope, \$164,717.60; Pulaski, \$305,580.40; Putnam, \$107,841; Randolph, \$603,847.80; Richland, \$289,491.80; Rock Island, \$2,022,734.60; St. Clair, \$3,250,165; Saline, \$764,260; Sangamon, \$2,301,699.80; Schuyler, \$240,525.60; Scott, \$175,903.40; Shelby, \$324,702.60; Stark, \$189,190.40; Stephenson, \$825,318.40; Tazewell, \$949,289.20; Union, \$409,589.80; Vermillion, \$1,840,383.40; Wabash, \$271,858.20; Warren, \$447,947; Washington, \$335,491.60; Wayne, \$394,078; White, \$373,869.40; Whiteside, \$803,791.40; Will, \$2,281,079.20; Williamson, \$1,109,928; Winnebago, \$2,417,883.80; Woodford, \$387,115.20; total, \$157,191,472.40.

Indiana: Adams, \$365,013.53; Allen, \$2,683,929.47; Bartholomew, \$454,762.56; Benton, \$217,894.94; Blackford, \$249,054.93; Boone, \$407,684.10; Brown, \$94,522.72; Carroll, \$275,246.21; Cass, \$631,334.22; Clark, \$562,673.56; Clay, \$484,300.91; Clinton, \$499,847.41; Crawford, \$185,826.40; Daviess, \$472,467.28; Dearborn, \$385,114.24; Decatur, \$316,563.32; De Kalb, \$455,622.19; Delaware, \$1,230,368.30; Dubois, \$375,914.37; Elkhart, \$1,259,723.75; Fayette, \$351,954.47; Floyd, \$633,839.95; Fountain, \$328,689.59; Franklin, \$265,138.42; Fulton, \$275,045.02; Gibson, \$534,104.58; Grant, \$933,997.14; Greene, \$575,787.49; Hamilton, \$428,790.76; Hancock, \$303,705.45; Harrison, \$315,575.66; Hendricks, \$360,770.25; Henry, \$644,503.02; Howard, \$854,069.84; Huntington, \$531,745.17; Jackson, \$434,039.99; Jasper, \$244,866.52; Jay, \$381,273.34; Jefferson, \$350,838.78; Jennings, \$215,822; Johnson, \$397,002.74; Knox, \$801,339.77; Kosciusko,

\$502,755.52; Lagrange, \$252,036.20; Lake, \$4,779,359.90; La Porte, \$1,106,362.10; Lawrence, \$650,813.07; Madison, \$1,516,021.52; Marion, \$7,730,561.14; Marshall, \$458,658.33; Martin, \$184,783.87; Miami, \$530,995.28; Monroe, \$657,964.46; Montgomery, \$493,464.20; Morgan, \$355,264.96; Newton, \$179,991.89; Noble, \$409,769.16; Ohio, \$68,532.63; Orange, \$319,325.11; Owen, \$207,609.79; Parke, \$302,900.69; Perry, \$304,071.25; Pike, \$299,242.69; Porter, \$417,396.09; Posey, \$326,531.37; Pulaski, \$204,756.55; Putnam, \$373,993.92; Randolph, \$454,671.11; Ripley, \$330,646.62; Rush, \$355,045.48; St. Joseph, \$2,927,003.57; Scott, \$121,884.56; Shelby, \$485,636.08; Spencer, \$305,680.77; Starke, \$194,239.80; Steuben, \$244,829.94; Sullivan, \$514,552.57; Switzerland, \$154,221.28; Tippecanoe, \$869,415.15; Tipton, \$278,154.32; Union, \$107,545.20; Vanderburgh, \$2,072,622.80; Vermillion, \$425,023.02; Vigo, \$1,808,167.69; Wabash, \$460,359.30; Warren, \$167,664.43; Warrick, \$333,426.70; Washington, \$297,852.65; Wayne, \$1,002,456.61; Wells, \$336,737.19; White, \$289,548.99; Whitley, \$291,377.99; total, \$59,232,219.87.

Iowa: Adair, \$261,845.35; Adams, \$196,737.45; Allamakee, \$307,782.80; Appanoose, \$468,139.78; Audubon, \$231,176.40; Benton, \$430,741.35; Black Hawk, \$1,303,402.10; Boone, \$551,758.35; Bremer, \$321,317.10; Buchanan, \$368,517.50; Buena Vista, \$351,872.95; Butler, \$332,080.45; Calhoun, \$331,854.25; Carroll, \$420,845.10; Cass, \$366,104.70; Cedar, \$315,926; Cerro Gordo, \$725,272.60; Cherokee, \$353,192.45; Chickasaw, \$275,907.45; Clarke, \$195,738.40; Clay, \$303,616.95; Clayton, \$462,937.15; Clinton, \$836,506.45; Crawford, \$396,377.80; Dallas, \$480,543.05; Davis, \$210,177.50; Decatur, \$280,921.55; Delaware, \$341,599.70; Des Moines, \$719,353.70; Dickinson, \$207,010.70; Dubuque, \$153,883.90; Emmet, \$242,335.60; Fayette, \$549,383.25; Floyd, \$368,027.40; Franklin, \$308,800.70; Fremont, \$292,797.05; Greene, \$311,552.80; Grundy, \$266,407.05; Guthrie, \$326,557.40; Hamilton, \$395,435.30; Hancock, \$279,017.70; Hardin, \$432,550.95; Harrison, \$469,308.45; Henry, \$332,891; Howard, \$246,595.70; Humboldt, \$248,857.70; Ida, \$224,937.05; Iowa, \$326,708.20; Jackson, \$348,366.85; Jasper, \$620,843.60; Jefferson, \$306,142.85; Johnson, \$570,702.60; Jones, \$362,033.10; Keokuk, \$360,939.80; Kosuth, \$479,770.20; Lee, \$777,901.80; Linn, \$1,552,033.60; Louisa, \$218,188.75; Lucas, \$284,898.90; Lyon, \$288,278.05; Madison, \$270,139.35; Mahaska, \$486,405.40; Marion, \$484,953.95; Marshall, \$635,753.95; Mills, \$299,074.10; Mitchell, \$265,125.25; Monona, \$343,315.05; Monroe, \$282,938.50; Montgomery, \$315,775.20; Muscatine, \$553,907.25; O'Brien, \$347,009.65; Osceola, \$191,930.70; Page, \$488,290.40; Palo Alto, \$290,252.30; Plymouth, \$455,397.15; Pocahontas, \$295,699.95; Polk, \$3,257,977.45; Pottawattamie, \$1,317,388.80; Poweshiek, \$353,003.95; Ringold, \$225,559.10; Sac, \$332,532.85; Scott, \$1,457,708.20; Shelby, \$322,919.35; Sioux, \$505,293.10; Story, \$587,007.85; Tama, \$414,454.95; Taylor, \$280,092.15; Union, \$328,649.75; Van Buren, \$237,566.55; Wapello, \$763,048; Warren, \$333,645; Washington, \$373,644.70; Wayne, \$259,884.95; Webster, \$762,011.25; Winnebago, \$247,745.55; Winneshiek, \$407,725.50; Woodbury, \$1,916,460.65; Worth, \$210,441.40; Wright, \$381,071.60; total \$46,577,200.15.

Kansas: Allen, \$397,230.87; Anderson, \$248,002.35; Atchison, \$444,658.65; Barber, \$189,005.46; Barton, \$367,240.32; Bourbon, \$415,708.02; Brown, \$381,669.21; Butler, \$666,737.28; Chase, \$129,098.64; Chautauqua, \$192,236.64; Cherokee, \$584,156.49; Cheyenne, \$129,024.36; Clark, \$89,061.72; Clay, \$270,304.92; Cloud, \$334,371.42; Coffey, \$253,536.21; Comanche, \$97,269.66; Cowley, \$759,568.71; Crawford, \$916,039.53; Decatur, \$164,641.62; Dickinson, \$480,405.90; Doniphan, \$261,149.91; Douglas, \$466,905.51; Edwards, \$135,468.15; Elk, \$171,029.70; Ellis, \$295,392.99; Ellsworth, \$188,151.24; Finney, \$204,529.98; Ford, \$383,414.79; Franklin, \$408,985.68; Geary, \$266,776.62; Gove, \$104,790.51; Graham, \$144,326.04; Grant, \$57,418.44; Gray, \$115,338.27; Greeley, \$31,791.84; Greenwood, \$357,193.95; Hamilton, \$1,080,906; Harper, \$238,123.11; Harvey, \$410,768.40; Haskell, \$52,088.85; Hodgeman, \$77,195.49; Jackson, \$274,390.32; Jefferson, \$262,375.53; Jewell, \$268,559.34; Johnson, \$504,714.03; Kearny, \$59,349.72; Kingman, \$216,786.18; Kiowa, \$112,069.95; Labette, \$582,095.22; Lane, \$62,618.04; Leavenworth, \$792,437.61; Lincoln, \$180,258.99; Linn, \$251,326.38; Logan, \$76,972.65; Lyon, \$542,986.80; McPherson, \$438,029.16; Marion, \$385,123.23; Marshall, \$428,149.92; Meade, \$127,353.06; Miami, \$394,482.51; Mitchell, \$237,213.18; Montgomery, \$954,702.27; Morris, \$220,221.63; Morton, \$75,988.44; Nemaha, \$340,610.94; Neosho, \$420,869.05; Ness, \$155,208.06; Norton, \$217,287.57; Osage, \$325,680.66; Osborne, \$214,817.76; Ottawa, \$182,338.83; Pawnee, \$195,170.70; Phillips, \$225,792.63; Pottawatomie, \$294,557.34; Pratt, \$247,203.84; Rawlins, \$136,712.34; Reno, \$887,367.45; Republic, \$273,814.65; Rice, \$256,266; Riley, \$369,208.74; Rooks, \$177,046.38; Rush, \$168,857.01; Russell, \$205,105.65; Saline, \$544,788.09; Scott, \$73,834.32; Sedgwick, \$2,531,648.10; Seward, \$149,952.75; Shawnee, \$1,582,164; Sheridan, \$112,125.68; Sherman, \$137,418; Smith, \$251,530.65; Stafford, \$194,242.20; Stanton, \$39,962.64; Stevens, \$86,443.35; Sumner, \$537,787.20; Thomas, \$136,192.38; Trego, \$120,147.90; Wabunsee, \$201,113.10; Wallace, \$53,518.74; Washington, \$317,769.84; Wichita, \$47,892.03; Wilson, \$346,256.22; Woodson, \$158,327.82; Wyandotte, \$2,622,288.27; total, \$34,930,151.43.

Kentucky: Adair, \$238,798.56; Allen, \$221,020.80; Anderson, \$123,672.64; Ballard, \$144,289.60; Barren, \$376,288.64; Bath, \$161,252; Bell, \$564,156.32; Boone, \$139,703.20; Bourbon, \$262,953.60; Boyd, \$638,441.44; Boyle, \$237,065.92; Bracken, \$140,008.96; Breathitt, \$307,842.08; Breckinridge, \$252,878.08; Bullitt, \$129,118.08; Butler, \$183,747.20; Caldwell, \$200,651.36; Calloway, \$257,158.72; Campbell, \$1,068,572.96; Carlisle, \$107,205.28; Carroll, \$118,736.80; Carter, \$347,095.84; Casey, \$243,836.32; Christian, \$499,160.48; Clark, \$256,838.40; Clay, \$269,738.56; Clinton, \$131,098.24; Crittenden, \$173,715.36; Cumberland, \$148,570.24; Daviess, \$637,422.24; Edmonson, \$167,076; Elliott, \$110,233.76; Estill, \$248,670.24; Fayette, \$997,986.08; Fleming, \$188,275.36; Floyd, \$610,



675.52; Franklin, \$306,691.84; Fulton, \$217,337.12; Gallatin, \$64,602.72; Garrard, \$168,342.72; Grant, \$143,794.56; Graves, \$448,127.68; Grayson, \$248,320.80; Green, \$165,998.56; Greenup, \$357,506.24; Hancock, \$89,500.32; Hardin, \$304,493.28; Harlan, \$939,949.92; Harrison, \$216,347.04; Hart, \$235,420.64; Henderson, \$382,855.20; Henry, \$182,931.84; Hickman, \$127,036; Hopkins, \$545,257.44; Jackson, \$152,399.52; Jefferson, \$5,173,896; Jessamine, \$180,995.36; Johnson, \$334,414.08; Kenton, \$1,361,855.04; Knott, \$221,748.80; Knox, \$382,432.96; Larue, \$132,394.08; Laurel, \$307,347.04; Lawrence, \$243,341.28; Lee, \$141,654.24; Leslie, \$156,738.40; Letcher, \$519,821.12; Lewis, \$208,426.40; Lincoln, \$257,522.72; Livingston, \$125,332.48; Logan, \$318,500; Lyon, \$124,196.80; McCracken, \$673,705.76; McCreary, \$212,969.12; McLean, \$161,208.32; Madison, \$402,161.76; Magoffin, \$228,868.64; Marion, \$225,665.44; Marshall, \$187,663.84; Martin, \$124,983.04; Mason, \$274,630.72; Meade, \$117,091.52; Menifee, \$72,188.48; Mercer, \$210,697.76; Metcalfe, \$136,470.88; Monroe, \$190,401.12; Montgomery, \$169,769.60; Morgan, \$220,292.80; Muhlenberg, \$550,135.04; Nelson, \$240,982.56; Nicholas, \$124,793.76; Ohio, \$356,268.64; Oldham, \$107,773.12; Owen, \$155,937.60; Owsley, \$105,166.88; Pendleton, \$158,354.56; Perry, \$614,228.16; Pike, \$921,167.52; Powell, \$84,448; Pulaski, \$518,918.40; Robertson, \$48,688.64; Rockcastle, \$220,569.44; Rowan, \$158,602.08; Russell, \$173,700.80; Scott, \$209,664; Shelby, \$257,406.24; Simpson, \$165,052.16; Spencer, \$96,183.36; Taylor, \$175,404.32; Todd, \$196,851.20; Trigg, \$182,451.36; Trimble, \$77,866.88; Union, \$248,291.68; Warren, \$490,322.56; Washington, \$183,790.88; Wayne, \$230,746.88; Webster, \$298,975.04; Whitley, \$432,868.80; Wolfe, \$122,668; Woodford, \$159,883.36; total, \$38,068,415.84.

Louisiana: Acadia, \$583,204.58; Allen, \$226,320.63; Ascension, \$273,435.54; Assumption, \$237,131.70; Avoyelles, \$517,952.58; Beauregard, \$216,058.27; Bienville, \$352,790.87; Bossier, \$420,994.04; Caddo, \$1,848,856.10; Calcasieu, \$622,311.29; Caldwell, \$154,676.90; Cameron, \$89,780.82; Catahoula, \$184,648.33; Claiborne, \$478,786.55; Concordia, \$189,497.74; De Soto, \$459,967.28; East Baton Rouge, \$1,011,524.64; East Carroll, \$234,536.45; East Feliciana, \$258,768.67; Evangeline, \$377,912.89; Franklin, \$452,759.90; Grant, \$232,964.47; Iberia, \$418,087.36; Iberville, \$365,381.54; Jackson, \$204,772.64; Jefferson, \$593,674.56; Jefferson Davis, \$293,114.95; Lafayette, \$575,804.41; Lafourche, \$480,773.77; La Salle, \$173,036.44; Lincoln, \$338,450.26; Livingston, \$269,994.98; Madison, \$219,914.07; Morehouse, \$351,307.87; Natchitoches, \$570,613.91; Orleans, \$6,803,440.46; Ouachita, \$905,817.71; Plaquemines, \$142,486.64; Pointe Coupee, \$311,533.81; Rapides, \$970,697.65; Red River, \$238,436.74; Richland, \$391,126.42; Sabine, \$357,551.30; St. Bernard, \$96,572.96; St. Charles, \$179,606.13; St. Helena, \$125,936.36; St. James, \$227,462.54; St. John the Baptist, \$208,776.74; St. Landry, \$890,897.42; St. Martin, \$322,804.61; St. Mary, \$435,957.51; St. Tammany, \$310,377.07; Tangipahoa, \$685,546.41; Tensas, \$223,873.68; Terrebonne, \$442,171.28; Union, \$307,440.73; Vermilion, \$499,533.72; Vernon, \$297,297.01; Washington, \$443,476.32; Webster, \$436,862.14; West Baton Rouge, \$144,088.28; West Carroll, \$206,062.85; West Feliciana, \$162,002.92; Winn, \$218,979.78; total, \$31,166,624.19.

Maine: Androscoggin, \$1,202,804.46; Aroostook, \$1,483,668.27; Cumberland, \$2,274,154.05; Franklin, \$336,803.49; Hancock, \$518,877.69; Kennebec, \$1,193,970.99; Knox, \$467,734.77; Lincoln, \$261,761.22; Oxford, \$700,647.87; Penobscot, \$1,560,281.31; Piscataquis, \$307,921.59; Sagadahoc, \$285,897.03; Somerset, \$660,584.79; Waldo, \$342,630.54; Washington, \$638,881.14; York, \$1,231,855.26; total, \$13,468,474.47.

Maryland: Allegany, \$1,509,980.82; Anne Arundel, \$1,053,138.03; Baltimore, \$2,377,945.85; Baltimore City, \$15,365,044.66; Calvert, \$181,889.52; Caroline, \$331,917.83; Carroll, \$686,820.02; Cecil, \$493,037.43; Charles, \$308,608.94; Dorchester, \$511,860.17; Frederick, \$1,039,259.60; Garrett, \$380,043.72; Hartford, \$603,301.27; Howard, \$308,666.21; Kent, \$271,879.78; Montgomery, \$939,342.54; Prince Georges, \$1,147,213.55; Queen Annes, \$278,160.39; St. Marys, \$289,958.01; Somerset, \$446,362.38; Talbot, \$354,749.47; Washington, \$1,257,687.38; Wicomico, \$596,161.61; Worcester, \$412,802.16; total, \$31,145,831.34.

Massachusetts: Barnstable, \$702,310.70; Berkshire, \$2,624,018; Bristol, \$7,926,186.60; Dukes, \$107,678.22; Essex, \$10,827,389.60; Franklin, \$1,078,564.88; Hampden, \$7,293,683.04; Hampshire, \$1,582,693.74; Middlesex, \$20,325,247.76; Nantucket, \$79,959.72; Norfolk, \$6,509,521.24; Plymouth, \$3,528,641.14; Suffolk, \$19,121,112.64; Worcester, \$10,679,601.08; total, \$92,386,608.36.

Michigan: Alcona, \$88,005.96; Alger, \$164,528.28; Allegan, \$687,501.36; Alpena, \$327,645.36; Antrim, \$176,029.56; Arenac, \$141,243.48; Baraga, \$161,723.52; Barry, \$369,169.92; Bay, \$1,225,521.36; Benzie, \$116,194.68; Berrien, \$1,430,004.24; Branch, \$422,478; Calhoun, \$1,535,438.52; Cass, \$368,464.32; Charlevoix, \$211,344.84; Cheboygan, \$202,895.28; Chippewa, \$441,829.08; Clare, \$124,044.48; Clinton, \$426,429.36; Crawford, \$54,631.08; Delta, \$569,419.20; Dickinson, \$528,159.24; Eaton, \$559,681.92; Emmet, \$266,522.76; Genesee, \$3,733,347.24; Gladwin, \$130,959.36; Gogebic, \$557,018.28; Grand Traverse, \$352,994.04; Gratiot, \$533,645.28; Hillsdale, \$483,635.88; Houghton, \$932,291.64; Huron, \$549,168.48; Ingham, \$2,056,594.68; Ionia, \$619,040.52; Iosco, \$132,599.88; Iron, \$367,000.20; Isabella, \$372,662.64; Jackson, \$1,628,242.56; Kalamazoo, \$1,611,731.52; Kalkaska, \$67,014.36; Kent, \$4,242,614.04; Keweenaw, \$89,540.64; Lake, \$71,724.24; Lapeer, \$500,058.72; Leelanau, \$144,753.84; Lenawee, \$879,336.36; Livingston, \$339,993.36; Luce, \$115,153.92; Mackinac, \$154,932.12; Macomb, \$1,360,855.44; Manistee, \$307,094.76; Marquette, \$777,500.64; Mason, \$330,855.84; Mecosta, \$277,618.32; Menominee, \$417,221.28; Midland, \$337,806; Missaukee, \$123,338.88; Monroe, \$925,835.40; Montcalm, \$484,588.44; Montmorency, \$49,638.96; Muskegon, \$1,492,873.20; Newayga, \$900,391.56; Oakland, \$3,726,467.64; Oceana, \$243,520.20; Ogemaw, \$116,335.80; Ontonagon, \$196,050.96; Osceola, \$225,897.84; Oscoda, \$30,481.92; Otsego, \$97,972.56; Ottawa, \$967,695.12; Presque Isle, \$199,861.20; Roscommon, \$26,250.20; Saginaw, \$2,129,447.88; St. Clair, \$1,191,811.32; St. Joseph, \$540,101.52; Sanilac, \$489,527.64; Schoolcraft, \$149,075.64; Shiawassee, \$697,079.88; Tuscola, \$580,955.76; Van Buren, \$575,716.68; Washtenaw, \$1,155,949.20; Wayne, \$33,321,007.44; Wexford, \$296,828.28. Total, \$85,418,613.

Minnesota: Aitkin, \$310,836.39; Anoka, \$381,374.65; Becker, \$466,037.13; Beltrami, \$428,841.97; Benton, \$311,809.76; Big Stone, \$203,744.98; Blue Earth, \$700,971.37; Brown, \$485,193.88; Carlton, \$439,714.72; Carver, \$350,744.56; Cass, \$322,889.61; Chippewa, \$326,431.02; Chisago, \$273,144.19; Clay, \$478,815.20; Clearwater, \$197,697.66; Cook, \$50,428.85; Cottonwood, \$306,135.22; Crow Wing, \$530,735.17; Dakota, \$716,400.32; Dodge, \$251,150.17; Douglas, \$389,617.23; Faribault, \$448,205.82; Fillmore, \$512,531.08; Freeborn, \$595,226.11; Goodhue, \$648,575.07; Grant, \$197,946.18; Hennepin, \$10,723,327.35; Houston, \$286,729.95; Hubbard, \$198,733.16; Isanti, \$250,197.51; Itasca, \$563,809.04; Jackson, \$328,522.73; Kanabec, \$177,236.18; Kandiyohi, \$488,217.54; Kittson, \$200,638.48; Koochiching, \$291,555.38; Lac qui Parle, \$318,892.58; Lake, \$146,378.28; Lake of the Woods, \$86,857.74; Le Sueur, \$372,572.90; Lincoln, \$234,085.13; Lyon, \$400,241.46; McLeod, \$425,010.62; Mahnomon, \$127,428.63; Marshall, \$352,132.13; Martin, \$463,924.71; Meeker, \$370,998.94; Mille Lacs, \$291,513.96; Morrison, \$526,903.82; Mower, \$581,226.15; Murray, \$287,910.42; Nicollet, \$342,750.50; Nobles, \$385,578.78; Norman, \$291,203.31; Olmsted, \$733,672.46; Otter Tail, \$1,056,334.26; Pennington, \$217,185.77; Pine, \$419,667.44; Pipestone, \$253,448.98; Polk, \$745,953.49; Pope, \$270,990.35; Ramsey, \$5,937,991.91; Red Lake, \$142,629.77; Redwood, \$427,040.20; Renville, \$489,687.95; Rice, \$620,761.54; Rock, \$227,023.02; Roseau, \$261,380.91; St. Louis, \$4,237,183.16; Scott, \$292,342.36; Sherburne, \$201,073.39; Sibley, \$328,564.15; Stearns, \$1,286,525.91; Steele, \$382,617.25; Stevens, \$210,931.35; Swift, \$305,161.85; Todd, \$541,980.70; Traverse, \$164,395.98; Wabasha, \$364,765.23; Wadena, \$227,602.90; Waseca, \$298,472.52; Washington, \$512,634.63; Watonwan, \$265,129.42; Wilkin, \$202,771.61; Winona, \$727,832.24; Wright, \$561,634.49; Yellow Medicine, \$344,303.75. Total, \$53,099,466.63.

Mississippi: Adams, \$251,663.52; Alcorn, \$252,614.04; Amite, \$210,524.16; Attala, \$278,053.80; Benton, \$104,802.84; Bolivar, \$758,824.68; Calhoun, \$193,094.40; Carroll, \$211,090.20; Chickasaw, \$222,517.80; Choctaw, \$131,780.52; Claiborne, \$129,783.36; Clarke, \$210,171.72; Clay, \$191,503.08; Coahoma, \$494,772.84; Copiah, \$337,637.52; Covington, \$160,499.04; De Soto, \$271,677.34; Forrest, \$321,628.20; Franklin, \$131,022.24; George, \$80,345.64; Greene, \$113,677.92; Grenada, \$179,445.36; Hancock, \$121,912.20; Harrison, \$471,447.24; Hinds, \$909,060.24; Holmes, \$411,543.12; Humphreys, \$264,105.72; Issaquena, \$61,239.12; Itawamba, \$194,643; Jackson, \$170,591.64; Jasper, \$199,011.12; Jefferson, \$152,627.88; Jefferson Davis, \$152,120.08; Jones, \$443,134.56; Kemper, \$233,689.08; Lafayette, \$213,365.04; Lamar, \$137,216.64; Lauderdale, \$563,348.64; Lawrence, \$133,190.28; Leake, \$232,856.04; Lee, \$377,142.84; Leflore, \$571,444.08; Lincoln, \$281,492.76; Lowndes, \$320,261.16; Madison, \$382,301.28; Marion, \$212,777.64; Marshall, \$265,600.92; Monroe, \$385,985.88; Montgomery, \$160,296.12; Neshoba, \$285,059.88; Newton, \$244,678.80; Noxubee, \$272,980.80; Oktibbeha, \$204,190.92; Panola, \$305,960.64; Pearl River, \$207,245.40; Perry, \$87,543.96; Pike, \$343,906.68; Pontotoc, \$235,323.12; Prentiss, \$205,750.20; Quitman, \$270,246.72; Rankin, \$217,370.04; Scott, \$223,361.52; Sharkey, \$148,206.36; Simpson, \$223,179.96; Smith, \$196,565.40; Stone, \$60,918.72; Sunflower, \$708,767.52; Tallahatchie, \$379,866.24; Tate, \$188,726.28; Tippah, \$199,267.44; Tishomingo, \$175,269.48; Tunica, \$226,768.44; Union, \$227,142.24; Walthall, \$148,142.28; Warren, \$382,183.80; Washington, \$580,030.80; Wayne, \$163,350.60; Webster, \$129,527.04; Wilkinson, \$149,060.76; Winston, \$226,832.52; Yazoo, \$189,570.70; Yazoo, \$397,958.16; total, \$21,464,888.28.

Missouri: Adair, \$361,898.32; Andrew, \$250,792.78; Atchison, \$249,899.02; Audrain, \$411,073.74; Barry, \$424,591.86; Barton, \$271,107.20; Bates, \$410,906.16; Benton, \$218,002.96; Bollinger, \$228,448.78; Boone, \$577,126.90; Buchanan, \$1,836,546.46; Butler, \$441,238.14; Caldwell, \$232,917.58; Callaway, \$370,966.26; Camden, \$170,224.04; Cape Girardeau, \$618,239.86; Carroll, \$371,282.80; Carter, \$102,465.86; Cass, \$390,312.44; Cedar, \$207,352.32; Chariton, \$364,728.56; Christian, \$245,206.78; Clark, \$190,929.48; Clay, \$499,220.82; Clinton, \$251,463.10; Cole, \$574,889.76; Cooper, \$363,499.64; Crawford, \$210,163.94; Dade, \$219,045.68; Dallas, \$196,273.42; Daviess, \$268,574.88; De Kalb, \$191,227.40; Dent, \$204,335.88; Douglas, \$259,916.58; Dunklin, \$666,577.38; Franklin, \$568,263.78; Gasconade, \$226,642.64; Gentry, \$267,159.76; Greene, \$1,544,137.98; Grundy, \$300,433.70; Harrison, \$320,878.46; Henry, \$426,975.22; Hickory, \$119,726.60; Holt, \$236,846.40; Howard, \$251,183.80; Howell, \$366,292.64; Iron, \$179,534.04; Jackson, \$8,759,853.48; Jasper, \$1,374,342.20; Jefferson, \$513,223.06; Johnson, \$441,330.06; Knox, \$179,831.96; Laclede, \$303,878.40; Lafayette, \$544,802.58; Lawrence, \$442,671.88; Lewis, \$225,171.66; Lincoln, \$259,357.98; Linn, \$434,572.18; Livingston, \$346,611.30; McDonald, \$259,488.32; Macon, \$429,563.40; Madison, \$175,363.16; Maries, \$155,812.16; Marion, \$623,639.66; Mercer, \$174,097; Miller, \$311,475.36; Mississippi, \$293,488.44; Moniteau, \$226,661.26; Monroe, \$250,736.92; Montgomery, \$242,264.82; Morgan, \$204,224.16; New Madrid, \$563,478.44; Newton, \$501,976.58; Nodaway, \$491,028.02; Oregon, \$227,536.40; Osage, \$232,042.44; Ozark, \$177,578.94; Pemiscot, \$694,228.08; Perry, \$255,224.34; Pettis, \$645,443.68; Phelps, \$285,034.96; Pike, \$335,178.62; Platte, \$257,309.78; Polk, \$331,491.86; Pulaski, \$200,258.10; Putnam, \$214,185.86; Ralls, \$199,308.48; Randolph, \$492,145.22; Ray, \$369,532.52; Reynolds, \$166,146.26; Ripley, \$208,097.12; St. Charles, \$453,471.48; St. Clair, \$247,441.18; St. Francois, \$667,191.84; St. Louis, \$3,939,861.66; St. Louis City, \$15,304,895.20; Ste. Genevieve, \$188,006.14; Saline, \$569,734.76; Schuyler, \$129,427.62; Scotland, \$164,842.86; Scott, \$463,880.06; Shannon, \$202,846.28; Shelby, \$223,123.46; Stoddard,

\$463,880.06; Shannon, \$202,846.28; Shelby, \$223,123.46; Stoddard,



\$511,566.24; Stone, \$216,252.68; Sullivan, \$283,247.44; Taney, \$165,103.54; Texas, \$345,959.60; Vernon, \$466,077.22; Warren, \$150,486.84; Washington, \$269,059; Wayne, \$227,964.66; Webster, \$300,675.76; Worth, \$121,681.70; Wright, \$311,717.42; total, \$67,578,813.54.

Montana: Beaverhead, \$141,397.50; Big Horn, \$181,538.75; Blaine, \$191,377.50; Broadwater, \$58,182.50; Carbon, \$267,183.75; Carter, \$87,890; Cascade, \$874,352.50; Chouteau, \$183,493.75; Custer, \$238,892.50; Daniels, \$118,001.25; Dawson, \$209,971.25; Deer Lodge, \$346,226.25; Fallon, \$97,070; Fergus, \$351,283.75; Flathead, \$408,000; Gallatin, \$342,635; Garfield, \$90,355; Glacier, \$112,561.25; Golden Valley, \$45,177.50; Granite, \$64,026.25; Hill, \$292,718.75; Jefferson, \$87,826.25; Judith Basin, \$111,307.50; Lake, \$202,746.25; Lewis and Clark, \$387,260; Liberty, \$46,707.50; Lincoln, \$150,641.25; McCone, \$101,787.50; Madison, \$134,363.75; Meagher, \$48,280; Mineral, \$34,552.50; Missoula, \$462,867.50; Musselshell, \$153,892.50; Park, \$232,092.50; Petroleum, \$43,456.25; Phillips, \$174,420; Pondera, \$147,985; Powder River, \$83,066.25; Powell, \$131,792.50; Prairie, \$83,746.25; Ravalli, \$219,193.75; Richland, \$204,701.25; Roosevelt, \$226,780; Rosebud, \$156,123.75; Sanders, \$120,955; Sheridan, \$209,716.25; Silver Bow, \$1,210,591.25; Stillwater, \$132,876.25; Sweet Grass, \$63,810; Teton, \$128,945; Toole, \$142,672.50; Treasure, \$35,296.25; Valley, \$237,596.25; Wheatland, \$79,708.75; Wibaux, \$58,798.75; Yellowstone, \$654,181.25; Yellowstone National Park, \$1,105; total, \$11,424,127.50.

Nebraska: Adams, \$461,914.50; Antelope, \$267,321.48; Arthur, \$23,627.52; Banner, \$29,464.08; Blaine, \$27,846.72; Boone, \$259,094.04; Box Butte, \$208,516.38; Boyd, \$126,031.02; Brown, \$101,471.76; Buffalo, \$427,862.04; Burt, \$229,629.96; Butler, \$253,327.80; Cass, \$310,884.72; Cedar, \$288,786.66; Chase, \$96,408.72; Cheyenne, \$191,586.84; Cuyenne, \$179,087.46; Clay, \$238,578.18; Colfax, \$201,009.72; Cuming, \$251,868.66; Custer, \$460,402.62; Dakota, \$167,097.90; Dawes, \$202,046.94; Dawson, \$314,242.50; Deuel, \$70,179.36; Dixon, \$203,681.88; Dodge, \$444,299.34; Douglas, \$4,095,823.56; Dundy, \$98,623.80; Fillmore, \$228,030.18; Franklin, \$159,872.52; Frontier, \$142,644.12; Furnas, \$213,421.20; Gage, \$531,654.36; Garden, \$89,640.42; Garfield, \$56,379.06; Gosper, \$75,365.46; Grant, \$25,086.66; Greeley, \$148,410.36; Hall, \$476,716.86; Hamilton, \$213,755.22; Harlan, \$157,464.06; Hayes, \$63,340.74; Hitchcock, \$127,789.02; Holt, \$290,228.22; Hooker, \$20,744.40; Howard, \$176,151.60; Jefferson, \$288,470.22; Johnson, \$160,980.06; Kearney, \$142,292.52; Keith, \$118,155.18; Keyapaha, \$56,308.74; Kimball, \$82,186.50; Knox, \$335,953.80; Lancaster, \$1,763,695.92; Lincoln, \$450,522.66; Logan, \$35,406.12; Loup, \$31,960.44; McPherson, \$23,873.64; Madison, \$457,730.46; Merrick, \$186,682.02; Morrill, \$174,921; Nance, \$153,262.44; Nemaha, \$217,218.48; Nuckolls, \$222,017.82; Otoe, \$349,859.58; Pawnee, \$165,656.34; Perkins, \$102,561.72; Phelps, \$162,808.38; Pierce, \$194,786.40; Platte, \$372,361.98; Polk, \$177,417.36; Redwillow, \$243,641.22; Richardson, \$348,541.08; Rock, \$59,174.28; Saline, \$287,538.48; Sarpy, \$182,867.16; Saunders, \$354,535.86; Scotts Bluff, \$503,561.52; Seward, \$280,190.04; Sheridan, \$189,740.94; Sherman, \$160,364.76; Sioux, \$82,045.86; Stanton, \$137,282.22; Thayer, \$240,564.72; Thomas, \$26,545.80; Thurston, \$183,921.96; Valley, \$167,590.14; Washington, \$212,630.10; Wayne, \$185,750.28; Webster, \$179,491.80; Wheeler, \$41,049.30; York, \$303,061.62. Total, \$24,224,589.54.

Nevada: Churchill, \$110,838; Clark, \$186,338.88; Douglas, \$40,185.60; Elko, \$217,526.40; Esmeralda, \$23,521.68; Eureka, \$29,112.72; Humboldt, \$82,882.80; Lander, \$37,433.76; Lincoln, \$78,645.84; Lyon, \$83,210.40; Mineral, \$40,687.92; Nye, \$87,119.76; Ormsby, \$43,506.64; Pershing, \$37,919.68; Storey, \$14,567.28; Washoe, \$593,130.72; White Pine, \$257,078.64; total, \$1,988,706.72.

New Hampshire: Belknap, \$393,187.74; Carroll, \$248,134.26; Cheshire, \$585,445.30; Coos, \$677,107.42; Grafton, \$744,142.08; Hillsboro, \$2,430,067.70; Merrimack, \$975,921.76; Rockingham, \$934,175; Strafford, \$670,520.40; Sullivan, \$422,090.68; total, \$8,086,792.34.

New Jersey: Atlantic, \$2,387,863.99; Bergen, \$6,982,010.01; Burlington, \$1,789,439.33; Camden, \$4,826,728.56; Cape May, \$564,067.18; Cumberland, \$1,337,091.35; Essex, \$15,945,103.69; Gloucester, \$1,354,442.26; Hudson, \$13,213,664.90; Hunterdon, \$664,346.64; Mercer, \$3,580,045.59; Middlesex, \$4,059,539.04; Monmouth, \$2,816,108.17; Morris, \$2,112,812.85; Ocean, \$632,609.97; Passaic, \$5,779,727.77; Salem, \$704,634.42; Somerset, \$1,245,975.16; Sussex, \$532,327.90; Union, \$5,838,648.17; Warren, \$943,472.47; total, \$77,310,719.42.

New Mexico: Bernalillo, \$671,455.40; Catron, \$48,507.96; Chaves, \$288,934.22; Colfax, \$283,140.46; Curry, \$233,657.02; De Baca, \$42,758.54; Dona Ana, \$405,784.90; Eddy, \$234,144.76; Grant, \$281,559; Guadalupe, \$103,859.06; Harding, \$65,342.38; Hidalgo, \$74,239.94; Lea, \$90,808.32; Lincoln, \$106,386.44; Luna, \$92,330.66; McKinley, \$505,103.54; Mora, \$152,559.16; Otero, \$144,533.62; Quay, \$160,037.84; Rio Arriba, \$316,011.18; Roosevelt, \$164,191.02; Sandoval, \$164,708.32; San Juan, \$217,280.78; San Miguel, \$349,340.08; Santa Fe, \$289,200.26; Sierra, \$76,619.52; Socorro, \$142,050.58; Taos, \$212,743.32; Torrance, \$136,995.82; Union, \$163,112.08; Valencia, \$239,229.08; total, \$6,256,625.26.

New York: Albany, \$4,141,561.62; Allegany, \$743,008.50; Bronx, \$24,723,141.32; Broome, \$2,872,809.88; Cattaraugus, \$1,414,656.92; Cayuga, \$1,265,234.54; Chautauque, \$2,470,969.78; Chemung, \$1,459,247.20; Chenango, \$677,354.10; Clinton, \$912,265.98; Columbia, \$812,196.18; Cortland, \$619,593.86; Delaware, \$804,325.02; Dutchess, \$2,060,727.48; Erie, \$14,897,452.32; Essex, \$663,558.86; Franklin, \$892,860.76; Fulton, \$909,782.40; Genesee, \$868,904.72; Greene, \$504,288.32; Hamilton, \$76,772.66; Herkimer, \$1,250,677.24; Jefferson, \$1,633,035.96; Kings, \$50,030,235.54; Lewis, \$458,154.38; Livingston, \$733,922.40; Madison, \$777,496.60; Monroe, \$8,282,634.74; Montgomery, \$1,173,885.04; Nassau, \$5,921,655.62; New York, \$36,487,276.48; Niagara, \$2,917,888.66; Oneida, \$3,883,829.02; Onondaga, \$5,697,981.24; Ontario, \$1,060,553.04; Orange, \$2,547,683.82; Orleans, \$562,654.30; Oswego, \$1,360,863.30; Otsego, \$912,713.40;

Putnam, \$268,557.76; Queens, \$21,086,180.66; Rensselaer, \$2,340,520.74; Richmond, \$3,094,080.84; Rockland, \$1,164,564.46; St. Lawrence, \$1,777,358.40; Saratoga, \$1,237,155.56; Schenectady, \$2,442,910.34; Schoharie, \$384,293.18; Schuyler, \$252,241.86; Seneca, \$483,167.82; Steuben, \$1,615,391.34; Suffolk, \$3,147,014.70; Sullivan, \$689,214.88; Tioga, \$497,879.20; Tompkins, \$810,714.60; Ulster, \$1,566,228.70; Warren, \$667,759.96; Washington, \$908,258.28; Wayne, \$976,902.30; Westchester, \$10,179,304.38; Wyoming, \$562,048.56; Yates, \$329,209.92; total, \$245,970,809.64.

North Carolina: Alamance, \$515,793.60; Alexander, \$158,165.28; Alleghany, \$87,956.64; Anson, \$359,231.76; Ashe, \$257,272.56; Avery, \$144,468.72; Beaufort, \$428,718.24; Bertie, \$316,330.56; Bladen, \$274,041.36; Brunswick, \$193,612.32; Buncombe, \$1,198,748.88; Burke, \$359,978.40; Cabarrus, \$542,611.44; Caldwell, \$342,915.84; Camden, \$66,842.64; Carteret, \$206,856; Caswell, \$222,939.36; Catawba, \$538,449.84; Chatham, \$295,926.48; Cherokee, \$197,688.24; Chowan, \$138,091.68; Clay, \$66,512.16; Cleveland, \$635,427.36; Columbus, \$461,692.80; Craven, \$375,339.60; Cumberland, \$553,480.56; Currituck, \$82,130.40; Dare, \$63,672.48; Davidson, \$585,867.60; Davie, \$176,084.64; Duplin, \$429,660.72; Durham, \$822,479.04; Edgecombe, \$586,222.56; Forsyth, \$1,366,975.44; Franklin, \$360,541.44; Gaston, \$955,858.32; Gates, \$29,144.24; Graham, \$71,493.84; Granville, \$351,569.52; Greene, \$228,349.44; Guilford, \$1,628,042.40; Halifax, \$651,731.04; Harnett, \$464,030.64; Haywood, \$346,061.52; Henderson, \$286,464.96; Hertford, \$214,714.08; Hoke, \$174,346.56; Hyde, \$104,652; Iredell, \$571,522.32; Jackson, \$214,432.56; Johnston, \$705,281.04; Jones, \$127,638.72; Lee, \$208,031.04; Lenoir, \$437,163.84; Lincoln, \$279,953.28; McDowell, \$248,912.64; Macon, \$167,345.28; Madison, \$248,545.44; Martin, \$286,416; Mecklenburg, \$1,566,365.04; Mitchell, \$170,894.88; Montgomery, \$198,508.32; Moore, \$345,351.60; Nash, \$646,051.68; New Hanover, \$526,442.40; Northampton, \$332,450.64; Onslow, \$187,137.36; Orange, \$259,133.04; Pamlico, \$113,819.76; Pasquotank, \$234,310.32; Pender, \$191,996.64; Perquimans, \$130,576.32; Person, \$269,757.36; Pitt, \$666,663.84; Polk, \$125,043.84; Randolph, \$443,810.16; Richmond, \$416,355.84; Robeson, \$814,106.88; Rockingham, \$625,255.92; Rowan, \$693,579.60; Rutherford, \$495,132.48; Sampson, \$490,603.68; Scotland, \$246,929.76; Stanly, \$369,843.84; Stokes, \$272,829.60; Surry, \$486,527.76; Swain, \$141,592.32; Transylvania, \$117,369.36; Tyrrell, \$63,207.36; Union, \$501,582.96; Vance, \$334,078.56; Wake, \$1,159,825.68; Warren, \$285,975.36; Washington, \$142,020.72; Watauga, \$185,619.60; Wayne, \$648,879.12; Wilkes, \$442,622.88; Wilson, \$549,747.36; Yadkin, \$220,442.40; Yancey, \$177,308.64; total, \$38,804,178.24.

North Dakota: Adams, \$90,704.90; Barnes, \$268,897.20; Benson, \$190,576.10; Billings, \$44,902; Bottineau, \$212,397.90; Bowman, \$73,201.70; Burke, \$142,971.40; Burleigh, \$282,696.70; Cass, \$696,910.50; Cavalier, \$208,122.20; Dickey, \$155,541.10; Divide, \$137,794.80; Dunn, \$136,793.80; Eddy, \$90,747.80; Emmons, \$178,278.10; Foster, \$90,847.90; Golden Valley, \$58,944.60; Grand Forks, \$456,970.80; Grant, \$144,916.20; Griggs, \$98,512.70; Hettinger, \$125,782.80; Kidder, \$114,843.30; La Moure, \$164,963.10; Logan, \$115,672.70; McHenry, \$220,777.70; McIntosh, \$137,580.30; McKenzie, \$138,838.70; McLean, \$257,271.30; Mercer, \$136,078.80; Morton, \$280,952.10; Mountrail, \$193,679.20; Nelson, \$145,902.90; Oliver, \$60,946.60; Pembina, \$211,025.10; Pierce, \$129,758.20; Ramsey, \$232,403.60; Ransom, \$157,056.90; Renville, \$103,860.90; Richland, \$300,414.40; Rolette, \$153,868; Sargent, \$132,961.40; Sheridan, \$105,433.90; Sioux, \$67,024.10; Slope, \$59,345; Stark, \$219,362; Steele, \$99,699.60; Stutsman, \$373,230; Towner, \$120,019.90; Traill, \$180,180; Walsh, \$286,672.10; Ward, \$480,437.10; Wells, \$189,975.50; Williams, \$279,607.90; total, \$9,736,083.50.

Ohio: Adams, \$361,355.13; Allen, \$1,230,798.87; Ashland, \$476,351.91; Ashtabula, \$1,212,040.53; Athens, \$783,222.75; Auglaize, \$497,042.82; Belmont, \$1,679,367.87; Brown, \$357,224.04; Butler, \$2,022,709.32; Carroll, \$284,690.61; Champaign, \$427,346.19; Clark, \$1,612,295.28; Clermont, \$528,105.78; Clinton, \$362,028.31; Columbiana, \$1,533,361.32; Coshocton, \$513,744.48; Crawford, \$626,666.85; Cuyahoga, \$21,301,797.15; Darke, \$673,899.57; Defiance, \$402,719.22; Delaware, \$461,263.68; Erie, \$747,018.09; Fairfield, \$780,297.30; Fayette, \$367,986.15; Franklin, \$6,401,505.15; Fulton, \$416,247.21; Gallia, \$408,676.50; Geauga, \$273,290.22; Greene, \$589,682.07; Guernsey, \$735,546.78; Hamilton, \$10,449,281.88; Hancock, \$716,362.92; Hardin, \$489,988.55; Harrison, \$334,104.12; Henry, \$399,350.52; Highland, \$450,626.68; Hocking, \$361,816.11; Holmes, \$296,551.98; Huron, \$597,501; Jackson, \$443,959.20; Jefferson, \$1,565,683.11; Knox, \$520,162.74; Lake, \$738,880.02; Lawrence, \$789,711.93; Licking, \$1,063,126.26; Logan, \$513,833.13; Lorain, \$1,936,222.38; Lucas, \$6,164,880.57; Madison, \$359,085.69; Mahoning, \$4,186,797.66; Marion, \$905,296.60; Medina, \$526,173.21; Meigs, \$424,828.53; Mercer, \$444,952.08; Miami, \$909,566.73; Monroe, \$326,692.98; Montgomery, \$4,848,818.13; Morgan, \$240,826.59; Morrow, \$256,889.97; Muskingum, \$1,194,966.54; Noble, \$265,258.53; Ottawa, \$427,452.57; Paulding, \$271,286.73; Perry, \$557,519.85; Pickaway, \$482,929.74; Pike, \$246,021.48; Portage, \$756,751.86; Preble, \$398,127.15; Putnam, \$444,552.02; Richland, \$1,168,442.46; Ross, \$801,059.13; Sandusky, \$704,430.63; Scioto, \$1,440,048.33; Seneca, \$849,993.93; Shelby, \$441,902.52; Stark, \$3,932,230.32; Summit, \$6,101,442.63; Trumbull, \$2,181,906.99; Tuscarawas, \$1,209,061.89; Union, \$340,274.16; Van Wert, \$465,820.29; Vinton, \$182,388.51; Warren, \$434,880.04; Washington, \$752,408.01; Wayne, \$833,735.52; Williams, \$431,122.68; Wood, \$892,173.60; Wyandot, \$337,508.28; total, \$117,845,937.81.

Oklahoma: Adair, \$245,244.72; Alfalfa, \$253,039.36; Atoka, \$241,538.45; Beaver, \$190,332.24; Beckham, \$481,830.42; Blaine, \$339,912.24; Bryan, \$536,443.74; Caddo, \$843,946.98; Canadian, \$467,271.30; Carter, \$688,383.78; Cherokee, \$290,351.40; Choctaw, \$401,240.04; Cimarron, \$89,880.96; Cleveland, \$414,635.76; Coal, \$191,479.02; Comanche, \$570,348.54; Cotton, \$256,646.04; Craig, \$300,024.24; Creek, \$1,065,591.30; Custer, \$457,332.54; Delaware,



\$255,449.40; Dewey, \$220,215; Ellis, \$175,191.42; Garfield, \$757,672.56; Garvin, \$521,884.62; Grady, \$791,743.56; Grant, \$235,173; Greer, \$337,086.84; Harmon, \$529,221.03; Harper, \$128,937.82; Haskell, \$269,509.92; Hughes, \$504,151.08; Jackson, \$480,484.20; Jefferson, \$289,055.04; Johnston, \$217,422.84; Kay, \$334,091.32; Kingfisher, \$265,255.20; Kiowa, \$402,450.60; Latimer, \$185,878.08; Le Flore, \$712,931.52; Lincoln, \$560,725.56; Logan, \$461,387.82; Love, \$160,200.18; McClain, \$358,576.50; McCurtain, \$577,694.58; McIntosh, \$414,236.88; Major, \$202,963.72; Marshall, \$183,252.12; Mayes, \$297,215.46; Murray, \$206,254.20; Muskogee, \$1,103,966.88; Noble, \$251,610.18; Nowata, \$226,214.82; Okfuskee, \$482,245.92; Oklahoma, \$3,685,285.56; Okmulgee, \$939,993.96; Osage, \$786,691.08; Ottawa, \$640,568.04; Pawnee, \$330,438.84; Payne, \$613,361.10; Pittsburg, \$843,930.36; Pontotoc, \$539,634.78; Pottawatomie, \$1,106,426.64; Pushmataha, \$245,045.28; Roger Mills, \$235,405.68; Rogers, \$315,048.72; Seminole, \$1,323,301.02; Sequoyah, \$24,173.10; Stephens, \$549,606.76; Texas, \$234,342; Tillman, \$405,361.80; Tulsa, \$3,117,479.88; Wagoner, \$372,753.36; Washington, \$461,653.74; Washita, \$489,209.70; Woods, \$282,623.10; Woodward, \$263,327.28; total, \$39,822,184.80.

Oregon: Baker, \$403,603.86; Benton, \$398,809.95; Clackamas, \$1,113,078.45; Clatsop, \$508,877.16; Columbia, \$482,932.23; Coos, \$683,505.57; Crook, \$80,364.24; Curry, \$78,461.13; Deschutes, \$355,303.41; Douglas, \$529,136.85; Gilliam, \$83,520.03; Grant, \$143,094.60; Harney, \$142,612.80; Hood River, \$215,316.42; Jackson, \$792,994.62; Jefferson, \$55,190.19; Josephine, \$276,986.82; Klamath, \$780,684.63; Lake, \$116,426.97; Lane, \$1,312,736.37; Lincoln, \$238,563.27; Linn, \$595,023; Malheur, \$271,470.21; Marion, \$1,458,432.69; Morrow, \$119,028.69; Multnomah, \$3,148,225.69; Polk, \$406,109.22; Sherman, \$71,740.02; Tillamook, \$284,840.16; Umatilla, \$587,771.91; Union, \$421,382.28; Wallowa, \$188,239.26; Wasco, \$304,642.14; Washington, \$729,324.75; Wheeler, \$67,427.91; Yamhill, \$530,847.24; total, \$22,976,704.74.

Pennsylvania: Adams, \$666,447.60; Allegheny, \$24,670,659.50; Armstrong, \$1,423,399.10; Beaver, \$2,675,662.90; Bedford, \$669,696.55; Berks, \$1,159,320.15; Blair, \$2,510,128; Bradford, \$880,250.05; Bucks, \$1,736,249.65; Butler, \$1,444,616; Cambria, \$3,646,470.00; Cameron, \$95,260.65; Carbon, \$1,137,671; Centre, \$830,977.30; Chester, \$2,272,190.55; Clarion, \$619,831.45; Clearfield, \$1,556,749.65; Clinton, \$580,126.05; Columbia, \$976,013.85; Crawford, \$1,130,491; Cumberland, \$1,224,836.20; Dauphin, \$2,965,896.45; Delaware, \$5,030,738.80; Elk, \$600,086.45; Erie, \$3,146,222.15; Fayette, \$3,563,828.90; Forest, \$92,981; Franklin, \$1,166,929.50; Fulton, \$165,696.45; Greene, \$749,717.65; Huntingdon, \$700,429.95; Indiana, \$1,853,340.25; Jefferson, \$935,446.30; Juniata, \$257,133.75; Lackawanna, \$5,571,626.15; Lancaster, \$3,534,031.90; Lawrence, \$1,745,781.10; Lebanon, \$1,204,498.85; Lehigh, \$3,103,429.35; Luzerne, \$7,989,706.55; Lycoming, \$1,676,906.95; McKean, \$990,247.65; Mercer, \$1,781,465.70; Mifflin, \$724,013.25; Monroe, \$507,733.70; Montgomery, \$4,771,181.80; Montour, \$260,580.15; Northampton, \$3,039,008.80; Northumberland, \$2,306,646.80; Perry, \$390,304.80; Philadelphia, \$35,019,749.95; Pike, \$134,819.85; Potter, \$313,927.55; Schuylkill, \$4,227,314.75; Snyder, \$338,106.20; Somerset, \$1,449,713.80; Sullivan, \$134,607.05; Susquehanna, \$606,817.70; Tioga, \$572,084.45; Union, \$313,550.60; Venango, \$1,134,906.70; Warren, \$744,081.35; Washington, \$3,676,195.90; Wayne, \$510,139; Westmoreland, \$5,295,160.25; Wyoming, \$278,530.15; York, \$3,000,073.25; total, \$172,882,732.50.

Rhode Island: Bristol, \$501,027.33; Kent, \$1,026,258.30; Newport, \$832,109.96; Providence, \$10,784,119.52; Washington, \$585,799.98; total, \$13,729,315.09.

South Carolina: Abbeville, \$286,406.44; Aiken, \$582,108.84; Allendale, \$163,250.32; Anderson, \$994,053.72; Bamberg, \$238,354.80; Barnwell, \$260,593.88; Beaufort, \$267,888.20; Berkeley, \$273,058.08; Calhoun, \$205,161.99; Charleston, \$1,240,894; Cherokee, \$395,428.28; Chester, \$390,540.84; Chesterfield, \$421,621.52; Clarendon, \$368,842.08; Colleton, \$317,081.88; Darlington, \$508,723.56; Dillon, \$316,001.24; Dorchester, \$232,779.68; Edgefield, \$237,323.28; Fairfield, \$285,964.36; Florence, \$749,411.56; Georgetown, \$266,942.64; Greenville, \$1,436,870.52; Greenwood, \$443,037.84; Hampton, \$211,744.04; Horry, \$483,537.28; Jasper, \$122,652.64; Kershaw, \$393,819.60; Lancaster, \$343,594.40; Laurens, \$516,914.32; Lee, \$295,898.88; Lexington, \$448,146.32; McCormick, \$140,803.88; Marion, \$334,273.88; Marlboro, \$388,465.52; Newberry, \$425,882.68; Oconee, \$409,759.04; Orangeburg, \$784,249.92; Pickens, \$413,946.52; Richland, \$1,076,550.76; Saluda, \$223,857.44; Spartanburg, \$1,428,446.44; Sumter, \$563,676.58; Union, \$379,697.60; Williamsburg, \$428,743.92; York, \$655,973.04; total, \$21,352,034.20.

South Dakota: Armstrong, \$1,509.60; Aurora, \$134,712.93; Beadle, \$432,443.79; Bennett, \$86,613.30; Bon Homme, \$221,477.19; Brookings, \$317,902.89; Brown, \$593,612.46; Brule, \$139,939.92; Buffalo, \$36,437.97; Butte, \$162,074.43; Campbell, \$106,219.23; Charles Mix, \$315,185.61; Clark, \$207,985.14; Clay, \$190,360.56; Codington, \$329,413.59; Corson, \$179,925.45; Custer, \$101,011.11; Davison, \$317,412.27; Day, \$275,615.22; Deuel, \$164,772.84; Dewey, \$122,202.12; Douglas, \$136,543.32; Edmunds, \$164,395.44; Fall River, \$164,942.67; Faulk, \$130,108.65; Grant, \$202,456.23; Gregory, \$215,495.40; Haakon, \$88,292.73; Hamlin, \$156,602.13; Hand, \$178,981.95; Hanson, \$115,691.97; Harding, \$67,724.43; Hughes, \$132,259.83; Hutchinson, \$262,368.48; Hyde, \$69,630.30; Jackson, \$49,741.32; Jerauld, \$109,747.92; Jones, \$59,949.99; Kingsbury, \$241,630.35; Lake, \$233,591.73; Lawrence, \$262,670.40; Lincoln, \$262,632.66; Lyman, \$119,541.45; McCook, \$194,662.92; McPherson, \$165,565.38; Marshall, \$180,019.80; Meade, \$216,665.34; Mellette, \$99,878.91; Miner, \$158,055.12; Minnehaha, \$959,954.64; Moody, \$181,208.61; Pennington, \$378,890.73; Perkins, \$164,489.79; Potter, \$108,728.94; Roberts, \$297,806.34; Sanborn, \$132,241.62; Shannon, \$76,574.46; Spink, \$238,786.48; Stanley, \$44,929.47; Sully, \$73,687.24; Todd, \$111,295.26; Tripp, \$239,875.44;

Turner, \$280,993.17; Union, \$216,627.60; Walworth, \$165,886.17; Washabaugh, \$46,684.38; Washington, \$34,475.49; Yankton, \$313,034.43; Ziebach, \$76,215.93; total, \$13,074,060.63.

Tennessee: Anderson, \$272,163.60; Bedford, \$290,862.60; Benton, \$158,070.60; Bledsoe, \$98,366.40; Blount, \$469,048.20; Bradley, \$315,606; Campbell, \$370,212.60; Cannon, \$123,303; Carroll, \$360,621.60; Carter, \$403,277.40; Cheatham, \$124,545; Chester, \$146,321.40; Claiborne, \$335,519.40; Clay, \$132,162.60; Cocke, \$300,495; Coffee, \$231,853.80; Crockett, \$239,554.20; Cumberland, \$157,872; Davidson, \$3,075,385.20; Decatur, \$139,462.80; De Kalb, \$196,139.40; Dickson, \$255,175.80; Dyer, \$433,389; Fayette, \$398,695.80; Fentress, \$152,296.80; Franklin, \$300,784.80; Gibson, \$642,086.40; Giles, \$386,620.80; Grainger, \$175,770.60; Greene, \$484,642.20; Grundy, \$134,094.60; Hamblen, \$229,300.80; Hamilton, \$2,100,586.60; Hancock, \$133,487.40; Hardeman, \$306,263.40; Hardin, \$223,739.40; Hawkins, \$332,814.60; Haywood, \$359,669.40; Henderson, \$243,639; Henry, \$364,761.60; Hickman, \$187,859.40; Houston, \$76,659; Humphreys, \$168,138.20; Jackson, \$187,528.20; Jefferson, \$247,213.20; Johnson, \$168,484.20; Knox, \$2,151,447.60; Lake, \$144,706.80; Lauderdale, \$323,002.80; Lawrence, \$369,508.80; Lewis, \$72,560.40; Lincoln, \$350,823.60; Loudon, \$245,709; McMinn, \$400,462.20; McNairy, \$274,633.80; Macon, \$191,433.60; Madison, \$704,614.20; Marion, \$242,176.20; Marshall, \$214,921.20; Maury, \$469,420.80; Meigs, \$84,552.60; Monroe, \$295,002.60; Montgomery, \$426,171.60; Moore, \$55,710.60; Morgan, \$187,721.40; Obion, \$401,386.80; Overton, \$249,490.20; Perry, \$98,628.60; Pickett, \$77,487; Polk, \$216,466.80; Putnam, \$327,874.20; Rhea, \$191,419.80; Roane, \$337,782.60; Robertson, \$389,035.80; Rutherford, \$445,546.80; Scott, \$194,304; Sequatchie, \$55,848.60; Sevier, \$282,624; Shelby, \$4,229,451.60; Smith, \$213,527.40; Stewart, \$183,236.40; Sullivan, \$705,000.60; Sumner, \$394,983.60; Tipton, \$379,472.40; Trousdale, \$77,680.20; Unicoi, \$174,956.40; Union, \$156,919.80; Van Buren, \$48,520.80; Warren, \$278,884.20; Washington, \$632,109; Wayne, \$167,449.20; Weakley, \$403,815.60; White, \$214,493.40; Williamson, \$315,261; Wilson, \$330,220.20; total, \$36,108,472.80.

Texas: Anderson, \$568,838.06; Andrews, \$12,085.12; Angelina, \$456,525.26; Aransas, \$36,435.98; Archer, \$159,011.28; Armstrong, \$54,662.18; Atascosa, \$257,038.68; Austin, \$309,631.20; Bailey, \$85,154.12; Bandera, \$62,133.28; Bastrop, \$392,240.96; Baylor, \$121,803.56; Bee, \$258,133.82; Bell, \$821,492.60; Bexar, \$4,803,391.86; Blanco, \$63,085.64; Borden, \$24,712.10; Bosque, \$258,615; Bowie, \$797,404.46; Brazoria, \$378,546.68; Brazos, \$358,530.70; Brewster, \$108,766.08; Briscoe, \$91,787.80; Brooks, \$69,894.42; Brown, \$433,192.44; Burleson, \$325,904.16; Burnet, \$170,029.10; Caldwell, \$515,538.74; Calhoun, \$38,421.70; Callahan, \$209,929.70; Cameron, \$1,273,206.80; Camp, \$165,234.46; Carson, \$127,172.90; Cass, \$493,092.60; Castro, \$77,502.40; Chambers, \$93,753.20; Cherokee, \$709,015.60; Childress, \$263,442.48; Clay, \$238,828.90; Cochran, \$32,232.46; Coke, \$86,254.26; Coleman, \$388,644.09; Collin, \$758,275.60; Collingsworth, \$237,449.62; Colorado, \$314,098.18; Comal, \$196,777.28; Comanche, \$302,620.60; Concho, \$125,530.90; Cooke, \$396,313.12; Coryell, \$328,383.58; Cottle, \$154,265.90; Crane, \$66,468.82; Crockett, \$42,527.80; Crosby, \$180,997.66; Culberson, \$20,136.76; Dallam, \$128,563.60; Dallas, \$5,347,846.22; Dawson, \$222,868.66; Deaf Smith, \$98,175.18; Delta, \$215,725.96; Denton, \$538,937.24; De Witt, \$450,581.22; Dickens, \$141,228.42; Dimmit, \$144,955.76; Donley, \$168,502.04; Duval, \$200,176.22; Eastland, \$560,841.52; Ector, \$64,990.36; Edwards, \$45,384.88; Ellis, \$885,629.12; El Paso, \$2,160,822.74; Erath, \$341,601.68; Falls, \$636,619.82; Fannin, \$675,896.46; Fayette, \$504,225.36; Fisher, \$222,704.46; Floyd, \$203,755.78; Foard, \$103,692.30; Fort Bend, \$487,969.56; Franklin, \$139,471.48; Freestone, \$370,911.38; Frio, \$154,528.62; Gaines, \$45,976; Galveston, \$1,057,464.42; Garza, \$91,722.12; Gillespie, \$180,948.40; Glasscock, \$20,738.46; Goliad, \$165,727.06; Gonzales, \$465,293.54; Gray, \$362,717.80; Grayson, \$1,081,142.06; Gregg, \$259,074.76; Grimes, \$371,781.64; Guadalupe, \$474,948.50; Hale, \$331,503.38; Hall, \$278,581.72; Hamilton, \$222,047.66; Hansford, \$58,258.16; Hardeman, \$238,615.44; Hardin, \$228,829.12; Harris, \$5,900,165.76; Harrison, \$903,545.54; Hartley, \$35,877.70; Haskell, \$273,704.98; Hays, \$244,904.30; Hemphill, \$76,139.54; Henderson, \$502,172.86; Hidalgo, \$1,264,405.68; Hill, \$706,651.12; Hockley, \$152,673.16; Hood, \$111,311.18; Hopkins, \$482,912.20; Houston, \$492,879.14; Howard, \$375,820.96; Hudspeth, \$61,213.76; Hunt, \$804,842.72; Hutchinson, \$243,804.16; Irion, \$33,644.58; Jack, \$148,535.32; Jackson, \$180,291.60; Jasper, \$260,190.88; Jeff Davis, \$29,556; Jefferson, \$2,190,280.22; Jim Hogg, \$80,769.98; Jim Wells, \$220,947.52; Johnson, \$547,065.14; Jones, \$397,905.86; Karnes, \$382,848.72; Kaufman, \$671,660.10; Kendall, \$81,607.40; Kenedy, \$11,510.42; Kent, \$63,233.42; Kerr, \$166,679.42; Kimble, \$67,633.98; King, \$19,589.06; Kinney, \$65,351.60; Kleberg, \$204,445.42; Knox, \$186,662.56; Lamar, \$796,846.18; Lamb, \$286,561.84; Lampasas, \$142,476.34; La Salle, \$135,103.76; Lavaca, \$452,371; Lee, \$219,863.80; Leon, \$326,725.16; Liberty, \$326,232.56; Limestone, \$648,540.74; Lipscomb, \$74,087.04; Live Oak, \$147,057.52; Llano, \$90,933.96; Loving, \$3,201.90; Lubbock, \$642,087.68; Lynn, \$203,143.24; McCulloch, \$227,958.86; McLennan, \$1,620,358.44; McMullen, \$22,183.42; Madison, \$200,767.34; Marion, \$170,291.82; Martin, \$94,989.70; Mason, \$90,490.62; Matagorda, \$290,272.76; Maverick, \$100,490.40; Medina, \$229,699.38; Menard, \$73,019.74; Midland, \$131,412.10; Milam, \$622,564.30; Mills, \$136,171.06; Mitchell, \$232,884.86; Montague, \$314,590.78; Montgomery, \$239,534.96; Moore, \$25,533.10; Morris, \$164,659.76; Motley, \$111,853.04; Nacogdoches, \$497,361.80; Navarro, \$993,524.94; Newton, \$205,644.08; Nolan, \$317,283.66; Nueces, \$850,211.18; Ochiltree, \$85,778.08; Oldham, \$23,053.68; Orange, \$248,746.58; Palo Pinto, \$288,597.92; Panola, \$395,114.46; Parker, \$308,022.78; Parmer, \$96,368.98; Pecos, \$128,273.04; Polk, \$238,253.10; Potter, \$756,633.60; Presidio, \$166,728.68; Rains, \$116,811.88; Randall, \$116,105.82; Reagan, \$49,719.76; Real, \$36,074.74; Red River,



\$507,755.66; Reeves, \$105,202.94; Refugio, \$126,286.22; Roberts, \$23,923.94; Robertson, \$447,280.80; Rockwall, \$125,744.36; Runnels, \$358,300.82; Rusk, \$533,387.28; Sabine, \$197,007.16; San Augustine, \$204,773.82; San Jacinto, \$159,454.62; San Patricio, \$391,387.12; San Saba, \$168,682.66; Schleicher, \$51,985.72; Scurry, \$200,126.96; Shackelford, \$109,931.90; Shelby, \$470,055.34; Sherman, \$37,995.88; Smith, \$872,279.66; Somervell, \$49,522.72; Starr, \$187,335.78; Stephens, \$271,915.20; Sterling, \$23,497.02; Stonewall, \$93,052.14; Sutton, \$46,090.94; Swisher, \$120,572.06; Tarrant, \$3,243,820.26; Taylor, \$673,597.68; Terrell, \$43,677.20; Terry, \$145,858.86; Throckmorton, \$86,254.26; Titus, \$262,769.26; Tom Green, \$591,661.86; Travis, \$1,277,098.34; Trinity, \$223,919.54; Tyler, \$187,976.16; Upshur, \$366,116.74; Upton, \$97,994.56; Uvalde, \$212,556.90; Val Verde, \$245,052.08; Van Zandt, \$530,812.30; Victoria, \$329,188.16; Walker, \$304,229.76; Waller, \$164,429.86; Ward, \$75,515.58; Washington, \$416,969.48; Webb, \$691,741.76; Wharton, \$487,362.02; Wheeler, \$255,413.10; Wichita, \$1,221,910.72; Wilbarger, \$403,587.18; Willacy, \$172,393.58; Williamson, \$724,877.32; Wilson, \$289,090.52; Winkler, \$111,393.28; Wise, \$314,902.76; Wood, \$397,084.86; Yoakum, \$20,738.46; Young, \$330,501.76; Zapata, \$47,076.14; Zavala, \$169,930.58; total, \$95,641,820.30.

Utah: Beaver, \$90,290.88; Box Elder, \$313,099.80; Cache, \$482,113.92; Carbon, \$312,888.84; Daggett, \$7,225.38; Davis, \$246,489.18; Duchesne, \$145,263.54; Emery, \$123,798.36; Garfield, \$81,606.36; Grand, \$31,872.54; Iron, \$127,050.66; Juab, \$151,275.90; Kane, \$39,291.30; Millard, \$174,833.10; Morgan, \$44,582.38; Piute, \$34,386.48; Rich, \$32,927.34; Salt Lake, \$3,412,313.16; San Juan, \$61,459.68; Sanpete, \$281,666.76; Sevier, \$196,878.42; Summit, \$167,484.66; Tooele, \$165,480.54; Uintah, \$158,835.30; Utah, \$861,789.18; Wasatch, \$99,080.88; Washington, \$130,443.60; Wayne, \$36,337.86; Weber, \$917,183.76; total, \$8,927,950.26.

Vermont: Addison, \$279,692.16; Bennington, \$337,384.90; Caledonia, \$424,601.74; Chittenden, \$739,598.18; Essex, \$110,103.86; Franklin, \$467,010.50; Grand Isle, \$61,447.52; Lamoille, \$170,554.26; Orange, \$260,092.52; Orleans, \$358,900.68; Rutland, \$754,897.74; Washington, \$650,200.14; Windham, \$405,313.70; Windsor, \$582,941.28; total, \$5,602,739.38.

Virginia: Accomac, \$607,008.22; Albemarle, \$456,788.33; Charlottesville city, \$258,097.85; Alleghany, \$341,782.84; Clifton Forge city, \$115,784.27; Amelia, \$152,014.47; Amherst, \$322,008.60; Appomattox, \$142,245.86; Arlington, \$450,591.95; Alexandria city, \$408,842.57; Augusta, \$646,099.59; Staunton city, \$202,990.70; Bath, \$137,759.41; Bedford, \$492,510.63; Bland, \$102,104.83; Botetourt, \$261,637.01; Brunswick, \$346,827.98; Buchanan, \$283,408.20; Buckingham, \$225,422.95; Cambell, \$387,443.05; Lynchburg city, \$688,390.73; Caroline, \$258,402.59; Carroll, \$374,847.13; Charles City, \$82,635.33; Charlotte, \$271,912.73; Chesterfield, \$441,009.57; Clarke, \$121,337.31; Craig, \$60,304.68; Culpeper, \$225,270.58; Cumberland, \$127,567.55; Dickenson, \$273,639.59; Dinwiddie, \$313,069.56; Petersburg city, \$483,588.52; Elizabeth City, \$335,806.55; Hampton city, \$108,047.26; Essex, \$118,103.68; Fairfax, \$427,719.52; Fauquier, \$356,732.03; Floyd, \$198,047.14; Fluvanna, \$126,399.38; Franklin, \$412,025.41; Frederick, \$222,917.31; Winchester city, \$183,775.15; Giles, \$216,771.72; Gloucester, \$186,551.67; Goochland, \$134,644.29; Grayson, \$338,887.81; Greene, \$101,241.40; Greensville, \$226,658.84; Halifax, \$698,921.19; Hanover, \$287,962.37; Henrico, \$513,148.30; Richmond city, \$3,096,987.97; Henry, \$340,089.84; Martinsville city, \$130,445.65; Highland, \$76,608.25; Isle of Wight, \$227,014.37; James City, \$65,671.47; Williamsburg city, \$63,961.54; King and Queen, \$128,972.74; King George, \$89,678.21; King William, \$134,237.97; Lancaster, \$150,609.28; Lee, \$514,993.67; Loudon, \$336,094.36; Louisa, \$242,251.37; Lunenburg, \$238,001.94; Madison, \$151,557.36; Mathews, \$133,476.12; Mecklenburg, \$552,290.46; Middlesex, \$123,131.89; Montgomery, \$331,912.65; Radford city, \$105,423.11; Nansemond, \$381,432.90; Suffolk city, \$173,888.03; Nelson, \$276,720.85; New Kent, \$72,799; Norfolk, \$509,288.26; South Norfolk city, \$133,019.01; Norfolk city, \$2,195,990.30; Portsmouth city, \$773,768.72; Northampton, \$314,305.45; Northumberland, \$187,601.33; Nottoway, \$251,681.38; Orange, \$204,345.10; Page, \$251,444.36; Patrick, \$267,273.91; Pittsylvania, \$1,039,908.32; Danville city, \$376,641.71; Powhatan, \$104,000.99; Prince Edward, \$245,823.60; Prince George, \$174,565.23; Hopewell city, \$191,766.11; Prince William, \$236,190.43; Princess Anne, \$275,654.26; Pulaski, \$348,182.38; Rappahannock, \$130,648.81; Richmond, \$116,444.54; Roanoke, \$597,442.77; Roanoke city, \$1,171,657.58; Rockridge, \$353,870.86; Buena Vista city, \$67,753.86; Rockingham, \$502,973.37; Harrisonburg city, \$122,437.76; Russell, \$439,452.01; Scott, \$409,384.33; Shenandoah, \$349,689.15; Smyth, \$425,366.25; Southampton, \$454,909.10; Spotsylvania, \$170,248.08; Fredericksburg city, \$115,445.67; Stafford, \$136,286.50; Surry, \$120,135.28; Sussex, \$204,853; Tazewell, \$549,835.61; Warren, \$141,196.20; Warwick, \$149,474.97; Newport News city, \$582,679.81; Washington, \$573,080.50; Bristol city, \$149,661.20; Westmoreland, \$143,854.21; Wise, \$866,257.31; Wythe, \$350,518.72; York, \$128,921.95; total, \$41,001,937.43.

Washington: Adams, \$186,954.18; Asotin, \$197,053.92; Benton, \$265,257.44; Chelan, \$768,175.48; Clallam, \$495,274.78; Clark, \$976,453.52; Columbia, \$128,971.50; Cowlitz, \$772,763.32; Douglas, \$183,127.42; Ferry, \$103,952.24; Franklin, \$148,638.14; Garfield, \$88,693.64; Grant, \$137,230.52; Grays Harbor, \$1,452,764.04; Island, \$130,037.18; Jefferson, \$202,140.12; King, \$11,226,381.74; Kitsap, \$745,394.72; Kittitas, \$439,689.88; Klickitat, \$237,961.50; Lewis, \$969,623.48; Lincoln, \$287,636.72; Mason, \$243,653.20; Okanogan, \$448,530.18; Pacific, \$362,573.40; Pend Oreille, \$173,294.10; Pierce, \$3,968,253.24; San Juan, \$75,009.34; Skagit, \$851,139.24; Skamania, \$70,020.02; Snohomish, \$1,910,013.42; Spokane, \$3,644,552.94; Stevens, \$449,281; Thurston, \$759,321.22; Wahkiakum, \$93,537.64; Walla Walla, \$688,841.02; Whatcom, \$1,432,080.16; Whitman, \$678,499.08; Yakima, \$1,874,676.44; total, \$37,865,451.12.

West Virginia: Barbour, \$279,792.56; Berkeley, \$421,010.60; Boone, \$369,281.72; Braxton, \$339,136.58; Brooke, \$370,438.26; Cabell, \$1,363,605.72; Calhoun, \$163,207.32; Clay, \$197,137.50; Doddridge, \$157,529.76; Fayette, \$1,082,191; Gilmer, \$159,827.82; Grant, \$126,783.82; Greenbrier, \$533,887.56; Hampshire, \$177,776.72; Hancock, \$428,235.22; Hardy, \$147,436.32; Harrison, \$1,180,076.34; Jackson, \$242,182.48; Jefferson, \$237,015.60; Kanawha, \$2,368,158.34; Lewis, \$327,345.88; Lincoln, \$287,723.12; Logan, \$879,180.68; McDowell, \$1,358,994.58; Marion, \$1,001,158.10; Marshall, \$598,261.62; Mason, \$312,235.76; Mercer, \$921,071.46; Mineral, \$301,661.68; Mingo \$575,551.38; Monongalia, \$752,246.66; Monroe, \$179,473.98; Morgan, \$126,258.12; Nicholas, \$310,703.72; Ohio, \$1,082,596.54; Pendleton, \$145,093.20; Pleasants, \$98,305.90; Pocahontas, \$218,616.10; Preston, \$436,225.86; Putnam, \$251,389.74; Raleigh, \$1,022,441.44; Randolph, \$376,235.98; Ritchie, \$234,221.88; Roane, \$292,559.56; Summers, \$307,429.36; Taylor, \$287,092.28; Tucker, \$200,877.48; Tyler, \$192,030.70; Upshur, \$269,518.88; Wayne, \$468,714.12; Webster, \$213,524.32; Wetzel, \$335,456.68; Wirt, \$95,497.16; Wood, \$848,945.42; Wyoming, \$314,308.52; total, \$25,972,659.10.

Wisconsin: Adams, \$142,773.52; Ashland, \$375,603.36; Barron, \$611,929.84; Bayfield, \$267,707.04; Brown, \$1,253,242.16; Buffalo, \$273,487.20; Burnett, \$182,556.72; Calumet, \$300,568.32; Chippewa, \$666,181.28; Clark, \$609,503.60; Columbia, \$544,173.52; Crawford, \$299,373.04; Dane, \$2,011,228.08; Dodge, \$929,321.28; Door, \$324,366.88; Douglas, \$831,040.72; Dunn, \$482,340.08; Eau Claire, \$732,992.08; Florence, \$67,221.12; Fond du Lac, \$1,068,312.72; Forest, \$198,345.12; Grant, \$686,286.96; Green, \$390,160.80; Green Lake, \$248,207.92; Iowa, \$357,495.76; Iron, \$177,204.72; Jackson, \$293,789.12; Jefferson, \$656,244.40; Juneau, \$307,989.76; Kenosha, \$1,128,861.68; Kewaunee, \$286,100.08; La Crosse, \$971,477.20; Lafayette, \$332,698.16; Langlade, \$384,344.96; Lincoln, \$375,924.48; Manitowoc, \$1,046,744.16; Marathon, \$1,260,021.36; Marinette, \$598,175.20; Marquette, \$167,481.92; Milwaukee, \$12,938,691.92; Monroe, \$512,703.76; Oconto, \$470,726.24; Oneida, \$283,638.16; Outagamie, \$1,120,173.60; Ozaukee, \$310,308.96; Pepin, \$132,908; Pierce, \$375,407.12; Polk, \$473,955.28; Portage, \$603,473.68; Price, \$308,346.56; Racine, \$1,609,471.28; Richland, \$348,326; Rock, \$1,323,835.04; Rusk, \$286,885.04; St. Croix, \$454,117.20; Sauk, \$571,415.20; Sawyer, \$158,383.52; Shawano, \$597,925.44; Sheboygan, \$1,270,832.40; Taylor, \$315,500.40; Trempealeau, \$426,554.40; Vernon, \$509,100.08; Vilas, \$130,124.96; Walworth, \$554,074.72; Washburn, \$198,077.52; Washington, \$473,669.84; Waukesha, \$934,066.72; Waupaca, \$597,871.92; Waushara, \$257,377.68; Winnebago, \$1,366,936.48; Wood, \$675,511.60; total, \$52,431,867.04.

Wyoming: Albany, \$376,040.43; Big Horn, \$350,463.06; Campbell, \$209,865.60; Carbon, \$355,740.93; Converse, \$223,138.35; Crook, \$166,549.59; Fremont, \$327,602.70; Goshen, \$367,077.42; Hot Springs, \$171,015.48; Johnson, \$150,403.68; Laramie, \$838,369.35; Lincoln, \$340,219.62; Natrona, \$758,014.56; Niobrara, \$147,499.29; Park, \$256,304.61; Platte, \$302,774.85; Sheridan, \$527,006.25; Sublette, \$60,711.12; Sweetwater, \$567,292.95; Teton, \$62,553.69; Uinta, \$205,243.56; Washakie, \$128,324.07; Weston, \$145,937.79; Yellowstone National Park (part), \$6,246; total, \$7,044,394.95.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I have asked for this time to correct some erroneous statements that have been made on the floor of the House in general debate on the pending revenue bill. These statements are with reference to the price of laundry soap. On February 14 the gentleman from Nebraska [Mr. SHALLENBERGER] in discussing the fall of the prices of domestic fat and oils during the last few years, as distinguished from the fall of the prices in laundry soap, spoke as follows on page 2529 of the CONGRESSIONAL RECORD:

In 1926 the price of laundry soap at Philadelphia was \$4.85 per box of 100 bars. Until 1931 it continued to be priced annually at \$4.85 per box of standard soap. In 1932 the price was \$4.52, and in 1933, \$4.49. The price to the public for the 8 years was almost constant.

Now, let us look at the record as to prices on fats and oils during this same period. For 1929 the price of cottonseed oil was 8½ cents per pound, and by 1933 the price had fallen to 3½ cents per pound. Beef tallow in 1926 and 1927 was quoted at 8½ cents per pound, by 1933 it had fallen to 3.4 cents per pound and coconut oil to 2¼ cents.

It will be noted that while the price of coconut oil, cottonseed oil, and tallow fell 60 to 70 percent, the price of laundry soap declined less than 10 percent. The soap manufacturers have not suffered the fall in prices for their manufactured product that dairy interests, meat producers, and many other American manufacturers have had to endure.

Later, on February 16, the gentleman from Pennsylvania [Mr. Brooks] repeated this allegation as to the price of laundry soap; his remarks being found on page 2702 of the CONGRESSIONAL RECORD.

I realize that in the light of the gag rule which has been adopted this 100-percent tariff on imported oils will probably remain in the bill, but I believe it only just and fair that the RECORD should show the facts. I know both the gentleman from Nebraska and the gentleman from Pennsyl-



vania wish to be fair and would not knowingly make an erroneous statement. I should, therefore, like to read excerpts from a letter which reached me a few days ago, from the American Laundry Soap Manufacturers Association, which will correct the erroneous figures:

In the CONGRESSIONAL RECORD of February 14, page 2529, Congressman SHALLENBERGER, of Nebraska, is quoted as stating that while the price of coconut oil and tallow fell 60 to 70 percent, the price of laundry soap had declined less than 10 percent. As the basis for this statement the Congressman points to the price of laundry soap at a single point, viz, Philadelphia. The use of this price is so unfair that we hope you will take immediate steps to have our letter placed in the RECORD to correct the misapprehension which has probably been created by Governor SHALLENBERGER's statement.

As a matter of fact, on January 11, 1934, laundry soap was selling in the United States at the lowest price in the history of the country. We quote herewith the prices for the leading brand of white laundry soap which is sold in the United States, over a period of the past several years.

On January 1, 1928, white laundry soap, the largest selling brand in the United States, sold in 100-box lots at \$3.70 a box. On February 14, 1929, it sold at \$3.85 a box. On February 1, 1930, it sold at \$3.70 a box; on July 21, 1930, at \$3.20 a box; on January 17, 1931, at \$3.20 a box; on July 18, 1932, at \$2.55 a box; and on January 11, 1934, at \$2.30 a box—the lowest price that soap of this character ever sold in the United States.

Naturally, with the largest selling brand selling at this price, all competitive brands of white laundry soap had to meet the price. It is the white laundry soap which contains coconut oil, and it is on the basis of the price of this soap that comparisons should be made.

There are 223 soap manufacturers in the United States and any one of them will tell you that he has been selling soap for the past year or two at the lowest prices in the history of his business.

The average index number of the price of laundry soap at the principal manufacturing points in the United States averaged for the entire year 1933, 61.4 of the price for which it was sold in the year 1926.

Mr. BLANTON. That letter was written by whom?

Mr. HOLLISTER. The American Laundry Soap Manufacturers Association.

Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. CHASE].

WHO WILL PAY?

Mr. CHASE. Mr. Chairman, this bill is 212 pages long and is handed to us under a gag rule. All amendments except committee amendments are barred; we cannot change the bill. Our sole privilege is to talk about it and vote on it. Further than that we are not trusted.

Yet the committee tells us that approximately 150 pages do not represent the work of its members. That part was handed to them ready-drawn and is presented to us for blind and blanket approval.

There was no justification for the gag rule. Not a bill has gone through the Seventy-third Congress under the 5-minute rule that was not improved by the amendments which this House adopted. This bill would have been improved by immediate elimination of the 2-cent tax on bank checks and prompt return to the 2-cent postage rate on first-class mail. That only nine Republicans, including those on the committee, voted for the rule is sufficient alone to show how senseless the gag rule was.

The bill itself is a revenue bill. Its primary purpose is to raise money, particularly through preventing tax avoidance. And revenue bills now are close to the minds and hearts of the tax-ridden people.

Throughout the United States men and women are beginning to ask each other more and more: How much is this going to cost? Who is going to pay? Where is the money coming from? And ever in the background is heard in nauseating undertone a demand for congressional action to permit units of Government to take the bankruptcy bath.

It is my purpose to show by definite and authoritative data the tremendous task which lies ahead when America begins to pay.

FEDERAL DEBT GROWS

In his Budget message the President suggested that by June 30 of next year the national debt may be \$31,834,000,000. Federal debt, like Federal expenditures, is steadily increasing.

In the various States, with few exceptions, the same conditions exist.

Through the courtesy of the Bureau of the Census, I am able to present a table showing the debt of each State, expressed in thousands, as of 1912, 1922, and 1932, and the percentage of increase, or decrease if any, during the last 10-year period and for the entire 20-year period.

In addition to this data for each State there is given corresponding information for the total of minor civil divisions within each State.

The story which the table tells is as shocking as it is illuminating, and the table is submitted without argument. Its publication now is particularly appropriate in view of the splendid address last week of the gentleman from Maryland [Mr. LEWIS] on this bill.

HOW STATE AND LOCAL DEBT HAS GROWN  
[Totals expressed in thousands]

State and minor civil divisions	Gross debt less sinking-fund assets			Percent of increase 1922-32	Percent of increase 1912-32
	1932	1922	1912		
Alabama:					
State	\$82,342	\$15,233	\$13,132	440.6	527.0
Minor civil divisions	128,890	59,965	29,930	114.8	330.6
Arizona:					
State	3,676	2,740	3,065	34.2	19.9
Minor civil divisions	68,101	42,233	7,324	61.3	829.8
Arkansas:					
State	164,424	2,722	1,236	5,940.6	13,202.9
Minor civil divisions	91,145	88,558	12,577	2.9	624.7
California:					
State	145,723	85,267	10,223	70.9	1,325.4
Minor civil divisions	932,856	434,987	136,529	119.1	597.9
Colorado:					
State	6,747	12,019	3,174	143.9	112.6
Minor civil divisions	122,758	87,179	36,473	40.8	236.6
Connecticut:					
State	108	6,088	7,111	198.2	198.5
Minor civil divisions	160,592	94,866	44,925	69.3	257.5
Delaware:					
State	2,072	5,834	763	64.5	171.6
Minor civil divisions	27,016	16,617	6,097	62.6	343.1
Florida:					
State	391	869	619	155.0	136.8
Minor civil divisions	512,631	97,400	17,805	426.3	2,779.1
Georgia:					
State	12,488	5,419	6,934	130.4	80.1
Minor civil divisions	94,437	58,619	25,614	61.2	268.9
Idaho:					
State	6,961	7,673	2,143	19.3	224.8
Minor civil divisions	71,489	54,520	11,987	31.1	496.4
Illinois:					
State	221,404	13,880	2,273	1,495.1	9,640.6
Minor civil divisions	1,084,711	350,139	137,208	209.8	690.6
Indiana:					
State	4,730	2,325	1,350	103.4	250.4
Minor civil divisions	194,304	150,467	66,053	29.1	194.2
Iowa:					
State	16,495	1,457	357	1,032.1	4,520.4
Minor civil divisions	225,496	150,157	35,069	50.2	543.0
Kansas:					
State	21,810	78	243	27,861.5	8,875.3
Minor civil divisions	131,787	123,392	52,625	6.8	150.4
Kentucky:					
State	16,224	7,745	4,441	109.5	265.3
Minor civil divisions	97,193	42,774	25,588	127.2	279.8
Louisiana:					
State	83,743	14,829	13,546	464.7	518.2
Minor civil divisions	276,968	112,117	61,461	145.8	350.2
Maine:					
State	27,219	12,906	1,255	110.9	2,068.8
Minor civil divisions	37,310	29,551	21,543	26.3	73.2
Maryland:					
State	31,198	22,129	7,334	41.0	325.4
Minor civil divisions	229,970	98,825	52,212	132.7	340.5
Massachusetts:					
State	62,856	76,996	79,551	118.4	121.0
Minor civil divisions	373,744	252,946	187,578	47.8	99.2
Michigan:					
State	60,582	50,934	7,089	18.9	754.6
Minor civil divisions	721,702	310,844	52,908	132.2	1,264.1
Minnesota:					
State	40,156	20,308	1,345	97.7	2,885.6
Minor civil divisions	244,956	249,300	69,018	1.7	254.9
Mississippi:					
State	36,320	14,864	4,461	144.3	714.2
Minor civil divisions	142,756	96,635	24,168	47.7	490.7
Missouri:					
State	103,302	30,456	4,671	239.2	2,111.6
Minor civil divisions	226,155	87,820	56,951	157.5	297.1
Montana:					
State	9,316	7,579	1,513	22.9	515.7
Minor civil divisions	61,952	57,650	16,633	7.5	272.5
Nebraska:					
State	929	1,038	374	110.5	148.4
Minor civil divisions	109,577	96,717	36,371	13.3	201.3
Nevada:					
State	1,370	1,751	608	121.8	125.3
Minor civil divisions	8,575	5,253	2,575	63.2	233.0

1 Decrease.

HOW STATE AND LOCAL DEBT HAS GROWN—continued

State and minor civil divisions	Gross debt less sinking-fund assets			Percent of increase 1922-32	Percent of increase 1912-32
	1932	1922	1912		
New Hampshire:					
State	\$6,505	\$3,018	\$1,956	115.5	232.6
Minor civil divisions	25,230	13,105	9,345	92.5	170.0
New Jersey:					
State	62,198	16,355	642	280.3	9,588.2
Minor civil divisions	1,089,033	365,817	169,527	197.7	542.4
New Mexico:					
State	11,407	4,954	1,218	130.3	836.5
Minor civil divisions	25,536	20,056	6,444	27.3	296.3
New York:					
State	463,068	186,542	86,205	148.2	437.2
Minor civil divisions	3,014,165	1,497,278	1,046,227	101.3	188.1
North Carolina:					
State	177,210	34,713	8,059	410.5	2,098.9
Minor civil divisions	368,212	147,998	26,285	148.8	1,300.8
North Dakota:					
State	5,005	5,913	820	115.4	510.4
Minor civil divisions	31,206	34,353	12,441	19.2	150.8
Ohio:					
State	7,696	30,143	5,142	174.5	49.7
Minor civil divisions	867,341	639,300	234,525	35.7	269.8
Oklahoma:					
State	11,438	4,797	6,931	138.4	65.0
Minor civil divisions	182,642	125,180	53,791	45.9	239.5
Oregon:					
State	33,388	39,983	31	116.5	107,603.2
Minor civil divisions	165,460	98,111	43,796	68.6	277.8
Pennsylvania:					
State	75,858	49,968	—	51.8	( <sup>1</sup> )
Minor civil divisions	1,137,833	509,471	245,978	127.4	362.6
Rhode Island:					
State	16,807	9,333	5,127	80.0	227.8
Minor civil divisions	93,546	39,901	25,639	134.4	265.6
South Carolina:					
State	77,984	8,729	6,190	793.4	1,159.8
Minor civil divisions	93,715	56,281	15,097	66.5	520.8
South Dakota:					
State	15,510	15,431	370	.5	4,091.9
Minor civil divisions	35,577	35,123	12,316	1.3	188.9
Tennessee:					
State	94,032	19,142	11,812	391.2	696.1
Minor civil divisions	229,463	114,195	47,287	100.9	385.3
Texas:					
State	10,317	6,145	4,656	67.9	121.6
Minor civil divisions	737,893	350,198	83,238	110.7	786.5
Utah:					
State	5,694	9,819	1,430	142.0	298.2
Minor civil divisions	40,455	40,222	13,858	.6	191.9
Vermont:					
State	9,545	2,112	570	351.9	1,574.6
Minor civil divisions	17,635	9,882	6,411	78.8	175.1
Virginia:					
State	25,983	21,756	22,043	19.4	17.9
Minor civil divisions	155,259	97,359	39,887	69.5	289.2
Washington:					
State	8,257	13,191	1,556	137.4	430.7
Minor civil divisions	209,174	155,872	94,415	34.2	121.5

<sup>1</sup> Decrease.

<sup>2</sup> Cannot be expressed.

HOW STATE AND LOCAL DEBT HAS GROWN—continued

State and minor civil divisions	Gross debt less sinking-fund assets			Percent of increase 1922-32	Percent of increase 1912-32
	1932	1922	1912		
West Virginia:					
State	\$86,394	\$24,181	—	257.3	( <sup>1</sup> )
Minor civil divisions	65,200	46,331	\$11,195	40.7	482.4
Wisconsin:					
State	1,184	2,164	2,251	145.3	147.4
Minor civil divisions	204,051	102,359	37,817	99.3	439.6
Wyoming:					
State	5,568	4,011	122	38.8	4,463.9
Minor civil divisions	37,441	15,117	4,202	147.7	791.0

<sup>1</sup> Decrease.

<sup>2</sup> Cannot be expressed.

From the above it is clear that there has been and now is a steady increase in public debt—Federal, State, and local. It is a matter of common knowledge that there is a corresponding increase in public expenditure and taxes by the Federal Government and the individual States.

LOCAL UNITS CUTTING

What is not so well known is that since 1929 the minor civil subdivisions have been cutting their taxes through the simplest and most practical of all expedients, that of cutting expenditures and debt.

Wherever fiscal authority is delegated, expenditures, debt, and taxes have continued to mount.

Wherever fiscal authority and control rests directly or nearly so in the hands of the people themselves, the last 4 years have witnessed sharp reductions in expenditures, debt, and taxes.

Manifestly in the short time available to me it has been impossible to secure evidence in proof of this statement from each of the 48 States of the Union.

Consequently I submit herewith as an illustration the data for my own State of Minnesota, furnished to me through the courtesy of Minnesota Taxpayers Association and just completed Saturday. It has not yet been published in Minnesota.

Any Member can secure corresponding data for his own State from his State officials. It will convince him that wherever those who pay the taxes have direct control of expenditures there has been through the depression years a clean-cut reduction in tax levies by townships, school districts, cities, villages, boroughs, parishes, and counties.

This table is submitted without argument.

PROOF OF TAX REDUCTION

Comparative statement—General property tax levies compiled by Minnesota Taxpayers Association

Counties	State		County		Township		City and village		School district		Total	
	1930	1933	1930	1933	1930	1933	1930	1933	1930	1933	1930	1933
	Aitkin	\$38,723	\$40,358	\$350,972	\$217,231	\$150,737	\$99,550	\$21,344	\$21,098	\$280,567	\$240,563	\$842,343
Anoka	48,497	77,114	164,100	96,503	45,806	24,857	90,137	85,608	241,016	204,228	589,556	488,310
Becker	56,220	84,775	157,290	122,553	85,210	47,549	65,236	45,666	248,439	178,252	612,395	478,405
Beltrami	33,845	53,251	185,568	186,149	90,032	63,204	77,089	80,891	292,335	230,111	678,899	622,006
Benton	42,934	62,792	107,331	95,268	52,013	13,510	67,830	53,420	159,116	110,264	429,224	335,254
Big Stone	44,136	60,924	80,568	64,082	48,286	16,362	44,353	35,061	169,033	121,665	386,376	298,004
Blue Earth	159,994	245,032	313,027	226,383	129,524	57,481	279,933	197,199	548,118	405,083	1,430,596	1,131,178
Brown	114,386	177,745	191,226	152,081	130,938	29,650	216,827	156,762	240,099	187,514	893,446	703,752
Carlton	58,590	88,504	184,075	136,745	90,718	61,633	162,050	130,655	418,989	282,473	914,422	699,910
Carver	78,738	120,912	166,090	99,728	117,690	37,064	76,821	55,529	162,148	114,321	601,477	427,554
Cass	29,411	44,885	109,521	159,556	123,418	89,012	30,566	31,481	273,420	178,794	656,336	503,728
Chippewa	65,958	100,486	145,298	125,096	106,071	31,268	70,442	150,885	203,533	150,885	561,302	473,047
Chisago	40,277	60,503	141,388	136,875	65,246	28,982	44,937	35,939	159,712	103,986	451,556	366,285
Clay	82,363	123,788	169,752	156,356	85,537	35,171	90,238	67,946	415,851	325,218	843,741	708,479
Clearwater	20,812	26,429	102,536	76,899	46,075	34,060	11,087	10,903	95,872	71,574	276,382	219,865
Cook	7,598	10,734	71,604	79,827	29,331	25,697	5,218	10,755	92,687	68,122	206,438	185,135
Cottonwood	80,818	113,732	143,487	128,114	116,920	39,953	58,573	50,409	207,854	155,647	607,652	487,865
Crow Wing	70,017	122,287	244,728	230,815	91,055	74,528	242,542	226,622	513,660	372,397	1,162,002	1,026,949
Dakota	127,074	207,160	348,924	250,460	70,765	28,245	331,459	274,534	623,443	488,259	1,501,665	1,248,558
Dodge	62,593	88,778	120,680	95,404	76,854	31,973	43,127	29,590	172,431	111,894	475,685	357,645
Douglas	59,074	90,162	142,483	90,651	75,940	26,380	76,727	60,683	203,847	131,766	557,971	399,642
Faribault	111,651	163,262	194,985	159,639	124,550	46,372	108,205	80,372	288,205	200,450	827,599	659,095
Fillmore	112,096	161,289	265,863	204,157	158,289	72,699	90,511	73,384	344,371	215,760	971,130	727,289
Freeborn	127,120	190,063	280,595	177,068	149,670	58,079	192,008	169,525	474,660	341,769	1,223,933	936,504
Goodhue	138,232	207,271	368,428	220,020	136,883	52,211	221,744	174,619	358,860	263,687	1,224,147	917,808
Grant	42,298	64,163	84,230	48,028	58,441	20,308	26,577	16,669	128,466	88,011	340,012	237,179
Hennepin	2,129,975	3,868,949	2,627,876	2,420,710	163,183	92,692	13,885,158	12,660,203	8,551,072	7,649,183	27,057,294	26,691,737
Houston	46,498	68,020	122,268	115,110	102,039	60,840	57,686	34,667	134,100	83,570	462,491	361,847
Hubbard	27,499	37,866	89,839	98,175	36,516	22,764	27,371	20,813	165,713	127,536	346,938	307,154
Isanti	33,091	48,270	92,932	87,166	62,063	18,920	25,277	22,388	119,906	76,207	333,259	252,951
Itasca	150,366	279,252	629,356	534,688	176,340	122,300	523,151	477,459	1,065,924	962,591	2,545,137	2,376,296
Jackson	107,950	148,749	171,184	120,480	147,128	42,768	62,297	45,580	273,407	163,661	761,966	521,238
Kanabec	21,110	28,483	75,063	71,024	60,548	30,295	15,630	13,880	104,261	61,600	277,187	206,182
Kandiyohi	97,289	143,339	205,234	166,772	108,624	43,016	114,053	92,222	249,978	187,512	775,388	632,861
Kittson	36,145	53,190	94,375	82,014	54,069	32,719	25,291	19,125	153,643	124,864	363,520	311,912



PROOF OF TAX REDUCTION—continued  
Comparative statement—General property tax levies compiled by Minnesota Taxpayers Association

Counties	State		County		Township		City and village		School district		Total	
	1930	1933	1930	1933	1930	1933	1930	1933	1930	1933	1930	1933
Koochiching	\$29,703	\$46,822	\$294,081	\$222,542	\$75,137	\$55,587	\$108,460	\$93,539	\$407,722	\$277,699	\$915,103	\$706,459
Lac qui Parle	92,459	127,930	166,626	140,067	85,390	30,910	64,127	54,708	201,863	147,722	610,465	501,337
Lake	18,244	28,279	159,809	103,368	46,359	38,908	27,881	22,167	137,110	97,499	389,403	290,221
Lake of the Woods	12,959	18,731	86,149	59,364	31,425	14,052	13,252	8,014	92,038	80,983	235,823	181,144
Le Sueur	81,378	115,536	201,441	154,912	93,737	36,605	79,979	67,638	224,234	155,906	680,405	530,997
Lincoln	56,187	76,161	124,858	102,402	82,952	20,521	47,721	25,065	196,855	135,213	508,573	359,862
Lyon	97,325	138,154	199,295	161,051	92,627	32,226	107,501	86,655	308,096	215,176	804,844	633,262
McLeod	94,344	144,400	150,410	87,554	128,475	41,841	116,566	100,284	238,600	174,452	728,395	548,531
Mahnomen	14,896	22,166	80,290	60,844	64,654	26,386	12,134	9,791	93,668	66,679	265,642	185,896
Marshall	54,777	78,299	168,557	172,475	87,587	48,397	42,813	31,081	255,233	216,207	609,667	546,459
Martin	119,875	169,933	200,114	122,899	171,818	56,607	133,296	96,049	377,869	251,147	1,002,972	696,640
Meeker	76,135	113,837	147,562	109,062	107,683	53,830	53,138	43,249	209,980	138,437	594,498	458,415
Mille Lacs	30,832	44,825	150,531	112,366	66,150	34,177	44,962	37,810	159,370	128,133	451,845	357,311
Morrison	65,218	101,226	194,619	181,338	105,822	55,987	87,687	87,529	256,750	186,331	710,096	612,411
Mower	131,762	195,927	261,255	253,550	104,186	53,890	219,835	176,491	442,112	329,980	1,159,150	1,009,538
Murray	89,707	121,437	167,485	120,587	95,593	55,903	54,273	46,970	174,532	132,289	581,590	477,186
Nicollet	57,428	88,145	117,614	106,226	78,446	36,169	65,742	40,154	166,747	133,171	485,977	405,865
Nobles	111,110	163,020	232,616	163,865	116,439	39,721	85,547	57,011	254,771	194,928	800,483	618,545
Norman	46,922	66,536	114,285	102,000	63,652	16,200	31,587	19,948	182,544	113,064	438,990	317,748
Olmsted	152,602	244,371	270,456	233,790	137,275	53,227	368,000	293,853	579,119	413,770	1,507,452	1,239,011
Otter Tail	124,829	179,324	370,838	280,930	194,681	81,739	155,299	134,162	480,357	335,201	1,326,004	1,011,356
Pennington	27,552	44,416	102,821	114,807	31,410	11,958	44,779	44,600	142,687	105,665	349,249	321,446
Pine	51,686	70,739	181,376	140,896	141,323	92,578	43,303	32,557	315,812	214,604	733,500	551,374
Pipestone	65,648	91,702	98,290	95,956	58,772	21,412	85,285	72,039	208,924	156,722	516,919	437,831
Polk	115,850	178,348	331,958	329,615	145,734	74,899	146,653	148,400	486,609	391,258	1,226,804	1,122,520
Pope	55,054	83,886	111,511	104,068	62,465	30,517	34,905	33,450	167,055	108,420	430,990	360,341
Ramsey	1,112,713	1,898,362	2,700,733	2,079,750	25,959	17,514	5,905,064	5,548,890	3,950,271	3,535,508	13,694,750	13,980,030
Red Lake	18,229	28,298	90,114	74,655	31,304	16,369	29,369	31,679	88,908	70,392	257,924	221,393
Redwood	116,034	166,016	223,092	180,531	143,586	31,672	83,055	59,621	299,860	217,453	865,627	655,293
Renville	122,121	176,250	221,465	142,967	230,327	85,460	81,640	63,543	339,450	235,520	995,003	703,740
Rice	106,250	171,037	404,304	334,814	54,770	33,008	208,788	185,652	355,259	263,186	1,129,371	987,697
Rock	73,654	105,183	121,139	89,780	48,125	22,304	30,122	33,383	195,502	128,007	468,542	379,657
Roseau	27,090	39,203	132,813	105,216	81,115	50,554	27,523	24,873	161,475	128,560	429,986	349,406
St. Louis	1,854,744	3,333,654	4,047,179	3,845,919	956,830	897,490	7,238,487	6,389,610	9,020,424	7,661,605	23,117,664	22,128,278
Scott	48,942	72,949	170,650	145,165	82,867	27,543	51,339	41,787	147,556	107,080	501,354	394,524
Sherburne	28,807	43,483	51,461	59,025	32,046	10,657	25,997	21,482	109,841	95,257	248,152	229,904
Sibley	82,905	124,858	192,671	114,202	132,782	53,754	43,181	37,114	150,182	110,412	601,721	440,340
Stearns	178,455	274,234	496,875	284,803	159,883	69,651	363,459	294,657	589,160	536,664	1,796,832	1,460,009
Steele	79,715	121,410	147,857	122,058	99,391	35,181	119,960	87,523	298,835	229,499	745,758	595,671
Stevens	49,833	70,012	125,941	80,985	58,385	22,436	55,275	43,511	163,406	122,620	452,840	339,564
Swift	65,103	92,865	126,310	121,320	96,354	37,054	75,249	54,525	228,717	177,666	591,913	483,430
Todd	62,417	95,822	191,386	146,765	131,599	63,600	52,235	49,053	248,506	187,982	686,143	543,222
Traverse	41,843	57,426	94,590	51,418	64,352	11,363	27,383	17,952	119,844	86,725	348,012	224,882
Wabasha	64,044	94,116	206,409	165,283	87,746	36,001	72,593	54,279	232,366	167,811	663,158	517,490
Wadena	23,654	35,664	74,942	61,616	32,735	17,968	31,495	22,363	114,352	82,397	277,178	220,008
Waseca	64,807	97,100	165,163	155,938	67,082	32,249	51,091	54,735	190,688	156,727	538,831	496,249
Washington	66,919	104,555	185,908	136,846	86,436	33,870	180,695	158,916	302,885	259,047	822,843	693,234
Watsonwan	61,500	93,601	162,720	90,812	102,699	25,742	63,095	51,352	161,280	129,026	551,294	390,533
Wilkin	49,394	74,743	108,480	82,201	71,937	29,019	41,518	37,997	154,547	117,930	425,876	341,890
Winona	127,165	200,957	396,042	220,533	82,195	44,659	484,810	416,631	448,740	344,897	1,538,952	1,227,677
Wright	97,027	143,375	239,648	171,810	138,138	49,540	72,575	53,387	299,861	193,182	847,249	611,294
Yellow Medicine	92,374	132,803	215,115	143,057	133,613	43,031	57,900	42,110	215,935	164,324	714,937	525,325
Total	11,093,569	18,074,648	25,011,433	21,377,734	9,068,180	4,533,594	34,930,178	31,461,687	43,492,213	35,198,520	123,595,573	110,560,310

This cut in local tax levies is typical of the real spirit of the American people today.

Federal and State extravagances are out of tune.

It is easy to be popular when we are shoveling out the money. But when spending days are past and the paying days come—then what?

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

TWO-CENT POSTAGE

Mr. LUNDEEN. Mr. Chairman, this revenue bill provides for 3-cent postage. The Ministers' Casualty Union of Minnesota and many other organizations are strongly urging the return of the 2-cent postage rate. I want to declare in favor of 2-cent postage. I want the RECORD to show that. I never could see why we should not have penny postage. I should like to see 1-cent postage on all ordinary letters sent through the mails.

WORKERS' UNEMPLOYMENT AND SOCIAL INSURANCE ACT

In this crisis I should also like to see unemployment insurance. Mr. Chairman, I have introduced an unemployment, old-age pension bill. I will not read it, but I ask unanimous consent to insert the text in the RECORD.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

H.R. 7598

A bill to provide for the establishment of unemployment and social insurance, and for other purposes

Be it enacted, etc., That this act shall be known by the title "The Workers' Unemployment and Social Insurance Act."

Sec. 2. The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment and social insurance for the purpose of providing insur-

ance for all workers and farmers unemployed through no fault of their own in amounts equal to average local wages. Such insurance shall be administered by workers and farmers and controlled by them under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act, through unemployment insurance commissions composed of the rank and file members of workers' and farmers' organizations. Funds for such insurance shall hereafter be provided at the expense of the Government and of employers, and it is the sense of Congress that funds to be raised by the Government shall be secured by taxing inheritance and gifts, and by taxing individual and corporation incomes of \$5,000 per year and over. No tax or contribution in any form shall be levied on workers for the purposes of this act. In no case shall the unemployment insurance be less than \$10 per week plus \$3 for each dependent.

Sec. 3. The Secretary of Labor is further authorized and directed to provide for the establishment of other forms of social insurance in like amounts and governed by the conditions set forth in section 1 of this act for the purpose of paying workers and farmers insurance for loss of wages because of part-time work, sickness, accident, old age, or maternity.

Sec. 4. The benefits of this act shall be extended to workers and farmers without discrimination because of age, sex, race, or color, religious or political opinion, or affiliation, whether they be industrial, agricultural, domestic, or professional workers, for all time lost. No worker shall be disqualified for the benefits of this act because of refusal to work in place of strikers, at less than normal or trade-union rates, under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards at the particular trade and locality, or at any unreasonable distance from home.

Mr. LUNDEEN. We are now having hearings on H.R. 7598 before the Labor Committee of the House of Representatives. Several able gentlemen have appeared before this committee in favor of this measure, and I hope to have the opportunity to show that this bill deals with fundamentals. The mass of the people, the great rank and file, favor its immediate passage; and if the opportunity is given, I will

present reasons why H.R. 7598 should pass at this session of Congress.

WORLD WAR VETERANS' ADJUSTED-SERVICE CERTIFICATES

Mr. Chairman, I wish to call attention to that which many of the Members already know, that is, many distinguished gentlemen today have signed the Lundeen bonus petition, which I had the honor to introduce in the special session. We need 145 signatures to bring this bill out of committee, and I think the names now on the petition run well over 130. Very soon I am sure we will have sufficient names. I should like, with the permission of the House, to insert some information and material as to what payment of the World War veterans' adjusted-service certificates will mean in actual money—real cash buying power—for each State, county by county, throughout the country, and I know the Members will be interested in that. I ask permission to so extend my remarks.

Mr. TRUAX. Will the gentleman yield?

Mr. LUNDEEN. I yield.

Mr. TRUAX. Upon two different occasions I have asked unanimous consent to insert in the RECORD statistics showing the cost of old-age pensions. Gentlemen on the Republican side have objected to that, stating that they proposed to object to extensions of everything except a Member's own remarks. I am not going to object to the gentleman's request nor the request made by the gentleman who preceded him, as I think both contain valuable information that should be made available to Members of this House. That is exactly what I tried to do with reference to old-age pensions.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. LUNDEEN]?

There was no objection.

Mr. LUNDEEN. Mr. Chairman, in view of the fact that all of the amounts due citizens of the 48 States in the Union were published in columns in the CONGRESSIONAL RECORD of February 18, 1932, by Mr. PATMAN, author of H.R. 1, the adjusted-service certificates bill, and later, on pages 2885-2890, the author again inserted the same material in solid lines, I will not burden the RECORD with the amounts to be paid in all the States.

For the information of the country I have selected a few States so that it may be clearly seen just what this bill means to the country. Beyond that, those who are interested, will find the information for their own county and State on page 4289 of the CONGRESSIONAL RECORD, under date of February 18, 1932, and on page 2885 of the CONGRESSIONAL RECORD of this session; and I repeat that in these RECORDS referred to, you will find the amounts due veterans on their adjusted-service certificates in every State and county in the Union. The total amount is \$2,200,000,000, to be paid in Treasury notes, without bonds, without interest, and without taxation.

Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law

ARIZONA	
Apache	\$302,182.65
Cochise	697,375.98
Coconino	239,228.64
Gila	527,582.16
Graham	176,444.73
Greenlee	168,160.86
Maricopa	2,567,999.70
Mohave	94,779.72
Navajo	360,646.02
Pima	947,048.76
Pinal	375,597.81
Santa Cruz	164,724.84
Yavapai	484,274.70
Yuma	303,050.16
<b>Total</b>	<b>7,409,096.73</b>

  

CONNECTICUT	
Fairfield	7,196,524.22
Hartford	7,836,615.17
Litchfield	1,536,367.16
Middlesex	956,330.68
New Haven	8,624,785.89
New London	2,213,957.26

Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

CONNECTICUT—continued	
Tolland	\$533,343.99
Windham	1,006,540.46
<b>Total</b>	<b>29,904,464.83</b>

  

DELAWARE	
Kent	523,466.04
New Castle	2,647,366.08
Sussex	748,135.08
<b>Total</b>	<b>3,918,967.20</b>

  

DISTRICT OF COLUMBIA	
<b>Total</b>	<b>18,198,685.00</b>

  

IDAHO	
Ada	702,750.25
Adams	53,125.51
Bannock	579,358.98
Bear Lake	145,868.16
Benewah	118,054.63
Bingham	343,935.33
Blaine	69,821.04
Boise	34,224.91
Bonner	243,706.56
Bonnerville	384,373.92
Boundary	84,404.15
Butte	35,837.02
Camas	26,145.83
Canyon	573,132.90
Caribou	39,302.13
Cassia	243,039.48
Clark	20,790.66
Clearwater	122,279.45
Custer	58,591.86
Elmore	83,218.23
Franklin	173,792.87
Fremont	183,891.72
Gem	137,474.07
Gooding	140,457.40
Idaho	187,282.71
Jefferson	169,938.63
Jerome	154,873.74
Kootenai	360,760.57
Latah	329,796.94
Lemhi	86,034.79
Lewis	97,060.16
Lincoln	60,074.26
Madison	154,095.48
Minidoka	155,707.59
Nez Perce	325,961.23
Oneida	108,771.10
Owyhee	76,028.59
Payette	135,602.54
Power	82,588.21
Shoshone	353,181.80
Teton	66,207.69
Twin Falls	552,712.84
Valley	64,632.64
Washington	147,535.86
Yellowstone National Park	18.53
<b>Total</b>	<b>8,246,442.96</b>

  

ILLINOIS	
Adams	1,293,350.40
Alexander	464,365.20
Bond	296,763.60
Boone	310,606.80
Brown	162,575.20
Bureau	800,207.00
Calhoun	165,500.40
Carroll	379,719.80
Cass	340,622.20
Champaign	1,324,023.80
Christian	773,282.80
Clark	368,163.20
Clay	332,793.00
Clinton	440,201.40
Coles	768,689.00
Cook	82,031,733.80
Crawford	434,351.00
Cumberland	214,631.40
De Kalb	672,466.40
De Witt	383,118.80
Douglas	369,028.40
Du Page	1,895,158.80
Edgar	514,299.60
Edwards	171,041.80
Effingham	391,667.80
Fayette	483,832.20
Ford	319,073.40



Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

ILLINOIS—continued

Franklin	\$1,224,505.20
Fulton	906,049.80
Gallatin	207,874.60
Greene	420,590.20
Grundy	384,766.80
Hamilton	267,697.00
Hancock	544,252.00
Hardin	143,273.00
Henderson	180,826.80
Henry	903,330.60
Iroquois	678,007.80
Jackson	735,008.00
Jasper	263,865.40
Jefferson	639,300.40
Jersey	258,653.60
Jo Daviess	416,841.00
Johnson	210,181.80
Kane	2,581,736.20
Kankakee	1,031,957.00
Kendall	217,433.00
Knox	1,057,521.60
Lake	2,150,372.20
La Salle	2,012,517.00
Lawrence	450,831.00
Lee	665,977.40
Livingston	805,295.20
Logan	594,577.80
McDonough	562,977.40
McHenry	722,627.40
McLean	1,506,210.20
Macon	1,683,658.60
Macoupin	1,003,281.80
Madison	2,962,898.00
Marion	734,081.00
Marshall	268,273.80
Mason	311,369.00
Massac	290,068.60
Menard	217,845.00
Mercer	342,804.60
Monroe	254,801.40
Montgomery	726,726.80
Morgan	705,344.00
Moultrie	272,888.20
Ogle	579,230.80
Peoria	2,911,686.40
Perry	469,000.20
Piatt	321,112.80
Pike	501,754.20
Pope	164,717.60
Pulaski	305,580.40
Putnam	107,841.00
Randolph	603,847.80
Richland	289,491.80
Rock Island	2,022,734.60
St. Clair	3,250,165.00
Saline	764,260.00
Sangamon	2,301,699.80
Schuyler	240,525.60
Scott	175,903.40
Shelby	524,702.60
Stark	189,190.40
Stephenson	825,318.40
Tazewell	949,289.20
Union	409,589.80
Vermillion	1,840,383.40
Wabash	271,858.20
Warren	447,947.00
Washington	335,491.60
Wayne	394,078.00
White	373,869.40
Whiteside	803,791.40
Will	2,281,079.20
Williamson	1,109,928.00
Winnebago	2,417,883.80
Woodford	387,115.20
Total	157,191,472.40

MAINE

Androscoggin	1,202,804.46
Aroostook	1,483,668.27
Cumberland	2,274,154.05
Franklin	336,803.49
Hancock	518,877.69
Kennebec	1,193,970.99
Knox	467,734.77
Lincoln	261,761.22
Oxford	700,647.87
Penobscot	1,560,281.31
Piscataquis	307,921.59
Sagadahoc	285,897.03
Somerset	660,584.79
Waldo	342,630.54

Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

MAINE—continued

Washington	\$638,881.14
York	1,231,855.26
Total	13,468,474.47

MARYLAND

Allegany	1,509,980.82
Anne Arundel	1,053,138.03
Baltimore	2,377,945.85
Baltimore City	15,365,044.66
Calvert	181,889.52
Caroline	331,917.83
Carroll	686,820.02
Cecil	493,037.43
Charles	308,608.94
Dorchester	511,860.17
Frederick	1,039,259.60
Garrett	380,043.72
Harford	603,301.27
Howard	308,666.21
Kent	271,879.78
Montgomery	939,342.54
Prince Georges	1,147,213.55
Queen Annes	278,160.39
St. Marys	289,958.01
Somerset	446,362.38
Talbot	354,749.47
Washington	1,257,687.38
Wicomico	596,161.61
Worcester	412,802.16
Total	31,145,831.34

MASSACHUSETTS

Barnstable	702,310.70
Berkshire	2,624,018.00
Bristol	7,926,186.60
Dukes	107,678.22
Essex	10,827,389.60
Franklin	1,078,564.88
Hampden	7,293,683.04
Hampshire	1,582,693.74
Middlesex	20,325,247.76
Nantucket	79,959.72
Norfolk	6,509,521.24
Plymouth	3,528,641.14
Suffolk	19,121,112.64
Worcester	10,679,601.08
Total	92,386,608.36

MINNESOTA

Aitkin	310,836.39
Anoka	381,374.65
Becker	466,037.13
Beltrami	428,841.97
Benton	311,809.76
Big Stone	203,744.98
Blue Earth	700,971.37
Brown	485,193.88
Carlton	439,714.72
Carver	350,744.56
Cass	322,889.61
Chippewa	326,431.02
Chisago	273,144.19
Clay	478,815.20
Clearwater	197,697.66
Cook	50,428.85
Cottonwood	306,135.22
Crow Wing	530,735.17
Dakota	716,400.32
Dodge	251,150.17
Douglas	389,617.23
Faribault	448,205.82
Fillmore	512,531.08
Freeborn	595,226.11
Goodhue	648,575.07
Grant	197,946.18
Hennepin	10,723,327.35
Houston	286,729.95
Hubbard	198,733.16
Isanti	250,197.51
Itasca	563,809.04
Jackson	328,522.73
Kanabec	177,236.18
Kandiyohi	488,217.54
Kittson	200,638.48
Koochiching	291,655.38
Lac qui Parle	318,892.58
Lake	146,378.28
Lake of the Woods	86,857.74
Le Sueur	372,572.90
Lincoln	234,035.13

Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

MINNESOTA—continued

Lyon	\$400,241.46
McLeod	425,010.62
Mahnomen	127,428.63
Marshall	352,132.13
Martin	463,924.71
Meeker	370,998.94
Mille Lacs	291,513.96
Morrison	526,903.82
Mower	581,226.15
Murray	287,910.42
Nicollet	342,750.50
Nobles	385,578.78
Norman	291,203.31
Olmsted	733,672.46
Otter Tail	1,056,334.26
Pennington	217,185.77
Pine	419,667.44
Pipestone	253,448.98
Polk	745,953.49
Pope	270,990.35
Ramsey	5,937,991.91
Red Lake	142,629.77
Redwood	427,040.20
Renville	489,687.95
Rice	620,761.54
Rock	227,023.02
Roseau	261,380.91
St. Louis	4,237,183.16
Scott	292,342.36
Sherburne	201,073.39
Sibley	328,564.15
Stearns	1,286,525.91
Steele	382,617.25
Stevens	210,931.35
Swift	305,161.85
Todd	541,980.70
Traverse	164,395.98
Wabasha	364,765.23
Wadena	227,602.90
Waseca	298,472.52
Washington	512,634.63
Watsonwan	265,129.42
Wilkin	202,771.61
Winona	727,832.24
Wright	561,634.49
Yellow Medicine	344,303.75
<b>Total</b>	<b>53,099,466.63</b>

NEW HAMPSHIRE

Belknap	393,187.74
Carroll	248,134.26
Cheshire	585,445.30
Coos	677,107.42
Grafton	744,142.08
Hillsborough	2,436,067.70
Merrimack	975,921.76
Rockingham	934,175.00
Strafford	670,520.40
Sullivan	422,090.68
<b>Total</b>	<b>8,086,792.34</b>

NEW JERSEY

Atlantic	2,387,863.99
Bergen	6,982,010.01
Burlington	1,789,439.33
Camden	4,826,728.56
Cape May	564,067.18
Cumberland	1,337,091.35
Essex	15,945,103.69
Gloucester	1,354,442.26
Hudson	13,213,664.90
Hunterdon	664,346.64
Mercer	3,580,045.59
Middlesex	4,059,539.04
Monmouth	2,112,812.85
Morris	2,816,108.17
Ocean	632,609.97
Passaic	5,779,727.77
Salem	704,634.42
Somerset	1,245,975.16
Sussex	532,387.90
Union	5,838,648.17
Warren	943,472.47
<b>Total</b>	<b>77,310,719.42</b>

OREGON

Baker	403,603.86
Benton	398,809.95
Clackamas	1,113,078.45
Clatsop	508,877.16

Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

OREGON—continued

Columbia	\$482,932.23
Coos	683,505.57
Crook	80,364.24
Curry	78,461.13
Deschutes	355,303.41
Douglas	529,136.85
Gilliam	83,520.03
Grant	143,094.60
Harney	142,612.80
Hood River	215,316.42
Jackson	792,994.62
Jefferson	55,190.19
Josephine	276,986.82
Klamath	780,684.63
Lake	116,426.97
Lane	1,312,736.37
Lincoln	238,563.27
Linn	595,023.00
Malheur	271,470.21
Marion	1,458,432.69
Morrow	119,028.69
Multnomah	8,148,225.69
Polk	406,109.22
Sherman	71,740.02
Tillamook	284,840.16
Umatilla	587,771.91
Union	421,382.28
Wallowa	188,239.26
Wasco	304,642.14
Washington	729,324.75
Wheeler	67,427.91
Yamhill	530,847.24
<b>Total</b>	<b>22,976,704.74</b>

RHODE ISLAND

Bristol	501,027.33
Kent	1,026,258.30
Newport	832,109.96
Providence	10,784,119.52
Washington	585,799.98
<b>Total</b>	<b>13,729,315.09</b>

SOUTH DAKOTA

Armstrong	1,509.60
Aurora	134,712.93
Beadle	432,443.79
Bennett	86,613.30
Bon Homme	221,477.19
Brockings	317,902.89
Brown	593,612.46
Brule	139,939.92
Buffalo	36,437.97
Butte	162,074.43
Campbell	106,219.23
Charles Mix	315,185.61
Clark	207,985.14
Clay	190,360.56
Codington	329,413.59
Corson	179,925.45
Custer	101,011.11
Davison	317,412.27
Day	275,615.22
Deuel	164,772.84
Dewey	122,202.12
Douglas	136,543.32
Edmunds	164,395.44
Fall River	164,942.67
Faulk	130,108.65
Grant	202,456.23
Gregory	215,495.40
Haakon	88,292.73
Hamlin	156,602.13
Hand	178,981.95
Hanson	115,691.97
Harding	67,724.43
Hughes	132,259.83
Hutchinson	262,368.48
Hyde	69,630.30
Jackson	49,741.32
Jerauld	109,747.92
Jones	59,949.99
Kingsbury	241,630.35
Lake	233,591.73
Lawrence	262,670.40
Lincoln	262,632.66
Lyman	119,541.45
McCook	194,662.92
McPherson	165,565.38
Marshall	180,019.80
Meade	216,665.34
Mellette	99,878.91



Counties and amount to be paid to holders of adjusted-service certificates if H.R. 1 becomes a law—Continued

## SOUTH DAKOTA—continued

Miner.....	\$159,055.12
Minnehaha.....	959,954.64
Moody.....	181,208.61
Pennington.....	378,890.73
Perkins.....	164,489.79
Potter.....	108,728.94
Roberts.....	297,806.34
Sanborn.....	138,241.62
Shannon.....	76,574.46
Spink.....	288,786.48
Stanley.....	44,929.47
Sully.....	72,687.24
Todd.....	111,295.26
Tripp.....	239,875.44
Turner.....	280,993.17
Union.....	216,627.60
Walworth.....	165,886.17
Washabaugh.....	46,684.38
Washington.....	34,475.49
Yankton.....	313,034.43
Ziebach.....	76,215.93
<b>Total.....</b>	<b>13,074,060.63</b>

## WASHINGTON

Adams.....	186,954.18
Asotin.....	197,053.92
Benton.....	265,257.44
Chelan.....	766,175.48
Clallam.....	495,274.78
Clarke.....	976,453.52
Columbia.....	128,971.50
Cowlitz.....	772,763.32
Douglas.....	183,127.42
Ferry.....	103,952.24
Franklin.....	148,633.14
Garfield.....	88,693.64
Grant.....	137,230.52
Grays Harbor.....	1,452,764.04
Island.....	130,037.18
Jefferson.....	202,140.12
King.....	11,226,381.74
Kitsap.....	745,394.72
Kittitas.....	439,689.88
Klickitat.....	237,961.50
Lewis.....	969,623.48
Lincoln.....	287,636.72
Mason.....	243,653.20
Okanogan.....	448,530.18
Pacific.....	362,573.40
Pend Oreille.....	173,294.10
Pierce.....	3,968,253.24
San Juan.....	75,009.34
Skagit.....	851,139.24
Skamania.....	70,020.02
Snohomish.....	1,910,013.42
Spokane.....	3,644,552.94
Stevens.....	449,281.00
Thurston.....	759,321.22
Wahkiakum.....	93,537.64
Walla Walla.....	688,841.02
Whatcom.....	1,432,080.16
Whitman.....	678,499.08
Yakima.....	1,874,676.44
<b>Total.....</b>	<b>37,865,451.12</b>

## WYOMING

Albany.....	376,040.43
Big Horn.....	350,463.08
Campbell.....	209,865.60
Carbon.....	355,740.93
Converse.....	223,138.35
Crook.....	166,540.59
Fremont.....	327,602.70
Goshen.....	367,077.42
Hot Springs.....	171,015.48
Johnson.....	150,403.68
Laramie.....	838,369.35
Lincoln.....	340,219.62
Natrona.....	758,014.56
Niobrara.....	147,499.29
Park.....	256,304.61
Platte.....	302,774.85
Sheridan.....	527,006.25
Sublette.....	60,711.12
Sweetwater.....	567,292.95
Teton.....	62,553.69
Uinta.....	205,243.56
Washakie.....	128,324.07
Weston.....	145,937.79
Yellowstone National Park (part).....	6,246.00
<b>Total.....</b>	<b>7,044,394.95</b>

Mr. LUNDEEN. I hope the gentleman from Ohio [Mr. TRUAX] will have his request granted in the near future, so that we may have old-age-pension information and the cost of the same before us in the CONGRESSIONAL RECORD.

## OLD-AGE AND UNEMPLOYMENT INSURANCE

I believe in unemployment insurance and insurance for part-time work, old-age pensions, accident, sickness, and maternity insurance; yes, I believe in taking care of part-time workers, because if a man works only 1 day a week, how is he going to live on that? I believe in accident insurance, in sickness benefits, and maternity benefits. Other nations have done these things, and the bill which I have introduced covers this entire range of social legislation.

While this is slightly beside the question of this revenue bill, and I began to speak about the 2-cent postage and concluded with unemployment insurance, I hope you will forgive me for wandering a little, but it all has to do with the great crisis that we are now facing.

## BONUS PETITIONS BY THE THOUSANDS

Day after day thousands of letters, petitions, and appeals have poured in upon Members from veterans of all wars, urging us to pay the soldiers' certificates. We have seen much of George Brobeck, the able and courageous national legislative representative of the Veterans of Foreign Wars; militant speeches have been delivered from coast to coast by Maj. Gen. Smedley Butler and James E. Van Zandt, national commander of the Veterans of Foreign Wars. The voice of the veteran is heard on Capitol Hill, and America will soon listen to the roll call on the bonus bill.

Before I take my seat, I want to appeal to the Members of this House. There is nothing finer or better that you can do, while we are dispensing billions of dollars in every direction, than to pay the soldiers' adjusted-service certificates of \$2,000,000,000. It will fall like a gentle rain on the parched countryside. It will do more than all the alphabet measures to hasten the return of that day of prosperity which the industry and patriotism of the American people so justly deserve. I thank you. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Chairman, like many others I find myself between two fires. I have been bombarded with letters and telegrams from soap manufacturers, laundrymen, and so forth, asking that no tax be placed on coconut oil and copra. On the other hand, I have had requests from the dairy interests in my district asking that I support a tax of 5 cents a pound on this commodity.

This morning I received a telegram from Mr. Franck, president of the Citrus Soap Co., of San Diego, asking me to read it into the RECORD, which with the consent of the House, I shall be pleased to do.

SAN PEDRO, CALIF., February 19, 1934.

Representative GEORGE BURNHAM,

House Office Building, Washington, D.C.:

Concerning proposed coconut-oil excise tax this will spell ruin to great many soap manufacturers in this county. It provides no protection against duty-free soap manufactured in Philippines and Canada from coconut oil. Irrespective of Congressman Brooks', of Pennsylvania, statement price of soap has not remained approximately same since 1926. Price has been in accordance with cost of raw materials and keen competition. Will appreciate your introducing this telegram before House to refute statements of Congressman Brooks. Please furnish, if possible, copy of CONGRESSIONAL RECORD containing this telegram, also CONGRESSIONAL RECORDS for February 14, 15, and 16. Please lend your support to the defeat of coconut-oil excise tax.

CITRUS SOAP CO.,  
GEORGE T. FRANCK, President.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, with the bill under consideration—the revenue bill of 1934—I am not satisfied. But I wish to say that the committee did some good work; it made some improvements upon the existing law. I am not satisfied, however, with a bill which taxes an unmarried man whose income is \$2,000 a year—money he has earned with his muscles and his brain—but at the same time does not tax an unmarried man with the same income derived from coupons and dividends. I know the explanation has been

made that the \$2,000 income derived from coupons or dividends has already been taxed while in the hands of the corporation. But I am talking of income. I do not care whether that income is derived from earnings of a corporation or by the physical and mental exertion of the individual, it is income just the same and should be equally taxed. There should be equal taxation, and each should bear an equal share of the tax burden. There is no excuse for exempting the one and not exempting the other, or for taxing the one and not taxing the other.

To carry the illustration a little further, a married man with an income of \$6,000, earned by his muscle and his brain, is taxed under the present law \$140; and under the proposed law here in question he will be taxed \$116. If, however, this man's income is derived from coupons or dividends, he is not taxed under the present law nor under the proposed law. Such a bill I cannot approve in its entirety, although some improvement has been made, and I can appreciate the difficulty under which the committee has labored.

This bill still recognizes the tax-exempt feature of the \$26,000,000,000 interest-bearing bonds and indebtedness of this Nation. Here again it is said that the Government cannot alter this, that it has made a contract that these bonds would be exempt, and that therefore it must carry out its agreement. I am not so sure about that. The Government recently changed its mind in regard to redeeming paper money in gold and it did not ask the holder of that paper money for permission to change its mind. If the Government can change its mind and break its promise to redeem paper money in gold—if it can compel a holder to give up a gold certificate and take a greenback in return—it can likewise change its mind with reference to these tax-exempt millions and billions of bonds that this Government has issued and is issuing. In other words, the Government has no right to, and cannot legally, surrender its taxing power.

In addition to the tax-exempt bonds of the Federal Government, there are the tax-exempt State bonds. These tax-exempt, interest-bearing bonds throw the burden of the expense of government upon the poor to an unfair extent and compel them to carry an unjust burden of the taxes of government. After all, this bill favors the large incomes and does not recognize the principle that the expense of government should be largely borne by those who have the ability to pay. Therefore, I state again that the bill now under consideration does not meet with my entire approval. This Government should absolutely prohibit unreasonable accumulations of wealth in the hands of a few. The wealth of this Nation must be redistributed and kept redistributed if this Nation is to endure. I therefore favor an income tax that would limit the net income of any one individual at not to exceed \$100,000 a year. I favor an inheritance tax that would absolutely prohibit any one individual from inheriting more than \$200,000.

The bill now before us will stop some tax dodging, but it does not stop the tax dodging in those States that have the so-called "community property laws"—laws which recognize the equal ownership of husband and wife in their property. In States that have these laws, the receivers of large income have manipulated it so as to escape the taxation in the higher brackets. In those States the wife makes a tax return for one half of the property and the husband for the other half, and in that way they have escaped the higher taxation and the Government is losing \$50,000,000. Why was not that stopped? This Congress has the power to stop it. It should stop it. It should treat all the citizens alike regardless of the State in which they live.

The Constitution says that the citizens of each State shall be entitled to all the privileges and immunities of the several States. I maintain that the individuals residing in these eight States are enjoying an unfair privilege; and I am equally certain that the citizens of these States do not ask for such advantage.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?  
Mr. LEMKE. I yield.

Mr. KNUTSON. I may say to the gentleman from North Dakota that it is the purpose of the Committee on Ways and Means, if I may speak for the committee, to take up the very matter of which the gentleman now speaks as soon as this bill has been disposed of.

Mr. LEMKE. I am glad to hear that and thank the gentleman for the information.

The sales tax has been mentioned in this debate. Let us see what a sales tax is. A sales tax has for its object and purpose one thing only—to tax the necessities of life—the things one must eat, drink, wear, or use. That is what the proponents of a sales tax want to tax. On the other hand, an income tax hits that part of an individual's income that he does not use for a livelihood. There we have the difference between a sales tax and an income tax. A sales tax is a tax upon consumption. An income tax is a tax upon surplus. An income tax, with proper exemptions, taxes the surplus only, while a sales tax taxes the necessities of life.

In order to get a toe hold, some of our good friends advocate starting in with a sales tax on a few articles first. They forget that the tax-eaters will not stop there. They milked the old cow dry, and now they are trying to get another cow to milk. Each session of Congress will go one step further until you will tax the milk that the baby drinks and the bread it eats. There is no question what a sales tax is in the long run—it is a tax upon consumption—a tax placed upon the shoulders of those who are least able to bear it.

Mr. TRUAX. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Ohio.

Mr. TRUAX. Is it not a fact that each and every sales tax that was ever enacted was an effort to shift the burden of taxation from the backs of the wealthy to the backs of the poor?

Mr. LEMKE. There is no question about the gentleman's statement, and that is the purpose of all sales taxes. The sales tax is enacted upon the theory that everybody ought to pay the tax, and I say without fear of contradiction that there are millions of men and women who cannot pay a tax, and they should not be taxed.

Mr. MILLARD. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from New York.

Mr. MILLARD. Would the gentleman vote for a manufacturers' sales tax provided you exempt food, clothing, and medicine?

Mr. LEMKE. No; because then we would be bringing in a new cow. We would be starting in easy, but we would take all the milk after a while.

Mr. McCORMACK. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is the gentleman in favor of a processing tax on flour and cotton, which are necessities of life?

Mr. LEMKE. I will say to the gentleman that I stated at the time these laws were enacted that they were just make believe and they would not help the farmer very much. They give a lot of people—broken bankers—jobs to lord it over the farmers.

Mr. McCORMACK. Did the gentleman vote for the bill?

Mr. LEMKE. Yes; I voted for the bill, and I will vote to wreck this Nation financially, if necessary, in order to feed the hungry and save the homes of the Nation.

Mr. McCORMACK. The gentleman favors a tax which will be detrimental to the suffering and distressed industrial worker?

Mr. LEMKE. No.

Mr. McCORMACK. Why, is not that the effect of the gentleman's statement?

Mr. LEMKE. I cannot agree with the gentleman, because the industrial workers have lived off of the farmers. The farmers have been selling their products below the cost of production, and we refuse to do it any longer. We simply say that you should help us in our getting the cost of production, and we will give the industrial laborers all they need in order to be able to eat, be clothed, and to raise their standard of living.



Mr. McCORMACK. In other words, it is all right to tax the industrial worker to help the farmer?

Mr. LEMKE. No.

Mr. McCORMACK. The gentleman cannot get away from the fact that is what the gentleman does, and that is what you are agreeing to.

Mr. LEMKE. We have a petition for the Frazier bill here. Will the gentleman sign it? If the Members will pass this bill, we will not need a processing tax. If the Members will pass the Patman bonus bill, we will not need a processing tax, and we will not need a sales tax, because then the incomes will again be sufficient to take care of the expense of government. There will then again be enough money in circulation to do the Nation's business.

Mr. TRUAX. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Ohio.

Mr. TRUAX. Is it not a fact that the industrialists of the East for 10 years have kept effective farm legislation down, and until we had a President with the courage of Franklin D. Roosevelt they had always kept us down? They voted against the McNary-Haugen bill two or three times.

Mr. LEMKE. I agree with practically everything the gentleman says.

Mr. TRUAX. The industrialists have fattened off the farmers of this country for a number of years.

Mr. LEMKE. When I say "industrialists" I do not mean the laboring people. They have been kept down in the East as well as in the West.

Mr. TRUAX. I mean the capitalists.

Mr. LEMKE. They have debauched practically every department of the Government in the past.

Mr. HOLLISTER. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Ohio.

Mr. HOLLISTER. The gentleman said he would vote to wreck the country, if necessary, in order to feed the hungry. Did the gentleman mean that statement?

Mr. LEMKE. I will go the whole limit even to a financial collapse, to feed and to save the homes of the Nation, and that is what we are doing, unless we have sufficient intelligence to pass the Frazier-Lemke bill and the Patman bonus bill and get an intelligent expansion of the currency.

Mr. HOLLISTER. Does the gentleman feel that if there is a financial collapse of this country this will help the hungry of the country?

Mr. LEMKE. No; but I hope that we have intelligence enough to pass the Frazier-Lemke bill and the Patman bonus bill, and, in addition, the Wheeler bill remonetizing silver.

Mr. HOLLISTER. Then the gentleman would like to withdraw the statement?

Mr. LEMKE. No. I do not withdraw anything.

Mr. ELTSE of California. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from California.

Mr. ELTSE of California. Will the gentleman tell me whether or not the 5-cent tax on coconut oil is a sales tax?

Mr. LEMKE. The 5-cent tax on coconut oil is a tariff.

Mr. ELTSE of California. It is a tariff?

Mr. LEMKE. Yes.

Mr. McCORMACK. Does the gentleman believe that a tariff provision should be put into a revenue bill?

Mr. LEMKE. No; but this bill has made some improvement, but it has not gone the full limit.

Mr. TRUAX. May I suggest to the gentleman that since they have a provision in the bill which increases the surtax upon incomes of \$500,000 only 2 percent I think he is perfectly justified in saying that the 5-cent tax on coconut oil is a good tax to protect the farmer.

Mr. LEMKE. I may say that we have enacted tariff laws for the protection of the few. The tariff law is simply a subterfuge to fix prices on monopolized articles. It has never helped the farmers, because the farmers have never been able to get together and monopolize their industry. The tariff, through all the years, has been a make-believe and not a real advantage to the farmers. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield one half hour of my additional time to the Chairman of the Ways and Means Committee [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Chairman, I do not agree with the previous speaker in his reference to the sales tax; but inasmuch as we will not have an opportunity to discuss this very important subject unless it should be proposed in the motion to recommit, I will at this time express my views regarding it. I was hopeful that the committee might have included some form of a sales tax in the bill which we have before us. I think that the suggested bill by the gentleman from New York, who is a member of the Ways and Means Committee, exempting from taxation food, clothing, and drugs, would have set up a tax which would have been a fair tax and one easy to administer, not with the object of eliminating an income tax but with the idea of distributing the tax in a fair way, removing the present excise taxes which are now in effect and being collected from a few of the major industries, including amongst them jewelry, furs, automobiles, gasoline, and so forth.

The bill which we are discussing, in my judgment, is a measure that will go a great way to plug up the holes through which revenue has been escaping by a method of "legal violations", and I feel sure that the bill will pass with little or no objection. However, I cannot see why we should not, at this time, begin to set up a general sales tax in order to secure a part of the funds necessary to carry on the Government, from all persons instead of from a selected few. The jewelry industry at the present time is burdened with a 10-percent tax and, during the period of depression, the natural curtailment in purchases in that business was a sufficient handicap to their progress, to say nothing of the extra tax levied against them. Why should they not have an opportunity to, at least, be on the same basis as all other industries which are not taxed in a similar manner? I cannot see the fairness in picking out any industry to carry the burden when it is possible to distribute the collection of revenue to all concerned. This same argument, in my judgment, holds good on the tax now being collected on tickets of admission to entertainments. Amusements and entertainments are a necessity and should not, in my judgment, be discriminated against simply because they are not looked upon as one of the essentials necessary for our existence. I therefore want to go on record at this time as being strongly in favor of a sales tax which will not cause a pyramiding of taxation and which will not react against the small wage earners because, under the plan which I strongly favor, food, clothing, and drugs would be exempt. I dare say without any hesitation, that 99 percent of the earnings of the smaller wage earner goes for purchases of articles which would not be taxed at all.

The income tax will undoubtedly remain a good many years as a part of our taxing system; and the sales tax, which I hope some day will become a part of our revenue laws, would only be to supplement that tax and create a fair distribution of taxation instead of taxing a selected list, all of whom are suffering under the unfair and heavy burden. Just so long as we endeavor to tax in that manner we are continuing an element of unfairness in our tax program, and I think it is time to undo what in my judgment constitutes a wrongdoing under the present system.

However, I hope some day we will have an opportunity of discussing at greater length a tax of this type; and if we do, I shall support it whole-heartedly.

In the present tax bill, which we are discussing, there is one section I should like to refer to, and that is section 22 referring to a tax on life-insurance annuities. In this particular measure I would not say that the committee has erred, because their object is to plug up loopholes; but as presented to us in this section it is not a question of plugging up loopholes but a question of whether they should collect the tax now or, as outlined in the Revenue Act of 1932, wait until the full consideration in payment of the annuity purchased is returned.

I expressed myself on this subject to the committee this morning in the hope they may reconsider and bring in a committee amendment restoring the tax as outlined in the 1932 act. It is my sincere belief that the Government will get more money as a result of following the present law on annuities than by putting into effect the change which they are considering. I say this for the reason there will be some discouragement in the sale of annuities when the purchaser knows there is going to be a tax levied against part of his income from that source; and should this take place, I believe the reduced number of sales will lessen the amount of commission earned to such amount that the gain in taxes collected will be more than offset.

The Committee has set up a fine bill, and I do not intend to criticize what they are endeavoring to accomplish, but in the section in question they are simply changing the date when the tax on this particular item is to be collected, as there is no loophole to be plugged.

I sincerely hope before the consideration of the bill is concluded the committee will present my thought as a committee amendment, and I believe the Members of the House will agree with me if the matter is discussed.

I believe there should be a tax as now collected. Under the present plan the purchaser of an annuity does not pay any tax until such time as his purchase price has been returned to him. Then what he receives after that time is taxable in full, but the idea of the committee is to collect it now, and they propose to set up what is called an arbitrary rate. I am not a lawyer, but I have my doubts as to whether this would stand the test of the courts. The 3 percent of the purchase price to be construed as interest earned, proposed under the bill we are discussing, is stated to be earned income, and in an individual case, in my opinion, I doubt whether it could be proven as such.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I want to discuss the advisability of returning to the 2-cent rate on first-class mail.

I recognize the fact I am forced to differ with the Post Office Department in this matter, and I also appreciate the fact that perhaps a change at this time might result in reduced revenues for the first fiscal year affected by the reduction; I also recognize the fact that the longer we continue these excessive charges, the greater will be the cumulative losses to the Post Office Department.

What purpose and objective should the Post Office Department have in mind when the country is going through a very serious economic crisis? Postmaster General Bissell, in the administration of President Cleveland, in an annual report, made the statement that other Departments of the Government might well economize, but not so, with the Post Office Department, because it is the duty of the Post Office Department to increase service, to accelerate deliveries, and to aid in bringing about economic and industrial recovery.

In this economic crisis we find the Post Office Department increasing rates, reducing service, and creating more unemployment as a result of such methods. We find the Post Office Department not the aid it should be to business, because it forces business to look in other directions for the services so necessary at this particular time.

A return to 2-cent postage rate might result in reduced revenues for the time being, but as time goes on we will increase the volume, reduce the unit cost of handling, and we will likewise eventually increase the revenue.

In order that you may see the difference in the attitude between the members of our committee who have approached this question from a practical viewpoint and the attitude of the experts of the Department, let me explain that within the last 2 or 3 years these same representatives of the Department have submitted estimates of revenues to be derived from increasing postal charges, and in nearly every instance the estimates were wrong. Bills were introduced to increase rates and instead of building up postal volume and revenue the opposite results took place and the experts were wrong.

Special services were increased on their advice, and here is the record:

Insurance and c.o.d. matter produced a revenue in 1932 of approximately \$10,000,000. We increased the rate and the next year the revenue dropped to about \$9,000,000. The Department experts were wrong by \$3,800,000. These are approximate figures.

Money-order rates were next considered and the rates were increased. The revenue in 1932 was nearly \$16,000,000 and the revenue in 1933, under the increased rates, was somewhat over \$16,000,000, or an increase of less than \$650,000; but the Department's estimate was that the increased revenue would amount to \$1,250,000, and they were wrong by \$600,000.

Registered mail was next. In 1932 the revenue was \$10,300,000. In 1933 it was \$10,800,000, an increase of \$500,000, and the Department experts were wrong this time by \$6,500,000.

Mr. FREAR. Will the gentleman yield?

Mr. MEAD. I will gladly.

Mr. FREAR. I am in agreement with the gentleman's proposition. I think, myself, most of the Members of the House on both sides of the aisle respect his judgment and that of the gentleman from Pennsylvania [Mr. KELLY]. I want to ask the gentleman this question: If he has made any estimate of what will be the loss under the 2-cent postage? We had information that it would be \$75,000,000, but with those with whom I have consulted we did not believe it would amount to one third of that amount.

Mr. MEAD. The longer we continue the 3-cent postage rates the more volume we drive out of the Department. It will take a longer length of time to win back the patrons who have left us. I do not believe we would lose \$75,000,000 or anywhere near that sum.

Mr. SNELL. Will the gentleman yield?

Mr. MEAD. With pleasure.

Mr. SNELL. As I understand, in the bill there is one section that reduces the rate on second-class mail matter. How much will that increase the revenue?

Mr. MEAD. There again we resort to estimates, but I do not believe it will reduce the revenue. I believe it may ultimately increase the revenue, because when we increase postal charges higher than the traffic will bear we drive business out of the Department, and when we give the patrons reasonable charges, we get it back. So I do not believe it will reduce the revenue, although it may disturb them for the time being.

Mr. SNELL. The gentleman takes the same position in regard to 2-cent postage?

Mr. MEAD. Yes; on the theory that the cost-ascertainment report was never intended for rate-making purposes and the figures given in that report cannot be used in determining losses. It is on the assumption that we can take on an increase in volume of \$100,000,000 without putting in another letter carrier. Volume is what we need at this time. That would decrease the unit cost of handling of all classes of mail.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. VINSON of Kentucky. With reference to the matters referred to by the gentleman from New York [Mr. SNELL], the advertising portion of newspapers and publications, the proof before the committee was that a material volume, formerly carried by mail, was now distributed by trucks, baggage, express, and freight. If we could win back that volume, we might increase the revenue with no material increase in expenditure. Not only would you have increased revenues that comes from advertising matter, but you would have an increase in revenue from the volume of newspaper matter which now does not go through the mail.

Mr. FREAR. If the gentleman will yield, that applies equally to the first-class mail because a good deal of it goes by messenger.

Mr. VINSON of Kentucky. Yes; you get the increase in the volume of advertising matter and likewise in the volume



of newspaper matter, and in addition thereto an increase in first-class mail matter growing out of the additional advertising.

Mr. MEAD. Here is the second-class situation: In 1932 the revenue was \$19,708,000. In 1933 the revenue was reduced to \$16,997,000, or a decrease of \$2,711,000. The Department estimated an increased revenue of \$3,000,000. Instead of an increase it was a decrease, and the experts were again wrong by \$5,711,000. When Postmaster General Brown came before one of our committees he stated that if we would increase the first-class postage rate from 2 cents to 3 cents on local and nonlocal letters, the increased revenue would be \$135,000,000. Based on the records the Postmaster General was wrong by over \$100,000,000.

Here is what is happening in the Postal Service, and here is a list of the methods now being employed to escape increased postal rates. People are changing from first to third class, that is, to the one and a half cent rate. Patrons are turning from letters to postal cards, and they are using the Western Union and Postal Telegraph messenger service. They are making delivery of mail by the use of their own employees as messengers, and by consolidating all mailing departments into one large organization within a given corporation. They are dispatching bills with goods or shipments rather than through the mails. They are employing independent mail distributing agencies, and we found such agencies being organized in some sections of the country. Firms and societies are addressing one letter or one notice to a group of people. We found that practice being resorted to. Also, they are reducing the amount of mail advertising by going out of the mail advertising business entirely and using the radio instead of the mails.

These methods and a hundred other methods are being adopted all over the country in order to avoid and escape high postal rates, and in almost every instance when the experts in the Department recommended increasing postal rates and gave an estimate of increased revenue to be secured thereby, they were wrong. So I hope this House will approve a return to the 2-cent postage rate. [Applause.]

These figures are interesting and indicate the situation which exists at the present time:

*First-class postage revenues*

Fiscal year:	
1931 (2-cent rate).....	\$335,000,000
1932 (2-cent rate).....	310,000,000
Loss, 1932 over 1931 (8 percent due to depression).....	25,000,000
<hr/>	
1933 (3-cent rate).....	332,000,000
Loss, 1933 over 1931.....	3,000,000
Increase, 1933 over 1932 <sup>2</sup> .....	22,000,000

*First-class pieces carried*

Fiscal year:	
1931 (letters at 2 cents).....	14,000,000,000
1932 (letters at 2 cents).....	13,000,000,000
1933 (letters at 3 cents).....	9,000,000,000
Decrease in 1933 over 1932 (letters).....	4,000,000,000
Decrease in 1933 over 1929, maximum year, with high total of 16,000,000,000 pieces (letters).....	7,000,000,000

FIRST CLASS

The number of letters under 3-cent rate is steadily decreasing.

From July to December 1932 there were 3,527,430,000 pieces of first-class mail sent at the 3-cent rate. From July to December 1933, still under the 3-cent rate, this volume had declined to 3,498,000,000 pieces, a decrease of 29,430,000 pieces.

In comparison with the above figures, the number of letters for local delivery has increased since the 2-cent rate on local letters went into effect on July 1, 1933, as follows:

From July to December 1932 there were 1,418,179,200 letters sent at the 3-cent rate, while from July to December

<sup>1</sup> Or less than 1 percent.  
<sup>2</sup> Department estimated that with the 3-cent rate there would be a gain of \$134,000,000. Actual gain was \$22,000,000, so Department was wrong by \$112,000,000.  
<sup>3</sup> Or 7 percent.

1933, when the 2-cent local rate was in effect, this volume increased to 1,673,800,000 letters, an increase of 255,620,800 pieces.

While the revenue from local-delivery letters for the 1933 period, at the 2-cent rate, does not equal the revenue for the same period in 1932, at the 3-cent rate, it does show that the volume of mail is increasing under the reduced rate.

*First-class*

Number of letters under 3-cent rate steadily decreasing:	
1932, July to December.....	pieces... 3,527,430,000
1933, July to December.....	do..... 3,498,000,000

Decrease.....do..... 29,430,000

Number of letters under the 2-cent rate (local delivery) shows an increase:

1932, July to December (3-cent rate).....	pieces... 1,418,179,200
1933, July to December (2-cent rate).....	do..... 1,673,800,000

Increase.....do..... 255,620,800

*Postal cards*

Fiscal year 1932 (postal cards, 1 cent).....	1,447,262,223
Fiscal year 1933 (postal cards, 1 cent).....	1,452,212,311

Increase, cards..... 4,950,088

This shows an increase in volume when the rate remains constant, 1 cent having been the charge for many years, with the exception of a bad experiment made in 1925, when we raised the rate on private mailing cards to 2 cents and lost so much business that we were forced to return to the old rate of 1 cent.

The rate on private mailing cards was raised to 2 cents by the act of February 28, 1925. This increased rate reduced the number of post cards carried in the mails to approximately one fourth the number carried in 1925, at the time the act was passed. It was expected that this higher rate would bring in \$10,000,000 additional revenue; instead it resulted in an increase of only \$354,826.

It was estimated in 1925 that approximately 1,250,000,000 post cards were carried in the mails. In 1926, after the increased rate had gone into effect, the volume decreased to 206,051,432; and in 1927 to 183,501,423, and the revenue was decreased accordingly. By 1928 the volume had fallen off to such an extent that only 171,674,648 post cards were carried in the mails; but by that time the administration and Congress realized its mistake and reduced the rate, by the act of May 29, 1928, to the original 1-cent charge. The very next year, fiscal year 1929, the number of post cards increased to 283,135,432, or a total of Government postal cards and private mailing cards (post cards) of 1,700,278,206.

*Second class*

1932 revenue.....	\$19,708,230
1933 revenue.....	16,997,032

Decrease..... 2,711,198

Department had estimated an increase of..... 3,000,000

They were wrong by..... 5,711,198

Second-class rates in effect prior to July 1, 1932, and those now in effect under Revenue Act of 1932:

NOTE.—Reading matter is 1½ cents per pound. Change was made only in rates on advertising matter, which is subject to zone pound rates.

Zone	Rates in effect prior to July 1, 1932	Rates in effect now
	Per pound	Per pound
1 and 2.....	\$0.01½	\$0.02
3.....	.02	.03
4.....	.03	.05
5.....	.04	.06
6.....	.05	.07
7.....	.06	.09
8.....	.07	.10

USE OF THIRD CLASS INSTEAD OF FIRST CLASS

The postal receipts for last December show a decrease from the receipts for the month of December in the preceding year, 1932:

Postal receipts at 50 selected and 50 industrial offices during  
December

December 1932:		
50 selected offices.....	\$33,097,443.42	
50 industrial offices.....	3,788,695.44	
December 1933:		
50 selected offices.....	30,976,120.57	
50 industrial offices.....	3,624,253.59	

The use of third class instead of first class is indicated by the increase in the revenues for third-class mail matter over what was received in the preceding fiscal year—

Fiscal year:		
1932 (2-cent rate on first class) revenue for third class.....	\$50,687,165	
1933 (3-cent rate on first class) revenues for third class.....	50,926,364	
Increase, 1933 over 1932.....	239,199	

Mr. KNUTSON. Mr. Chairman, I yield now to the gentleman from Pennsylvania [Mr. COCHRAN] such time as he may desire.

Mr. COCHRAN of Pennsylvania. Mr. Chairman, those of us who believe in the parliamentary system of government see great danger to its perpetuity in the method employed in legislating in the House of Representatives. I will not indulge in any carping criticism, but I am going to point to the facts relative to the adoption of the rule under which this bill is not being legislatively considered.

Last spring, in the special session, as a justification for the adoption of gag rules, the majority leader stated that it was necessary because of a great national emergency which, he said, equaled the emergency that existed during the World War. Manifestly that same leader now cannot urge the same reason and at the same time argue that the country is rapidly recovering from the depression. A new reason is advanced—a novel one—and I hope that in referring to it I shall not hurt anyone's feelings. I shall state the facts and let the facts argue the case. Why was this gag rule adopted? It provided for 16 hours of general debate, later extended to 18 hours, but not one of the 435 Members of the House was permitted by its provisions to offer an amendment that would so much as change the punctuation of the bill. In answer I quote from the CONGRESSIONAL RECORD of February 14, as follows, from page 2503:

With reference to this particular rule, as has been indicated, a revenue bill is necessarily a matter of very involved, technical procedure.

I quote further, from page 2506:

But this bill is too complicated, it is too involved, it is too technical for any Member of this House on a few hours' study to understand all of its provisions and complications.

And further, from page 2507:

Simply because the income-tax structure is so involved and so complicated that we do not believe that we as members of the Committee on Ways and Means could understand all amendments that might be proposed.

In other words, the sole reason assigned for the adoption of this gag rule is simply that this House has not sufficient intelligence to legislate upon the bill now before it. That question was squarely raised, and when put to a vote 241 Members voted their "lack of intelligence." I am wondering what that weekly news magazine Time will say when and if it inscribes the names of those 241 Members upon its scroll of immortals. I appreciate that a few of the minority Members voted for this rule. However, it is now well understood that they did so at the direction of the minority leader, Mr. SNELL, who, exercising superior strategy, led the majority Members to vote their own lack of intelligence.

I am glad to note the attitude of some of the new Members upon the majority side with reference to this method of legislating. It was refreshing to note the position of the gentlewoman from Arizona [Mrs. GREENWAY], the gentleman from Kentucky [Mr. BROWN], the gentleman from Illinois [Mr. KELLER], and the gentleman from California [Mr. HOEPEL], as well as that veteran from Massachusetts [Mr. CONNERY]. When the ringmaster held up the hoop they refused to jump through. Of course, we members of the Ways and Means Committee may take this method of legis-

lation as a compliment, when the House delegates to us, alone and unaided by it, the duty of enacting revenue legislation.

Mr. CANNON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Pennsylvania. Yes.

Mr. CANNON of Wisconsin. I am in sympathy with the gentleman's position, because I voted against the gag rule; but does the gentleman think it is proper for either side of the House to spend 16 hours in debate on a proposition where no amendments can be offered to it?

Mr. COCHRAN of Pennsylvania. I think very little good can come. However, I think there is some benefit, as it bears on future legislation.

Mr. CANNON of Wisconsin. Can the gentleman tell me where there is any benefit which can be compared with the tremendous expense the taxpayers are put to as a result of 16 hours' debate on a proposition as to which you can talk yourself blue in the face but cannot change in any respect?

Mr. COCHRAN of Pennsylvania. I will say to the gentleman that the time is now 18 hours of debate, and I agree substantially with what he has said.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Pennsylvania. Yes.

Mr. KNUTSON. The gentleman does not mean that it would be possible or desirable to rewrite this bill on the floor of the House. Has the gentleman in his time here ever seen an important measure like this being revised on the floor of the House?

Mr. COCHRAN of Pennsylvania. I have a higher opinion of the abilities of the Members of this House. The Chairman of the Rules Committee, who urged so strongly the adoption of this rule, I think, could have improved this bill with his unusual ability and his years of experience.

Mr. KNUTSON. Will the gentleman yield further?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. KNUTSON. Would it not be logical to discharge all committees of the House and legislate on the floor?

Mr. COCHRAN of Pennsylvania. Of course, the gentleman knows that that is impossible. Committees exist for the purpose of gathering the evidence, submitting a bill with recommendations, for the study of the House, and that is one of the reasons for the existence of the House. The House is the legislative court of last resort, and it should be so considered. I do not desire to argue the matter further.

Mr. FREAR. May I suggest something to the gentleman?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. FREAR. One reason why the House has lost its standard for debate, and most of it has been transferred to the other end of the Capitol, has been due largely to these gag rules.

Mr. COCHRAN of Pennsylvania. I quite agree with the gentleman.

Mr. DOUGHTON. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. DOUGHTON. The gentleman has been a Member of the House quite a long time. Has the gentleman a consistent record of voting against all closed or gag rules, as they are called?

Mr. COCHRAN of Pennsylvania. I do not have an unbroken record, but I will say to the gentleman that this is the first time in my experience, or even within my knowledge, that lack of intelligence on the part of the House to legislate has been advanced as an argument for the adoption of a closed or gag rule.

Mr. DOUGHTON. Who has advanced that argument?

Mr. COCHRAN of Pennsylvania. For answer, I refer the gentleman to the excerpts I have just read from the CONGRESSIONAL RECORD.

Mr. DOUGHTON. Simply because it may have been stated that an intricate tax bill like this could not be prepared on the floor of the House, does not bear out that contention. The gentleman knows it was only with the assistance of the legislative staff and the Treasury Department experts that we were able to prepare this bill and make it conform to the purpose we had in mind. It is no reflec-



tion whatever upon the intelligence of the House, any more than it is a reflection upon the membership of the committee of which the gentleman is an able member, as the gentleman himself must admit it could not have been written without the assistance of tax experts. The gentleman knows furthermore that we cannot utilize the assistance of the experts on the floor of the House.

Mr. COCHRAN of Pennsylvania. I stated at the outset of my remarks that I was not indulging in carping criticism, but was simply citing the facts, as I read them from the CONGRESSIONAL RECORD, and I am permitting the facts to speak for themselves.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. FITZPATRICK. On the tariff bill in the Seventieth Congress how did the gentleman vote on that gag rule?

Mr. COCHRAN of Pennsylvania. I probably voted for it, but not for the reason for which the gentleman from New York voted for this gag rule.

Mr. FITZPATRICK. You were in a majority of over 100 on the Republican side at that time.

Mr. COCHRAN of Pennsylvania. And you are now in a majority of 196.

Mr. FITZPATRICK. Well, you had 100 or more.

Mr. COCHRAN of Pennsylvania. I started to say this procedure may be a compliment to the members of the Ways and Means Committee. If it be so intended, I would still denounce it, because, then, revenue legislation could be by 13 Members of the House alone. I cannot conceive that we can enact the best legislation unless we have the combined judgment of the entire House.

This bill has good features as far as it goes, but it does not go far enough. It does not go as far as it could have gone, with the evidence before the committee. An entirely unintentional misstatement, I take it, has crept into the report, and I quote from page 4 touching the additional revenue which the bill is supposed to provide:

The additional revenue which will be obtained in a full year of operation of the proposed bill is estimated as follows:

And then follow 11 items, with the statement that the total additional revenue in a full year of operation of the proposed bill is \$258,000,000. But one of those items, and by far the greatest in amount, is \$85,000,000, which it is proposed to secure by proper administration of existing depreciation and depletion laws, and not under the provisions of this bill. So that in the interest of accuracy we should deduct that \$85,000,000 from the total of \$258,000,000, and inform the country we are bringing to the Treasury only \$173,000,000.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. SAMUEL B. HILL. Does the gentleman deny that the Treasury will get this \$85,000,000 which the committee reports under proper and more strict administration of the depreciation allowances?

Mr. COCHRAN of Pennsylvania. Oh, no; I would not deny that; but the point I am making is that the \$85,000,000 will not come from any provision in this bill but rather from the proper administration of existing law.

Mr. SAMUEL B. HILL. I think if the gentleman will read the report fully, he will find that the committee does not claim that this item of \$85,000,000 comes into the Treasury through provisions in this bill; but what the committee does claim—and I think the gentleman now speaking will agree with me on that point—is that by reason of the disclosures by the subcommittee of the extremely liberal depreciation allowances and by reason of the report of the subcommittee's recommending a 25-percent reduction in the depreciation allowances, the Treasury Department instigated a resurvey of all depreciation allowances and is now proceeding upon a different theory from what it proceeded upon before, and will thus save this large item of \$85,000,000 of revenue to the Treasury as the direct result of the work of the committee on this bill.

Mr. COCHRAN of Pennsylvania. I say to the chairman of the subcommittee that I yield to no one in my praise of the

work of that subcommittee and the results they are attaining. My only criticism—and it is friendly—is that they have not gone far enough; that they have not stopped known leaks that would yield the Treasury immense amounts of much-needed revenue. I refer in that statement to the loss in revenue resulting from the application of the present income tax law to the eight community-property States.

I was interested in the first paragraph of the report, which reads as follows:

The Committee on Ways and Means, to which was referred the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes, having had the same under consideration—

And so forth.

Surely there is great inequality in taxation between this group of 8 States and the remaining 40 States, to the benefit of the 8 States of a sum estimated by the Treasury Department at anywhere from forty to sixty million dollars. That is inequality, and that is tax avoidance which I think ought to have been remedied in this bill.

Mr. SAMUEL B. HILL. The gentleman understands, I take it, that the Treasury proposal as to joint returns applied to the entire 48 States, and would have required joint returns of husband and wife in all of the 48 States. Is the gentleman in favor of that proposal?

Mr. COCHRAN of Pennsylvania. I am not.

Mr. SAMUEL B. HILL. That would be a way of taxing equally the spouses in all the States, would it not?

Mr. COCHRAN of Pennsylvania. That is right.

Mr. SAMUEL B. HILL. Then, why not put that proposal in? Why is not that a fair proposition; and why is not the gentleman in favor of it?

Mr. COCHRAN of Pennsylvania. I will tell the gentleman why. Husband and wife can legally have separate estates in every State of the Union. They are not one when it comes to the holding of property.

Mr. SAMUEL B. HILL. Upon that point, if the gentleman will yield, that is exactly what takes place in these community-property States under the laws of those States; and the Supreme Court so holds, that the property is separate estate and our States are simply claiming the right the gentleman is claiming for his State, and that is that they be taxed upon their separate estates. If I may suggest, also, the estimate of the Treasury Department as to the savings in revenue by the joint-return proposition in all 48 States was \$40,000,000; and the estimate was not confined to the 8 community-property States.

Mr. FREAR. If the gentleman will yield in this connection, the report of the subcommittee was not that of the Treasury Department; and on that report was based the estimate that between \$50,000,000 and \$60,000,000 would probably be saved if the 8 community-property States were brought in under the laws governing the remaining 40 States. The savings which would be made by the Treasury Department are well illustrated by the fact that the gentleman from the State of Washington pays \$240 tax on his salary, whereas I living in one of the 40 States which do not have community-property laws pay a tax of \$320.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield further?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. SAMUEL B. HILL. There was no report from the subcommittee upon this subject—that is, no recommendation; there was simply a report back that the matter had been brought up for consideration and the Treasury Department's estimate was made upon the joint returns of husband and wife in all 48 States. I resubmit that proposition as being correct.

Mr. FREAR. The record shows for itself.

Mr. KNUTSON. Mr. Chairman, if the gentleman will yield—the gentleman, who is a member of the Ways and Means Committee, did acknowledge that there was some question raised as to the constitutionality of any action we might take to equalize the law in all 48 States.

Mr. COCHRAN of Pennsylvania. A case from Wisconsin was cited.

Mr. KNUTSON. Yes; and the gentleman will further recall that it was agreed that in order not to jeopardize this revenue bill we would leave that feature out and bring it in under separate legislation. The gentleman recalls that, and he recalls also that it is going to be taken up as soon as the revenue bill is out of the way. At least that is my understanding.

Mr. FREAR. The chairman of the committee assured us that it was going to be taken up.

Mr. SAMUEL B. HILL. The chairman of the full committee has assured me that the matter will come up when this revenue bill is disposed of, and that we shall have an early hearing upon such a bill.

Mr. KNUTSON. If the gentleman will permit, may I, too, say that the chairman of the committee has assured me that this legislation will be taken up immediately after the revenue bill is out of the way.

Mr. COCHRAN of Pennsylvania. I am very glad to hear that. My information is that the loss of revenue in the sum of \$50,000,000 was confined to the eight States having community property laws. Because of figures which I shall cite very shortly and which were startling to me, I delayed making these remarks in order to verify the same.

I am violating no confidence of the committee when I say that a short amendment passed the committee which would have placed the taxpayers of those States having community property laws in exactly the same position as the taxpayers in the other 40 States; but for some reason it was reconsidered the next day. Now, there is an actual saving of \$173,000,000 under this bill; but I say there could have been an additional saving of \$50,000,000, or more than 29 percent; and these figures justify my statement that I thought the bill could have been improved on the floor of the House.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. BROWN of Kentucky. Cannot the gentleman prevail upon the Members on his side to offer this amendment as a motion to recommit? I assure the gentleman that, as one from the majority side, he will have my vote to help him along with it.

Mr. COCHRAN of Pennsylvania. I compliment the gentleman from Kentucky.

The figures which I say startled me are obtained from the statistics of income for 1932 prepared under the direction of the Commissioner of Internal Revenue. It is there shown that for the year 1932, 3,760,402 persons filed income returns, of whom only 1,864,969 paid tax. In other words, only 1½ percent of the population of the United States paid any income tax whatever in that year. Is it not an unjust portion of the burden of operating the Government that is thrown upon this 1½ percent of the people? This is one of the reasons why I have supported a general manufacturers' sales tax, and why I shall support the Crowther amendment, which I hope will have a vote.

To my mind these facts demonstrate either that the tax base must be materially enlarged or that we must resort to a sales tax. The amendment of the gentleman from New York [Mr. CROWTHER] is not a substitute for the income tax but is intended only to supplement it. It provides for exemptions of food, clothing, and medicines, so that the burdens of its provisions, if any, will be taken off the poor people and yet a vast number of people will be enabled to contribute something toward the expense of our Government in return for the great benefits bestowed upon them by their Government.

One objection to enlarging the tax base is that it will increase the cost of collection out of proportion to the benefits to accrue. The cost of collection of a sales tax such as I have described would be infinitesimal, and it would be a tax which nobody would feel.

From this same source I find that the total income tax from individuals in 1932 amounted to the sum of but \$324,744,617, and I want to contrast with that sum the avoidance of \$50,000,000 of income tax by the taxpayers of the eight community-property States. Had we included in this bill

the short, simple amendment I mentioned, the annual revenue to be obtained in the operation of this bill would have been increased by 15½ percent.

It is manifestly impossible to discuss all the provisions of this bill, and I have thought the better way is for each speaker to discuss those provisions which apply particularly to his congressional district.

Mr. FREAR. Mr. Chairman, if the gentleman will yield for a moment to supplement the statement just made on the floor, let me say that in the testimony that was had before our committee the gentleman from Tennessee [Mr. COOPER], a Member of the House and a member of the committee, made this statement:

We had information before the subcommittee, one estimate I believe was \$50,000,000; another estimate given us was between \$60,000,000 and \$75,000,000; so I think it would be fair to state by considering your estimate it would be somewhere between \$40,000,000 and \$75,000,000.

That, I submit, corroborates the statement made by the gentleman from Pennsylvania.

Mr. COCHRAN of Pennsylvania. I think, then, my figure of \$50,000,000 was conservative.

Crude oil was discovered within 1 mile of my district. The greatest quantities were actually found in my district. Therefore the crude-oil industry is of paramount importance to my constituency. This is a revenue bill which would place additional taxes upon the industry. It is almost taxed to death now. In fact, it is now burdened by 116 different taxes. I will read a short summary of those taxes:

Statistics compiled by the American Petroleum Industries Committee disclose that the petroleum industry currently is paying 116 taxes. Of these, 24 are paid to the Federal Government, 68 to State governments, 5 to county governments, and 19 to municipalities.

The industry's total tax bill is approximately \$1,000,000,000 a year, it being estimated that in the average year the tax collectors obtain a return of 8 percent or more from the industry's \$12,000,000,000 capital investment. Taxes are applied to virtually every operation and product from well to market.

All equipment used in the production of oil is taxed at rates from 2 to 4 percent of assessed valuation. Even oil leases and the right to operate are taxed. Oil brought to the surface is taxed if held in lease tankage on the first day of the tax year.

#### TAXED FROM START

As the oil leaves the field by pipe line, it is taxed by the Federal Government at the rate of 4 percent of the cost of transportation. The transporter pays also an ad valorem tax on the value of the equipment used. The oil moves into storage tanks at tank farms or refineries, and there, on March 1 of each year, is taxed on its value. Additional taxes are imposed according to the value of the tanks and the tank farm upon which located, and upon the value of the equipment at the refinery in which the crude is being processed.

Manufactured petroleum products moving to market by rail or by motor truck also draw the attention of the tax collector. In the case of a tank truck, there is a manufacturer's tax, an ad valorem tax, State registration fee, taxes on tires and tubes, taxes on accessories, taxes on the fuel consumed in propelling the vehicle, and a tax on the driver's privilege to operate the truck.

The tax collector arrives at the filling station as quickly as the gasoline, collecting an occupational tax upon the business, ad valorem taxes on station and equipment, State taxes upon gasoline, Federal taxes on lubricants, gasoline-pump taxes, inspection fees, etc. In case any profit has been made on these operations, there are income taxes of 14 percent or more for corporations to pay and income taxes of 4 percent up for individuals.

In the remarks I made on the floor during the special session, upon the Muscle Shoals bill, I pointed out that gasoline in many sections of the country was taxed over 100 percent of its cost. I will say to the two gentlemen from Minnesota now facing me, Mr. JOHNSON and Mr. ARENS, that it is because of these many taxes that their farmer constituents have to pay so much for gasoline to operate their farm machinery.

This bill proposes to increase these taxes and make 118 separate and distinct taxes upon the oil industry instead of 116. It would add 0.1 of a cent per barrel upon all oil produced, an additional 0.1 of a cent per barrel upon all oil refined, and an additional 0.1 of a cent per barrel upon all gasoline produced from natural gas. I admit that this is a small tax, but in this country there are produced annually 875,000,000 barrels of oil, and this additional tax burden amounts to \$1,750,000.



Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. VINSON of Kentucky. I think the gentleman refers to the regulatory tax on crude petroleum at refineries.

Mr. COCHRAN of Pennsylvania. Yes.

Mr. VINSON of Kentucky. Has the gentleman developed the fact that this tax was proposed not for revenue purposes, but solely for the purpose of regulation in order that the Federal Government might prevent the oil code from falling down?

Mr. COCHRAN of Pennsylvania. I am inclined to think that the gentleman is in error, and I know he will agree with me when I say that this proposal did not originate in the committee or with any member of it, but was brought to the committee by the Secretary of the Interior, Mr. Ickes.

Mr. VINSON of Kentucky. And we were told that he brought it to us at the earnest insistence of the oil industry throughout the United States in order that the Federal Government through this means might have the power of inspection, the power of supervision and regulation over certain sections of oil fields in this country, particularly Texas and Oklahoma, which play a very important part in the price of oil in every other section of the country. In other words, to assist the enforcement of the laws that are assisting in maintaining a fair price for oil.

Mr. COCHRAN of Pennsylvania. With all due respect to the gentleman's recollection, mine differs. I will discuss those very matters. As I recall, the Secretary of the Interior, who is also Federal Oil Administrator, came before the committee and said that the oil code would break down within 2 weeks unless something was done, and that he needed revenue for its enforcement. He proposed these additional taxes as a revenue measure. He proposed also an additional tax of one half cent per gallon upon imports of crude oil.

On the other hand, and following the statement of the gentleman, the oil people felt that the imposition of one tenth of a cent per barrel upon the producer would greatly curb the evil that is existing in the Southwest, in Oklahoma, and particularly in Texas. I will explain that in many oil States legislation has been passed granting to commissions the right to limit the withdrawal of oil from the ground. Such a law exists in Texas, and the reason was made very clear a year ago when the east Texas oil fields were at their height of production, and when wells were being drilled producing thousands of barrels of oil daily, in such quantities that the price structure all over the country was destroyed. Oil was being sold in east Texas for as low as 10 cents per barrel, and the oil people everywhere suffered from the demoralization of the price structure as a consequence. We can easily see the evil resulting. A very moderate-sized well in this field was one that would produce 10,000 barrels per day. That oil is selling now for about \$1 per barrel, still below the cost of production. A year ago it was selling for about 10 cents a barrel, because this flood of oil was put upon the market.

Assume that the Texas Railway Commission, which has jurisdiction, would say to the owner of the 10,000-barrel well, "You are permitted to withdraw only 200 barrels per day." Assume that the price of oil was \$1 per barrel. That well owner would receive \$200 per day from his well if he obeyed the law, but if he could withdraw 10,000 barrels per day from that well and sell it at half the market price, he would receive \$5,000 per day. If he sold it at one fourth the market price, he would receive \$2,500 per day.

The recommendation of the Secretary of the Interior to levy producing and refining taxes went to the oil people coupled with his recommendation to increase the excise tax upon imports of crude oil by one half cent per gallon. The present tax is one half cent per gallon. The benefits resulting from increasing the excise tax upon imports of crude oil to 1 cent per gallon would compensate in some measure for the burden of the producing and refining levies. The difference in cost of production of oil in the Maracaibo field of Venezuela and transportation to the Atlantic coast and that

of mid-continent oil transported to the Atlantic coast is 2½ cents per gallon. This fact was determined by the Tariff Commission under the law passed in 1932.

I have a bill pending to increase this excise tax upon crude oil to the full two and a half cents.

Mr. McCLINTIC. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. McCLINTIC. The gentleman was a member of the subcommittee composed of the gentleman from Ohio [Mr. WEST] and myself; and as the gentleman knows, we gave careful consideration to the recommendations that came from the oil industry. My recollection is the committee agreed to support this amendment, along with the others; and when the chairman of the subcommittee presented it to the entire committee, the gentleman who is now speaking was in accord. I should like the gentleman to say whether or not this is correct.

Mr. COCHRAN of Pennsylvania. That is correct.

Mr. McCLINTIC. So the gentleman realized, as did the others who are interested in oil, that oil was being produced and sold at a price of approximately one half of the posted price, and this was having a destructive effect upon all legitimate producers of oil, and it was for this reason that the gentleman, as well as the other members of the subcommittee, joined in presenting the amendment to the committee.

Mr. COCHRAN of Pennsylvania. That is correct. The evils which the gentleman from Oklahoma details cannot be overemphasized.

I am violating no secret of the committee, because it was given to the press, in stating that the proposition to increase the excise tax upon imports of crude oil by one half cent per gallon, passed the committee, but was the next day reconsidered.

The present excise tax upon imports of crude oil and upon certain crude-oil products have resulted in substantial revenue to the Treasury.

For the fiscal year 1932, which also includes 9 days of the preceding fiscal year, this tax yielded the Treasury \$8,711,126.28, and I ask unanimous consent, Mr. Chairman, to insert in the RECORD at this point in my remarks a statement of these particular taxes prepared by the division of statistics and research of the Bureau of Customs of the Treasury Department.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to follows:

*Petroleum and products—Imports for consumption and duties imposed*

	Rate of duty	Fiscal year 1933 <sup>1</sup>		July-December 1933	
		Quantity	Duty	Quantity	Duty
Crude petroleum.....	Per bbl. \$0.21	Barrels 28,704,165	\$6,027,454.65	Barrels 15,645,558	\$3,285,567.18
Fuel oil and other minor petroleum products.....	.21	11,007,807	2,311,639.47	1,119,170	235,025.70
Includes gas oil.....		7,029	1,476.09	481	90.51
Gasoline and other motor fuel.....	1.05	147,677	155,000.85	7,077	7,357.35
Lubricating oil.....	1.68	2,685	4,510.80	2,123	3,566.64
Paraffine and paraffine wax.....	1.01	21,246,051	212,460.51	23,802,783	238,027.83
Total.....			8,711,126.28		3,772,447.01

<sup>1</sup> Fiscal year 1933 includes data from June 21, 1932, to June 30, 1932.

<sup>2</sup> Per pound.

<sup>3</sup> Pounds.

Mr. COCHRAN of Pennsylvania. The oil industry felt that the imposition of this 0.1 of a cent per barrel upon the producers of crude oil and a like tax upon the refiner would greatly curb the evils resulting from illegal production of oil. It is a small tax, but it is an additional burden. They did not oppose the tax, I think, because it was coupled with an increase in the excise tax upon the imports of oil, but that portion of the Secretary's recommendation having failed, it leaves them with this increase in taxes. I hope the

benefit to accrue from the curbing of illegal production of crude oil will be great enough to the oil industry to justify their payment of this increase.

Mr. McCLINTIC. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. McCLINTIC. I think it was the understanding of the members of the committee—I know it was my understanding—that the oil industry wanted this 0.1 of a cent per barrel regardless of whether there was any other amendment added to the bill. I am sure this is the understanding of all the members of the committee. Of course, they would like, in addition to what the gentleman is now referring to—as all the rest of us who represent States that have large oil production—to have favored such an amendment; but I want to say to the gentleman that up to the present time not a single oil company has protested or asked that this 0.1 of a cent per barrel provision be taken out of the bill.

Mr. COCHRAN of Pennsylvania. I will not contradict the statement of the gentleman, although I will add that the Independent Oil Producers' Association, in my district, coupled with their endorsement of this 0.1 of a cent per barrel tax the statement that they wanted it only if the excise tax upon imports of oil was increased by one half cent per gallon. I recognize, however, that from other sources of the industry the request came as the gentleman from Oklahoma has stated it.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. COOPER of Tennessee. Does the gentleman from Pennsylvania now want this provision taken out of the bill?

Mr. COCHRAN of Pennsylvania. Oh, no; I am not arguing that.

Mr. COOPER of Tennessee. I was going to say to the gentleman that if that is his purpose, of course, that request can be submitted to the committee and doubtless will receive attention.

Mr. COCHRAN of Pennsylvania. I am not asking that at all. I am simply explaining this provision of the bill, because it has particular application to my constituents.

These two additional taxes are small, I will admit, but they increase to 118 the number of taxes which burden the oil industry, and which have bankrupted many independent oil producers. Each barrel of oil produced in the United States pays an aggregate of 75 cents in taxes. No other industry bears such a tax burden.

The public is wont to consider that the oil industry bestows untold wealth upon those who engage in it, but such is not the fact. It will be conceded by most people that Pennsylvania-grade crude oil is the best that has yet been discovered. It is produced in Pennsylvania, New York, Ohio, and West Virginia. It comes from what are called "stripper wells", so styled because of the small amount of oil produced daily by each. In Pennsylvania the average daily production of an oil well is  $5\frac{1}{4}$  gallons; in other words, 8 wells will produce 1 barrel of oil daily. By way of comparison, a Pennsylvania oil well will produce daily an amount of oil equal to the amount of milk given daily by a good dairy cow. This amount of oil at the present market price is worth  $27\frac{1}{2}$  cents, while the milk at present Washington prices is worth 273 cents—\$2.73.

There are 300,000 of these "stripper wells" scattered over 21 States. Their owners for more than 2 years have been receiving for their oil less than the cost of its production. The continuance of this condition means the abandonment of these wells and the bankruptcy of thousands of independent producers. It is estimated that the average cost of these wells is \$2,500, and that the salvage value is \$50 each. Therefore the total investment is \$750,000,000, while the total salvage value is but \$15,000,000. Unless the oil producer receives at least the cost of production, all these wells must be abandoned. Once abandoned, they will never be reopened; in which event Pennsylvania-grade crude oil, the best yet known, will be a thing of the past.

The Committee on Ways and Means is to be congratulated upon its rejection of the recommendation of the subcommittee to reduce depreciation and depletion allowances by 25

percent. To do so would constitute a capital levy in place of a tax upon income. Not only is such a proposition unsound from the standpoint of the economist but it would be an added discouragement to all industries at a time when they should receive every encouragement to increase employment.

It is because of these facts that I have called your attention to the producing and refining taxes imposed by this bill. It is hoped that the regulatory effect of their collection will so stabilize oil production and prices that the industry will benefit. However, there is danger in their imposition in that hereafter attempts may be made to increase them. The industry will submit to them in the present amounts only as regulatory measures to curb the illegal production of oil and the consequent demoralization of prices.

I shall support this bill. It is a good bill as far as it goes. My regret is that it does not go far enough, but I am greatly encouraged by the statement of the chairman of the subcommittee, and statements by other members of the Committee on Ways and Means, that the question of income taxes in community-property States will very soon receive consideration.

Mr. DONDERO. Will the gentleman yield?

Mr. COCHRAN of Pennsylvania. I yield.

Mr. DONDERO. Does the gentleman agree with the statement made by the gentleman from New York that the amount ought to be increased to meet the running expenses of the Government rather than increase the deficit of the Government by letting it stand as it is?

Mr. COCHRAN of Pennsylvania. I do. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Chairman, I do not want my Democratic friends to be at all nervous, for I do not propose to try to insert the Lindbergh letter today. [Laughter.]

While we have been deliberating on this bill for the last 13 or 14 hours, presumably with an idea of attempting to partially balance the Budget, Members of the House have seen fit in their great wisdom to sign the petition to discharge the committee on the bonus bill, which, of course, will undo everything that is proposed to be done in this very important tax bill.

The bonus bill will require approximately \$2,000,000,000 out of the Treasury of the United States, probably through the use of the printing presses, 10 times as much as we propose to raise under the pending tax bill.

Now, I predict that the bonus bill, when it comes out on the floor, will pass the House of Representatives by a handsome majority; and I say that as one who is opposed to the bill, who opposed it in the last Congress, strangely enough on the basis that it would unbalance the Budget and put us off the gold standard.

I am opposed to the bill, however, today, not so much for those reasons, because it is evident that the Democratic Party, pledged to balance the Budget, pledged to reduce the national expenditures 25 percent, has thrown those pledges deliberately out of the window, and has already increased the deficit by some \$10,000,000,000. In spite of every definite pledge in the party platform and speeches of the Democratic candidate for President to reduce Government expenditures 25 percent, in addition to the \$10,000,000,000 it is now proposed by Congress to increase the deficit by another \$2,000,000,000 for the bonus through the use of fiat money.

One of the reasons why I am opposed to the bonus bill is that I am opposed to the printing-press method of inflation, which has always brought disaster and ruin to the wage earners in any country in which it has been tried, and it will likewise bring disaster and ruin to our own country.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. FISH. I yield.

Mr. VINSON of Kentucky. I think the gentleman from New York will recognize Dr. Fisher as an authority on money.



Mr. FISH. That is a very interesting question the gentleman has raised. He has brought up as a great authority on financial matters a certain Dr. Irving Fisher, of Yale University.

Mr. VINSON of Kentucky. I asked the gentleman if he did not recognize him as a great authority?

Mr. FISH. I am answering it. This is the same great financial and monetary authority who back in 1929 said we have not anywhere near reached the peak of inflation and added that the prevailing stock prices of 1929 would continue indefinitely. Now, he is brought up on the floor as an authority on financial matters. The gentleman from Kentucky has a right to his belief, but I do not believe Dr. Fisher is qualified, after his statement in 1929, to be considered a great authority or guide on money or financial matters.

Mr. VINSON of Kentucky. I recognize that I committed an error when I referred to Dr. Fisher, of Yale University, for I feel that the old Harvard spirit still prevails. [Laughter.]

Mr. FISH. Harvard stands for the truth.

Mr. VINSON of Kentucky. What does the gentleman say as to Senator Robert Owen as an expert on currency.

Mr. FISH. I am not going to get into any quarrel with former Senator Owen. He is a personal friend of mine and I admire him greatly. He has a right to stand for inflation; he has been for it for many years and made a great many speeches on it. But he is not a college professor, and you are relying on college professors as your monetary advisers. [Laughter and applause.] Oh, let me proceed. I have not started yet.

Mr. VINSON of Kentucky. Speaking with reference to the money in the bonus bill which would have issued under the Owen plan, adopted by the House under consideration in the former Congress, I say to the gentleman from New York [Mr. FISH] that no witness who appeared before the Committee on Ways and Means, including Mr. Ogden Mills, Mr. Charles Dawes, Mr. Eugene Meyer, Dr. Goldenweiser, Mr. Harrison, president of the Federal Reserve Board, said that the money that would have been issued under the Owen plan was not good, sound money. Every witness who testified upon that point stated it was sound money. Congress itself has authorized similar money to the extent of many billions.

Mr. FISH. Oh, conditions have changed a great deal. The American people, you know, had great confidence in the gentleman's party. They gave it an overwhelming majority in the last election because the Democratic Party and its candidates were pledged to balance the Budget and reduce expenditures by 25 percent; but conditions have changed. In the last year you have unbalanced the Budget by \$9,000,000,000, with this bonus bill included, and I do not think those witnesses would testify today to the same effect that they did a year or so ago. There is no other way to pay the bonus today except by inflation and printing-press methods.

Mr. VINSON of Kentucky rose.

Mr. FISH. Oh, I cannot yield any further. I think I have only 10 minutes and I should like to say a few words for myself. Now that we have gone off the gold standard and the Budget has been lost sight of, I intend to vote against the bonus bill, as I said, even if I am alone, because if huge amounts of money are to be spent, if we are going to spend \$2,000,000,000 in addition to the enormous deficit, particularly printing-press money, fiat money, I say it ought to be spent for the unemployed and the disabled veterans. They should be given preference over the able-bodied veterans or any other group. It ought to be spent to take care of the disabled veterans with war service-connected disabilities, and to restore their compensation and that of the Spanish War veterans. When we take care of those two groups, then probably those of us on this side will go along for the bonus, if you will provide a sales tax to pay for it; and if you provide for a sales tax on this bonus bill today, I am not so sure that they would not vote for it, even now.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FISH. Oh, my! I could not refuse the gentleman from Mississippi.

Mr. RANKIN. Would the gentleman vote for it if we were to make provision to raise the inheritance taxes in the higher brackets and make those who got rich out of the war help pay for it? [Applause on the Democratic side.]

Mr. FISH. First, I ask the gentleman from Massachusetts [Mr. TREADWAY] if I can have 5 minutes additional, because it will take a long time to answer the gentleman's question.

Mr. TREADWAY. It is impossible to yield any more time, I fear.

Mr. FISH. I wanted to answer the question of my distinguished colleague from Mississippi [Mr. RANKIN] about the inheritance taxes. I rose to talk on an entirely different issue this afternoon, until the bonus bill came up. I wanted to talk about the high-income taxes in this bill and say a few words about the estate taxes which are not included.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes more to the gentleman from New York.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I know what the gentleman wants. I want to answer his question.

Mr. RANKIN. I just want to say to the gentleman from New York that so far as I am individually concerned, I am for raising these inheritance taxes in the higher brackets, bonus or no bonus.

Mr. FISH. I am going to vote for the bill now before the House, because the committee has done a splendid work in trying to fill up those loopholes in the income tax law through which rich men in America have been avoiding the payment of taxes. I do not, however, take a very hopeful outlook of the situation. When you raise the income taxes in the high brackets—and I am not opposing it—to 63 percent, it should be remembered that in addition to that, these super-rich men will have to pay State taxes and town taxes and school taxes and other taxes, which will bring the amount of money they will have to pay in taxes up to 75 percent.

I say to you, and I am not opposing it, that if Norman Thomas should be elected President of the United States, and carry a socialistic House with him, he would not go any further in confiscating wealth than up to 75 percent, which we are now doing in this bill and have done in the past. We are in the process and have been, of liquidating the rich men of America. I do not believe that this bill is going to bring in the income that you expect, because what are those rich men going to do if they have any sense at all? They will put their money in tax-exempt securities, and there are plenty of those securities being issued by the Democratic Party today. They will buy tax-exempt securities. They will not pay 65 percent or 75 percent in taxes, but they will buy tax-exempt securities, put their slippers on and get in a good armchair and put their feet up before the fire and take it easy. That is what is going to happen and is happening already. If you want to do something to stop it pass a tax-exempt security amendment to the Constitution. [Applause.]

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. TREADWAY. The gentleman says they are going to do that. Are they not already doing it?

Mr. FISH. Yes.

Mr. TREADWAY. Is not a large part of their income today in tax-exempt securities?

Mr. FISH. There are \$42,000,000,000, part-owned by big corporations and a large part by rich men in America. Of course, they are doing it, and these Democratic friends of ours applaud every time they issue more tax-exempt securities upon the fact that they have a big demand for them from the public. Of course, you have a big demand from the rich people, from the big corporations, to take all the

tax-exempt securities they can get, in order to avoid taxation.

Mr. MCGUGIN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MCGUGIN. Will the gentleman not qualify that statement, at least in part, when he says that all tax-exempt securities are held by rich men and corporations? The smallest banks of the country own many of these securities.

Mr. FISH. Oh, I do not mean all of them, but a large percentage is held by the big corporations and the rich men, and they are going to use the Democratic Party as much as they can, whenever they issue tax-exempt securities in order to pay out billions in socialistic experiments.

Now, the gentleman from Mississippi [Mr. RANKIN] has asked me about the question of estate taxes and inheritance taxes. I have answered that question before to socialists and communists.

Mr. RANKIN. Of course, the gentleman does not put me in that category?

Mr. FISH. Oh, no, no. He does not. The great cry of the socialist and communist in America is that 59 rich men dominate the United States, dominate its politics and its industrial system, and Wall Street, and everything else.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. TREADWAY. As the gentleman is now talking on the bill, I will yield him 5 additional minutes. [Laughter and applause.]

Mr. FISH. They always tell me that everything is rotten and corrupt and wrong with our industrial system and our republican form of government. I have always said to them if that is the only thing that is wrong with America, that 59 rich men have got too much wealth into their hands, that wealth is too much concentrated and endangers our economic, financial, and political system that all it takes is an act of Congress, not a constitutional amendment but a majority vote of the representatives of the people, to raise the estate tax, because the rich man, like the poor man, must inevitably die.

I know, unfortunately, some rich men and women who would like to take their money to their graves with them, but it cannot be done. Any time you want to redistribute wealth, it does not work so well through the income tax when you have tax-exempt securities, but the only way you can actually do it and get results is through the estate tax. I do not say, however, that 45 percent is not high enough. It was 20 percent a few years ago. The last Congress raised it to 45 percent. Presumably that is about where it should be, but if you are determined to confiscate wealth, if you are determined to take wealth from the rich people, of course, the only way to do it is through increasing the inheritance tax.

Mr. KELLER. And the gift taxes.

Mr. FISH. And the gift taxes. I believe 45 percent is sufficient. I do not think I would vote for any more, unless good reasons should be shown why it should be done. But the facts remain that they cannot escape that tax, and they can escape almost any other tax that has been conceived by the Congress up to date.

Mr. RANKIN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. RANKIN. I will say to the gentleman from New York that in the present schedule, by the time you reach 45 percent you have have let out a majority of them. I agree with the gentleman that as far as those up in multiplied millions class is concerned, there are very few; but a man who dies in this country, leaving \$200,000, must only pay \$9,500, while in Great Britain he would pay \$28,000, and in France \$81,589. In this country an inheritance of \$1,000,000 pays a tax of \$117,500, in England \$270,000, and in France \$504,373.78. Along there you are barely scratching the surface compared with what they are taxing inheritances in other countries. The wealth in this country has gone into tax-exempt securities. Those people who got rich out of the war and out of the tariff have sought this storm cellar and are avoiding taxes. That is the reason I wanted

to amend this bill to tax those people in proportion to the way other Americans are being taxed.

Mr. FISH. Of course, I am sure there is a great deal in what the gentleman says. I think it will probably be considered at the other side of the Capitol, because, as the gentleman knows, we cannot consider anything here. Whether on the Republican side or on the Democratic side, we are gagged, completely gagged, as far as offering amendments to this bill is concerned, and that would have been a very proper amendment for the representatives of the people to consider at least and to vote upon, but as it is, this bill is brought in here with a rule that humiliates every individual Member of this House and takes away their prerogatives and their rights as individual Members to legislate. My God, what were we sent here for but to legislate and to represent our own districts, but instead are not permitted to offer amendments to important legislation.

I want to serve notice on my party that as far as my services in this House are concerned in the future, I shall vote against every gag rule that my party brings in. [Applause.] I want to say further that I have voted against most of them in my time.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLANTON. I want to ask the gentleman from New York if it is not a fact that every time this House has gagged itself it has done so by a majority vote of this House? It takes a majority vote to pass any of these rules, and we are gagging ourselves whenever a majority of us vote to gag ourselves. [Laughter.]

Mr. FISH. Yes.

Mr. BLANTON. It is because a majority of us Members want to do it that we do it, and if a majority of us did not want to do it, it would not be done. Whenever I vote for a gag rule, it is because I believe that it is for the best interest of my party and my country.

Mr. FISH. I do not yield further. That is exactly the point that I want to make.

Mr. BLANTON. With the indulgence of my friend from New York, I noted what he said about voting to pay to World War veterans in cash the balance due them on their adjusted-compensation certificates. At the time the law was passed in 1925 granting to them this adjusted pay, I was one of those who believed that they should be paid in cash, and who insisted on the Government then paying them in cash.

Together with my friend and colleague from Texas [Mr. PATMAN] I have signed the petition to discharge the committee, and to bring the Patman bill, H.R. 1, before the House for passage, which bill provides for paying these adjusted-service certificates in cash. I believe that this is a debt of honor, and should be paid immediately by our Government.

Thus far the President has been silent on his attitude respecting this matter. He has sent no recommendation to Congress. If he had, I would comply with his request. But on last Friday our colleague [Mr. PATMAN] went to the White House and advised the President's secretary of his intention to take this action today, and no word came to him from the President indicating a desire for the bill not to come up.

If, when this bill comes up for consideration on March 12, the President should notify us that it is against his plans and policies, and that it would disrupt his financial program, and he asks us not to pass it at this time, I would respond immediately to his wishes, and would vote against the bill.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FISH. That is exactly the point that I want to make, that a few of the older Members, perfectly safe in their own districts, who have been here 10 or 15 or 20 years, come in with legislation that they are in favor of, and they say to the newer Members, most of them on the Democratic side this time, of course, who were pledged to liberalize the rules, who promised the people back home that they would liber-



alize the rules, "You must come in and support the Democratic organization."

"You must gag yourselves; you must prevent yourselves from legislating because we know what is good for you and for the country." That is their attitude, and I submit it is a most childish, a most futile and stupid performance, because every time we gag ourselves the other body just kicks our gag work out the window and legislates as it should on the merits of the proposed legislation. [Applause.]

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. So much has been said in praise of the committee in the production of this bill that I need not add cumulative encomiums.

The committee has done a good job so far as amending the income tax law is possible. The trouble with the formulation of every income tax law this Congress has brought forth since the constitutional amendment has been that the committee invariably lost sight of the intent of the original constitutional amendment, a tax on income. Instead of taxing incomes, Congress has been taxing profits; and the experience of the world and of other legislative bodies has been that the moment profits are taxed the door to fraud is opened. Our own experience has been no different.

The gentleman from New York [Mr. TABER] pointed out the inadequacy of the revenue to be realized from this bill. It will add to the revenues, he said, only \$258,000,000 a year. I know our friend, the gentleman from Pennsylvania [Mr. COCHRAN], disagrees with that, and I shall not go into a question on which experts disagree; but the fact is that in order to meet a deficit going into the billions of dollars, after all the labor of the past summer and the splendid industry of the committee, it has produced a bill that will increase the revenues of the Government only \$258,000,000. They plugged all the loopholes apparent, visible, and within reach, but they have neglected one great pond, one great pool of evasions which has enabled thousands of corporations and millions of individuals to evade their duty to contribute to the support of the Federal Government.

If we are engaged in a war against depression is it not the duty of every citizen to do his part in fighting the battle?

The gentleman from New York [Mr. TABER] referred to the tax rates on individual incomes in England, and others have referred to the tax rates imposed on the citizens of France, Germany, Switzerland, and Italy. Of course those countries have really taxed their peoples and it is easy to do it because the Europeans are tax-conscious. Unfortunately our people are not tax-conscious.

We are not getting anywhere by reviving the old methods of imposing taxes difficult to appraise, hard and expensive to collect, and, withal, easily shifted upon the backs of the consumers.

If I had had the opportunity, I would have proposed the following amendment to this bill:

Amendment to the Revenue Act of 1934 by Mr. GRIFFIN: On page 13, after section 13, add the following new sections:

"Sec. 14. That there shall be levied, collected, and paid by individuals and corporations, irrespective of and in addition to the income tax they are subject to under the existing law, or any amendment thereof, a special tax of 1 cent on each dollar of gross income for the calendar years 1934 and 1935.

"Sec. 15. That all individuals and corporations whose gross annual income from any source whatever is \$2,000 or over, shall be subject to this tax.

"Sec. 16. In computing the income tax to be paid, the taxpayer shall be permitted to include the gross income tax as hereinabove provided, in the deductions allowed by law."

This is the substance of the idea underlying the resolution I introduced on May 7, 1932, providing for a cent-a-dollar tax on gross incomes.

It will be observed that it is a blanket tax intended to enlarge the base of taxation and to compel corporations and individuals, evading taxation in the past, to contribute their mite to the expenses of government.

It is imposed on the theory that it is a tithe or license tax for the privilege of living or conducting a business under the benefit of our laws.

It will take in all who are earning over \$2,000 a year. It will not molest those who do not earn that much.

Now let us look at the evasions which constitute the largest loophole, or leak, in the entire tax system:

#### CORPORATIONS

In 1930, 518,736 corporations filed returns. Of these only 221,420 (or 42 percent) showed net incomes amenable to taxation; 297,316 (or 58 percent) paid no tax whatever.

#### INDIVIDUALS

In the same year, 1930, tax returns were made by 3,376,552. Of these only 1,946,675 (or 57 percent) showed net incomes amenable to taxation; 1,429,877 (or 43 percent) paid no tax whatever.

In other words, only 42 percent of the corporations filing returns paid any taxes at all, while 58 percent (with a gross income of \$46,500,564,065) paid no income taxes whatever.

#### Corporation returns

	Returns filed	Returns showing no net income	Percent showing no net income	Gross incomes of corporations showing no net incomes
1930	518,736	297,316	58	\$46,500,564,065
1931	516,404	340,506	66	55,464,204,033
1932	481,368	402,593	84	27,158,732,012

Pause for a moment and note the glaring fact outstanding in the figures for 1930 and 1931. Although the percentage of corporations showing no net income increased to 66 percent, yet their gross incomes had correspondingly increased from \$46,500,564,508 to \$55,464,204,033. In other words, they had learned the art of taking more and more out of the tax brackets, so that in 1932 only 16 percent of the corporations filing returns paid any tax whatever, while 84 percent paid nothing at all; a condition which certainly speaks for itself.

Mr. CANNON of Wisconsin. Is the gentleman in favor of tax-exempt securities?

Mr. GRIFFIN. That is hardly in line with my discussion, but I will say that I am not.

As far back as 1932 I proposed an amendment to the revenue act providing for a tax of 1 cent a dollar on gross incomes. The object of that amendment was to take into the pool all of those corporations and individuals who evaded their share of taxation. Remember they were doing business; they showed billions of dollars of gross income, but by various and divers processes of deductions and exemptions they were able to reduce their incomes to such an extent that they showed profits of only a few billions of dollars, upon which they paid an insignificant tax.

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

Mr. GRIFFIN. I yield.

Mr. BOYLAN. Of course, the gentleman knows that many corporations or individuals have gross income but not net income. Would it not be adding insult to injury to put an additional tax on gross income if they already had no net income?

Mr. GRIFFIN. By his question the gentleman forgets that their arrival at the point of reporting that they have "no net income" is largely due to a process of fraud and deception. It is impossible for any corporation to carry on for any length of years without having some profit. They disguise their profits in devious ways: by increasing the salaries of their officers, by paying exorbitant rentals to subletting agencies commissions on everything they buy, misrepresentation of losses, deterioration of plant, and in various other ways they manage to show no profit. If it be true they make no profit, how do such corporations exist year after year and carry on business?

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. WADSWORTH. In such a case the corporation is compelled to live off its surplus until the surplus is exhausted.

Mr. GRIFFIN. Exactly; and such a corporation is robbing its stockholders; and it is a fraud upon the public.

Mr. WADSWORTH. Not at all robbing the stockholders is a fraud upon the public.

Mr. GRIFFIN. The gentleman suggests that it is wrong to impose a tax on corporations which "report" no net income under the income tax law. That, however, is not where the wrong is done. The real wrong is done to the taxpayers of the country in the loose provisions of the law which allow gross earnings to be frittered away by padded pay rolls, bonuses, exemptions, imaginary deterioration of plant, and technical losses, which enable them to escape taxation.

The fact is that the showing of no net income is a mere matter of bookkeeping. A corporation doing business year in and year out without showing an actual net profit is unthinkable. A corporation doing business without profit must necessarily eat into its capital and is to that extent perpetrating a fraud on its stockholders. The sooner such corporations wind up their affairs and go out of business the better it will be for themselves, their stockholders, their competitors, and the general public. They are a potential fraud on investors so long as they are encouraged to exist. Necessarily any corporation that carries on by drawing on its capital is a public menace.

Mr. WADSWORTH. Then it should be dissolved?

Mr. GRIFFIN. It should be dissolved.

Mr. WADSWORTH. And all of their men thrown out of work?

Mr. GRIFFIN. Forget about the men being thrown out of work. The men will find work somewhere else. There is no excuse for a corporation carrying on at a loss, and I think that circumstance answers the question as to the sincerity and the truth of their representations that they are carrying on at a loss. You give them too much credit for generosity.

Mr. WADSWORTH. Then the gentleman is of the profound belief that as soon as a corporation shows a loss at the end of one year's operation it should close its doors?

Mr. GRIFFIN. No; but if it continues to show a loss year after year and eats into its capital, the corporation owes a duty to its stockholders to retire and get out. The corporation owes a duty to the public, who are buying its stocks and bonds, to get out, because it is a fraud on the public to be carrying on without a profit, and when there is no prospect of paying dividends.

Mr. WADSWORTH. And during the same period the gentleman would tax them on all the money that they took in?

Mr. GRIFFIN. Do they not have to pay rent?

Mr. WADSWORTH. Surely.

Mr. GRIFFIN. Do they not have to pay salaries? This 1 percent tax that I propose is a trifling amount. It is distributed over a broad area, and is in the same category as rent, taxes, or royalties which are charged to overhead expenses, which they must pay whether they like it or not. No municipality will remit rent simply because a corporation claims not to make any profit. I am sure if the gentleman will take the trouble to study the question carefully, he will be convinced that this is an equitable way of spreading the base of taxation. Furthermore, in view of the immense revenue to be derived in this way the capital tax might be safely reduced. There is no other way of increasing the pool of those who are amenable to our tax laws and to make them contribute to the expenses of this Government than to levy a trifling tax to be spread over a broad base.

In the case of individuals, the evasions were not so great in percentage, but the list of those who ducked their responsibilities included some of the wealthiest individuals in the country.

It is startling to note that the 1,946,675 individuals who paid no income tax disclosed gross incomes aggregating \$21,665,505,860.

According to the census figures there were 18,882,794 persons gainfully employed in 1930 with average earnings of over \$1,500 per year.

It is estimated that there are about 6,000,000 persons earning \$2,500 per year or over.

If they paid a 1 percent tax the income from them would be \$150,000,000.

In addition, we would also collect from the 1,900,000 persons who usually show net incomes and who would pay approximately \$300,000,000 in taxes.

In 1932 they paid \$324,744,617.

With the changes in the tax structure of the pending bill and the closing up of the loopholes of evasion we ought to get from this source \$350,000,000, making a total of \$500,000,000 from the individual income-tax returns alone.

From corporations, assuming that the gross incomes of the corporations showing no net incomes will amount to \$40,000,000,000 (it was nearly \$39,000,000,000 in 1932), we ought to collect, in additional taxes, \$400,000,000.

From these two sources, instead of a miserable gain of \$158,000,000, here are the possibilities:

<i>Additional taxes to be raised by the 1-cent-a-dollar tax</i>	
From corporations.....	\$400,000,000
From individuals.....	150,000,000
Total.....	550,000,000

This does not involve any change in the tax structure. The taxpayer adds 1 percent at the bottom of his tax bill and pays it. Furthermore he would be permitted, under my amendment, to deduct the 1-percent gross income tax from the amount shown to be due on his return.

#### OBJECTION OF SMALL RETAILERS

It is represented that the margin of profit to small retailers is so small that it would be unfair to impose this tax on their gross incomes. In the first place, they would be entitled to the minimum deduction of \$1,500 per annum at which the tax begins, because the bill does not propose to levy the tax on those whose income does not require them to make a return.

In the second place, this tax is universal and affects equally all those who are obliged to make returns. Therefore, as it applies to all equally in every calling and in every line of business, it puts them all on the same basis in competition and gives no advantage to any.

#### THE TRUE BASIS OF TAXATION

The complicated methods of modern taxation are due to greed and selfishness of certain groups to evade and avoid their share of the Nation's burdens.

The direct tax is the simplest and most desirable. What the consumer pays goes direct into the Government Treasury less the trifling cost of collection.

With indirect taxation the tendency is to pyramiding the cost, thus exacting more from the consumer than goes to the Government.

The way to meet our failures in taxation methods is not to increase the complexity of the structure by elaborate exceptions, purporting to be for the benefit of the under dog, but to recognize no class whatever, treating all equally.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. SNELL. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from New York.

Mr. SNELL. I have not heard anything in the discussion as to why there should be 10 additional Assistant Secretaries of the Treasury. I wish the gentleman would enlighten the House on this point, if he has time or if he cares to.

Mr. FULLER. I may say to the gentleman that there are other members on the committee who can explain the point better than I. I yield to the gentleman from Tennessee for this purpose.

Mr. COOPER of Tennessee. Mr. Chairman, the Secretary of the Treasury made the request of the Ways and Means Committee that there be provided for in this bill the appointment of not to exceed 10 additional assistants, and he based this upon the situation which has recently developed.



The gentleman from New York will readily understand, so far as the Reconstruction Finance Corporation, the Agricultural Adjustment Administration, and these various other agencies of the Government are concerned, the Secretary of the Treasury is required to participate in the deliberations of these various organizations. It is simply physically impossible, as he represented to the committee, to keep up with all of these additional duties that have been placed upon him under the recovery program without some additional help.

Further, he stated that in his belief it would require at least six of these people of handle the gold-stabilization legislation which was passed by the House recently.

The bill provides that not more than 10 additional assistants to the Secretary are to be employed during the period of the emergency. When the President by proclamation declares the emergency has ceased to exist, they automatically go off the pay roll. The Secretary of the Treasury now has authority to appoint men of this type, but the salary limit would be \$8,000 per year. He feels that for the particular type of men that he needs and that the situation now requires he should be allowed to pay them \$10,000, and this is what is provided in the bill. He also stated to the committee that these were not by any means continuous or permanent propositions. He stated that he might need a man for 6 months for one particular assignment or duty, and whenever the necessity ceased to exist the man would then be let out, and so on along the line.

Mr. SNELL. Whenever we have created 1, 2, or 3 additional jobs, has the gentleman ever known of their being cut down after that?

Mr. COOPER of Tennessee. I realize the force of the gentleman's suggestion, but I think it is equally important for us to bear in mind that we have never before created all of these various agencies that we now have in the Government.

Mr. SNELL. Does the gentleman of his own accord believe the Secretary actually needs 10 additional assistants?

Mr. COOPER of Tennessee. I may say to the gentleman that, frankly, I was impressed that they are needed from the showing that was made to the committee.

Mr. SNELL. Are these men to live in this country or abroad?

Mr. COOPER of Tennessee. They are local people.

Mr. SNELL. I expect, of course, that they will be American citizens, but are they going to be located in the United States or abroad?

Mr. COOPER of Tennessee. They are to be located in the Treasury Department, according to my understanding.

Mr. SNELL. I noticed in the newspaper that several of these men were going to be located abroad and I wanted to get the information.

Mr. COOPER of Tennessee. That was not my understanding, and, as I stated, there are six needed in connection with the 2-billion-dollar gold stabilization.

Mr. TREADWAY. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. May I remind the gentleman of the fact that the Secretary of the Treasury informed us at the hearings that probably some of these men would be appointed to foreign places.

Mr. COOPER of Tennessee. I am frank to say that I did not recall that information having been given to us.

Mr. FULLER. I may say that it is contemplated some of these men will take the places of others now in the service.

Mr. SNELL. I think a definite statement should be made as to why we are going quite so far. I know we met with some opposition when we tried to create one additional assistant. There was a considerable disturbance on the Democratic side.

Mr. COOPER of Tennessee. If the gentleman will refer to the RECORD, I think it will show that during the course of the remarks of the gentleman from Washington [Mr. SAMUEL B. HILL] this matter was rather fully discussed.

During that time the chairman of the committee, the gentleman from North Carolina [Mr. DOUGHTON], placed in the RECORD the provision of the bill on this particular point.

Mr. VINSON of Kentucky. And I think the gentleman will agree with us that when you have a stabilization fund or an equalization fund totaling \$2,000,000,000 the request of the Secretary of the Treasury for five or six men to be used in that connection is a reasonable one.

Mr. SNELL. I would expect there would probably be five or six men, or more than that, used in connection with such a fund; but I did not expect 10 additional Assistant Secretaries of the Treasury to be established.

Mr. VINSON of Kentucky. As the gentleman from Tennessee [Mr. COOPER] has stated, the only additional authority the Secretary of the Treasury has under this bill is authority to pay \$10,000 a year for these men, instead of the \$8,000 a year which he is authorized to pay under existing law.

Mr. SNELL. I understand that; but the President could not appoint Assistant Secretaries of the Treasury without a law creating such positions.

Mr. VINSON of Kentucky. These are assistants to the Secretary.

Mr. SNELL. But the President could not create such positions without authority of law. There is more in this than a mere payment of salaries as provided in the bill.

Mr. COOPER of Tennessee. No; I think the gentleman will find—

Mr. SNELL. The law provides for a certain number of Assistant Secretaries of the Treasury.

Mr. COOPER of Tennessee. But these are assistants to the Secretary of the Treasury. They are men to whom he will assign the duty of supervising some of this work in connection with agencies that he is required by law to supervise.

Mr. SNELL. Then they are not to be Assistant Secretaries of the Treasury?

Mr. COOPER of Tennessee. No; they are assistants to the Secretary of the Treasury, and, as the gentleman from Kentucky has suggested, there is only \$20,000 in amount involved, because they could be paid \$8,000 now, and under this law they are allowed to be paid \$10,000, or a difference of \$20,000.

Mr. FULLER. I want to thank the gentlemen for having contributed to my remarks, and I shall now proceed.

Mr. McFADDEN. Will the gentleman from Arkansas yield to me?

Mr. FULLER. Yes.

Mr. McFADDEN. May I ask the gentleman from Tennessee whether these men would be allocated to stabilization operations exclusively or whether they would be used by the Secretary of the Treasury in other Treasury operations?

Mr. COOPER of Tennessee. As I have said, the Secretary of the Treasury stated to the committee he thought it would be necessary to use about six of them in connection with the \$2,000,000,000 gold-stabilization fund.

Mr. TREADWAY. Mr. Chairman, may I interrupt my colleague to say that in view of the colloquy and the difficulty he has had in getting started, I yield the gentleman 5 additional minutes to make up for the time we have so consumed. [Applause.]

Mr. FULLER. I thank the gentleman.

Mr. Chairman, it is true the measure does not include all that some would like. It may be that it includes some provisions that others dislike. Personally, I was very anxious to see the 3-cent postage rate restored to the former rate of 2 cents. I think every member of the committee was of this opinion, but when we realized that it would cost the Government \$75,000,000 a year we resolved it was not possible to make the reduction at this time.

We also wanted to remove the stamp on bank checks, and we did get a compromise and provided that the stamp tax on checks shall stop on the last day of this year.

The purpose of this revenue bill is not to raise more revenue by reason of taxation but to reach those avoiding payment by plugging up loopholes in the present law and mak-

ing an equitable adjustment in brackets affecting income taxes.

The measure does not include the manufacturers' sales tax although some of the Members advocate this tax should be included in lieu of some of the existing taxes. It is possible that a motion will be made to recommit this bill to the committee with instructions to include a manufacturers' sales tax. Should this fail, there will no doubt be an effort made to have that provision inserted in the Senate. Telegrams from special interests are pouring into Washington to Members of Congress from all sections of the country; the radio and all kinds of propaganda are being used to influence the Congress. The same tactics were pursued 2 years ago. Previous to that an insidious lobby known as "the American Taxpayers League" had headquarters in Washington, and after an investigation by the Senate ceased to exist. During a House battle 2 years ago Congressman La Guardia, of New York, sent telegrams to 63 of the leading concerns which had contributed money to influence tax legislation through this league, and received a reply from each advocating a manufacturers' sales tax. These people have no other object or purpose in mind except that they believe the adoption of a sales tax will eliminate or materially reduce the income tax. There could be no other object or purpose. They might contend that they were actuated by a desire to eliminate the so-called "nuisance taxes", but these taxes are only for emergency purposes and, no doubt, should and will soon be eliminated. They are mostly upon the luxuries of life, at least things the rank and file can do without. They include automobiles and accessories, clocks, candy, chewing gum, furs, firearms, jewelry, phonographs, pistols, soft drinks, sporting goods, toilet preparations, and a very few others. These are nothing to compare with over 100,000 articles which a sales tax would reach. A sales tax of 2½ percent would more than double these luxury or nuisance taxes. The influence behind this measure is well known to be the rich and omnipotent, the Mellons, Morgans, and Hearst. Practically 90 percent of the wealth of this country is owned by 10 percent of the people, and it is the desire that this 90 percent of the people shall be taxed in order to lighten the supposed burden of the 10 percent. It has been the history of every nation that those who have and enjoy the comforts and pleasures of wealth should pay a greater portion of the taxes. It is a just and equitable policy. During wars the wealthy accumulate more wealth but it is the rank and file, the 90 percent of the people of the Nation, as is true in every other country, who fight the battles and win the victories.

This moneyed crowd is very much disturbed that the poor and the depressed are paying little, if any, for the maintenance of the Federal Government. After all, it is this same laboring class who have made these fortunes. The sales tax first made its appearance in the Senate in 1921, backed by Senator Smoot and Andrew Mellon and was overwhelmingly defeated. The Democratic platform of 1924 denounced this tax, and the platform of 1932 is justly construed as opposed to such a law. It is contrary to every principle of Jeffersonian democracy. In 1932 the Ways and Means Committee reported a bill containing this infamous and vicious provision, claiming that a manufacturers' sales tax of 2¼ percent would produce \$600,000,000 per annum, which would mean, according to our population, a tax of \$5 per annum upon the average taxpayer. Allowing five persons for the average family, this would mean \$25 additional tax on the average family in the United States. The provision at that time was espoused by Andrew Mellon and Ogden Mills, as spokesmen for the Hoover administration, but was overwhelmingly defeated and stricken from the bill, receiving less than 50 Democratic votes.

The sales tax is a tax upon poverty. It is a direct tax upon the necessities of life, and once enacted into law will be continued. The large income-tax payers, with all their facilities for propaganda, through the subsidized press, the radio, paid magazine writers, employment of the ablest

talent in the country to write, work, and lobby around Washington, will be sufficient and potential enough to prevent the repeal of this legislation once it is enacted.

It will be like the tariff; the tax will be placed on the consumer. To exempt food, wearing apparel, and medicine, which the proponents would accept as a compromise, would not go far to mitigate the injustice of such a law, nor would the exemption save much in taxes. If clothing and food were exempted, you would soon find that there would be a way devised whereby raw products would be included. Instead of taxing a suit of clothes, the linings, trimming, buttons, and everything that goes into the garment or suit would be taxed.

To me it is ridiculous to contend that this tax would be absorbed and paid by the manufacturers and not passed on to the consumer. The consumer will not only have to pay all, but the retailer will add some for his trouble, which will also be passed on to the consumer.

There is no difference between a retailers' sales tax and a manufacturers' sales tax; the only difference is as to who collects. Regardless of the name, it is dangerous medicine, although it is claimed it will be tasteless and the payment of the tax will be painless. It has for its object the centralization of wealth and power into the hands of a few and the wiping out of the middle class, leaving only the exceedingly rich and the lowly poor. It may be a painless tax like the tariff, not seen or observed, but the American people are not going to be deceived, knowing at the end of the year they will have paid a large and unjust amount. The difference between this tax and the tariff is that the tariff mostly goes into the hands of the manufacturers as a protection to enrich those engaged in industry, while the money from the manufacturers' sales tax goes to the Federal Treasury, but in so doing it relieves a tax that should be levied upon those who have accumulated the wealth of the country and are able to bear it.

This measure would tax the cradle, nursing bottle, and toys of our babies, even though all other necessities were exempted. It would tax the coffins of our loved ones and the tombstones that are erected to their memory. Such a tax has always been repulsive to loyal Democrats.

If this burden is ever to be applied, it should be left to the States whereby provisions could be made to exempt the tax on personal and real property. Some claim that such a measure is popular and successful in Canada, but we doubt the truth of such a statement. Canada, however, exempts practically all the necessities of life, practically everything you would need in the building of a home, tilling the soil, and things which ordinarily 90 percent of the people purchase. The exemptions are so great that they leave nothing of any consequence except those articles in our so-called "nuisance tax." I never intend to support such a measure. I never intend to enter the home of a laborer who makes his living by the honest sweat of his brow, is a good citizen, loves his home, and strives to give the best to his wife and children, and see him point his finger at me and say, "You have taxed the kitchen stove, cooking utensils, the dishes, the bed, mattress and bedding, the carpet on the floor, the pictures on the walls, window shades and curtains, and all the furnishings of this house, which constitute the necessities of life." None of the advocates of the sales tax seeks to exempt linens, furniture, cooking utensils, and so forth, of the home. I never expect to visit a farmer who is in the slough of despond, facing bankruptcy, and unable to sell his produce for the cost of production and have him say, "You have added an additional burden by taxing farm implements. You have taxed the harness, the saddle, wire and nails I use in fencing; you have taxed cement, bricks, lumber, shingles, lime, and everything that goes into the construction of a barn and a home. You have even taxed the salt that I feed my stock and the drugs and liniment that I administer to them."

Mr. HOEPEL. Will the gentleman yield?

Mr. FULLER. I yield.



Mr. HOEPEL. Does the gentleman believe that the 5-cent tax on coconut oil will be transferred to the consumer?

Mr. FULLER. I think it will.

Mr. HOEPEL. Is the gentleman in favor of it?

Mr. FULLER. I voted for it. It is in the interest of agriculture, in the interest of dairy and cattle people and the cotton growers of the South.

Think of the numerous things that we purchase, outside of what we eat and wear, and you can readily see what this tax will amount to. The powerful influence back of this tax is still battling at the doors of Congress for this law. They will continue to keep up the fight, and once enacted, the 2½-percent tax would soon amount to 5 or 10 percent. This insidious money power will continue to work during the night, while the common class sleep, in order to be prepared for a hard day's work.

No party has ever declared for a sales tax and none dares do so. Paraphrasing an old saying, "Oh, that my adversary would declare for a Federal sales tax." The proponents of a sales tax are either those who seek to avoid or reduce the income tax or are influenced by that class. Some of my good friends of this body, who I know are honest and sincere and real statesmen, favor some such a measure, but in my opinion they are influenced by their hatred for the so-called present "nuisance tax", which is really a sales tax. They should realize it is better to have only 17 of these nuisance taxes than thousands upon thousands. Recently a sales tax was initiated and submitted at the general election to a vote in the State of Arkansas and was defeated 8 to 1. This unjust tax, sought to be placed upon the toiling masses of this country, cannot hope to win when the searchlight is turned on and the facts are known. Every labor and farm organization in this Nation is opposed to such a law.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. GLOVER. The great danger, as I understand it, of a sales tax is that it is pyramided sometimes three or four times before it finally comes to the man who has to pay. He has then to pay all of the added tax. For instance, if we have a 5-percent sales tax on the manufacturer and he sells the article on which that tax must be paid to the wholesaler, he is not going to lose that, and cannot lose it, but he will put it onto the price of his article to the wholesaler. Then, when the wholesaler sells to the retail merchant, he must have his profit and he puts that tax on, and when the retailer sells it to the consumer he must have his profit, so that it is usually pyramided about four times by the time it gets to the ultimate consumer, who would have to pay and who is least able to pay.

Mr. FULLER. I thank my colleague for his excellent contribution.

Recently Columbia University, following a Nation-wide investigation by a staff of Columbia economists financed by the Rockefeller Foundation, declared that the sales tax was "an unnecessary and backward step in taxation." The report said in actual operation the tax yielded results quite different from those anticipated and that it cost about 5 percent to collect.

The advocates in Congress apologize for such a tax, claiming that it should only be used as an emergency measure and should replace the so-called "nuisance" taxes. This is not the real desire of those out of Congress demanding this tax; they seek to profit in the amount of taxes paid. It is high time that those who stand for the poor and middle classes of this country, and who want to make wealth bear its just portion, should be on guard and strike this serpent every time it shows its head. The enactment of this nefarious and unjust sales tax will meet with condemnation at the hands of the American public.

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes; I am pleased to yield.

Mr. HOEPEL. To make the observation that in California we have a sales tax as high as 6 percent, which we levy on the poor unemployed who is working for the C.W.A., while the same tax exempts the enormous profits made on

the stock exchange. If the California sales tax is an example of what a sales tax might do, it is certainly an iniquity.

Mr. FULLER. I am glad the gentleman made such timely remarks.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GLOVER. Will my colleague yield again?

Mr. FULLER. I will be pleased to yield.

Mr. GLOVER. The gentleman spoke a moment ago of the sales tax, and that if it should ever be used for taxing purposes it should be used by the States in cases of emergency. In that I heartily agree with the gentleman. There is another tax that I should like to get the gentleman's judgment upon, and that is the tax field that we have invaded, namely, the tax on gasoline. The gentleman will remember that our State now has bonds or State obligations that are predicated solely on the payment of those bonds from the gasoline tax. Of course, there is a limit to which we can go in taxation. We must necessarily reduce our State tax in proportion to whatever the Government sees fit to put on. Does the gentleman not think that we, as a national government, ought to get out of that field also as quickly as possible and leave to the States the entire tax that may be levied on gasoline, for the purpose of building roads in the States, which the public in the State and from all parts of the Union enjoy?

Mr. FULLER. Of course, I think everybody in this House is opposed to a gasoline tax imposed by the Federal Government. It is one of the so-called "nuisance taxes." I am sure it will soon be eliminated.

To me it is parrotlike stupidity to deny this measure is demanded by the wealthy income-tax payers, with a view of thus obtaining a reduction in income-tax rates.

During these trying days, when 10,000,000 are unemployed, representing a population of 50,000,000 without an income, is no time to add a tax to their great burden.

It took courage and statesmanship for that great humanitarian, President Roosevelt, to go to the grass roots in granting relief and making available a billion dollars under the Public Works program to furnish labor for these hungry Americans. Should these people, as well as those on the relief rolls, have some of this money taken from them for a sales tax to reduce the tax of those able to pay? God forbid the time will ever come in America when, by taxation, we make plebeians and peasants out of the middle and poor classes! This Nation cannot prosper with only the exceedingly rich and the exceedingly poor.

Political corruption caused by the aggrandizement and centralization of wealth in the hands of a few is the epitaph engraven upon the tombstone of the great republics of Greece and Rome. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. SMITH].

#### ABOLISH TAX EXEMPTION ON SECURITIES

Mr. SMITH of Washington. Mr. Chairman, this is undoubtedly one of the most meritorious and progressive tax measures ever submitted to this body and is a credit to the able Committee on Ways and Means, whose diligence and fidelity to duty is recognized by every Member of this House. The arduous labors of the members of the subcommittee, headed by my distinguished colleague from the State of Washington, Mr. SAMUEL B. HILL, have contributed much to its many excellent features. I am heartily in favor of section 602, which imposes a processing tax of 5 cents per pound on coconut oil, which, it is hoped, will benefit the dairy industry, although it is my opinion that an absolute embargo against any further importation of foreign oils, oleomargarine, and butter substitutes is required and justified to relieve the present plight of our dairy farmers.

However, it is a source of regret to me that this measure does not contain a provision levying a direct tax on the income derived from municipal, State, and Federal securities.

There is a wide-spread public opinion in favor of abolishing the tax exemption on securities and subjecting the in-

come derived from Federal, State, and municipal bonds to taxation by the Federal and State Governments. The term "tax-exempt securities" is a misnomer, for such a thing does not in fact exist. The bondholders are exempted from paying the tax, but the rest of the community has to pay the tax, which is shifted from the tax dodger to the taxpayer.

The total amount of outstanding Federal, State, and municipal bonds is officially estimated at over \$40,000,000,000, the annual interest on which is approximately \$1,800,000,000, exempt from payment of taxation by the bondholders excepting surtaxes on some of the Federal bonds, as we will presently note.

The total interest-bearing national debt as of August 31, 1933, was \$22,722,597,530, of which sum \$12,860,055,350 was subject to surtax and \$9,862,542,180 entirely exempt and free from income tax and surtax. Figured on an average interest rate of 3½ percent, the total interest paid to the bondholders on this portion of the national debt is at least \$825,000,000, which is wholly tax free.

The total State and municipal indebtedness is officially estimated at approximately \$17,800,000,000, the annual interest on which amounts to not less than \$1,000,000,000, based upon an interest rate of 5½ percent per annum. When we add to this latter sum the \$825,000,000 interest on the national debt just referred to, we have a total income of approximately \$1,825,000,000 on which no income tax is being paid to either the Federal or State Governments, 67 percent of which income is received by corporations and 33 percent by individuals, according to the official statistics. It has been estimated that, based upon existing tax rates, which are far too low compared with those in effect in Great Britain and other leading nations, the Federal Government would derive a revenue of at least \$160,000,000 annually by subjecting to taxation this income on which the bondholders are now paying no tax whatsoever.

Mr. Chairman and Members of the Committee, two objections are urged against taxing the bondholders on their income. First, that it would result in the Federal and State governments having to pay a higher rate of interest on their bonds. In the opinion of those who have studied the question, with whom I agree, it is extremely doubtful if this would prove to be the case, in view of the huge oversubscriptions received every time a new bond issue is offered to the public, which indicates that there is an almost unlimited supply of surplus funds held by corporations and individuals seeking investment. Secondly, it is contended that the tax would render it more difficult for the States and municipalities to finance their governmental operations and necessitate their curtailment. In view of the plethora of funds awaiting investment, as stated, this fear is probably unfounded. However, even if the feared effect would result, would it be a valid objection, in view of the prevalent opinion that funds have been too easily obtained and consequently lavishly and even recklessly expended during the past decade by all governmental agencies and thereby caused an appalling increase in the costs of government and higher taxes?

Manifestly, the most serious objection to legislation by Congress to tax the bondholders arises from the legal question: Has Congress the power to levy such a tax?

The sixteenth amendment to the Federal Constitution reads as follows:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

It is asserted that the purpose of this constitutional amendment which was submitted to the States July 12, 1909, and ratified by three fourths of them on February 5, 1913, was to overcome the effect of the decision rendered in 1895 by the United States Supreme Court in the case of *Pollock v. Farmers Loan & Trust Co.* (157 U.S. 429), in which the income tax of 1894 was held to be unconstitutional. In its opinion the Supreme Court declared, first, that incomes

derived from property were "direct taxes", leviable only according to apportionment, and, secondly, that State and municipal bonds were not subject to Federal taxation. In regard to the latter point, the Supreme Court said:

Bonds of a municipal corporation in the several States issued to raise money for public municipal purposes therein are immune from Federal taxation, and this on the ground that such corporations are representative of the State and exercise some of their powers, and that under the implications of the Constitution, the governmental agencies and operations of the State have the same immunity from Federal taxation that like agencies and operations of the United States have from taxation by the States.

Mr. Chairman, the sixteenth amendment has been considered by the Supreme Court in several cases (*Metcalfe and Eddy v. Mitchell, Adm.*, 269 U.S. 514, 521, and *Missouri v. Gehner*, 281 U.S. 313) and notably in the case of *Evans v. Gore* (253 U.S. 245), decided in 1920, which involved the question whether the salary of a Federal judge could be subjected to the income tax in view of the fact that under article III of the Constitution the compensation of judges of the United States may "not be diminished during their continuance in office." The Supreme Court—Justices Holmes and Brandeis dissenting—held that this provision remained in effect and had not been modified by the sixteenth amendment. In the case of *Missouri against Gehner*, supra, Justice Stone said in his dissenting opinion, in which Justices Holmes and Brandeis joined:

A taxpayer, having no tax-exempt securities and legitimately bearing the burden of a State tax on net worth, may put off the burden completely by the simple expedient of purchasing on credit Government bonds equal in value to his net taxable assets. The success of a device so transparently destructive of the taxing power of the State may well raise doubts of the correctness of the constitutional principles supposed to sustain it. So construed, the Constitution does more than protect the ownership of Government bonds from the burden of taxation. It confers upon that ownership an affirmative benefit at the expense of the taxing power of the State by relieving the owner from the full burden of taxation on net worth, to which his taxable assets have in some measure contributed.

Mr. Chairman, not one of these cases involved the construction and interpretation of an act of Congress framed in the language of the sixteenth amendment nor squarely presented to the Supreme Court the question whether such an act of Congress taxing incomes, from whatever source derived, would come within the purview of the amendment, for Congress has never passed such a law, but which many citizens are ardently hoping will be done during this session. Indeed, Hon. Harry Hubbard, of the New York bar, has pointed out in a very learned and exhaustive article published in the *American Bar Association Journal*, volume 6, pages 202 to 207, that when the case of *Evans against Gore*, supra, which involved the matter of the salaries of Federal judges as affected by the sixteenth amendment, was argued before the Supreme Court of the United States, counsel for the Government did not even argue to the Court that the "amendment rendered anything taxable as income that was not taxable before", according to the statement of Justice Van Devanter in the Court's opinion. This action on the part of counsel for the Government must have been highly agreeable to the holders of tax-exempt securities, who always rely upon the decision in this case as an absolute bar to legislation by Congress to enforce the sixteenth amendment, but it was decidedly unfortunate and costly for the Government and the people of the United States.

There is another legal phase of this subject which is quite significant and important. The corporation excise tax of 1909 taxed the privilege of doing business by corporations, which tax was determined on the basis of the net income of the corporation from all sources. In the case of *Stone Tracy Co. v. Flint* (220 U.S. 107) the Supreme Court held that Congress had the power to include in the determination of the amount of the excise tax the income derived from tax-exempt securities, although such income could not be directly taxed, and stated:

There is no rule which permits a court to say that the measure of a tax for the privilege of doing business, where income from property is the basis, must be limited to that derived from property used in the business.



In New York and California State corporation excise taxes levied on the net income of the corporation derived from all sources, including the income from Federal securities, have been sustained by the United States Supreme Court in *Pacific Co. v. Johnson* (285 U.S. 480), in which the Court said:

The owner may enjoy his exempt property free of tax, but if he asks and receives from the State the benefit of that enjoyment, he must bear the burden of the tax which the State exacts as its price.

And also in the case of *Educational Films Co. v. Ward* (282 U.S. 379).

As evidence of the fact that in recent years the Supreme Court has been expressing itself more favorably toward Federal fiscal laws imposing burdens upon the States and State fiscal legislation affecting the Federal Government, it is worthy of note, in view of the decisions which we have briefly analyzed, that in 1929, but 4 years ago, the Supreme Court held in *Macallen Co. against Massachusetts*, that under the Massachusetts State corporation excise tax, interest derived from Federal bonds could not be taken into account in determining the amount of the tax, because the statute imposes a tax upon Federal bonds and securities. Not quite 2 years later, in 1931, the Supreme Court decided in *Educational Films Corporation against Ward*, supra, that royalties from Federal copyrights might properly be included in arriving at the franchise tax to be paid to the State of New York. Finally, 1 year later, in 1932, the Supreme Court, in *Pacific Co. against Johnson*, supra, as we have already noted, held that the interest from Federal bonds were property figured as a part of the income upon which to assess the California State franchise tax, precisely the question involved in *Macallen Co. against Massachusetts*, in which the contrary ruling was made in 1929, 3 years sooner, and thereby overruling the earlier case.

Consequently, under these later decisions it is altogether reasonable to assume that Congress could levy an excise tax based on the privilege or franchise of the corporation to do business and the privilege of the individual to pursue any trade or gainful occupation, the amount of the tax imposed to be determined by the income of the corporation or individual from all sources, including the interest on tax-exempt securities, which would reach all the income derived from tax-exempt securities, excepting the interest received on tax-exempt securities by those who have no other source of income and do not have any trade or occupation except clipping interest coupons. However, this last-named class should certainly not be permitted to escape their responsibility and duty to contribute toward defraying the costs of maintaining the National Government, the benefits of which they enjoy to the same extent as the workers and taxpayers. An excise tax, while possessing merit as far as it would go, would fall short and fail to subject to taxation the incomes of the very class whose incomes should be the first to be reached by our revenue laws.

Measuring the sixteenth amendment by its four corners, and giving full force and effect to the words "on incomes, from whatever source derived", many eminent jurists and lawyers are of the opinion that an act of Congress reading literally the same as this language of the amendment would be upheld by the present Supreme Court, which by its decisions in the State excise-tax cases rendered within the past 2 years appears to have almost invited Congress to act. The constitutional objection to taxing the income from State bonds is sound only when there is a discrimination against State bonds, which could not possibly apply when all sources of income are taxed equally and no discrimination or injury results to the States.

Prof. Edward S. Corwin, of Princeton University, in an article entitled "Constitutional Tax Exemption", published in *National Municipal Review*, supplement to volume 13, after digesting the law thoroughly, expressed the following positive opinions:

(1) Congress has the power to permit State taxation of national securities by no discriminatory taxes.

(2) On correct theory it has always had the power to tax incomes from State and municipal securities by a general income tax.

(3) The sixteenth amendment restores that power by striking down the judicial theory whereby such incomes came to be exempted. Congress may tax incomes from whatever source derived. The words of the amendment are perfectly explicit, and the sense of them could not be made clearer by a dozen constitutional amendments. What is needed, therefore, is not further tinkering with the Constitution, but an act of Congress assertive of its present powers.

Nor is there any judicial decision interpretative of the sixteenth amendment which stands in the way of such an assertion of power. Yet even if it were otherwise, that should not deter Congress from taking the proper steps to secure a reconsideration of so important a question.

The sixteenth amendment is just as clear and explicit as the English language can make it, and no ambiguity inheres in it.

How would you write a new amendment? Would you confer on Congress the power to levy a tax "on incomes, from whatever source derived, including interest on State and municipal bonds"? That would be like levying a tax on "all liquids, including wines." The language of the present amendment is all inclusive and more so than any qualifying or descriptive phrases of inclusiveness which could be added, for it reads "on incomes, from whatever source derived." To say that a State and municipal government are not a "source" is to say that they are non esse. Is not this silly and preposterous?

Mr. Chairman, let this Congress enact a Federal statute levying a tax at certain prescribed rates upon "incomes, from whatever source derived", and let the present liberalized Supreme Court of the United States as now constituted, with Justices Hughes, Roberts, and Cardozo not infrequently acting with Justices Brandeis and Stone as a majority, pass upon it, and the tax-exemption evasion fraud will come to a sudden end in this country. Let us do this rather than continue to soak the poor and heap up more taxes on the average citizen by levying still further taxes upon every man and woman who buys a gallon of gasoline or drinks a cup of coffee or tea or buys some article of merchandise, when the safety-deposit vaults are filled with the tax-free bonds of wealthy tax dodgers. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks by incorporating an article by Harry Hubbard, of the New York bar, published in the *American Bar Association Journal*, on the authority of Congress under the sixteenth amendment to the Constitution to levy taxes on so-called "tax-exempt securities."

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. TABER. Reserving the right to object, is it the gentleman's own remarks?

Mr. SMITH of Washington. Yes. In answer to the gentleman, I want to extend my own remarks and to include the article to which I referred.

Mr. TABER. As far as the gentleman's own remarks are concerned, I have no objection; but as far as articles written by other people who are not Members of Congress, or important Government officials, I feel constrained to object.

Mr. KELLER. Will the gentleman withhold his objection a moment?

Mr. TABER. I will.

Mr. KELLER. This is a matter upon which it seems to me there is very little understanding over the country, and it is one on which we ought to have the very best information we can get. If somebody in the Bar Association has written this, I hope the gentleman will permit it to go in. I should like to have that information myself, and I do not have it; but I should like to get it.

I want to get it. I think it ought to be given the widest possible distribution.

The CHAIRMAN. Does the gentleman from New York insist on his objection?

Mr. TABER. Mr. Chairman, I do not object to the gentleman extending his own remarks, but I do object to the insertion of the article.

Mr. SMITH of Washington. The gentleman from New York [Mr. TABER] has interposed objection because a Member from this side objected the other day to his inserting an editorial from the New York Tribune; but this is an entirely different matter, as the article I have offered contains very valuable information in regard to the legal phases and decisions of the courts relating to the important subject of the power of Congress to tax the income from tax-exempt securities, which I have just discussed. I am sorry that he insists upon his objection.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, with pleasure I accept this opportunity to express my appreciation for the lucid explanations given by the members of the Ways and Means Committee and others regarding the various provisions of this important legislation.

Coming from an agricultural section myself I desire especially to congratulate the distinguished Member from Nebraska, Governor SHALLENBERGER, for his efforts and success in having written into this bill certain tax provisions in regard to coconut and sesame oils. I regret exceedingly that it was not possible to have inserted into the bill similar provisions in reference to other vegetable oils and animal fats which are imported in large quantities to the detriment of our agricultural interests. As one of the representatives of the cotton growers I would have been pleased if an adequate processing tax had been imposed upon jute, hemp, paper containers, and other commodities which come in active and unfair competition with cotton products. However, this bill accomplishes a long step in the right direction and should prove to be of decided benefit to the dairymen who produce in value practically one fourth of the agricultural products of America. It should help also the growers of cattle and hogs and the producers of corn. It should stimulate materially the market for cottonseed and peanuts, so essential to the prosperity of the South.

I listened with greatest interest to the urgent protest made by the Commissioner from the Philippine Islands to this provision in the bill, and I congratulate him upon his loyalty to the people whom he represents. I only hope that we of the States may emulate his example by equal loyalty to the interests of those who sent us here. In this connection, I point out that this is not the only incident in which the Filipinos evidence a mindfulness of their own interests. Statements from the governmental departments and other sources show that in July 1933, 80 percent of Philippine imports of piece goods came from the United States, 10 percent from Japan, and the other 10 percent from various countries. Having increased the cost of our products by resorting to the N.R.A. we find that by November 1933 the Philippine Islands were taking of these goods from the United States only 32 percent and receiving from Japan 56 percent, the remaining 12 percent coming from other countries. During the month of January 1933 the Philippine Islands received from the United States 7,029 packages of cotton goods and during the same period 1,930 packages from Japan. In December 1933 the figures are practically reversed as the Philippines imported from the United States only 2,890 while from Japan they received 6,250 packages. I have no inclination to criticize or condemn the Filipinos for their action, for why should a people be censured for taking advantage of an opportunity to direct their trade where to them it appears most advantageous? But it would be quite generous indeed for us to continue to furnish a market without revenue or tax, for the oils from the Philippines while they in turn so liberally patronize a competitor who, as I understand, has recently concluded an agreement to take from India 1,500,000 bales of cotton annually from which to manufacture, with cheap labor, goods to be sold in the markets of the world at a price with which we are unable to compete.

Not only the condition revealed by this situation but the handicap under which our industries are forced to operate while endeavoring to meet foreign competition in the open markets necessarily challenge our most serious consideration if we expect or hope to remain a factor in the commerce of the world. Not only that, my information is that approximately 40 percent more cotton cloth was imported into the United States in 1933 than in 1932. So, with cheap cotton from India and other producing countries, and cheaper labor from Japan and other manufacturing countries, even our domestic market seems unsafe for either American agriculture or industry.

In view of this situation, may I in conclusion submit that a definite attitude and policy in regard to these important matters would be of the greatest interest at this time to those so vitally concerned. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Chairman, at this time I desire to read a short editorial headed "The House Abdicates", taken from the Washington News of today:

#### THE HOUSE ABDICATES

With, doubtless, the best intentions in the world, the Democratic leaders of the House of Representatives are discrediting the administration in the eyes of the country. When word goes out that the House has been reduced to the point of impotence where its Membership is no longer permitted even to propose amendments to a tax bill, then it is inevitable that a feeling of resentment should spread.

For the House was given primary control over public money solely because it was, in the beginning, the one branch of the Federal Government close to the people and responsive to their wishes. Centuries of struggle had established the tradition that the popular branch of a government should hold the purse strings.

Today the Democratic leadership of the House has completed a long process of attrition by which this vital function has been surrendered. The beginning came, of course, when the House allowed its membership to increase to the point where free and unlimited debate became a physical impossibility. To function at all the overcrowded House had to have some measure of boss rule. But today, for no reason that seems evident, boss rule has been extended to a point far beyond anything called for in the interest of simple efficiency.

There is no indication that this was done at the request of President Roosevelt. The tax bill under consideration was not proposed by him, although the bill as finally drawn was approved by the Treasury. A gagged House of Representatives is decidedly a discredit to the President whose policies it undertakes to expound.

In the Senate, which is today far more representative of the public than is the House, the tax bill will be debated and amended. Yet the House can be so manipulated by its bosses that the Senate may be forced to choose between abandoning its amendments or defeating the tax bill altogether. This is not representative government. It is not even intelligent autocracy.

Some have suggested that the public might actually be more faithfully served if the House were abolished altogether and the only truly representative body were left to function unhampered.

Whether or not this conclusion is sound—and it probably is not—resentment toward the House will grow if it does not reassert its powers as a deliberative body.

Those are not very nice editorials to read in the newspapers regarding this House, which is supposed to be a deliberative body representing the people of the various States. I do not like to see such editorials; we have, however, no one to blame but ourselves.

Personally, I should like to have seen the Members given an opportunity to offer amendments to this tax bill. Personally, I should like to have seen a practically new tax system set up in this country. As it is, we are spending the time and effort of the committee fussing around with an old building that is dilapidated, the foundation is rotten, the rafters are rotten, the siding has fallen off, the plaster is down, the wind is blowing through it, the windows are cracked and broken out, and it is propped up with poles; yet we are spending our time and energy reshingling the roof, so to speak. As a matter of fact, that is just about all we are doing, for we learn that notwithstanding the many so-called "amendments" of the tax law contained in the provisions of this bill we are not going to reach the tax dodgers who are hiding behind all kinds of subterfuge.



I am not in favor of a sales tax. I am not going to talk for a sales tax, either, for that is just another way of making the little fellow, the home consumer, the day laborer, the workman, and the farmer pay the tax dodgers' share of the burden.

Our Government would have all kinds of money if we had not left loopholes through which the J. Pierpont Morgans and the Andy Mellons and their ilk and stripe have jumped. We learned through the investigation conducted by the Senate Committee on Banking and the investigations of Mr. Pecora that Morgan pays an income tax in England but none whatever in the United States of America where he has made millions and millions of dollars.

We see the effect on the income-tax laws of the country of the decision handed down by the Supreme Court in favor of Morgan and his interests whereby they can reduce their apparent income by the payment of stock dividends, in this manner avoiding the assessment of taxes.

It might be well to look into the income tax Colonel Lindbergh paid on earnings of stock given him by these manipulators who wanted to use his name for promotional purposes and get other poor suckers to buy these stocks. They used Lindbergh for the goat, and he fell for it willingly.

Under our tax system today we start in by going after the helpless children. We tax the bar of toilet soap used in the first bath after their birth. Of course, they are helpless and they are defenseless. Not only that but also we tax the cake of soap with which is washed the body of the corpse before it goes into the casket; yet the Morgans, the Rockefellers, the Mellons, and the rest of them are allowed to escape their fair share of the tax burden. At the very time we tax the few pennies the children spend for tidbits or sweetmeats on the way to school in the morning, yet today Congress not by the millions but by the billions is issuing additional tax-exempt bonds and more tax-exempt bonds.

All that these tax dodgers have to do is to buy more tax-exempt bonds so that they can dodge their just taxes and the result is that more of the tax burden is laid on the backs of the common people. This is what we are doing.

This is a good deal like our hog-control program. We take the old brood sows and ship them into the stock markets, kill them off and make them into fertilizer, so that we can sell the farmer more fertilizer to plant more corn so that the corn can be fed to more brood sows to be sent back into the market, and so on ad infinitum. Our tax system is turning out in the same way.

We should change the entire tax system. We should put on what is known as a gross-earnings tax and graduate the scale. If we did that we would have more money than we would need. We could balance the Budget. We would be a Nation that pays its debts. This could be done by providing for absolutely no exemption. This would plug up all the holes in our present inadequate and obsolete tax system. We could put a tax on every earning in the United States of America. We would start in with probably one quarter of 1 percent on the man who earns five, six, or seven hundred dollars a year. This would only be a tax of several dollars. We could put a gross tax on the income of every business according to the business, so that each night when the cash register was punched so much of the money would have to go for Federal taxes. Not only that, but stock salesmen and everybody taking in money would have to pay a tax upon the amount of money that they took in. We would have to make it graduate until those who took in great sums of money would be paying 6, 8, or 10 percent on their gross income, while the little fellow, starting in as a day wage laborer, would be paying only a few dollars a year. But everyone would be contributing to the expense of their Government in this country.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. SHOEMAKER. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. It seems to me that in heaping up the income and inheritance taxes in order to affect

a redistribution of wealth, we are really working on the roof of the house instead of the foundation. What we ought to do in this country is to devise an economic system that will distribute more of this wealth at the source and not have it dealt with by bureaucratic methods of taxation of incomes, and so forth.

Mr. SHOEMAKER. What the gentleman says is quite right. They dodge the inheritance tax by transferring the property far in advance of their death, and having the property set up in a trust fund, and through other methods of avoiding the payment of the tax. There is not a tax that we have in this entire tax bill here today that cannot be dodged. I do not say this because of any personal animosity that I have toward anyone on the committee or toward the committee as a whole. I feel that our tax system is inadequate, it is obsolete and out of date. We are today living in the twentieth century. The sooner the Members of the House get that into their heads that we are living in the twentieth century and not in Andrew Jackson's time, and quit voting Andrew Jackson, the sooner we will be better off. We are still voting for Andrew Jackson but we do not seem to know it.

Mr. DONDERO. Will the gentleman yield?

Mr. SHOEMAKER. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman made some reference to Colonel Lindbergh. Did the gentleman see the statement in the morning paper that Colonel Lindbergh was offered a contract by William Randolph Hearst involving a half million dollars, and that Colonel Lindbergh tore it up and threw it in the fireplace rather than take the half million dollars? He did not want the money. The gentleman does not want to leave the inference that Colonel Lindbergh was after money, does he?

Mr. SHOEMAKER. May I say this, that if Mr. Lindbergh was unpopular tomorrow, Mr. Hearst would write a different editorial just the same, because he is always on the side that he thinks is most popular, regardless of principle. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are discussing a tax bill and may I say that I have listened to some of the debate with a great deal of interest. I have given some consideration to this tax bill, and I feel that this tax bill is only a makeshift. There are many features of it that I do not like, yet nevertheless I realize that with the country in the position that it is today, and the amount of money that we are expending, that it is absolutely necessary to have a tax bill. I am going to support the bill because of the fact that we must raise revenue. I dislike very much having to support a bill which came in in the manner in which this bill has been presented to us, owing to the fact that we as Members of the House of Representatives have no chance whatever to make amendments or changes to the bill. I think that is very undemocratic, not to permit amendments and I believe it is detrimental to the welfare and the interests of this country. We are not permitted to make any recommendations whatsoever in reference to this bill. We either take the bill or leave it. I consider that a very un-American way of trying to handle the affairs of the House of Representatives, and this is not in accordance with the Constitution of our country.

We have been taught recently to be good "yes-yes" boys or good "no-no" boys, depending upon what some others in authority decide that we should do. I feel that the good Lord gave us brains which we should use in trying to work out the salvation of this country and, goodness only knows, we need to use every ounce of energy and every ounce of mentality that we have if we are going to continue the operation of this country in the way we would like to have it.

Mr. HOEPEL. Will the gentleman yield?

Mr. RICH. I would prefer concluding my statement, then I will be glad to yield to the gentleman.

I think that one of the greatest needs we have in this country today is the giving of a job to the man who wants to work. Give him a job so that he can earn a livelihood for himself, so that he can earn a livelihood for his family, and so that he will have something whereby he can have the pleasures and enjoyments of life. If we are going to establish a tax bill that is satisfactory in securing the revenues necessary to operate the Government of this country and at the same time create jobs for people so that they can be employed and earn their own livelihood, I make the suggestion, which has been made heretofore, and that is to stop mass production. I have been advocating this and advocating it quite strongly for some time. We also ought to tax improved machinery. I have been very sympathetic to the N.R.A. in doing away with child labor, in the creation of a minimum wage, in the regulation of the hours of labor, and in the regulation of the hours of work for machinery, but you are never going to make the N.R.A. a success until you govern mass production.

We can put a tax on improved machinery so that we can stop this great mass production and, eventually, if we find that our production is not great enough we can reduce the tax. We should put this under the Department of Labor or some other department, because eventually we must create jobs for the men who want to work. If we do this I feel confident that ultimately we can eliminate the tax on mass production and on improved machinery and in this way we will be doing what we are trying to accomplish today. That is earn a livelihood by having a job. This is what the various Government agencies that we are spending millions and billions of dollars on are trying to do now by the Government being the employer rather than industry. I believe this can be done by promoting something that will stop mass production and give men work.

Today, what is the first thought of a man in business? His first thought is trying to keep his business from going into the hands of a receiver. The man in business today is just as sick as the man who has not a job, because he does not know whether his business is going to continue or not.

Any individual who is still engaged in business has the thought in mind, "What can I do to meet competition? The other fellow has put in improved machinery and if I do not install some machinery to compete with my competing manufacturer I will be out of business." What is such a man doing? The best brains of the country today that are left in business are thinking of the things they can do to install labor-saving machines and put men out of jobs. This is not because they want to discontinue the employment of people or not employ additional people, but they are doing this because they know it is a matter of self preservation to keep their business in operation. Therefore this individual is striving in every way, shape and form, to get machinery that is going to reduce his overhead and the N.R.A. is permitting them to go ahead and put in mass-production machinery and they are putting men out of work every day and still we are asked, "Why not employ more people." Stop the cause of men losing their jobs and regulate the machine temporarily and you will see the men go back to work, many of them.

If we tax such machinery we will put more men back to work and we will not be putting the Government further into debt and the business people of the country will take up the slack in unemployed labor, and, eventually, we will get things back on a normal basis without having this great national debt. I feel this is one of the most important things we can do at the present time. I am not antiquated nor do I want to stop advancement; this is a temporary measure.

Another thing that has interested me is the fact that Members of the House of Representatives will get up here and say that we want improved machinery to do everything, so that men can sit down and not have anything to do but enjoy all the pleasures of life. The first man on earth was in the Garden of Eden and he was driven out because he sinned. Today, I do not think anyone can stand up here

and conscientiously say he does not believe that men should work.

I say that men ought to be engaged in some occupation. If they are not, they become dissatisfied and, as we all know, idleness breeds discontent. If we do not have 8 hours of work to provide for a man, I do not know what he is going to do with himself.

I know well enough he is not going to get money enough to go around and enjoy himself and participate in all the pleasures of life without any work. I believe the men who advocate this today do not know what they are talking about and I hope such discussions will be discontinued, because if we give all men an opportunity to work at least 4 days a week so they can occupy their minds and then have 2 or 3 days a week to enjoy themselves with their families and do their visiting, we will probably get somewhere, and the day is never coming when people can sit around in idleness without creating anything and at the same time have all the pleasures and enjoyments of life. I do not believe such a day will ever come and I do not think any man who advocates this ever did very much work himself, because if he is so used to loafing around that he wants to spend his time in idleness, I think there is something wrong with him in advocating such a condition for his fellow man. I love to work myself, and work will not injure any person.

There is one other thing that we have condemned here, and I condemn it also, and that is the crookedness of men when they are trying to violate the laws that we have passed here, whether it is the income tax law or any other law.

I do not have time for the politician who sits around and tries to evade the law and do things that are unethical. I do not have any time for the politician, whether he is a Congressman who sits in the House of Representatives or not, who is for those things that he thinks are going to give him a seat in Congress, when he knows it is the wrong thing to do. We have done a lot of talking here, and I insist that the men who are simply trying to do those things which are best for themselves, when the existence of the country is at stake, have not very much at heart the welfare of the country, and I do not approve of action and talk of this kind. We have given out the sentiment that all men in business are crooked just because a few have sinned. Our honest business men are the backbone of this country.

Right now we are bringing up a rule here, because we have enough signatures on the application to vote on the bonus bill. This is going to bring out a bill which, I believe, the administration does not want at this time. I thought a year ago when we put that rule into effect it would reflect on the Democratic Party—and it will.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. RICH. I am sorry this rule was enacted as a part of the rules of the House of Representatives, because I believe it is going to bring up a measure which the administration does not want at this time. I feel that any rule that is going to create a condition that will retard the advancement of this country at a time like this is wrong.

I want to support the President of the United States as long as he suggests laws that I believe I can support wholeheartedly, but I am certainly not going to be a "yes" man and vote for everything that is brought up here, when I know it is wrong.

I think we ought to try the best we know how to use our good common sense. We ought to have enough confidence in the men who compose the House of Representatives to believe that they are going to act for the best interests of the people of this country, and if we do this and we stand up here conscientiously and say that we will vote for a particular thing because it is in the best interests of the country, then I think as Representatives we are doing our duty; but when you bring in bills that are contrary to the rules of the House and contrary to the Constitution of the country, I say such things ought not to be done and such rules are wrong, even if they are the rules of the House of Representatives.



I hope that some of the rules that we have enacted in the House of Representatives will be annulled, and that men will stand up and try to be conscientious in their efforts to do those things for the best interest of the people.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. RICH. I will yield to the gentleman.

Mr. VINSON of Kentucky. What bill has been brought on the floor of the House contrary to the rules of the House?

Mr. RICH. The rules of the House are wrong, and I venture the assertion that the gentleman has voted for rules in the last 3 or 4 weeks that he does not believe in himself just because they are gag rules.

Mr. VINSON of Kentucky. No bill has been brought on the floor of this House at this session or the past session that has not been brought here in conformity with the rules which the majority of the House adopted.

Mr. RICH. I will venture the assertion that 60 percent of the Members upon this side of the aisle, the Democratic side, do not agree or believe in the rules you have adopted at this session.

Mr. VINSON of Kentucky. They are the rules of the House.

Mr. RICH. That is all right, they are the rules of the House, but you ought to change them. They are poor rules and contrary to our Constitution.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Chairman, I ask unanimous consent to submit a statement from one of the Assistant Secretaries of the Treasury, Mr. Magill, who has furnished me with a list of several countries showing the rate of taxation on incomes from Government securities.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The statement is as follows:

#### TAXATION OF INCOME FROM GOVERNMENT SECURITIES

##### AUSTRIA

The interest from national Government bonds is taxable under a general income tax and under a capital yield tax. Principal and interest on all external loans are payable without deduction for any Austrian tax, however. In addition, all the World War loans now outstanding are "free from Austrian taxes." Three pre-war issues are made free of Austrian income tax in their authorizing acts. This leaves only eight issues which have no tax-exemption features. One of these loans issued to Austrian nationals against their claims of foreign currencies includes 10 series.

##### BELGIUM

Income from securities of the state, the provinces, municipalities, and other public bodies is taxable under the tax on income from investments and under the supertax. All external loans, however, are specifically free of tax. The latest external loan (5½ percent of 1932 issued in French francs) is not only free of taxes in Belgium but if taxed in France, the Belgian Government will pay such taxes. With reference to internal loans, all outstanding World War loans are specifically exempt from Belgian taxation, but with the exception of an issue of the Lloyd Royal Belge Steamship Co. assumed by the Government, the policy appears to be against tax-exemption for internal loans other than war loans. Treasury 5's of 1932, however, are made payable as to "interest and principal and premium without deduction for present and future taxes of the state, the provinces, and the communities."

##### CANADA

The income tax specifically does not apply to income derived from Canadian securities, the beneficial ownership of which is in nonresidents of Canada. There is, however, no general statute exempting interest from Government bonds from taxation. The Dominion of Canada external 5-percent gold loan bonds of 1915, the third war loan, and the first victory loan were specifically made exempt from all Canadian taxes, and hence the interest from these issues is not taxable to Canadian citizens or residents. The interest on almost all other Government issues, however, is taxable to Canadian citizens or residents. A few of the later issues are made tax exempt until a particular date, for example, November 1, 1933, and are thereafter taxable.

##### FRANCE

The interest on Government bonds is subject to the general income tax, although Government bonds are not subject to the 16-percent coupon tax. External loans are specifically exempt from all French taxes. Eleven outstanding internal issues are specifically free from all French taxes, 5 such issues are tax free except from the general income tax, and 8 such issues are free from the general income tax.

##### GERMANY

Income from national Government securities is taxable under the income tax law, and there are no general exempting provisions. Interest on all external issues are free of all German taxes. With the exception of the 7-percent loan of 1929, which is specifically free of income tax, the internal issues of the Government are not tax exempt.

##### GREAT BRITAIN

There is no general statute exempting interest from Government bonds from taxation. The Victory bonds, 4 percent, 1919; the funding 4-percent loan bonds, 1919; the war loan 3½'s; Treasury 2½'s, 1933; and the United Kingdom gold 5½ loan, of 1917, are exempt from British taxation if in the beneficial ownership of persons neither domiciled nor ordinarily resident in Great Britain. The great majority of British Government bonds contain no provisions for tax exemption and most of the local- and municipal-bond issues also contain no tax-exempting provisions.

##### ITALY

Interest on practically all kinds of securities representative of the national public debt is exempt from the tax on income from movable wealth either by the authorizing act or by other legislation. There is no general exempting statute from the complementary tax on income.

Income on all external government loans, including external loans of government-credit institutions, is payable without deduction for Italian taxes. All World War loans (internal) and all internal post-war loans are also specifically exempt from all Italian taxation.

Interest on bonds issued after September 30, 1926, by provinces, communes, and other legal entities is exempt from the tax on movable wealth.

##### JAPAN

The income-tax statute exempts interest on Japanese national bonds from income tax. The interest on Japanese local bonds is taxable under the income tax if it is received within the territory where the income tax is in force. The Japanese capital-interest tax is imposed upon all interest of Japanese national or local bonds where such interest is received within the territory where the capital-interest tax is in force. If the bond has a tax-exemption clause, it is, of course, exempt from all taxation including the above. All national bond issues, with the exception of two since 1914, provide that interest is to be paid without deduction for any present or future Japanese taxes. About one third of the local municipal bond offerings are similarly tax exempt.

##### SPAIN

There is no general statute exempting interest on Government bonds from all taxation. Prior to the World War a number of Government bonds were issued specifically subject to a deduction of a tax of 20 percent. Since the war most national issues have been made expressly free from all Spanish taxes, although the Spanish 5-percent redeemable loan of February 15, 1917, was subject to a 20-percent Spanish coupon tax. The majority of local municipal issues are not specifically exempt from taxation.

Mr. DEEN. Mr. Chairman and Members of the Committee, I am not going to discuss the various features or the provisions of the bill, but I should like in the short time allotted to me to pay a tribute to the committee having jurisdiction of this bill—the Ways and Means Committee.

To the chairman and members of the committee I think there is much credit due for the great many improvements over previous tax bills enacted by the House of Representatives. Of course, I should like to have the 2-cent postage restored immediately. It was also my hope that the tax on bank checks would be eliminated immediately, but that, I believe, becomes effective on January 1 of next year.

I also appreciate the work of the committee in raising the income tax in the higher brackets. As a poor man, I have always been willing to bear my share of the cost of government, and this increase in the income tax in the higher brackets is just and fair. Every citizen ought to be willing to bear his or her share of the cost of government in proportion to his or her ability to pay.

There is another wholesome provision in the bill, and that is the one increasing taxes on incomes from dividends, which, in my judgment, is a valuable provision of this bill.

I want to stress, if I may, my own conclusions of what I think is one of the most valuable provisions of this bill, and that is found on pages 15 and 16, section 131. It was my position and my platform in the election of 1932 that all domestic corporations doing business in foreign countries should pay to the Federal Government of the United States some kind of an income tax for the protection of the Federal Government of their property located in foreign countries.

Permit me to use this illustration: About a year ago China and Japan were engaged in a skirmish or impending war

over Manchuria. One of the Standard Oil companies of this country had some property in the war territory, and some soldiers threw stones at the buildings and apparently broke some of the glass, whereupon the American Ambassador or Minister, called upon the United States, or rather informed the United States, that we were embroiled in the approaching war.

It is my contention, Mr. Chairman, that if a corporation in this country is able to own a branch corporation in a foreign country, and expects the Federal Government to place its strong arm of protection over its investment in a foreign country, that corporation should respond in the payment of certain income taxes to the Federal Government of the United States on its earnings in that foreign country. It is only fair that those domestic corporations should thus perform their duty to our Government. That, to me, is a valuable provision of this bill. The principal regret that I have in the provisions of this bill is that it does not place a greater tax upon the income from tax-exempt securities, and I am not saying this in the spirit of criticism of the committee. The best information that I can obtain is that there are approximately \$50,000,000,000 worth of county, municipal, and State bonds outstanding at the present time. There are approximately \$25,000,000,000 of Federal bonds outstanding, incomes from some of which are taxed in some of the brackets. It was my hope that at this session of Congress we would be able to place a tax on income from bonds. To the average person bonds means bondage, but to a few people, or the owners, they mean income. In my judgment, tax-exempt securities show discrimination to the taxpayers of the country. All of us, from the humblest and poorest to the wisest and richest, from the North, East, South, and West of our great country, will have a greater respect for our system of government if no man in the country can go down and buy securities—bonds—and thereby escape taxation. It is only fair that we enact legislation at the earliest possible moment to cure this evil.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing in connection with my remarks a short article from the London Sphere that I shall quote from.

The CHAIRMAN. Without objection it is so ordered.

Mr. McFADDEN. Mr. Chairman, I was interested in the explanation given this afternoon as to the duties of these 10 new employees who are to be given to the Secretary of the Treasury, wherein it was stated that 6 of them are to be engaged on work incident to the administration of the stabilization fund. This Congress about 3 weeks ago put into the hands of the Secretary of the Treasury a \$2,000,000,000 stabilization fund. I had understood that most of the work incident to its operation was to be brain work and that decisions upon it would largely be as a result of exchange conditions abroad. I am able now to give this House some information as to what I believe these men will be doing in connection with the stabilization fund.

Apparently their principal function will be in arranging for the issue and delivery in payment for the gold which is purchased by the United States Treasury gold certificates or other credits. This is simply a clerical operation. Certainly, we would not pay \$10,000 per year for men to do this class of work, nor would we pay \$10,000 per year for men to carry the gold and place it in the Treasury. The further determinations must be made by others.

Interesting in that connection is the fact that these countries that are now shipping gold to the United States owe the United States some \$12,000,000,000, which they say they cannot pay because they are not able to do so, and Great Britain has told the Treasury and the President this fact. So have France and the other countries that owe us war debts. It is interesting to note that gold is being accumulated in Europe and being shipped to this country by these nations which owe us money—gold in large amounts. Dur-

ing the past few days, or since the passage of this lowering of the gold content of the dollar bill, over \$200,000,000 has been received or is in transit and other large engagements are being made to ship gold here. The present price of gold is \$35 an ounce in New York and in the United States, and gold is being attracted here because of that price. Much of the gold coming here at this time was shipped out of this country just a short time ago. Until the gold bill was passed the price in this country was \$20.67 an ounce.

Why should the United States be buying gold and paying \$35 an ounce for it? Why should the United States be making Great Britain a present of \$14.33 an ounce on the hundreds of millions of dollars of British gold that is being shipped to the United States? Why should the United States through this process be favoring four London gold brokers? Why should the United States set a price of \$35 and pay Great Britain an increase of \$14.33 on every ounce of gold? This is interesting when you consider that three fourths of all the gold produced in the world is produced in the British Empire. Did we do this because Great Britain demanded it? Is it possible that this \$14.33 profit to Great Britain on every ounce of gold shipped into the United States is for settlement of a debt that the United States owes to Great Britain?

The article that I am about to read is an enlightening one and raises the question as to whether or not the title to the gold now in the hands of the Secretary of the Treasury really belongs to the United States or to Great Britain, as the gold which the United States is buying at \$35 an ounce is largely accumulated in London from the various continental European countries and shipped to the United States from these four gold brokers in London. The President and the Treasury are very silent, and the American people know little about these transactions but will want to know much, as this gold now accumulated in the Treasury belongs to the people of the United States and was taken from the people of the United States, and the people of the United States will ask for an accounting.

It is enlightening to the people of the United States to know that business and commerce have been uplifted in Great Britain as they have been by the passage of the gold bill in the United States. The American people will be interested to know that the low-grade gold mines of South Africa are now starting up to produce one to two billion pounds of gold to sell to the United States at \$35 an ounce. This is building up the gold industry in the British Empire with America's money. This is hardly what was promised the American people who were led to believe that the passage of the gold bill would put money into circulation in the United States and would help to build up American industry, whereas apparently the opposite is the fact, and we are building up Great Britain and her industries first.

Building up of this industry for Great Britain means the employment of British labor not only in the mines but in the factories that produce machinery and all those articles which are necessary to carry on the gold boom which has been started.

Is this gold which the Treasury is buying from Europe being paid for by the issuance of gold certificates or credits that are established, and just how is the settlement to be made out of this stabilization fund that the Secretary of the Treasury is dipping into to pay for this foreign gold? Is it to be paid in gold certificates, and in what kind of money are those gold certificates to be redeemed when they come back from England or from these foreign countries that owe us money? The article I refer to is as follows:

JOHN BULL'S GOLD BOOM AND THE PART THAT IT IS PLAYING IN THE ECONOMIC REHABILITATION OF THE EMPIRE

By C. Patrick Thompson

Over the seaways linking the continents gold is moving as fast as big ships can steam. Probably there never was a time when so much gold was afloat at the same moment, and over an area as wide as the world itself. The main streams flow toward London, the chief world center for marketing gold, and New York, the main buying center; but the motive power for the movement is supplied by an American buying price which is at present set at \$35, or 140s., an ounce.



When Uncle Sam decided to cut the gold content of the dollar by 40 percent, and to attempt to bring about an internal price rise by making the new, high, American price for gold effective over the whole world area, John Bull should have stood himself a large drink. For three quarters of all new gold is produced within his enormous empire; and his sons and daughters in South Africa, West Africa, India, Australia, New Zealand, Kenya, Canada, and a few other dominions, dependencies, and possessions, are growing rich as a result of the policies of a beaming but resolute American President and his erudite professorial adviser.

Nor are the elders of the tribe sitting quietly in the home island doing so badly. Four London firms, the senior founded in 1684 and the junior in 1853, and the 4 representing 8 wealthy families, remain the world's chief gold brokers; and 2 London firms, one the Rothschild one, dominate the refining business. The chief markets for gold shares are in Johannesburg and London; and most of the orders for mining machinery and equipment come to British manufacturers. The bulk of the dividends of the gold-producing companies remains inside the British Empire area, and increase purchasing power. These dividends were up 100 percent in 1933 over 1932, and are probably destined to go higher in 1934. The Transvaal mines alone made around £30,000,000 last year, and out of that paid £13,000,000 in dividends (against £9,000,000 in 1932), while the Union Treasury took £11,000,000. Then there are the side lines of commissions, freights, insurance, and other odd trifles.

Of course, the lop-sided distribution of the gold stocks is bad for world trade, in which Britain has a major interest; but this position gradually will get straightened out. Meantime the British Empire is taking immense sums of foreign money in exchange for its gold, and is using the money to buy raw materials and goods, and to push on development works, and open up barren tracts. If this Empire, instead of being a seller of gold to the world were a buyer, the outlook for the British Commonwealth of peoples might not be quite so good. It was Australia who "kicked off" the boom, although the world did not realize it at the time. She depreciated her pound 25 percent vis-à-vis the British gold-based pound, and adopted an agrarian monetary policy (the remarkably successful effects of which have had a profound influence upon the minds of President Roosevelt and Monetary Adviser Professor Warren, in Washington). Immediately the flagging gold-mining industry of Australia revived, old mines reopened, new finance was found, the Government helped, and the intensive prospecting began which may disclose new fields and may bring the Dominion again into the forefront of the world's gold producers. The abandonment of the gold standard by Britain brought the boom nearer; and when South Africa went off gold, there began the real boom which the monetary policy of Uncle Sam has now carried to new heights.

But back of it all is the single factor of currency depreciation, making the yellow metal immensely more valuable in money terms. If gold were not so scarce, we should already be flooded with it, as we were with copper, oil, rubber, cotton, coffee, tin, tea, and a few other commodities whose production was forced by the abnormally high prices of the so-called "prosperity" era. Maybe the boom will end in a fall in the gold price as currencies get themselves adjusted all along the line, but that seems some way off. Meantime production is rising along with profits in most places. All over the place abandoned mines are being reopened, and low-grade ore formerly treated as junk is being profitably worked.

But the high light is the mighty auriferous reef of the Witwatersrand under the great central plateau of South Africa, 5,550 feet above sea level. Nearly £1,200,000,000 worth of gold has already been extracted from this field. It is estimated that over £2,000,000,000 remain. Only the best-grade ores were worked with gold at its old price. It did not pay to work the low-grade stuff or to develop properties. Now low-grade ore can be worked at a profit. It is as if a huge new gold field had been discovered. If gold had stayed at 84s. an ounce, South Africa would be in a bad way today. But with gold at £7 an ounce, the prospects are decidedly brighter.

A new gold field yielding £50,000,000 a year would be hailed as a great bull point for world recovery and ultimate expansion, for gold booms always seem to presage the entry of the world into a great expansion era. And, in fact, what amounts to a new gold field yielding that amount of gold has been tapped. The late Joseph Kitchin, the renowned authority, estimated that since the British East India Co. opened up trade between Europe and the East, India has sucked in over £600,000,000 of gold. This great hoard is being charmed forth now at the rate of about £1,000,000 a week. Over the last 2 years something like £100,000,000 has come forth. The present year may see this disgorging process accelerated. The effect will be highly beneficial to Britain's Indian Empire.

Yes; on the whole, John Bull certainly should stand himself, and perhaps Uncle Sam, too, a large drink.

This article is very enlightening to the American public.

Will someone speak up and advise us why we should have started this gold boom and this great economic rehabilitation of the British Empire at the expense of the American people?

The American people were forced to sell their gold to the United States Treasury at \$20.67 per ounce, while the United States Treasury pays Great Britain \$35 per ounce.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a recent decision of the Supreme Court bearing on the subject of depreciation and depletion.

The CHAIRMAN. Is there objection?

Mr. SMITH of Washington. Mr. Chairman, I object.

Mr. REED of New York. I hope the gentleman will not object, because this is a decision handed down on March 13, 1933, and I think it will be of great value.

Mr. VINSON of Kentucky. Of course, the gentleman from Washington preferred a unanimous-consent request a few moments ago, and the gentleman from New York [Mr. TABER] objected to the inclusion of a short statement, but I trust the gentleman from Washington [Mr. SMITH] will withdraw his objection.

Mr. TREADWAY. Of course, if the gentleman insists on his right of objection, I would ask for the return of some of the time I have yielded to the other side, to give a member of the committee an opportunity to express himself.

Mr. SMITH of Washington. I think I made a perfectly proper request a moment ago to include an article by a very distinguished member of the New York bar, which was published in the American Bar Association Journal, on the subject of the sixteenth amendment to the Constitution, and the authority of Congress to levy a tax on income derived from municipal, State, and Federal securities. I consider that the objection which was made by the gentleman from New York [Mr. TABER] was arbitrary, capricious, and absolutely uncalled for, because the article to which I referred contained information of great value to every Member of this House. In view of that objection which was made, I intend to object to the request made at this time.

Mr. TREADWAY. In view of the gentleman's statement, let me remind him that as a member of the committee, the gentleman from New York [Mr. REED] is endeavoring to read a court decision, that is particularly valuable, on the question of depreciation and depletion. If the gentleman insists on his right, I ask the Chairman of the Committee on Ways and Means to return to me 10 minutes of the time I gave him.

Mr. DOUGHTON. I hope the gentleman from Washington will withdraw his objection. The gentleman from New York [Mr. REED] is one of our very useful and able members on the committee. He is always unassuming and very fair, and I will appreciate it if the gentleman from Washington will withdraw his objection.

Mr. SMITH of Washington. Mr. Chairman, under the circumstances, I submit the gentleman from New York [Mr. TABER] should withdraw his objection to my request.

Mr. TREADWAY. Well, Mr. Chairman, we cannot get into an argument on that. Will the chairman of the committee yield back to me 10 minutes of the time which I gave him?

Mr. DOUGHTON. I trust the gentleman will withdraw his objection.

Mr. SMITH of Washington. In deference to the request of the able Chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], I will withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

Mr. REED of New York. Mr. Chairman, when the revenue bill was before the Ways and Means Committee for consideration, I received many communications from the oil producers in the district which I have the honor to represent asking the Ways and Means Committee not to change the provision in the Revenue Act of 1932 with reference to depreciation and depletion.

The subcommittee, after several weeks of investigation and careful consideration recommended in its report that for the years 1934, 1935, and 1936 the allowances for depreciation and depletion be reduced by 25 percent. This was done because of the obvious need for more revenue to meet the



large and increasing expenditures of the Federal Government and because it was felt by the subcommittee that taxable net income had been reduced in recent years by these allowances in too marked a degree.

The Secretary of the Treasury opposed the recommendation of the subcommittee and in doing so pointed out that if only a 25-percent deduction were permitted the taxpayer could "contend with much force that he is in reality subjected to a capital tax in the guise of an income tax." The Secretary of the Treasury did, however, recommend that the discovery-depletion provision of the 1932 law allowed mine owners be eliminated.

While these conflicting views were under consideration, the Treasury Department assured the full committee that a change in the amortization table and a more careful administration of the law would achieve the purpose the subcommittee had in mind; furthermore, the Treasury assured the Ways and Means Committee that the proposed change in the administration of the law as it now exists would produce the additional revenue contemplated by the subcommittee.

With this assurance on the part of the Treasury Department, the Ways and Means Committee has made no change in the provisions of the 1932 act with reference to depreciation and depletion allowances.

The following provisions are those in which the oil and gas operators are especially interested:

Section 23 (m) of the Revenue Act of 1932 provides a reasonable allowance for depletion in the case of mines, oil and gas, other natural deposits, and timber. The basis for allowing depletion is provided for under section 114 (b) of the Revenue Act of 1932 and is as follows:

First. In the case of timber and surface deposits, depletion is allowable on cost, or March 1, 1913, value. No discovery depletion is allowable.

Second. In the case of oil and gas wells, the taxpayer may deduct for depletion (1) an amount equal to 27½ percent of the gross income from the property during the taxable year but such deduction must not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, or (2) he may deduct a reasonable allowance for depletion based upon the cost or March 1, 1913, value of the property, provided such allowance is greater than the 27½-percent depletion allowance. No discovery depletion is allowable.

Third. In the case of coal mines, the taxpayer (1) may deduct for depletion an amount equal to 5 percent of the gross income from the property during the taxable year (but such deduction may not exceed 50 percent of the net income of the taxpayer, computed without allowance for depletion, from the property); or (2) may compute his depletion allowance upon the basis of cost, or March 1, 1913, value. Under the Revenue Act of 1932, he was required to elect in his 1933 return, binding for 1934 and subsequent years, as to whether the depletion deduction in such cases was to be computed upon a percentage basis. To avoid administrative complexity, the bill allows the taxpayer to make a new election in the first return filed under the bill, as to whether or not he will compute his allowance for depletion in the case of coal upon a percentage basis. No discovery depletion is allowable.

Fourth. In the case of metal mines the taxpayer (1) may deduct for depletion an amount equal to 15 percent of the gross income from the property during the taxable year (but such deduction may not exceed 50 percent of the net income of the taxpayer, computed without allowance for depletion, from the property), or (2) may compute his depletion allowance upon the basis of cost or March 1, 1913, value. Under the Revenue Act of 1932, he was required to elect in his 1933 return, binding for 1934 and subsequent years, as to whether the depletion deduction in such cases was to be computed upon a percentage basis. To avoid administrative complexity, the bill allows the taxpayer to make a new election in the first return filed under the bill as to whether or not he will compute his allowance for depletion

in the case of metal mines upon a percentage basis. No discovery depletion is allowable.

Fifth. In the case of sulphur mines or deposits, the taxpayer (1) may deduct for depletion an amount equal to 23 percent of the gross income from the property during the taxable year (but such deduction may not exceed 50 percent of the net income for the taxpayer, computed without allowance for depletion, from the property), or (2) may compute his depletion allowance upon the basis of cost or March 1, 1913, value. Under the Revenue Act of 1932 he was required to elect in his 1933 return, binding for 1934 and subsequent years, as to whether the depletion deduction in such cases was to be computed upon a percentage basis. To avoid administrative complexity the bill allows the taxpayer to make a new election in his first return filed under the bill as to whether he will compute his allowance for depletion in the case of sulphur mines or deposits upon a percentage basis. No discovery depletion is allowable.

Sixth. In the case of nonmetal mines, such as salt and limestone, the taxpayer is entitled to depletion upon the basis of cost, March 1, 1913, value, or fair market value on or about the date of discovery (if discovery is made after March 1, 1913). The discovery depletion is, however, limited to 50 percent of the net income from the property (computed without allowance for depletion).

From the above statement, it will be seen that discovery value is allowed only in the case of nonmetal mines. In all other cases, depletion is computed upon the percentage basis, or upon the basis of cost or March 1, 1913, value. In the case of oil and gas wells, the taxpayer may at his option deduct all expenditures for wages, fuel, repairs, hauling, and supplies incident to and necessary for the drilling of wells and the preparation of wells for production of oil and gas, from gross income as an expense or charge them to capital account. In addition, the cost of drilling nonproductive wells may, at the taxpayer's option, be deducted as an expense or charged to capital account through depletion and depreciation as in the case of productive wells. The Supreme Court has held in the case of the Dakota-Montana Oil Co., decided March 13, 1933, that expenditures for drilling holes in the ground for oil wells are recoverable through depletion rather than depreciation and that if the depletion has been allowed upon a percentage basis, no further deduction may be had.

The opinion delivered by Justice Stone follows:

(Reversing Court of Claims decision 59 Fed. (2d) 853, reported at par. 306.017, vol. I)

Mr. Justice Stone delivered the opinion of the Court.

Respondent, a North Dakota corporation, in making its tax return of income derived from its operation of oil wells in 1926, claimed a deduction from gross income of a depreciation allowance on account of the capitalized costs of preliminary development and drilling. The Commissioner refused to allow the deduction claimed, ruling that it was for depletion, not depreciation, and was therefore included in the statutory depletion allowance of 27½ percent of the gross income, which the respondent had also deducted (secs. 204 (c), 234 (a) (8), Revenue Act of 1926, c. 27, 44 Stat. 9, 16, 41). Having paid the correspondingly increased tax, respondent brought this suit in the Court of Claims to recover the excess. The court gave judgment for respondent, holding that the development and drilling costs were the proper subjects of a depreciation allowance which should have been made in addition to that for depletion (59 F. (2d) 853). This court granted certiorari to resolve a conflict of the decision below with that of the Circuit Court of Appeals for the Fourth Circuit in *Burnet v. Petroleum Exploration* (61 F. (2d) 273).

The Revenue Act of 1926, like earlier acts,<sup>1</sup> provided generally that "in the case of \* \* \* oil and gas wells", taxpayers should be allowed, as a deduction from gross income, "a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case"; such allowance "in all cases to be made under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary" (sec. 234 (a) (8)). The earlier acts provided that depletion should be allowed on the basis of cost unless the taxpayer was the discoverer of the well upon an unproven tract, in which case the basis was the "value of the property" at the time of the discovery or within 30 days thereafter.<sup>2</sup> See No. 215, *Palmer*

<sup>1</sup> Sec. 234 (a) (9), Revenue Act of 1918; sec. 234 (a) (9), Revenue Act of 1921; sec. 234 (a) (8), Revenue Act of 1924.

<sup>2</sup> Sec. 234 (a) (9), Revenue Act of 1918; sec. 234 (a) (9), Revenue Act of 1921; sec. 204 (c), Revenue Act of 1924.



v. *Bender*, decided January 9, 1933. But the "discovery value" provision was eliminated from the act of 1926, which is applicable here, and the taxpayer was permitted to calculate depletion on the basis of cost alone (sec. 204 (c)) or else to deduct an arbitrary allowance, fixed by the statute, without reference to cost or discovery value, at 27½ percent of gross income from the well.<sup>4</sup>

Articles 223 and 225 of Treasury Regulations 69, under the Revenue Act of 1926, were followed by the Commissioner in assessing the present tax. Article 223 purports to permit the taxpayer to choose whether to deduct costs of development and drilling as a development expense in the year in which they occur or else to charge them "to capital account returnable through depletion." In the latter event, which is the case here, "insofar as such expense is represented by physical property, it may be taken into account in determining a reasonable allowance for depreciation" which, if the arbitrary deduction for depletion were claimed, would constitute an additional allowance. Article 225 limits the depreciation for which an allowance may be made to that of "physical property, such as machinery, tools, equipment, pipes, etc." We do not doubt that the effect of this language is to require the taxpayer to look to the depletion allowance, in this case 27½ percent of gross income, for a return of the costs of developing and drilling the well, which are involved here.

Respondent challenges the validity of the regulations thus applied as in conflict with section 234 (a) (8), which allows the deduction of a reasonable allowance "for depreciation of improvements" in addition to the deduction for depletion. It is urged that the drill hole is an "improvement" of the taxpayer's oil land and that no logical distinction in accounting practice can be made between the cost of this improvement and the cost of buildings and machinery placed on the property for the operation of the well, for which depreciation should admittedly be allowed.

The Government argues that the well itself is not tangible physical property which wears out with use so as properly to be the subject of depreciation, and that in any event the regulations are based upon the practices of the oil industry and are within the requirements of section 234 (a) (8) that a reasonable allowance for depletion and depreciation of improvements be made in all cases under rules and regulations to be prescribed by the Treasury Department.

We do not stop to inquire whether, under correct accounting practice, an anticipated loss of a part of the capitalized cost of developing and drilling an oil well because of decreased utility of the well would be described or treated differently than wear and tear of the machinery used in production, or whether an allowance for the former serves a purpose logically distinguishable from one for the latter. For the issue before us, whether the statute requires the former to be treated as depletion, is resolved by the history of the legislation and the administrative practice under it.

The Revenue Act of 1916 permitted the deduction of a reasonable allowance for the "exhaustion, wear and tear of property" used in a business or trade and in the case of oil and gas wells "a reasonable allowance for actual reduction in flow and production." (Sec. 12 (b) second.) The regulations authorized the deduction of an annual allowance for "depreciation" and, in the case of oil and gas wells, for "depletion" (Treasury Regulations 33, arts. 159, 160, 162, 170), but ruled that no annual deduction for "obsolescence" was authorized by the statute in any case; such a loss, it was provided, might only be deducted in the year when it became complete by abandonment of the property as no longer useful. (See arts. 162, 178, 179 of Treasury Regulations 33; *Gambirinus Brewery Co. v. Anderson*, 282 U.S. 638, 643.) In defining these terms, therefore, the Department was apparently faced with the practical consequence that no annual deduction could be made in anticipation of those losses which it regarded as attributable to obsolescence, while such a deduction might be made for those which it attributed to depreciation or depletion. Depreciation was defined generally to include the wear and tear and exhaustion of property by use, and obsolescence, the loss in value of property due to the fact that because of changing conditions it has ceased to be useful.

Plainly under these definitions the loss in value of the drill hole for an oil well because of the approaching exhaustion of the oil in the ground was not to be treated as depreciation. Article 170 of Regulations 33 necessarily ruled that it was not to be treated as obsolescence by declaring that the purpose of the statutory provision relative to oil wells was to return, through the aggregate of annual depletion deductions, the taxpayer's capital investment in the oil, including "the cost of development (other than the cost of physical property incident to such development)." Article 170 thus contemplated that an annual deduction should be made for costs of development by including them in the cost of the oil in the

"SEC. 204. (c) The basis upon which depletion, exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the same as is provided in subdivision (a) or (b) for the purpose of determining the gain or loss upon the sale or other disposition of such property, except that—

"(2) In the case of oil and gas wells the allowance for depletion shall be 27½ percent of the gross income from the property during the taxable year. Such allowance shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph \* \* \*"

ground for which a depletion allowance was authorized by section 12 (b), second, "for actual reduction in flow and production."

While the revenue acts which followed that of 1916 provided that taxpayers generally might deduct "a reasonable allowance for obsolescence" in addition to that "for the exhaustion, wear and tear of property used in the trade or business",<sup>5</sup> in each of them the section expressly applicable to oil and gas wells,<sup>6</sup> omitted the word obsolescence and provided, in terms, only for the deduction of an allowance for depletion and for depreciation of improvements. Whatever doubts this omission may have suggested as to the propriety of an allowance for obsolescence in the case of oil and gas wells, raising the same problem as that under the act of 1916, the question whether an allowance should be made for development and drilling costs was set at rest, where cost was the basis of depletion and depreciation of improvements, by the express language of the acts of 1918 and 1921, that the cost basis should include "costs of development not otherwise deducted." But the questions remained whether the allowance was to be treated as for depreciation or depletion, and more important, whether any allowance could be made for development costs when the basis of depletion was discovery value rather than cost. In answering these questions the Department adhered to and made explicit the position taken by it under the 1916 act that development costs other than the costs of physical property incident to the development must be returned through the depletion allowance, but the regulations also provided expressly that the cost of "physical property such as machinery, tools, equipment, pipes, etc.", should be returned by an annual allowance for depreciation. (Arts. 223, 225 of Treasury Regulations 45 under the Revenue Act of 1918.) The distinction thus taken was continued in the regulations under the acts of 1921, 1924, and 1926, although beginning with that of 1924 the express declaration of the statute, already noted, that the cost basis for depletion and depreciation of improvements should include costs of development was eliminated, leaving the broad provision that a reasonable allowance should in all cases be made under rules and regulations to be prescribed by the Commissioner, with the approval of the Secretary.

Doubts arising because of the silence of the Revenue Acts of 1918 and later years, as to whether costs of development and drilling were to be included in depletion when based on discovery value, were resolved by the regulations already noted and by the addition of another. Article 220 (a) (3) of Treasury Regulations 45 provided that "the 'property' which may be valued after discovery is the 'well.' For the purposes of these sections the 'well' is the drill hole, the surface necessary for the drilling and operation of the well, the oil or gas content of the particular sand, zone or reservoir \* \* \* in which the discovery was made by the drilling, and from which the production is drawn." By including the drill hole in the property to be valued for depletion under section 234 (a) (9), this article necessarily carried forward the distinction taken under the 1916 act between drilling costs, subject to depletion allowance, and costs of machinery, tools, and equipment, subject to allowance for depreciation. Sections 234 (a) (9) of the Revenue Act of 1921 and section 204 (c) of the act of 1924 continued the provisions of the 1918 act, and this regulation remained unchanged.<sup>7</sup> It was eliminated under the 1926 act, being no longer necessary, as the statute omitted the "discovery value" provision and substituted the arbitrary percentage allowance for depletion.

Thus the acts of 1918, 1921, and 1924 were consistently construed by the regulations to permit a depletion, but not a depreciation allowance for the costs of development work and drilling, which were treated for this purpose either as a part of the cost or an addition to the discovery value of the oil in the ground. The administrative construction must be deemed to have received legislative approval by the reenactment of the statutory provision, without material change (No. 80, *Murphy Oil Co. v. Burnet*, decided Dec. 5, 1932; *Brewster v. Gage*, 280 U.S. 327, 337).

Respondent argues that whatever effect may be attributed to earlier reenactments, that of 1926, which is applicable here, is without force because section 204 of that act abandoned discovery value as the basis of depletion and permitted the taxpayer to abandon cost and substitute a fixed allowance of 27½ percent of gross income from the well. We think the contention unfounded and that, on the contrary, what was included in the reasonable allowance for depletion by the established construction of the earlier acts gave significant content to the word as used in the act of 1926. There is no ground for supposing that Congress, by providing a new method for computing the allowance for depletion intended to break with the past and narrow the function of that allowance. The reasonable inference is that it did not and that depletion includes under the 1926 act precisely what it included under the earlier acts. The regulations under the 1926 act so ruled, as has been shown, by continuing the provisions of earlier regulations under which costs of development and drilling were returnable by the depletion allowance and not by an additional allowance for depreciation.

It is true that the Board of Tax Appeals in construing the 1924 and 1926 acts has held that capitalized drilling costs are subject

<sup>4</sup> Sec. 234 (a) (7) of the Revenue Acts of 1918, 1921, 1924, and 1926.

<sup>5</sup> See note, 1, supra.

<sup>6</sup> Arts. 220 (a) (3) of Treasury Regulations 62 and 222 (3) of Treasury Regulations 65.



to a depreciation rather than a depletion allowance. (*Jergins Trust Co. v. Commissioners*, 22 B.T.A. 551; *Ziegler v. Commissioner*, 23 B.T.A. 1091; *P. M. K. Petroleum Co. v. Commissioner*, 24 B.T.A. 360.) But these cases were all decided after the enactment of the 1926 act and did not consider the administrative and legislative history, which we think decisive.

Reversed.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, billions of dollars are being spent for emergency-relief projects in a gigantic program being followed in an attempt to restore the country to normalcy. Funds to carry on this recovery campaign come, of course, from the taxpayers. During the last year taxes collected by the Government amounted to \$2,090,947,279, an increase of more than \$670,000,000 over 1932. Collections in my own State of Michigan totaled \$68,490,348.57, compared to \$55,671,405.79 in 1932.

Our national tax bill and national debt have been greatly increased through making funds available for welfare and farm relief, emergency loans and projects. All this has been done with the object of placing money in circulation, increasing employment and purchasing power. However, in raising the necessary taxes to finance the new deal, a paradoxical situation has arisen in which the Government is collecting discriminatory and harmful taxes from a certain few industries and using such revenue for relief.

In making this statement I have direct reference to the unfair, inequitable, and discriminatory manufacturers' excise taxes levied at random upon a few selected industries in the Revenue Act of 1932. These taxes constitute a strong deterrent factor in the recovery of the industries so taxed, and are based entirely on expediency and not on ability to pay.

During the last Congress I introduced a bill to repeal these special levies and replace them by a low-rate general manufacturer's sales excise tax, equally spread over all industries and having necessities of life exempted so as not to constitute a burden on the family of small income. I reintroduced my bill as House bill 1669 in the last session and it is now pending before the Ways and Means Committee. The Ways and Means Committee would have corrected a serious wrong and would have provided the easiest and most logical source of revenue if, in drafting the present revenue bill, the form of sales tax embodied in my bill had been adopted. At the rate of 2¼ percent, levied on the wholesale value of manufactured goods, it is estimated that such a tax would yield the Government approximately \$400,000,000 without inflicting a hardship on any taxpayer.

As a thoroughly reliable source of revenue, the sales tax has met with approval in every country in which it has been tried. It is easy to collect and is collected with very little expense. What it adds to the cost of manufactured articles is so slight that there is very little difference in price.

Our present system of inflicting special sales taxes is causing the entire country to feel their retrogressive effects. My own city of Detroit and State of Michigan, as the center of the automotive industry, the chief sufferer from these special levies, is the hardest hit by this distinctly un-American form of taxation.

Although there has been a 10-percent recession in motor-vehicle registration since 1929, the special motor-vehicle taxes from all sources reached a new peak of \$1,170,000,000 in 1933, or 26 percent more than the 1929 total. The owners and operators of 24,000,000 motor vehicles are already subject to quadruple taxation through the payment of special taxes in more than 40 different forms to Federal, State, municipal, and other local taxing authorities.

The automotive industry ranks second among our great manufacturing industries and constitutes 70 percent of the industrial activity of Detroit, 3,901,800 workers, or fully 10 percent of the Nation's employed receiving employment through the automotive industry and receiving annual wages of approximately \$282,929,203.

This vast industrial enterprise is intimately correlated with many others throughout the country. During the past year the automotive industry produced \$1,555,998,480 worth of

vehicles, parts, and tires. The industry uses 7 percent of the cotton output, 10 percent of tin, 11 percent of copper, 80 percent of rubber, and 85 percent of gasoline; 17.1 percent of the total steel output of the United States is used in the construction of automobiles, trucks, and parts. During the year 1932 the automotive industry shipped 2,543,833 carloads over railroads, consisting of 14 percent of all rail tonnage hauled in the United States, paying railroads \$325,000,000 for this service.

Not only does every State in the Union supply materials used in the automotive industry, but insurance companies benefit to the extent of approximately \$430,000,000 received annually in insurance premiums on automobiles. There are nearly 40,000 dealers in the United States and over 300,000 gasoline outlets.

Special motor taxes have increased 300 percent per vehicle since 1919. In 1919 the average registration fees and gasoline tax per motor vehicle were \$8.68. In 1932 this figure had increased to \$34.70, while if the personal property, municipal, and Federal excise taxes are taken into consideration, the figure will read \$44.60. Motorists now pay 10.7 percent of all taxes from all sources.

The automotive taxes represent in its purest form, a tax upon necessity. The motor vehicle is not a luxury. It is used almost entirely for necessary and essential transportation purposes. The automobile has provided a new and now necessary means of mobility. Farmers use 26 percent of all motor trucks to carry their produce to markets and perform other necessary hauling work on the farm. Farmers also use nearly 1 out of every 5 passenger cars now in operation. It has been conservatively estimated that more than 15,000,000 people have moved into suburban areas in the last decade and use automobile transportation. At the present time, approximately 50,000 communities without rail service depend upon the motor vehicle for transportation. In 1932 common-carrier busses carried 1,736,000,000 passengers.

The special excise levies bear most heavily on the class receiving small incomes. Testimony before the Ways and Means Committee during the hearings on the revenue bill showed that two thirds of all the cars of the country are purchased by people whose incomes are less than \$3,000 annually. It was also revealed that more than 7,000,000 cars now running are over 7 years old.

To mention, as another example, I will state that facts presented to the Ways and Means Committee show that the fur industry, in common with other industries upon whom these special taxes were levied, is suffering most distressing results. It was reported by one of the large fur-credit institutions, through which most of the raw furs go, that in 1927 the entire sales totaled \$170,000,000. Because of the depression and the retarding influence of the 10-percent special tax on furs, this figure dropped to \$29,000,000 in 1933. Due to the depressed conditions in this industry, barely one third of its usual number of workers have been employed.

It is essential that taxation reform be given an important place in the program for economic rehabilitation. As a principal source of revenue, the income tax fails when put to the test. During periods of depression, an income tax drops while Government expenses rise. Our annual income from this source fell from \$2,250,000,000 before the depression to approximately \$620,000,000 last year. During the past 10 years approximately 30 nations have adopted some form of a general sales tax. In every instance, without exception, it has proven most successful. With the United States Government facing a deficit of over \$7,000,000,000 for the present fiscal year, a general manufacturers' sales tax offers the most logical, the most satisfactory, and most feasible solution to our tax problem.

Eventually, a general manufacturers' sales excise tax, levied equitably and fairly upon all industry, at a low rate, with all necessities of life exempted, so as to form no burden upon the citizen of small income, is certain to be adopted as a most important part of our tax system. Enactment of such tax law at the present time, with repeal of the existing special excise levies, would be a most progressive step



and at the same time abolish the inconsistency of jeopardizing important industries and retarding employment for the sake of securing additional revenue to carry on the relief program. [Applause.]

Mr. SWICK. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. SWICK. Is it not a fact that Mr. Hopkins has been criticized for not getting this money spent that has been given him?

Mr. McLEOD. That is my understanding.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. PIERCE].

#### HOUSE PROCEDURE AND THE SO-CALLED "GAG RULE"

Mr. PIERCE. Mr. Chairman, House bill 7835, now under discussion, is the most important measure so far considered by this Congress.

I voted for the so-called "gag rule" so this bill might be passed at this session. This offensive term, "gag rule", is a misnomer and a very unfortunate expression for a legislative procedure which expedites action in a large legislative body by eliminating hasty and ill-considered amendment in the Committee of the Whole in favor of careful, prolonged, and thorough discussion in a standing committee appointed by the House for the purpose of studying and formulating legislation. One year ago I came to Washington to represent my district in Congress with a firm belief in the possibility of free debate and free amendment privileges in this body. In theory this is right, but in actual practice I have found, or I believe I have found, that it cannot be granted if legislative business is to be transacted expeditiously and effectively in times demanding emergency action. Four hundred and thirty-five Members of this body, with ideas and opinions from the most liberal to the most conservative, could never transact the business of Congress without controlled debate. Bills must certainly be formulated and shaped in committees and committee decisions must, to a great extent, direct the action of this House when technical detail is involved. No one questions the fact that matters of policy and fundamental changes must be decided only after full and free discussion in the House. It is not yet a certain fact that a form of government like ours, a representative democracy, can continue to exist, and I am loath to surrender any privileges which seem to be essential to free government, but I do not consider such action any menace to democracy.

I have faith in our Government and believe that all will be well in the days just ahead, and that we shall find our basic and fundamental acts sufficiently flexible for a changing era.

#### GOVERNMENT REVENUE AND BOND ISSUES

The first duty of a government is to maintain order; the second to secure enough revenue to pay the expenses of necessary governmental functions. In time of war or great disaster it is often assumed that future generations will be sufficiently benefited by emergency action to justify placing on their shoulders part of the cost incurred in saving the government or instituting public works which will be passed on as part of the fabric of society. Under this theory, governments borrow money to suppress insurrection or resist invasion. But, in time of peace has this Government, or any government, the moral right to sell bonds, which mean bondage for future generations, to carry on the necessary functions of government? Should the Government sell bonds, which are chains of slavery, to provide for feeding the unemployed by a straight dole, or through the C.W.A., the P.W.A., or the C.C.C., or other emergency agencies? The only possible justification for going into the red in these days of peace is the often repeated statement that we are in a depression, a very great emergency, and that in a short time great prosperity will return, all will have jobs again, everyone be provided with money which will be freely spent, spindles will be turning, fields and flocks yielding, in their abundance, products which will be marketable for profit.

#### CAUSES OF THE ECONOMIC BREAK—OUTLOOK FOR CHANGE

Is this a possibility or a probability? Are we in a depression or do present conditions presage a change of economic era to which we must adjust ourselves through a long period of experiment and sacrifice? Legislation must be based on some theory or understanding of the cause of the economic break. It is our duty, as legislators formulating a program for recovery, to endeavor to ascertain the causes which necessitate political reorganization and political action for economic and social changes. The future historian will undoubtedly assert that the farmers, planters and stockmen, tradesmen, and agriculturalists of every description were ruined by low prices, often far below cost of production, supplemented and aggravated by extortionate charges for the use of money and credit. These low prices were caused by failure of foreign markets, by lack of demand, and contraction of money and credit. There has been no disaster of nature. Grass and grain still grow and mature. The difficulty is all man-made. Greed, avarice, and public corruption have made possible accumulation of most of the good things of earth in the hands of the few, leaving masses of humanity in need. If European nations were buying the same amount of our agricultural products sold to them during the pre-war period the allotment plan would not now be needed for wheat, corn, hogs, and cattle, because there would be a reasonable price for these farm products.

Shall we again, within a reasonable time, have an active foreign market for farm products? There is nothing on the horizon to indicate that we may depend on this method of insuring a just financial return for the labor and money outlay essential to production. Nationalism is in the air all the way around this globe—all nations are striving to be self-sustaining and self-contained—a great backward step in the progress of civilization.

I believe that everything should be done that can possibly be done to stimulate trade with foreign nations, but, in the meantime, we must look after our own Nation first. If the entire world is to accept nationalism we cannot hold open our doors for foreign goods, whether it be fats and oils from the South Seas or manufactured goods from beyond the seas. It is a satisfaction to know that this bill carries an excise tax of 5 cents per pound on coconut and sesame oils, as this will be something of an aid to our hard-pressed dairymen.

One year ago there were 17,000,000 unemployed in our country—one third of our normal working population. Today, notwithstanding the 4,000,000 working under the C.W.A., there are, perhaps, 8,000,000 idle, most of whom want jobs—more than 20 percent of our working population. Why idle? Largely because of labor-saving machinery of every kind and description. We cannot reasonably expect that any large proportion of the idle millions will again find work at remunerative wages on farms or in factories as industrial society is now organized and controlled. We may as well face the cold, hard facts and no longer evade the unpleasant, but unavoidable, conclusion that certain of present conditions are here to stay. We may as well assume that western Europe will not, in the near future, buy in quantity our wheat, hogs, or cotton. We are in a new economic world. We must face these new conditions. Being no longer able to sell farm products at favorable prices in foreign markets, we must, unless conditions change because of war or disaster elsewhere, cut down production to the amount we, as a Nation, can consume. The labor-saving machinery will continue to release millions formerly employed in industry and make it necessary for Government to spend millions of money to develop new industries or to provide other work to create employment for our fellow citizens who are rendered helpless by social changes. They must be given spending power for the benefit of agriculture and industry as well as for their own happiness and self-respect.

#### NATIONAL DEBT AND EXPENDITURE—BALANCE THE BUDGET BY TAXATION

Our Federal expenditures are colossal and must continue to be colossal to provide help in our unfortunate situation. National debt is increasing at an alarming rate. Soon, only

too soon, our credit may be questioned, and then there may be a marked fall in price of our bonds. These Federal debts are accumulating at a rate that staggers imagination. Think of 32 billions of national debts equal to the assessed value of 32 States like my home State of Oregon! Of course, we must vote to continue C.W.A., P.W.A., and C.C.C., all valuable, essential, but all comparable to shots in the arm for the sick man. We cannot quit or lay off a single activity that offers employment. Men, women, and children must be fed and clothed. We cannot balance the Budget at the expense of those who need help, so let us seek some other method.

It has been said that the Budget cannot be balanced until we have higher commodity prices. That is probably true, but commodity prices are now higher and will be much higher when we have a really controlled inflation. It may be necessary to have also a really controlled production similar to that now requested by cotton growers. We shall inevitably see either higher prices or general repudiation of debts. Our hopes are sustained in this half-bright day by our faith in the rising sun of prosperity. This results from a firm belief that our great liberal and sympathetic leader in the White House is seeking methods to promote higher commodity prices which will bring prosperity.

I say to my colleagues of this House, we have one solemn duty—that is to balance the Budget as nearly as possible now. Let us raise, by some means, the money required each year to pay governmental activities required by each year's emergency.

H.R. 7835, we are told, will increase the revenue \$258,000,000 annually. It is but an insignificant amount in comparison with the extraordinary expenditures contemplated for this fiscal year. I know that the members of the Ways and Means Committee, and especially the subcommittees, have worked hard on a difficult problem and have been beset by confusing and frightening propaganda, but I regret that they have not fully accomplished the task to which they should have applied themselves. They should have put before us a revenue bill which would materially increase the income of this Government. I believe it would be entirely possible, by just taxation, to meet every expenditure of this most extraordinary year.

#### CONCENTRATION OF NATIONAL WEALTH

The Commissioner of Internal Revenue reports for 1932 that 339,407 persons in the United States had net incomes totaling \$5,142,294,643. About two thirds of this came from income from property. This group of one third of a million people received over 70 percent of all dividends paid in 1932. The net income of this favored one third of a million of our people was more than the entire gross income of all the farmers of America, six and one third millions of farm workers with their dependents, totaling 30 millions. In other words, one third of a million of the population enjoyed a net income about the same as the entire gross income, not net, of 19 times as many families working on farms, feeding and clothing the Nation. This favored one third of a million enjoyed net incomes of more than a hundred million dollars in excess of the gross wages of all the factory workers in America; 1,787 of these persons reported incomes over \$100,000 each. Their net income was \$484,305,526—more than 1 percent of the gross income of the entire population of the United States. In other words, these favored 1,787 persons had, after all of their taxes were paid, or were supposed to be paid, an average net income of \$148,179 each. Shall we not redistribute this wealth by taxation, using the peaceful method of change?

The Commissioner of Internal Revenue reports that on December 30, 1931, the liquid surpluses, cash and tax-exempt securities of 381,083 corporations were \$26,548,442,000, of which 632 corporations, each with over \$50,000,000 assets, held over one half—or \$13,288,632,000. Tax-exempt bonds now outstanding have been estimated at a total of from 40 to 50 billions, with an annual income, accruing to the privileged holders, of nearly 2 billions. The total Government expenditures this year will be almost 10 billions. The Fed-

eral income is, under present laws, estimated at nearly 4 billions.

#### A SUGGESTED FEDERAL BUDGET

The following table will show one of the suggested methods by which the Budget could be balanced in 1934:

Present income.....	\$4,000,000,000
Increased income and surtax.....	1,500,000,000
Taxing income from Government bonds.....	500,000,000
Taxing liquid surplus of corporations.....	2,000,000,000
Increase in inheritance and gift taxes.....	1,000,000,000
Capital levy.....	1,000,000,000
	10,000,000,000

The favored one third of a million having over five billions in net income could well afford to surrender one third of it to sustain this Government in its struggle when failure to finance its program may possibly lead to repudiation and the complete loss of great fortunes. Of the two thousand millions collected in interest on tax exempt bonds at least a fourth ought to go into the Treasury. If the thinking people among us really determined on this it would not take long to change the law, and even the Constitution, so this could be done. In this hour of financial distress, why not use this method to take up the second item in the additional taxes suggested? Corporations that report liquid security amounting to over twenty-six billions ought to contribute to Government 8 percent of that vast sum, or two thousand millions; and this is the third item suggested for increasing revenue. The one billion suggested increase in inheritance and gift taxes ought not to cause distress in any home; it might cut down the income of some foolish girl who has inherited millions she does not know how to spend, but nobody would be forced to the bread line by taking another thousand million as a tax on gifts and inheritances. A capital levy of a thousand million can be borne without distress; it also, would send nobody to the bread line. We had a capital levy in the recovery act last summer. It was only \$1 on every \$1,000 of declared capital and it could be easily increased to 10 times that sum of money. One thousand million could be raised from this source, or about four times the amount we contemplated under the recovery act. This law, enacted in emergency last spring, was set aside by Executive order on account of expected receipts from the liquor traffic.

Unquestionably, the Budget could be balanced this year, then all—rich and poor—could look into the future with hope and assurance; the poor with the knowledge that they were going to eat and have jobs, the rich in the assurance that they would enjoy a tranquil country and have ample income for their necessities. The future will bring its own pressing need for all the financial support a prosperous citizenry can bear. Why transmit our obligations to the next generation?

I am in full sympathy with our President, who is doing everything in his power to save this capitalistic civilization. It simply cannot be done unless those who possess the riches derived largely from special privilege, and who really control public affairs through the power of their money in fixing public opinion, are willing to take their losses and make their just contributions toward providing the necessities of life for their less favored fellow citizens. We cannot, as a nation, borrow ourselves into prosperity, nor can we meet the emergency by spending borrowed money.

#### MENACE OF THE SALES TAX AND PROCESSING TAXES

We already hear rumors around the lobbies and through striking speeches made in the House that a manufacturers' sales tax is the only way out. It is probably true that the only thing that keeps a sales tax out of the present Congress is the attitude of our President. Every sales tax is wrong because it is a tax on consumption, on necessity, on want and desire. It is a brake on the wheels of progress. Our income tax is correct in theory and practice. It is, as is a heavy inheritance tax, based on ability to pay, not on necessity, like a sales tax.

A sales tax is sure to be pyramided, often 6 and 8 times. It is passed on to the ultimate consumer, who is the farmer or the laborer, with an income now far too small to sup-



port himself and his dependents. Underconsumption is one of our difficulties now. A sales tax will make it still more difficult for the consumer to buy what he needs. More than 90 percent of all sales taxes must ultimately be paid by the laborer. It is an attempt to shift the burden of government from the backs of the rich and powerful and to compel the toiling masses to carry that burden. A manufacturer's sales tax does not rest on luxury nor wealth but on the meager incomes of the under-privileged. It is an insidious tax for an emergency, as once established it will be so hard to change. The tremendous propaganda now being pressed by the powerful papers, especially the Hearst line, is undoubtedly intended to free the rich and idle from income and inheritance taxes. Economic authorities have recently spoken as a group, after investigation, against embodying the sales tax in Federal or State tax systems.

The processing taxes of almost one thousand million annually are also wrong in principle. They are sales taxes also, and wholly unjustifiable. If we must continue to raise these large amounts to keep down production, the money should be collected from those who have it.

#### INHERITANCE TAXES MUST BE INCREASED

One hundred and fifty years ago, under the wisdom and guidance of Thomas Jefferson, this Government abolished the law of primogeniture, which meant that the oldest son inherited all. That English custom, which had come down through the centuries, which had done much to retain and keep alive the English aristocracy, was uprooted at the very beginning of our Government by the far-sighted Jefferson. Should we not, at this time, in this hour of public distress, when no one can safely predict the future economic organization of society, limit the legal right of inheritance?

A child does not inherit from its parents by reason of any natural law. All laws of inheritance are based upon statutes, the enactment of legislative bodies. They can be repealed or modified. Inherited money often does more harm than good, especially when inherited in large sums; it creates idleness and establishes a class which assumes superiority and power above that given ordinary, struggling humanity. The child born in a hovel has just as much natural right to air, food, clothing, training, and education as the child born to luxury. There are no pockets in shrouds. I have often wondered why the rich are so anxious to hold on to their possessions to the very brink of the grave. Even if they could take their ill-gotten gold and bonds with them into the next world, it is probable they would melt or burn up.

#### INCOME-TAX REBATES MUST BE CURTAILED

I am pleased to know that H.R. 7835 will plug up a few of the leaks that have been so apparent in the income tax. I am sincerely hoping that the present administration will not be as liberal as past administrations have been in refunding, by some pretext, to the powerful and rich taxpayers the money paid into the National Treasury. Just think, for over 10 years, every day, counting Sundays and holidays, there was paid out of the Treasury of the United States as tax refunds or credits given one and one quarter million dollars a day, or over four and one half billion dollars in total.

#### HIGH INTEREST RATES ONE CAUSE OF THE BREAK

I was delighted a few days ago to read that the President had made the first and only public announcement from our economic leadership, that I have seen, in regard to the menace of interest. Interest has been one of the great causes of our trouble, and it must be generally lowered. I again suggest that the legal rate, the only rate to be recognized by law, is that rate which will most nearly represent the increase of wealth when measured through a long span of years, which will be found to be about 2 percent annually. The attempt of the capitalistic world to collect interest and fixed dividends, often from 6 to 60 percent annually, from money loaned and investments made, is largely responsible for our present collapse. Farms from George Washington's day to ours have never earned 6 percent annually. For 70 years, from 1850 to 1920, farms in America doubled in selling value every 8 years; from 1920 to 1930 values went down with a thud, and one half of the selling value disappeared. Based on earnings, most farms have no value today. In the

period from 1850 to 1920 interest was largely paid out of increased land values, but it was never earned.

Perhaps the Hebrews were right when their laws required complete cancelation of debts every 50 years. If the money world decides to give the working world another chance, it must be by partially remitting interest. Money does not really earn money; it takes human effort to do that. Any attempt to collect more than the increase of wealth is usury. It should be forbidden by law and in practice. Surely the Federal Government should not perpetuate an economic injustice and a fallacy by fixing totally unjust and impossible interest rates on public funds lent its farmers. Let us not attempt to balance the Budget by charging our farmers extortionate rates for Government money and credit. Let us call from the committee and demand a vote on the Frazier bill, drawn by farmers' friends, for farmers, giving farmers the right to administer their own affairs, and fixing an interest rate farmers can afford to pay.

#### A REVENUE PROGRAM NEEDED

This bill will be a great disappointment to the country and will be a source of real embarrassment to the majority party. One year from today, when the Seventy-fourth Congress is in session, that body will find a national debt of perhaps thirty-two billions and another increase contemplated, if some drastic steps are not taken. When the present term of the President expires March 4, 1936, the outstanding obligations of this Nation may be crowding on toward forty billions. I beg of my friends of the majority side that we unite, before adjournment, to instruct the Ways and Means Committee to present a taxation program that will balance the Budget, including income and inheritance taxes as high, if necessary, as they have in England.

It will be most difficult to curtail expenses for the emergency program. Did you notice the storm that was raised all over the Nation when it was announced that C.W.A. work would close in May? If it does close, more and more millions must go onto the direct dole.

The revenue bills are the real test of the sincerity of this administration. We of the majority party cannot and should not attempt to escape our responsibility.

It requires no constitutional amendment to establish a system of taxation based upon ability to pay. That is fundamental. The necessity of the hour demands action. We will not be doing our full duty by the trusting, hopeful public unless we adopt measures of real significance in keeping with the spirit of the new deal to put and keep the burden of government where it belongs, upon those that have the ability to pay. And further, we must look toward a reorganization of our economic system which will give to all citizens some share of wealth which will enable them to participate in the privilege of helping to bear the costs of government. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I will not consume all the time that has been given me to discuss briefly one section of the bill now being considered in the committee. I refer to the section having to do with the tax on coconut oil and sesame oil. I have listened with a great deal of interest, Mr. Chairman, to arguments advanced by Members on this floor, opposed to this provision. Particularly among those arguments there has been advanced one to which I will refer most directly, namely the argument that we might by this tax properly be expected to lose a part or all, if you please, of the market we now enjoy in the Philippine Islands.

I should like to call to the attention of the committee briefly some figures. First, I want to refer to the money that the United States has expended on account of the Philippine Islands and for them. Since 1898 the records show an expenditure of \$1,644,770,278.80. From 1898 to 1902 the expenditure was only \$190,381,457.27. From 1902 through and including 1933 we have spent \$1,454,388,821.53. At this juncture I should like to include a statement of figures, compiled by the War Department, of necessity not entirely accurate, but for the purpose of generally setting up the facts with reference to this proposition.

*Expenditures of the United States on account of the Philippine Islands*  
 [Compiled in the Bureau of Insular Affairs, War Department, from best available data]

BASED ON THE ASSUMPTION THAT THE UNITED STATES' REMAINING IN THE PHILIPPINES DID NOT AFFECT THE STRENGTH OF THE REGULAR ARMY, SUBSEQUENT TO JULY 1, 1902

Department or bureau or appropriations act	May 1, 1898, to June 30, 1902	July 1, 1902, to June 30, 1929	July 1, 1929, to June 30, 1930	July 1, 1930, to June 30, 1931	July 1, 1931, to June 30, 1932	July 1, 1932, to June 30, 1933	Total
War Department.....	\$177,321,002.71	\$243,208,756.67	\$7,368,976.00	\$9,379,088.35	\$7,662,188.26	\$6,445,606.15	\$451,385,618.14
Navy Department.....	8,000,000.00	64,284,824.93	3,177,356.13	3,172,738.35	3,119,716.46	2,821,795.54	84,576,431.41
Bureau of Insular Affairs.....	100,000.00	1,866,667.00	69,169.26	77,461.04	79,417.00	70,252.93	2,292,967.23
Coast and Geodetic Survey.....	96,573.00	4,567,203.50	186,972.00	169,360.00	224,621.00	159,956.00	5,404,685.60
Public Health Service.....	52,716.52	980,108.85	43,944.02	47,202.62	52,574.89	47,411.83	1,223,958.73
Philippine Commissioners on Congress.....		557,064.00	32,533.00	32,532.00			687,192.00
Customs duties paid to Philippine Islands Treasury (act Mar. 8, 1902).....	7,716.83	3,838,466.22	11,711.49	11,581.14	13,405.40	31,509.34	3,914,390.42
Internal revenue paid to Philippine Island Treasury (Tariff Act 1909 and subsequent acts).....		11,294,722.36	327,462.38	323,461.13	365,496.19	350,428.75	12,661,570.81
Department of Agriculture.....		64,353.00	6,900.00	4,244.00	2,500.00	1,695.00	79,692.00
Relief of distress in Philippine Islands (act of Mar. 3, 1903).....		3,000,000.00					3,000,000.00
Census in Philippine Islands (act of Mar. 3, 1903).....		351,925.50					351,925.50
<b>Total.....</b>	<b>185,578,009.06</b>	<b>334,014,092.13</b>	<b>11,225,023.28</b>	<b>13,217,668.63</b>	<b>11,552,451.20</b>	<b>9,961,187.54</b>	<b>565,548,431.74</b>

BASED ON THE ASSUMPTION THAT THE STRENGTH OF THE REGULAR ARMY WOULD HAVE BEEN REDUCED BY THE NUMBER KEPT IN THE PHILIPPINES HAD THE UNITED STATES ENTIRELY WITHDRAWN THEREFROM, BUT THAT THE NAVY OR OTHER DEPARTMENTS WOULD NOT HAVE BEEN AFFECTED BY SUCH WITHDRAWAL

Totals from above.....	\$185,578,009.06	\$334,014,092.13	\$11,225,023.28	\$13,217,668.63	\$11,552,451.20	\$9,961,187.54	\$565,548,431.74
War Department.....	14,803,448.21	234,940,764.00	4,156,794.00	4,434,674.60	4,225,674.09	4,275,852.71	256,837,207.61
<b>Aggregate.....</b>	<b>190,381,457.27</b>	<b>568,954,856.13</b>	<b>15,381,817.28</b>	<b>17,652,343.23</b>	<b>15,778,125.29</b>	<b>14,237,040.25</b>	<b>822,385,639.45</b>

<sup>1</sup> This amount is entirely for rail transportation in moving troops to and from the Philippines.  
<sup>2</sup> From July 1, 1902, to June 30, 1923, the amount of \$210,000,000 is the estimated cost of maintenance in the United States, if the strength maintained in the Philippines had been maintained in the United States. From July 1, 1923, to June 30, 1929, only the pay of the Regular Army of \$24,940,764 was excluded from the expenditures shown under War Department in above table.  
<sup>3</sup> The amounts for the years shown comprise pay of the Regular Army.

In addition to mentioning the fact that such a large amount of American money has been spent for the Philippines, let me call attention to the Hawes-Cutting Philippine independence bill passed by this present Congress and the opportunity there given the Filipinos to acquire their independence. This they failed to do, however, during the year's life of the bill, and an extension was asked by their able and patriotic representative on the floor of the House in as fine a statement as the House has heard. I refer to the Resident Commissioner from the Philippine Islands, Mr. CAMILO OSIAS. I think it but just to concede that he fairly represents his people. I think it fair also to concede that the Philippine Islands not only would not be resentful toward us because of this particular provision of the pending bill, but also they would be glad to be given an opportunity to contribute to the maintenance of the markets of this country, which markets they have enjoyed so long.

I have here an additional compilation of figures which in part substantiate the statement that we, in effect, are now called upon not to fail to protect these markets so vital to American producers and particularly with reference to the Philippines, figures showing the trade between the United States and the Philippines, and listing the principal commodities.

Mr. Chairman, I ask unanimous consent to insert these tables in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The data submitted by Mr. KLEBERG follow:

TRADE OF THE UNITED STATES WITH THE PHILIPPINES

The following tables, taken from United States trade figures (Commerce and Navigation of the United States, 1931 and 1932) show the leading commodities sold by American manufacturers in the islands and the principal raw materials imported from the Philippines:

*Exports from the United States to the Philippine Islands*

[From Special Circular No. 273, Division of Regional Information, Bureau of Foreign and Domestic Commerce, U.S. Department of Commerce]

	1931		1932	
	Quantity	Dollars	Quantity	Dollars
Cotton manufactures.....		7,325,000		9,881,000
Iron and steel semifinished.....		2,099,000		1,690,000
Iron and steel mill products.....		1,745,000		1,388,000

*Exports from the United States to the Philippine Islands—Con.*

	1931		1932	
	Quantity	Dollars	Quantity	Dollars
Iron and steel advanced manufactures.....		1,117,000		882,000
Industrial machinery.....		2,328,000		1,741,000
Electrical machinery and apparatus.....		1,748,000		1,234,000
Automotive products.....		2,855,000		2,810,000
Petroleum products.....		3,924,000		4,060,000
Gasoline and naphtha, 1,000 bbl.....	403	1,399,000	500	1,700,000
Kerosene..... do.....	224	712,000	241	916,000
Lubricating oil..... do.....	66	749,000	43	469,000
Gas and fuel oil..... do.....	977	824,000	749	658,000
Wheat flour..... do.....	678	2,540,000	574	1,718,000
Meat products..... 1,000 lb.....	1,355	303,000	1,796	313,000
Dairy products.....		2,853,000		1,810,000
Milk, condensed and evaporated..... 1,000 lb.....	24,576	2,659,000	21,303	1,641,000
Sardines, canned..... do.....	8,200	511,000	7,121	367,000
Cigarettes..... million.....	1,075	1,862,000	971	1,672,000
Automobile tires, casings..... number.....	91,300	945,000	81,505	634,000
All other exports from United States to Philippine Islands.....		16,829,000		14,670,000
<b>Total.....</b>		<b>48,883,000</b>		<b>44,870,000</b>

*Imports into the United States from Philippine Islands*

[From Special Circular No. 273—Division of Regional Information, Bureau of Foreign and Domestic Commerce, U.S. Dept. of Commerce]

	1931		1932	
	Quantity	Dollars	Quantity	Dollars
Sugar..... 1,000 lb.....	1,635,336	49,899,000	2,080,837	57,122,000
Coconut oil..... do.....	325,175	15,272,000	249,117	7,619,000
Copra..... do.....	267,471	6,574,000	198,626	3,431,000
Desiccated coconut..... do.....	37,133	1,935,000	36,303	1,595,000
Abaca (manila hemp)..... tons.....	30,461	2,910,000	25,552	1,606,000
Cordage of fiber..... 1,000 lb.....	5,380	547,000	4,942	445,000
Cigars..... do.....	2,056	3,105,000	2,192	3,066,000
Sawed cabinet woods..... 1,000 board feet.....	17,965	866,000	6,936	255,000
Hats..... thousands.....	351	449,000	399	336,000
Cotton wearing apparel.....		2,044,000		2,660,000
All other imports into United States from Philippine Islands.....		3,531,000		2,741,000
<b>Total.....</b>		<b>87,133,000</b>		<b>80,877,000</b>

In 1932 the Philippines were the best market for American cotton cloths, galvanized steel sheets, dairy products, and cigarettes. \* \* \* Of dairy products and cigarettes, the Philippines took more than twice as much as the second markets, Panama and France, respectively.



Mr. KLEBERG. It will be noted that these figures are taken from Circular No. 273, Division of Regional Information, Bureau of Foreign and Domestic Commerce, United States Department of Commerce. In both sets of figures I am referring to the year 1932 only. They show in the matter of the value of exports from the United States to the Philippine Islands a total of \$44,870,000. In the same year imports from the Philippine Islands to the United States reached the total value of \$80,877,000.

Further, with reference to items mentioned in debate on the floor, I call attention to dairy products, particularly at this time to condensed and evaporated milk. We exported from the United States to the Philippine Islands, in pounds, 21,303,000. Comparing this with coconut oil and copra imported into the United States from the Philippine Islands, there were 249,117,000 pounds of coconut oil imported and 198,526,000 pounds of copra from which additional coconut oil was manufactured here.

This comparison upholds the suggestion I make that it would be a far cry to expect a people that have been represented on this floor as they have, and ably represented, to be resentful because of our attitude in calling upon them through this bill to make their proper contribution to the maintenance and protection of the markets they have so long enjoyed.

Mr. Chairman, I feel that at no time should it be considered proper for those who feel that our market is of interest to them and of value to them to entertain a sense of grievance when they are called upon merely to contribute a small pro rata share to the maintenance of the markets and the maintenance of the Government which protects those markets, particularly so in the case of the so-called "protectorates" of ours, or our insular possessions.

Continental United States and its producers, Mr. Chairman, have always contributed their share to the maintenance of those markets which the Filipinos have enjoyed, and I see no reason for any alarm concerning the effects of this bill.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. LLOYD. I have a letter stating that for McNeil Island Federal Penitentiary alone a bid has been called for, to be returned March 13, on 4,500 pounds of nut margarine for the use of the United States Government at this institution during a 3 months' period.

I assume this tax is to protect the dairy farmers of the United States. If this be true what reason can there be for the United States Government's going to the very heart of the dairy-producing section of the State of Washington and calling for approximately 5,000 pounds of nut margarine?

Mr. KLEBERG. Would the gentleman like to know the quantity of coconut oil used in the manufacture of margarine in this country?

Mr. LLOYD. Yes; if the gentleman has those figures handy.

Mr. KLEBERG. There were used 134,429,830 pounds of coconut oil and 388,485 pounds of palm oil in the manufacture of nut margarine in the fiscal year 1933. About 82.4 percent of all margarine, including nut margarine, was composed of foreign oils and fats.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. KLEBERG. I may say at this juncture with reference to the dairy farmers, and particularly with reference to the cotton farmers of this country, that in my candid opinion cottonseed oil will receive far more benefit from this tax than dairy products, as a direct proposition. I would call the committee's attention to the bill I have introduced with reference to further assisting the dairy industry through the proper allocation of a tax on margarine manufactured in whole or in part of foreign oils, thereby offsetting at least in part the effect of foreign oils and fats in the manufacture of oleomargarine.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. BLANCHARD. Is the tax on butter substitutes proposed in the gentleman's bill a lower tax than the one carried in this bill on coconut oil and sesame oil?

Mr. KLEBERG. It provides for a 10-cent tax on margarine made in whole or in part of imported oils, and a reduction of the tax on margarine made wholly of domestic fats and oils.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOEPEL].

Mr. HOEPEL. Mr. Chairman, there is very little I can add in reference to the tax on oils, the subject having been so admirably covered by my distinguished colleague, the gentleman from California, Mr. ELTSE.

I may mention, however, that the committee which brought in this bill did so without having received any report from the Department of Agriculture as to whether or not coconut oil was in actual competition with animal fats and domestic oils. In my opinion, before the committee reported this bill they should have asked for and considered a report on this subject from the Department of Agriculture.

Through the provisions of this bill Congress is actually crippling, if not in fact eliminating, the soap industry in California. The result of the application of this tax will be that foreign soap manufacturers will flood our markets with soap manufactured from coconut oil which carry only a 15-percent ad valorem tariff. As a result our rendering plants in California and our soap manufacturers will be forced either to pay lower wages or go out of business.

Not only will this excise tax penalize our soap industry but it will also react against our shipping. It follows as a natural consequence that when we divert Philippine trade to Canada or other countries that those countries will buy Philippine products, and vice versa. As a consequence, American shipping will be injured.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. HOEPEL. I yield.

Mr. McFADDEN. I am interested in the gentleman's statement that foreign competition will deprive California of this particular industry. Does the gentleman speak of the Philippines as a foreign country?

Mr. HOEPEL. I am speaking of the competition that will naturally come from Japan and Canada in the matter of manufactured soap if we levy this excise tax.

Mr. McFADDEN. Does the gentleman mean this soap would be manufactured in Canada or in the Philippines?

Mr. HOEPEL. It would be manufactured in Canada, in Japan, and perhaps in other countries.

Mr. McFADDEN. Are we to understand that soaps could be manufactured in foreign countries out of coconut oil and enter the United States free of duty?

Mr. HOEPEL. They would pay only 15 percent ad valorem.

Mr. McFADDEN. How about the Philippines; could they manufacture soap and ship it into the country free?

Mr. HOEPEL. I presume they could. They would destroy our industry but build up a similar industry in the Philippines.

I do not blame the gentlemen from the South in their desire to protect cottonseed oil, but with all respect to them, they are looking at the situation in the wrong way. Instead of protecting a byproduct of cotton, why not put a tax on the importation of silk? Rayon is a complete competitor of silk. Rayon is made entirely of cotton. If the South wishes to protect its cotton industry, it would seem to me they should try to keep silk out of the country, on the ground that it comes into the most direct competition with rayon, rather than try to keep coconut oil out of the country on the ground that it comes in competition with cottonseed oil.

It would appear that the Ways and Means Committee is pursuing a hodge-podge method of legislation. We are seeking to tax oils produced in an American possession, notwithstanding that such oils are not produced in the United States. We have failed to adequately tax linseed oil and

because of our failure to protect the flaxseed and linseed oil industry, our production has dwindled so that in 1933 we were producing only one third of the amount we produced in 1925. In other words, we are importing flaxseed from the Argentine, which is directly competitive with American flaxseed and are not adequately taxing this product. As a result thereof, our own industry is on a rapid decline. The flaxseed industry is also being developed in California, and if adequately protected the United States would be in a position to provide for its own markets without importation, which would naturally help to relieve the agricultural situation. It is not understood why, in this legislation, we should seek to penalize the Philippines by restricting their imports to this country in oils while at the same time the administration is seeking to augment not only the exports of the Philippines, but of Cuba, as well, in sugar, which product is directly competitive to sugar production in this country.

In this and impending new-deal legislation it would appear that some of our agriculturists are in a preferred status; or is it possible that Members of Congress advance sectional interests over national interests in the furtherance of legislation, as appears to be exemplified in this bill when contrasted with the administration recommendation to grant foreign sugar manufacturers additional import quotas to the detriment of our own sugar producers?

The statement of my distinguished colleague from Nebraska [Mr. SHALLENBERGER] that the price of soap has declined less than 10 percent in the United States since 1926 appears to be entirely at variance with facts. The president of the Los Angeles Soap Co., Mr. F. H. Merrill, advises that the average price of soaps manufactured by his company has declined approximately 40 percent during this period, which would indicate that the general decline in the price of all soaps is approximate.

I personally know that the famous White King soap, which formerly sold at 45 cents per carton, was recently sold as low as 26 cents per carton, which would prove the contention of the president of the Los Angeles Soap Co.

There is no individual in this Congress who is more interested in the economic rehabilitation of the farmer than I. If this Democratic Congress, which is so free to criticize the Republicans because of the high tariff rates, would only apply some of the principles of the high tariff and prevent all importation of butter fats, animal fats, eggs, and other agricultural products which we produce in abundance, it would indeed be acting in behalf of the farmer.

The Democratic Members of Congress who appear to be so much interested in the farmers have opposed, and yet oppose, the Frazier bill, which the farmers have been clamoring for and which their representatives here are urging as the only relief the farmer is interested in. This Democratic Congress refuses to grant the farmers of America this positive relief from their economic burdens.

By analogy, it would seem that in this bill, we are attempting to pat the farmer on the back with an excise tax on oils while, at the same time, we are permitting him to literally starve by refusing him mortgage relief except through the medium of tax-exempt securities on account of which he must pay an inordinate interest rate far and above his capacity to earn a living.

While it is true this bill has some provisions which would recommend its enactment, it is palpably weak in that it fails to raise the income-tax exemptions on earned incomes for those in the lower brackets.

The income tax in itself is a huge monstrosity. It is enmeshed in a maze of intricacies which permit of evasion of tax payments, and is weighted down with other handicaps which tend to create confusion in the minds of honest men.

The income-tax exemption of \$1,000 for single individuals is palpably too low. In California, in some instances under the present sales tax, the individual pays as high as 6 percent tax.

Mr. DOUGHTON. Will the gentleman yield?

Mr. HOEPEL. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The tax which the gentleman refers to is a State sales tax and not a Federal sales tax?

Mr. HOEPEL. That is true; but, nevertheless, the man must pay, whether he pays to the State or to the National Government.

Mr. DOUGHTON. It would be very easy for a man to transfer himself from the single role to the married status?

Mr. HOEPEL. Answering that, I offer another objection. The exemption for a married man is only \$2,500. There is no exemption or protection to the man who is supporting his sons, his daughters, and granddaughters, or any dependents over 18 years of age. This situation exists throughout the length and breadth of the country and, therefore, in this respect it is absolutely unfair.

If the income tax must be maintained on our statute books, the exemption on earned incomes in no instance should be less than \$5,000. Under the present plan, those in the lower brackets must only too frequently borrow in order to pay their income tax and, if they lose their positions, they immediately fall in the bread lines.

Another feature which appears to be written in the interest of entrenched wealth is a provision whereby a single individual with an earned income of \$6,000 must pay exactly double the income tax of another individual of equal income where the income is in part earned and in part derived from interest on partially tax-exempt Government bonds. In this provision, the Congress is again showing favoritism to the coupon clipper, which appears to have been, and yet is, the pet function of the Congress.

A provision in the Budget which is more or less involved in this bill and which, in my opinion, is an evidence of incompetency, is that over \$750,000,000 is predicated for disbursement as a direct subsidy to the farmers and others in the basic-commodity class for the destruction or restriction of production. This subsidy to those included in the basic-commodity class (the favored class) is almost three times greater than the amount paid today to all war veterans and their dependents, which would indicate that the National Economy League, which was so interested in economy for the taxpayer in reference to veteran payments, is today, apparently, asleep to the large wastage of Government funds going into the hands of the farmers as pay merely for the sake of maintaining him in idleness or engaging his services to destroy crops. It should be borne in mind that this subsidy of over \$750,000,000 to those in the basic-commodity class must be paid directly by the consumers, of whom there are over 30,000,000 in the unemployed and dependent class today, and another 30,000,000 or more who are in the partially employed class. Any legislation which seeks to increase the purchasing power of the American citizen, in my opinion, may be best directed toward the consumers rather than to the producers who are in the favored subsidy class.

It is pathetic indeed to note that Representatives in Congress on the Ways and Means Committee, which is comprised of individuals of long service, appear to have so little sympathy for the interest of the common people, while at the same time they appear to evince superhuman interest in those with unearned and entrenched wealth. Not a single line in this tax bill indicates that the Ways and Means Committee is interested in taxing the \$42,000,000,000 of tax-exempt bonds now in existence and which are safely ensconced in the safety deposit boxes of the coupon clippers. Notwithstanding that the American people are paying \$1,850,000,000 in interest alone on these bonds, the Ways and Means Committee gives us not one iota of hope that this unearned wealth in America will be taxed.

The press reports of yesterday state that the administration is opposed to any legislation which will restrict the further issuance of tax-exempt securities. If this report is true, it is self-evident that the new deal is the same raw deal to the American people as far as the issuance of bonds is concerned. Eventually the wealth of America will be tax-exempt unless the administration and the Ways and Means Committee make an about-face in the interest of the people.



Another evidence of the solicitude of the Ways and Means Committee for entrenched wealth is the fact that by preventing amendment, this House, elected by the people under the impression that they were to have a new deal, is absolutely powerless to offer a single amendment to increase taxes on inheritances, estates, idle lands, and patent rights. To be more specific, because of the gag rule which prevents amendment to this bill, it would appear that it is the intent of the Ways and Means Committee and those who voted for the gag, that the rich should become richer and the poor, poorer, since we are prohibited, because of the gag, from offering any amendment having for its objective the more equitable distribution of wealth.

We should bear in mind that the tax revenues predicated under this bill will aggregate \$258,000,000 which is approximately one third of what the American consumers will be forced to pay, under the Agricultural Administration Act, to the favored few in the basic-commodity class. Furthermore, the tax which we hope to collect under this bill is also a fraction more than one fourth of the amount which the American people pay each year to the international coupon clippers of Wall Street who hold tax-exempt bonds.

In conclusion, it would appear that the new deal is indeed a new deal, but we are playing the same game with the same participants in the House whose past record is responsible for our present national debacle and who, under their present procedure, appear to be as inert to the interest of the people as any plutocratic oligarchy of ancient Rome.

I propose to vote for this bill, because of the fact that it has some features to commend it and, furthermore, I recognize that the United States Senate has not surrendered to absolute oligarchical control and therefore this bill will be subject to amendment in the Senate. I am hopeful that in this last citadel of democracy in America this bill will be adequately amended to protect the interest of legitimate business, the farmer, and the common man.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I hope there will be no objection raised to my discourse here this afternoon. I want to discuss a phase of the tax question in which we are particularly interested in the city of Detroit and the State of Michigan, but it is not at all a provincial matter. This is something that affects the entire United States of America and every automobile user. Incidentally this affects every prospective purchaser of an automobile and affects the welfare of every individual citizen of the United States; every constituent of every Member of the House, because of the fact that the world looks to Detroit and to the automobile industry to lead us out of the depression. The automobile industry is one which has grown in the span of a very few short years to be the greatest in the world, and certainly the most astounding from the standpoint of its phenomenal growth. We are keenly interested in fairness to this industry. May I say that my colleagues from Michigan are unanimous, irrespective of our party affiliation, in the earliest abolishment of the Federal automobile tax and we are joined in this by the Indiana delegation. It is because of their joint, specific request that I am on the floor today. It is manifestly clear that this tax is unjust, because it discriminates against a single industry and the greatest industry in the Nation, an industry that affects the North, the South, the East, and the West. It affects the steel industry and the iron mines, the copper industry, the southern cotton planter and the producer of every kind of material used in the production of automobiles. Under the circumstances, I want to touch on certain pertinent phases because there are several things the matter with American industry and not the least of these is the high cost of motor-car ownership due to excessive and inequitable taxation.

There is no major industry in the country that has stepped up the dollar value of the product as has the automobile industry, and there is no industry that is required to pay such a high penalty for giving the people their money's worth.

I was privileged to appear before the Ways and Means Committee and to discuss various phases of the tax upon automobiles, tires, and accessories, and I am confident that at least in a measure I have portrayed the real situation in which the motor-car manufacturer finds himself; and as a result of the unfortunate, handicapped condition of the industry, I have shown the detrimental effect upon the entire Nation. I am certain that the members of the Ways and Means Committee were convinced that without the earliest possible elimination of the Federal tax on automobiles, tires, and accessories the Nation cannot emerge from the depression. I might say that the chairman of the committee assured me that the taxes upon these all-important items of our everyday American use will be eliminated at the earliest possible date. With that assurance in mind, I intend to introduce a bill providing for the repeal of these bondage taxes which are holding back the progress of the Nation. In this measure I am sure every working man and every business man will be interested, because everybody has an equity in this proposed legislation. [Applause.]

The outrageous taxes imposed upon the automobile purchaser and operator are among the major factors retarding industrial and business recovery in this country.

If this great burden of unjust taxation were lightened to an appreciable extent, sales of cars would increase, employment would gain, the railroads would profit, and all of the industries that supply materials going into the manufacture of cars would show prosperous activity.

The classification of the automobile as a luxury has resulted in one of the worst tax raids on any industry in the history of the United States. It has penalized the owner of a car—used more today for business than for pleasure, in most instances—until it has driven thousands of cars off of the streets and into garages, where they will remain unless taxation bodies cease their persecution.

The sales resistance for the product of one of America's greatest industries is increased enormously by the fact that each prospective purchaser of an automobile must not only consider the original purchase price but he must figure also on how much he must have to pay in taxes for the privilege of operating his car.

When he first buys the car he must pay an excise tax to the Federal Government; and if he happens to live in certain States, he must also pay a State sales tax. For every gallon of gasoline he buys he must pay a State and Federal tax. Lubricating oil, tire replacements, and repair parts used during the life of the car are taxed in the same manner. Superimposed upon these taxes is a registration fee for the privilege of operating over highways built with gas-tax money.

A fact not generally realized is that every car that goes to the junk pile at the end of its period of usefulness has paid an aggregate tax bill closely approximating the price that the manufacturer received on the initial sale of the vehicle.

This situation exists because legislative bodies have not learned to distinguish a luxury from a necessity. Motor-car ownership is considered a luxury, regardless of the fact that those who make our tax laws, as well as the factory or office worker who uses his automobile for transportation to and from his place of employment, would find it almost impossible to get along without the particular type of transportation afforded by the motor car.

The makers of our tax laws single out the motor-car industry for special taxation treatment because it is more pleasant to ride than to walk, or use a less convenient and less efficient method of transportation. Apparently little or no thought is given to the fact that the almost unbearable tax burden placed upon the automobile industry is adding to the Nation's unemployment problem and causing further unnecessary hardship for thousands who are out of work.

The absurdity of classing the automobile as a taxable luxury is exposed not only by the fact that the automobile has become an indispensable factor in transportation but because of the purchasing power that the industry creates.

In addition to more than 3,000,000 employed in the manufacture, sale, and maintenance of motor vehicles, another million is engaged in producing materials to be used in automobile construction. Of the total United States consumption of a dozen basic commodities the automobile utilizes the following percentages:

Cotton, 7 percent; tin, 10 percent; copper, 11 percent, lumber 14 percent; mohair, 14 percent; steel, 17 percent; aluminum, 23 percent; nickel, 28 percent; lead, 33 percent; plate glass, 43 percent; upholstery leather, 53 percent; malleable iron, 54 percent; rubber, 80 percent; gasoline, 85 percent.

Raw material for your automobile comes from every State in the Union. During 1932 the industry shipped 2,500,000 carloads by rail, and paid a freight bill of \$325,000,000. This tonnage was 34 percent of rail shipments of manufactured goods and 14 percent of the total rail tonnage hauled by American railroads.

There is no business in the country that distributes purchasing power as thoroughly as does the automotive industry. Every car produced in Detroit represents the employment not only of the automobile factory worker, but the worker in every industry which produces or transports any of the many basic commodities built into the vehicle. Were this purchasing power removed, unemployment would cease to be a mere problem; it would become a catastrophe.

For the last several years our Government has attempted to "break" the depression by Reconstruction Finance Corporation loans and subsidies. To get the money to grant these loans and subsidies the tax gatherers have introduced the principle of forced industrial philanthropy. The automotive industry heads the list of the unwilling donors to the Society for the Perpetuation of Overcapitalization, Overproduction, and Obsolescence.

In order to maintain this system of penalizing industrial efficiency it has been necessary to increase the special automobile taxes 300 percent since 1919. In this land of opportunity (for the tax collector in particular) the motor-car owners in 1932 paid in taxes more than \$2,000 each minute of the day and night throughout the entire year. Special automobile taxes alone amounted to more than a billion dollars, or 10.7 percent of all Federal, State, and municipal taxes collected. Add to this all the income and property taxes paid by factories, garages, dealers, repair shops, terminals, truck, bus, and taxicab companies, and it will be realized that although the automobile may be a luxury to some economists it has become a necessity to our Government.

In the old days when a lot of craftsmanship was required to create goods by hand for the wealthy few, business at the top was sufficient. Today, when machinery hurls out goods for the millions, business has to be done at the bottom. Nothing could be so healthy for American business today as some good deep-breathing exercises; deep enough to reach down to the real American market afforded by increased purchasing power of the masses. This can come only by the removal of unnecessary and unwarranted costs which are added to the base price of commodities. In the case of the automobile the unwarranted addition to the base price is the inequitable taxation burden on the sale and operation of motor cars.

True recovery can come only through giving more product per dollar of price, not more empty price dollars. Inflation in whatever form it may eventually come will not have sufficient beneficial influence on the consumption of goods. Until we realize that the dollar is already devitalized, its product value too little to account for adequate consumption, our measures for recovery will be retarded.

The problem of this country is obstructed consumption, not overproduction. We cannot cure ourselves by money magic, money medicine, or artificial expansion of currency or credit while we tax to death America's greatest industry. Adding a dollar to the workingman's income, for example, must increase his outgo proportionately. The trouble is that the price that the consumer is required to pay for the goods he purchases has been progressively loaded with taxes until

price paralysis and inability to consume enough commodities has resulted.

Inasmuch as most of the remedies administered by the Government to distribute purchasing power have been operated on the trial system, it might not be a bad idea to try the experiment of treating the automotive industry on a par with other industries. If the tax burden now imposed on the sale of the motor vehicles and parts, tires, accessories, gasoline, and oil were alleviated by an amount equal to the Reconstruction Finance Corporation grants, a much-desired increase in purchasing power, and consequently employment, would be spread from Maine to California in a thoroughly self-liquidating manner.

All this country needs today is employment. Millions need work. Other millions are employed and need automobiles but they cannot buy them when too great a mass of taxation is added to the price which the manufacturer gets for making the vehicle. Taxation bodies must cut the penalty of owning and operating motor cars. The automobile industry in Michigan, and the industries of other States depending upon the automobile business as the principal market for the commodities which they produce, can quickly be rehabilitated by fair taxation treatment.

First. On January 1, 1933, there were 24,136,879 motor vehicles registered in the United States. Of these, 7,297,000, or 30.23 percent, were over 7 years old.

Second. The replacement of these old cars would furnish a much desired stimulus to industrial activity throughout the country because—

(a) Of the total United States consumption of several basic commodities, the automobile industry consumed the following percentages during 1932: Cotton, 7 percent; tin, 10 percent; copper, 11 percent; lumber, 14 percent; mohair, 14 percent; steel, 17 percent; aluminum, 23 percent; nickel, 28 percent; lead, 33 percent; plate glass, 43 percent; upholstery leather, 53 percent, malleable iron, 54 percent; rubber, 80 percent; gasoline, 85 percent.

(b) Raw material for automobile construction comes from every State in the Union. During 1932 the automobile industry and allied industries shipped 2,543,833 carloads by rail, and paid a freight bill of \$325,000,000. This tonnage was 34 percent of rail shipments of manufactured goods and 14 percent of the total rail tonnage hauled by American railroads.

(c) In 1932 there were 3,026,000 workers engaged either full or part time in the manufacture, sale, operation, and maintenance of motor vehicles. In addition, there were 875,000 engaged in the production and transportation of raw materials used in the construction of motor vehicles. A total of 3,901,800 depended upon the automobile industry for a livelihood. This number is approximately 10 percent of the total number normally employed in all industries in the United States.

Third. The trend of motor-car ownership is downward. In 1932 registrations in the United States decreased 6½ percent under 1931, while registrations outside the United States increased 2½ percent.

Fourth. In 1929 there were produced in this country 5,359,000 passenger cars and trucks, the wholesale value of which was \$3,413,148,206. In 1932 the production was only 1,370,678 vehicles valued at \$755,927,760.

Fifth. The decrease in production of motor vehicles and hence the increase in unemployment of workers depending upon the automobile industry is largely due to the following factors in the taxation systems of the Federal Government and the several States:

(a) The ratio of State motor-vehicle special taxes to total State tax receipts range from 14.2 percent in Delaware to 75.2 percent in Florida. The average is 38 percent.

(b) The Federal Government singles out a few so-called "luxury" industries for special taxation treatment. The automobile industry is included notwithstanding the fact that it produces a necessity, and the only means of conveyance in most urban communities and many rural districts.

(c) The aggregate of special, Federal, State, and municipal automobile taxes has increased 300 percent since 1919,



and in 1932 amounted to \$1,076,021,597, or 10.7 percent of all Federal, State, and municipal taxes collected. This amount was \$320,093,837 greater than the wholesale value of the 1932 production of the entire industry. The Federal Government collected approximately \$200,000,000 of all such special taxes.

(d) The average life of a motor vehicle is 7½ years. At the present rate of taxation it will, during its life, pay more in taxes than the manufacturer receives on the initial sale. The elimination of recurring taxes on gasoline, oil, and tires would encourage greater use of automobiles and consequently broaden the replacement market.

(e) In States having a gasoline tax of 2 cents, the registration of motor vehicles in 1932 was 4.5 percent less than in 1931. In States having a 6-cent gas tax the decrease in registration was 13.5 percent, exactly three times as great. Taxation is a dominant deterrent to motor-car ownership.

**SUMMARY OF SPECIAL TAXES ASSESSED ON THE SALE, MAINTENANCE, AND OPERATION OF MOTOR VEHICLES, OVER AND ABOVE REGULAR REAL ESTATE, PROPERTY, AND INCOME TAXES PAID BY FACTORIES, GARAGES, DEALERS, REPAIR SHOPS, TERMINALS, TRUCK, BUS, AND TAXICAB COMPANIES, ETC.**

Federal excise taxes on wholesale value: Passenger cars, 3 percent; motor trucks, 2 percent; parts and accessories, 2 percent; gasoline, 1 cent a gallon; lubricating oil, 4 cents a gallon; rubber tires, 2¼ cents a pound; inner tubes, 4 cents a pound.

Special State taxes on motor-vehicle owners: Gasoline tax, from 2 cents to 7 cents a gallon; registration fees based on one or a combination of the following measures (a) horsepower, (b) weight, gross or net, (c) value, (d) seating capacity, (e) tires, solid or pneumatic; certificate of title; operators' or chauffeurs' permits; financial responsibility or compulsory insurance; gross receipts; ton-miles, gross, net, capacity or other; mileage; occupational tax; privilege tax.

General State taxes: (1) Emergency general sales tax in Connecticut, Delaware, Indiana, Louisiana, Michigan, Mississippi, Missouri, New York, North Carolina, Oklahoma, Utah, Vermont, Washington, West Virginia, and others.

(2) Personal property tax.

Special city and county taxes on motor users: Municipal and county taxes on motor vehicles in the form of registration fees, wheel tax, and operators' licenses are permitted in the following States: Arizona, Arkansas, California, Colorado, Delaware, Illinois, Indiana, Iowa, Kentucky, Mississippi, Missouri, Nebraska, Nevada, North Carolina, Oklahoma, Ohio, Oregon, Tennessee, Texas, Virginia, Washington, and Wyoming.

Municipal and county taxes on gasoline are in effect in the following places:

	Number of cities	Counties
Alabama.....	142	9
Florida.....	14	
Louisiana.....	1	47
Mississippi.....		5
Missouri.....	53	
New Mexico.....	6	

These cities and counties are known to have special gasoline taxes but there may be additional municipalities either in these same States or in other States which have not as yet come to our attention.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, there seems to be a very wide difference of opinion among the Members of the House as to whether this bill, which undertakes to raise revenue, should place a tax on coconut oil.

When there is such a wide difference among so many Members, it strikes me that an opportunity ought to be given to vote separately upon such an important proposition. In the preparation of this bill, it was designed to tax this type of oil which comes into this country not as a revenue measure, as I have gleaned it from those in favor of the tax, but, chiefly, as a protection to the farmer. I have

heard very little said here about the rise in the cost of soap as a result of such a provision. I have heard little of the poor consumer. I have heard no one consider the extra cost of maintenance of our charitable hospitals throughout the Nation, which will pay a larger sum for their soap. I have heard it will benefit the farmer, but what benefits he will receive have not been made clear to me. On the other hand, although it has been kept somewhat secret, it nevertheless stands out to me as an indisputable and true fact that whatever it does, it will raise the price of soap for the farmer.

If we were to pass a sales tax here—and there is some sentiment for this—I believe we would exempt food, clothing, and medicines. I am one of those who feel that in such an event we ought to exempt also such an article as ordinary soap, which is of so wide-spread use throughout the country and something of which the poor of this country should not be deprived. We ought to keep soap at a low cost.

To maintain soap at a low cost we must depend upon the supply of oils and fats which have deteriorated from their virgin state. The manufacture of soap at reasonable prices, therefore, is contingent upon the ability of the soap industry to use oils and fats of all kinds which have so deteriorated in quality as to be unfit for food products. This country imports oils and fats for soap purposes in large volume, and they are almost entirely of the grade which is unsuitable for edible purposes or, as in the case of coconut oil, suitable for edible purposes to a limited extent.

Coconut oil can hardly be said to compete with any domestic oil or fat in the manufacture of soap, because our domestic oil or soap has the same soap-making qualities. In order to get into the soap the required properties which the consumer demands for lathering, rinsing, and thorough cleansing, coconut oil is necessary. To supply these properties it is absolutely essential to have a sufficient quantity of sodium soaps of the lower-molecular-weight fatty acids, which can be had only from the use of a generous proportion of coconut oil in the soap formula. The soap must be readily soluble in water at the ordinary temperatures to get abundant lathering. Soap of course is dissolved far more rapidly in soft water than in hard. The properties making soap readily soluble in water are the same which make the suds easily rinsed. A soap will not give proper washing satisfaction if it is not quickly soluble in water at ordinary temperature.

An appreciable amount of coconut oil must be employed in the modern white laundry soap unless we take chip or bead form in general demand by consumers. A majority of our cities and many of the farm areas in the West have water that is fairly hard, so that a soap not easily soluble in water is a poor cleaning agent. If the soap does not have an appreciable amount of coconut oil, it will be almost insoluble in hard water. Consequently there is a demand for white laundry soap which contains enough coconut oil to make it serve the purposes for which it is used.

There does not appear to be a solid basis for the claims that domestic oils and fats are easily interchangeable with the coconut oil in the manufacture of soap. The American farmer is not deliberately producing oils and fats for soap purposes, and the required lather cannot be had from oils and fats produced in this country, but is gained only by introducing into the soap generous proportions of coconut oil.

Furthermore, I do not believe coconut oil competes with farm products, even to the limited extent that it is used for edible purposes. I have failed to hear an argument on the floor of the House which has convinced me that oleomargarine is a real competitor of butter which is produced by the farmer. I do not think the House has been convinced that coconut oil is a real competitor, and so long as this is not a revenue measure, greater consideration should be given to striking this provision from the bill at some time before its final enactment into law.

We ought to protect the consumers of our country, primarily. I have had many protests from them, and I have

had letters and telegrams from those who are employed by concerns manufacturing products in which coconut oil is an ingredient in my district who now fear the loss of their positions. These are men and women who have kept their positions throughout these trying times, but who fear that upon the passage of this bill they will be thrown out of work and into the army of the unemployed. I think greater consideration ought to be given to this provision of the bill somewhere along its course so that this tax on coconut oil should be stricken out, or, if allowed to remain, should be left in the measure only after the most careful consideration of the interests of the consumers and its effect upon the employment of thousands of the people of the Nation. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, all during the time this debate has been running, which we know to have been nearly 18 hours now, there seems to have been great interest expressed, both in the House and by the public in general, as to the nature of the motion that the minority is expected to make to recommit the bill to the committee.

As the Members know, there has been practical unanimity of opinion in the committee. It is true that in the course of the extended consideration of the measure we have had many debates among ourselves, but the bill as presented to the House by our distinguished chairman, by and large, meets with the approval of the minority side of the committee. However, my colleagues on the committee and I feel that there is one outstanding matter wherein the committee made a serious blunder. I was unable to follow the reasoning—and none of my colleagues did—of the representatives of the Post Office Department when they came before the committee and asked that there be a continuation of the 3-cent postage rate for at least another year. The argument, of course, was that the money is needed.

Well, we want that money, and a lot of other money is needed, but the question is, What is the fair way to get it? Now, as to the item of first-class postage at the rate of 3 cents, the report of the Post Office Department shows that the profit to the Department last year, exclusive of air mail, was \$104,860,190.06.

It cannot be said that we were running behind on first-class postage rates or that this money was needed to support the cost of carrying first-class mail.

There has been a tremendous opposition to the 3-cent rate. When the first suggestion was made of a 3-cent rate so much opposition was made against it by the people that Congress was obliged to reduce the rate to 2 cents on local drop letters. That at least shows the sentiment of the people.

The Republican members of the Ways and Means Committee voted unanimously not to continue the 3-cent rate beyond the time it was to expire under the law adopted last year, section 1001 (a) of the Revenue Act of 1932 as amended by section 2 of the act to extend the gasoline tax for 1 year and modify the postage rates.

We minority members are of the unanimous opinion that section 515 of the pending bill, which continues the 3-cent postage rate until July 1, 1935, should not be approved.

Therefore, the motion I shall offer tomorrow as the ranking minority member of the committee will read as follows:

I move to recommit the bill H.R. 7835 to the committee on Ways and Means with instructions to report the same back to the House forthwith, with an amendment striking out all of section 515, so as to restore the 2-cent rate on first-class postage as of July 1, 1934.

The reason that I bring it up tonight is because we want to play fair with the other side as we always have. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the

Union, reported that that Committee had had under consideration the bill H.R. 7835 and had come to no resolution thereon.

#### SHALL OUR PUBLIC SCHOOLS BE CLOSED?

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of school relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, I introduced a few days ago another bill for the relief of our educational system. This bill has for its object the unimpaired maintenance of the free American public school. The mechanics of this bill depend upon the use of Federal funds to help the various States to give all children unrestricted access to the instruction, the training, and the culture that is theirs by right and by tradition. All the States will benefit by this measure. Hundreds of thousands of growing boys and girls will be able to utilize without handicap the many educational opportunities now denied them by virtue of depleted town and State revenues.

I hold no brief for those who place faith in the abilities of our States and municipalities to maintain their schools at par during the coming year. Our towns and States cannot accomplish this educational restoration alone and unaided in so short a time. I am just as confident as anyone of the continuing revival of trade and business now occurring under the broad and intelligent reconstruction policies of our President. But no matter how great the magnitude of our business revival, our States and municipalities by next fall will not have the necessary funds to maintain their school systems as they should be maintained.

The philosophy behind the introduction of this bill is neither new nor complex on my part. For the past 15 years I have strongly advocated investing a portion of our national wealth and income in State and municipal educational work under the direction of State authorities. Ever since I have been in Congress I have urged and supported legislation for this simple, profitable purpose.

For instance, only last year an attempt was made to slash 25 percent from the Federal appropriation for vocational training projects. I publicly opposed that reduction and did my bit to restore the full appropriation for that splendid work. This year when I came back to Congress I pledged myself once more to help secure adequate Federal aid for our educational system. The principle to which I adhere is this: No single school in the United States must close today because its community cannot afford to keep it open.

It is gratifying to know that many others in this administration have taken this stand, but I shall not be satisfied with any measures short of 100-percent school maintenance in all fields and in all degrees throughout the country. I am happy to commend F.E.R.A. Order No. 953 of the Federal Relief Administrator, Mr. Harry Hopkins, which states that Federal funds are available to keep open the schools in any community up to 5,000 in population. But there is nothing in the statutes to prevent Federal aid being given to any community of whatever size to prevent its educational facilities from being curtailed. All of our growing generation in every community in the land must have a complete school term next year with all educational opportunities offered to them. I was privileged to help secure F.E.R.A. Order No. 953, and Mr. Hopkins, I feel sure, will be absolutely fair in administering it.

It will be recalled that Senator GEORGE, of Georgia, in the Senate, and myself in the House, introduced a bill that requested \$50,000,000 of the \$950,000,000 relief appropriation to be allotted for the rehabilitation of our educational system. Many other bills for school aid have come before this Congress and many excellent gentlemen have sponsored these worthwhile measures. But Senator GEORGE and I have sought, in accordance with our principles, immediate direct Federal aid for the American public-school system. That has been a first step; more will be undertaken later.



I first said on the floor of this House what the great national women's organizations and the American Federation of Labor came to me saying: "The schools must be kept open. The local communities are broke. The children must not suffer." I am fully acquainted with the plight of the educational system in my own State, and I know that the representatives of those organizations gave me the real facts. I have studied the official figures on the condition of the American school system as compiled by the United States Bureau of Education. The RECORD shows what action I have taken in helping to secure adequate maintenance of our educational facilities. The hearings on the relief bill will show the facts and the arguments I presented for Federal aid for our schools. It is in the law that the Federal Relief Administrator has the authority to help any public agency in any State that needs help. The response to Mr. Hopkins' telegrams to all State superintendents of education telling them of the availability of Federal funds indicates that the people of this country want this aid and are eager to take advantage of all opportunities to improve their school systems.

But this is only a step in the right direction. I demand more for the growing generations of young Americans. I demand a more equitable distribution of income in our country. We must tap the sources of concentrated wealth in this Nation in order to provide for all the people economic security, free access to culture, and the opportunity for individual and group expression. We can no longer offer the rising youth of America a lukewarm world, a world of shoddy values, both material and spiritual. We must construct for these children we are educating a world in which they will not find themselves economically dispossessed at the start. We must not deal lightly with their hopes, their plans, their ambitions. We must give them definite assurance of future success and security, a fighting chance for them to exercise their talents and creative faculties. We must not damp their enthusiasm and their efforts for political and economic betterment. We must help sweep away the barriers of vested, greedy wealth and impoverished, depleted educational systems and give them a vision of the good life in an era when rugged "hoggism" will be completely dead and buried.

I have lost count of the number of times I have spoken on this floor in favor of maintaining and improving our school system. We cannot afford to move backward at this date and whittle away these parts of our educational work that have proved of immense value to our social and economic and political life. I am familiar with the people who are always wanting to do away with what they call "frills" in education. I call those people "academic chiselers." A frill in our school system means to them something they can covertly snip off in an effort to reach their miserly goal of the three "R's" taught for 2 months in unheated school houses by underpaid teachers. What strange mental reasoning these purveyors of parsimony must do to be able to advocate the elimination of such valuable educational activities as kindergartens, vocational training, health services, pre-school projects, art study, junior high schools, musical appreciation, and opportunity classes. In these times when leisure promises to increase for the people, these elements of our educational system are more than ever of paramount importance to the school and to the community.

I regard education as that form of human experience through which the individual grows; and it is my purpose that each individual must grow to be most useful to his community. These so-called "frills" which have been put into school systems in the last 2 decades are there because they do help make better citizens of our students. The child must be properly started, and the school must afford him an opportunity to develop his natural talents, whatever they may be. There was a time when we regarded classical education as the only form of education. Now, I am the last one to depreciate the beauty and the joy of a classical training, but I am also the last one to say that everyone must be alike or that everyone is qualified to pursue the same studies. The recognition of individual differences has led

to the development of enriched school curricula. The uninformed call these developments "frills." Let us consider a few of these frills.

#### THE IMPORTANCE OF THE KINDERGARTEN

For the last 60 years the public has recognized the kindergarten as an important part of a well-organized school system. One of the most interesting discussions of the kindergarten's value—and there are many such discussions—is to be found in the convention action of the American Federation of Labor.

The men and women of this country who toil are determined that their children shall have every possible advantage. They want their children to get the right start in life. I quote from the last convention statement of that organization.

The kindergarten performs a vital educational service for the child of 4 and 5 years, which must be given at that age only.

For 60 years public opinion has recognized the worth of a systematized educational program for 4- and 5-year-old children. Since St. Louis opened the first public-school kindergarten in 1873, young children in practically all the large cities and in a quarter of the smaller cities have had an opportunity to attend kindergartens.

When a child enters school, he becomes for the first time a part of a social group outside of his immediate family. In the kindergarten the social adjustments of the young child are the primary goal. In the first grade there is a general expectancy that a child must learn to read. But it is shown by studies that a certain mental age and not a chronological age fits a child to learn to read. The kindergarten program develops that mental age and helps make the child fitted for success in his school progress.

In the kindergarten a child begins to learn how to get along with others who have similar rights and privileges. He learns how to respond to directions and to handle materials with which he can express his ideas. He develops adequate habits of personal hygiene. Children from families speaking a foreign language at home are given an English vocabulary and training in using it effectively. These young children of foreign-born parents carry back into the family a little-realized influence in true Americanism.

Physical and mental tendencies that may make difficulties in an individual's later school life are discoverable in the kindergarten and corrective treatment given.

Experiences of the kindergarten program introduce children to the beginnings of reading, arithmetic, and other subjects of the elementary school curriculum with marked success. It is difficult to apply adequate measures to the growth and development of these young children. However, within the past few years research has shown that children who have attended kindergarten have higher scores in intelligence and in achievement in the school subjects, their ratings in social habits are higher, and they have fewer promotion failures than children without kindergarten experience. The reduction of promotion failures is a saving in dollars and cents to the taxpayer and, what is more important, it saves the child's courage and self-respect.

Such a purpose sounds truly social to me; not a bit like a frill.

#### VOCATIONAL TRAINING

I referred earlier in this address to the fact that I was happy to have participated in the movement to secure for the several States the full amount of former appropriations for vocational training. I am in hearty sympathy with this trend of educational development. Why? Again I am practical in considering the value of educational work. Vocational training prepares the individual for efficient employment so that he can become self-supporting and contribute to the economic welfare of the country. It is an essential part of a socially balanced educational program, both for periods of national prosperity and periods of national depression.

In some ways vocational training is more important in this period of depression than it was in a period of prosperity. Changes in manufacturing processes and production methods have resulted in throwing many persons out of employment who must be retrained for some other line of work. Many skilled persons who were laid off on account of the depression will never again be able to return to their former positions. Some of these persons have moved away, some have found employment in other lines of work. In some instances methods in production work and trade practices have changed to such an extent that those who were laid off are now no longer employable unless they are retrained.



Then, too, there is that great army of youth who in normal times would be absorbed into industry but who are now either adrift, adding to the stream of the unemployed or else in school. If in school, they need vocational training that will make them employable when the doors of industry are again opened.

If adrift without anything to do, they need to be given a vocational training that will qualify them for employment at the earliest possible moment and which in the meantime will serve to maintain their morale.

As something of a forerunner for vocational training—prevocational, I believe they call it—and as a form of preliminary guidance work, our schools have been developing work in the industrial arts.

#### VALUE OF THE INDUSTRIAL ARTS

It is essential that educational training include opportunities for self-expression on the part of the individual, as these constitute experiences necessary for growth and development. Through design and construction in wood, wood-finishing, fiber and textile materials, metal work, electricity, drawing, and printing, pupils find opportunities for self-expression in practical materials not found in other school subjects. Planning and laying out projects on paper, making out bills for materials to be used in the projects, getting out stock, performing the necessary hand and machine operations on the materials, and assembling parts into completed projects constitute a unique and valuable kind of school experience and a learning through self-expression. Activities in the industrial arts are just as natural and just as vital a means for self-expression as are activities in reading, writing, mathematics, language, and music. Moreover, they are kinds of activities which appeal strongly to the boys and girls.

#### IS THE SCHOOL HEALTH SERVICE A NECESSITY?

By common consent, health is an essential objective of education. It is absurd for school officials to look upon the school health service as something to be abandoned or curtailed until the return of better times moneywise. It may be that this service can, in some instances, be carried on in a more economical manner, but to go beyond this is to abandon a fundamental principle which no one has yet hinted should be abandoned.

The preservation and improvement of the health of the child, which too often needs to be improved, is a worthy object in itself, for certainly comfort and length of days have always been considered desirable. The child who is physically below par fails to respond as he might to the means of mental development furnished through the schools, and there is a proportional waste of time and effort and money in attempting to educate him. There is economic waste again in sending into the world a child who cannot grapple with the problems of existence as he might have done had the school given adequate attention to his physical well-being.

The child's physical welfare is of prime importance. Instead of neglecting our school health activities we might better see if they can be improved. The need for this work is particularly acute now. At the hearings on the relief bill just passed it was brought out that a large percentage of the Nation's children are on relief. Tens of thousands of the citizens of tomorrow need material physical attention. School health service is the machinery to render this service. The preservation of the health of our children, I submit, is a real necessity.

#### IS THE JUNIOR HIGH SCHOOL A FRILL?

The entire development of the junior high school in the United States has been brought about in less than a quarter of a century. The increase in number of these schools has been especially pronounced since the World War. The following facts make it easy for anyone to draw his own conclusions.

During this period the following important changes have been brought about in the schooling of girls and boys from 12 to 15 or 16 years of age:

First. Improved retention in school: In 1918 pupils in the public schools averaged fewer than 8 years of education; in 1930 this average had been raised to 9 $\frac{3}{4}$  years.

Second. Expansion in curriculum offerings: Subjects which have become prominent following the introduction of the junior high school are physical education, fine arts, manual arts, home economics, and business training.

Third. Expansion into extracurriculum offerings: The old school offered its pupils little in the form of dramatics, journalism, hobby clubs, organized drill activities, and interclass athletic games before they reached the first year of the 4-year high school. These and other extracurriculum activities are regular features of the modern junior high school.

Fourth. Extension of provisions in caring for individual differences of early-adolescent pupils, including educational and vocational guidance, exploratory courses, library service, health work, and employment of better-trained teachers.

These improvements in the education of young girls and boys have come in coexistent with the development of the junior high school, and have, in many places, been hastened by the establishment of junior high schools. The boy and girl just entering that all-trying period of life—adolescence—need attention of a special sort. Not only does the boy's voice change and his body grow rapidly, but there are other vital adjustments he must make and receive help in making if he is to be happy and successful. Here the school can help, and here the junior high school leads the way in this endeavor.

#### IS EDUCATION IN MUSIC A FRILL?

Education is a preparation for life and for living, and music figures in this as largely as literature and mathematics and history. True, music is a language of which we can have some knowledge without training, but this is true of English, and mathematics, and other subjects. However, without teaching, a child is not likely to learn to read music, nor to participate in the joys of its performance. Without an introduction to its expression in higher forms he is not likely to know those forms and to fully enjoy them. Not every child can be a Mozart any more than every child can become a Shakespeare, but every child can be made to have a greater appreciation of both music and literature than he would otherwise experience. If the teaching of music is a frill, then the teaching of literature is a frill, for music is incomparable as a revelation of sheer beauty and as an interpreter of human emotion.

With the advent of more leisure than our forefathers possessed and with the invention of the radio, there is more time and opportunity for the enjoyment of music than ever before. But we are not likely to be able to enjoy the finer things in this field unless we know that they exist and unless we have had our own ears tuned as far as they are tunable to the understanding of the great things of this great art. Every child, and not just a few children, should be able to feel to the full the ebb and flow of music's golden sea setting toward eternity.

#### IS ART INSTRUCTION AN EDUCATIONAL NEED?

The use of our abilities to read and write and cipher is but slightly out of proportion to the amount of time and money devoted to the development of these skills by the schools. They are important, but they are not relatively as important as their long and large traditional standing in the curriculum would make us think.

Education is a training for service and for appreciation. The service which most of us render society is not done by writing or figuring, nor is our appreciation confined to the enjoyment of books or of mathematical formulas. With the invention of the moving-picture machine and the radio our enjoyment of life through the printed page has even diminished.

We often forget that a nation's contribution to civilization is measured not merely by its mathematics and its literature but as much by its art, and we are likely to enjoy both past and present civilizations in the products of the pencil and brush as much as in the printed page.



Not every child can become a Raphael, but he is not likely to become an artist unless his interests are early awakened and his abilities trained. The business of awakening his possibilities becomes the province of the public schools as much as education for a scientific or a literary career. One appreciates any fine piece of work most fully when he has tried to do such work himself, and the art instruction of our schools leads to a fuller knowledge and enjoyment of great sculpture and painting and architecture. Art education rightly done is no more a frill than was, in earlier time, the teaching of the three "R's."

#### WHY SPECIAL EDUCATION FOR EXCEPTIONAL CHILDREN?

It is universally conceded that a major objective of education is to help the children of today to become the contented and respected citizens of tomorrow. It is also conceded that several millions of school children do not profit satisfactorily by the regular educational program because of extreme visual or auditory handicap, a crippled body, serious speech defect, mental deficiency or intellectual superiority, emotional maladjustment, or organic difficulties; and that unless education is properly adjusted to the peculiar needs of these children, they are likely to become burdens or even menaces to society.

On the other hand, it has been shown that special educational provisions planned to minimize handicaps and capitalize abilities have resulted in social and economic advantage to both the children themselves and to the community in which they live. A physician uses specialized medical treatments for special needs, even in the face of increased costs. No less should the educator be responsible for going beyond the confines of standard procedure into the realm of special classes, special methods and equipment, and clinical service for those who need them. The welfare of the child demands that he be given the opportunity of happiness and of achievement in keeping with his ability to achieve. The welfare of society demands that he be prepared to make some constructive contribution, however small, as an adult citizen. Obviously the only means by which this can be brought about is to adapt instruction to his needs. Therefore, special education for exceptional children, far from being a fad, becomes a necessity in the Nation's program of training for citizenship.

#### THE STATE UNIVERSITY

Here I want to indulge in a little feeling as well as in a number of facts. I go back to Thomas Jefferson. The first and one of the finest State universities of this country was founded by Thomas Jefferson. Why? Because he believed that the establishment of a well-coordinated educational system for each State was essential to the State's welfare, to its very existence. He wanted every part of an educational system established, and the State university is a most essential part.

The well-organized university prepares students for a professional career. It trains them for public service. The university of today recognizes public service as a distinct profession, and hence offers special training for it. It affords students the opportunity for original research work in the interest of human progress.

The tremendous importance of training men and women in and for research work, quite apart from the value that the training has for him who receives it, is the value of such work to society. For some time now we have recognized the necessity for research in the biological, chemical, and physical sciences. We are now demanding an exact scientific approach in other fields of human endeavor as well, particularly in the social sciences. A scientific approach, a questioning, critical-minded attitude, exact facts, obtained with exacting precision, are needed in approaching our social and economic problems. Scientific economic planning and social planning must replace the haphazard system of sentimental, destructive, laissez faire organization which has brought the world into the chaos now confounding us.

Research, intelligent, planned procedure, is the answer. The publicly supported institutions of higher learning must be reliable institutions in which our leaders may be trained for whatever field of specialized professional service will be

of social value to the community. They must through their laboratories—of whatever form they may be—bring knowledge to the people. The university must be so organized that it can come to the people, wherever they are in the State, and help them train for better service to their State through an enriched experience which the university will afford them. The higher institutions of learning need money for this work; money as an investment for the State. These institutions must be preserved and maintained at a high level of usefulness. To do otherwise would be robbing the farmers and the city workers of their just share of the return on the Nation's wealth.

I have spoken, I hope, not too much at length. There is much more that should be said on adult education, training for the underprivileged, the illiterate, and the near-illiterate. Time prevents.

I said I was happy to have had the splendid support of so many of the leaders in this House in my fight to keep the schools open. I hope I shall have an even wider support in my fight to keep the public-school systems intact.

#### EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an editorial from this week's Labor, the official publication of the American Federation of Labor.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, owing to the policy of excluding editorials from the RECORD, I regret that I shall have to object.

#### AN INVESTIGATION OF THE MILK INDUSTRY IN THE UNITED STATES FOR THE RELIEF OF THE DAIRY FARMER

Mr. CROSBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROSBY. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire at this time to confine my words to the resolution presented by me in the House today for the investigation and regulation of the dairy industry of the United States.

In order that the importance of this industry may be appreciated by my colleagues, let me state that the dairy industry is the largest industry in the United States, doing an annual business in excess of \$2,000,000,000; that it is one of the principal agricultural productions in 37 States and is the chief agricultural production in 17 States.

The administration, the Secretary of Agriculture, and various committees of the House and Senate, have been seeking every means to alleviate the conditions of the farm and restore some measure of prosperity through various regulations, processing taxes, and primarily, I may say, through loans. All these measures are having some effect and are being felt in the industry to a degree; but the greatest relief and aid which can be extended to the farmer and the dairy industry are a proper investigation of all the conditions surrounding this industry, a development of basic costs, and a free market for the sale and distribution of dairy products.

If the profits of the middleman and the distributor, now said to be largely under the control of one great combination, can be controlled and a rightful and fair price paid to the producer, almost instant relief can be had for these millions of American citizens now suffering from the vicious attacks of the Dairy Trust and also facing eviction and bankruptcy through these general effects of the world-wide depression.

At the root of the dairyman's trouble is the basic-surplus plan of milk purchase instituted by one Dr. Clyde L. King, late of the Dairy Department and under the food administration of ex-President Hoover. This plan was said at that time to be a scheme whereby production could be controlled and distribution liberalized. This plan was carried to its ultimate end by the Dairy Trust and was largely incorporated in the codes first put out by the Agricultural Adjustment Administration, whereby the distributors were able to buy at a fair price less than one third of the production, the balance being cleverly placed as surplus.

In 1923 there was organized in the city of New York a corporation known as the "National Dairy Products Corporation", with a small capital of \$11,000,000, mainly organized from the Hydrox Corporation and the Rieck-McJunkin Co., of Pittsburgh. For the first 9 months of its operation in that year the net sales were \$13,568,668.83, which yielded a profit of \$1,371,055.68 after deducting all reserves, Federal taxes, and dividends paid on the preferred stock of subsidiaries. It will be interesting to you, my colleagues, to trace the growth of this infant industry as follows:

	Combined sales (volume of business)	Deductions (depreciation and repairs)	Net earnings
1923.....	\$13,568,668.83	.....	\$1,371,055.68
1924.....	20,180,892.46	.....	2,353,214.18
1925.....	105,377,151.78	\$6,510,751.09	6,898,363.06
1926.....	134,549,919.04	8,339,886.40	9,420,451.48
1927.....	145,330,059.87	8,779,744.31	9,633,293.96
1928.....	212,632,076.59	12,912,935.12	15,175,461.18
1929.....	300,021,483.05	17,593,314.00	20,758,898.47
1930.....	374,558,411.62	20,971,041.00	25,470,942.43
1931.....	( <sup>1</sup> )	20,349,068.90	22,547,973.52
1932.....	( <sup>1</sup> )	19,403,849.38	12,537,380.36

<sup>1</sup> Not given.

Over a period of 9 years, 4 of them being years of the most acute depression the world has ever known, this industry had paid 233½ percent of stock dividends and net dividends of 299 percent. In addition to these enormous and excessive profits, there have been paid salaries greater than those paid any Member of the House or Senate, or even the President of the United States. The president of this company, Thomas H. McInnerney, was paid a yearly salary of \$180,000, later reduced to \$108,000; Mr. A. A. Stickler, treasurer, testified that the majority of the vice presidents on the pay roll receive from \$20,000 to \$30,000 a year.

During these lean years this corporation has acquired by stock purchase, without the expenditure of 1 cent of real money, 515 subsidiary milk plants, scattered over and through the milk sheds of the United States, including all the principal distributors.

To meet the aggression of this trust, the dairymen have endeavored to organize. They do have associations, cooperatives, and different sales and trade organizations. They do have a membership of around 260,000; but during all the milk hearings conducted in this city and elsewhere during the summer and fall of 1933, the trust control was so complete that in practically no instance was any mention made of production costs—a very vital element in determining the ultimate price of milk. In my own milk shed, now and for some years previous, the price of milk paid to the farmer is and has been around 80 cents per hundred for the whole product, netting the farmer only a trifle over 1 cent per quart; the price to consumer being held from 10 to 13 cents per quart in all distributing quarters.

Since the resignation of Dr. Clyde King from the Department of Agriculture, with which resignation I, with the able assistance of the Washington press, had something to do, the Department began to consider cost a vital factor.

The purpose of this resolution is to determine just how far and how great the tenacles of this trust are spread; to have, for the first time, a national body with authority really to determine basic cost. From examination and study of the reports made by this trust from year to year, it is very evident that a much greater price can be paid to producer. From various estimates and compilations of the Department of Agriculture, it is plain that the distributors' spread is from 6 to 9 cents per quart, and it is quite generally admitted that a spread of 4 or 5 cents should amply compensate any distributor of milk.

Not only will this investigation bring an added prosperity to the farmer if the results are attained which I contemplate, but it will also in hundreds of cases cheapen the price of milk and dairy products paid by the consumer.

#### LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. PARKER, for the remainder of the week, on account of official business in Georgia and because of illness in his family.

To Mr. CARPENTER of Nebraska, for 10 days, on account of business.

#### INTOXICATING LIQUORS IN THE VIRGIN ISLANDS AND PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6574), to make inapplicable in Puerto Rico and the Virgin Islands certain Federal laws relating to intoxicating liquor, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. McDUFFIE, Mr. SMITH of West Virginia, Mr. BEEDY.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2029. An act to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N.J.;

S. 2337. An act to declare Noxubee River in Noxubee County, Miss., to be a nonnavigable stream; and

S. 2372. An act granting the consent of Congress to the State of Oregon to maintain a bridge already constructed across Youngs Bay near the city of Astoria, Oreg.

#### ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 21, 1934, at 12 o'clock noon.

#### MOTION TO DISCHARGE COMMITTEE

APRIL 27, 1933.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, ERNEST LUNDEEN, move to discharge the Committee on Ways and Means from the consideration of the bill H.R. 1, entitled "A bill to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates", which was referred to said committee March 9, 1933, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

- |                         |                          |
|-------------------------|--------------------------|
| 1. Ernest Lundeen       | 29. Jed Johnson          |
| 2. Francis H. Shoemaker | 30. F. B. Swank          |
| 3. Gardner R. Withrow   | 31. Albert C. Willford   |
| 4. Gerald J. Boileau    | 32. Martin L. Sweeney    |
| 5. Loring M. Black, Jr. | 33. Oscar De Priest      |
| 6. Hubert H. Peavey     | 34. Knute Hill           |
| 7. Matthew A. Dunn      | 35. Monrad C. Wallgren   |
| 8. James H. Sinclair    | 36. Martin F. Smith      |
| 9. Jesse P. Wolcott     | 37. Thomas O'Malley      |
| 10. Magnus Johnson      | 38. John C. Taylor       |
| 11. Edgar Howard        | 39. Frank Gillespie      |
| 12. William Lemke       | 40. John H. Hoepffel     |
| 13. Raymond J. Cannon   | 41. R. T. Wood           |
| 14. Henry Arens         | 42. George G. Sadowski   |
| 15. Louis T. McFadden   | 43. D. D. Glover         |
| 16. J. Howard Swick     | 44. Ben Cravens          |
| 17. Fred C. Gilchrist   | 45. W. D. McFarlane      |
| 18. Will Rogers         | 46. Benjamin K. Focht    |
| 19. Finly H. Gray       | 47. Michael J. Muldowney |
| 20. Harold Knutson      | 48. George R. Durgan     |
| 21. Paul J. Kvale       | 49. Clyde Kelly          |
| 22. J. Will Taylor      | 50. W. P. Lambertson     |
| 23. W. Frank James      | 51. Joe H. Eagle         |
| 24. Terry M. Carpenter  | 52. Isaac H. Doutrich    |
| 25. E. W. Marland       | 53. Richard J. Welch     |
| 26. Charles V. Truax    | 54. Carl M. Weideman     |
| 27. Marion A. Zioncheck | 55. Fred H. Hildebrandt  |
| 28. Abe Murdock         | 56. Elmer E. Studley     |



57. William P. Connery, Jr.	102. Jennings Randolph
58. Sterling P. Strong	103. Martin J. Kennedy
59. George B. Terrell	104. Robert L. Ramsay
60. A. J. May	105. Frank R. Reid
61. Ray P. Chase	106. Twing Brooks
62. Theo. B. Werner	107. Joseph P. Monaghan
63. Charles A. Wolverton	108. Glenn Griswold
64. George F. Brumm	109. James J. Lanzetta
65. Wesley E. Disney	110. John Lesinski
66. Jeff Busby	111. Warren J. Duffey
67. William M. Colmer	112. Harry P. Beam
68. Cassius C. Dowell	113. John C. Lehr
69. Henry E. Stubbs	114. Wilburn Cartwright
70. Charles I. Faddis	115. Tom D. McKeown
71. Vincent Carter	116. Clark W. Thompson
72. George Foulkes	117. George W. Blanchard
73. John D. Dingell	118. Walter M. Pierce
74. Harry W. Musselwhite	119. James G. Scrugham
75. James W. Mott	120. Francis E. Walter
76. Patrick J. Boland	121. Charles N. Crosby
77. James J. Connolly	122. Wilbur L. Adams
78. Carroll Reece	123. John F. Dockweiler
79. Joachim O. Fernandez	124. Allard H. Gasque
80. Wesley Lloyd	125. James P. Richards
81. N. L. Strong	126. Edward A. Kelly
82. John E. Miller	127. Michael J. Hart
83. C. Murray Turpin	128. Wright Patman
84. Harry C. Ransley	129. Thomas L. Blanton
85. Randolph Carpenter	130. Frank H. Lee
86. James Wolfenden	131. Carl Vinson
87. Everett M. Dirksen	132. Braswell Deen
88. Walter Nesbit	133. Homer C. Parker
89. Charles Kramer	134. Guy M. Gillette
90. William T. Schulte	135. Frank W. Hancock, Jr.
91. Compton I. White	136. Charles J. Colden
92. Francis T. Maloney	137. Sam L. Collins
93. John M. O'Connell	138. Albert E. Carter
94. Paul H. Maloney	139. P. H. Moynihan
95. John T. Buckbee	140. Lloyd Thurston
96. Clarence J. McLeod	141. George A. Dondero
97. J. R. Mitchell	142. Herman P. Kopplemann
98. Alfred M. Waldron	143. Otha D. Wearin
99. James V. McClintic	144. Ralph F. Lozier
100. Francis B. Condon	145. Roy E. Ayers
101. George W. Edmonds	

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, February 20, 1934.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, Feb. 21, 10 a.m.)

Continuation of the hearing on H.R. 7852, the National Securities Exchange Act of 1934.

##### COMMITTEE ON EDUCATION

(Wednesday, Feb. 21, 10 a.m.)

Continuation of hearing on H.R. 7802, to provide for the further development of vocational education in the several States and Territories, in the caucus room of the old House Office Building.

##### COMMITTEE ON PUBLIC LANDS

(Wednesday, Feb. 21, 10 a.m.)

Continuing hearings on H.R. 6462, the Taylor grazing bill, room 328 House Office Building.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

357. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the legislative establishment, Capitol Police, for the fiscal year 1934, in the sum of \$500 (H.Doc.

No. 259); to the Committee on Appropriations and ordered to be printed.

358. A letter from the Secretary of War, transmitting pursuant to section 1 of the River and Harbor Act approved January 21, 1927, a letter from the Chief of Engineers, United States Army, dated February 15, 1934, submitting a report, together with accompanying papers and illustrations, on Snohomish River, Wash., for the purpose of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H.Doc. No. 258); to the Committee on Rivers and Harbors and ordered to be printed with three illustrations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SANDLIN: Committee on Appropriations. H.R. 8134. A bill making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1935, and for other purposes; without amendment (Rept. No. 820). Referred to the Committee of the Whole House on the state of the Union.

Mr. FORD: Committee on Foreign Affairs. House Joint Resolution 271. Joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; without amendment (Rept. No. 821). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 80. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive; without amendment (Rept. No. 822). Referred to the Committee of the Whole House on the state of the Union.

Mr. PARKER: Committee on Flood Control. H.R. 7793. A bill authorizing a preliminary examination of the Ogeechee River in the State of Georgia, with a view to controlling of floods; without amendment (Rept. No. 824). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HENNEY: Committee on Foreign Affairs. H.R. 7916. A bill to authorize an appropriation for the reimbursement of Stelio Vassiliadis; without amendment (Rept. No. 823). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SANDLIN: A bill (H.R. 8134) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1935, and for other purposes; to the Committee on Appropriations.

By Mr. STUDLEY (by request): A bill (H.R. 8135) to provide permanent legislation for air mail, etc.; to the Committee on the Post Office and Post Roads.

By Mr. VINSON of Georgia: A bill (H.R. 8136) to promote the effectiveness and economy of the national defense by simplifying and strengthening the organization, administration, control, and finance of the whole Naval Establishment; to the Committee on Naval Affairs.

By Mr. COLLINS of Mississippi: A bill (H.R. 8137) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education; to the Committee on Education.

By Mr. CROSSER of Ohio: A bill (H.R. 8138) to provide retirement insurance for railway employees, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEY: A bill (H.R. 8139) to provide for the establishment of a national monument on the site of Camp Merritt, N.J.; to the Committee on the Public Lands.

By Mr. KRAMER: A bill (H.R. 8140) to amend section 584 of the Tariff Act of 1930 relating to the penalty for falsifying or failing to produce a manifest; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H.R. 8141) to promote the exportation, purchase, and sale of agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. McKEOWN: A bill (H.R. 8142) to provide for the appointment of an additional district judge for the eastern district of Oklahoma; to the Committee on the Judiciary.

By Mr. MILLER: A bill (H.R. 8143) to improve the navigability of the White River; to provide for the flood control of the Mississippi River and the White River; to provide for reforestation and the use of marginal lands in the White River Valley; to provide for the agricultural and industrial development of the White River Valley; to provide for the irrigation of lands in the White River Valley; to provide for the restoration and preservation of the water level in the White River Valley; to provide for the flood control of the White River and the Mississippi River; to provide for the development of electrical power in the White River Valley, and for other purposes; to the Committee on Flood Control.

By Mr. KRAMER: A bill (H.R. 8144) to amend section 584 of the act of June 17, 1930; to the Committee on Ways and Means.

By Mr. BURKE of Nebraska: A bill (H.R. 8145) creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. GLOVER: A bill (H.R. 8146) for the control of floods on the Mississippi River and its tributaries, and for other purposes; to the Committee on Flood Control.

By Mr. SIROVICH: A bill (H.R. 8165) to establish the United States Civic Flying Service, to be owned and operated by the United States Government, for the purpose of developing and forwarding the arts of aeronautics and aviation by the purchase and/or building and operation of heavier-than-air and lighter-than-air aircraft; the air transport of United States air mail, and of passengers, express, and light freight; the purchase and/or building of airports on or over land or ocean or inland waters and the laying out and operation of air routes equipped with take-off and landing, lighting, beacon, and communication systems, and for other purposes, connected with aeronautics and aviation. The short title of this bill shall be "An act to establish the United States Civic Flying Service." Webster's Unabridged Dictionary, common usage, and accepted usage in aviation of the terms used in this act shall govern their interpretation; to the Committee on Interstate Commerce.

By Mr. McSWAIN: Resolution (H.Res. 275) authorizing and directing the Committee on Military Affairs to inquire into and investigate alleged profiteering in military aircraft, irregularities in the leasing of public property by the War Department, and profiteering in the purchase of property from public funds, and other matters in which the problem of national defense is involved; to the Committee on Rules.

By Mr. CROSBY: Resolution (H.Res. 276) authorizing the appointment of a special committee to investigate the sale and distribution of milk, cream, and other dairy products, and for other purposes; to the Committee on Rules.

By Mr. DIMOND: Joint resolution (H.J.Res. 280) authorizing a preliminary examination or survey of Bethel Harbor, Alaska; to the Committee on Rivers and Harbors.

By Mr. LEWIS of Maryland: Joint resolution (H.J.Res. 281) providing for the restoration of old Senate Chamber; to the Committee on the Library.

By Mr. BLAND: Joint resolution (H.J.Res. 282) requiring 50 percent of the cargo imported and exported under trade agreements between the United States and foreign nations to be carried in vessels of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLGOOD: A bill (H.R. 8147) for the relief of John Lewis; to the Committee on War Claims.

Also, a bill (H.R. 8148) granting a pension to Homer C. Alldredge; to the Committee on Pensions.

Also, a bill (H.R. 8149) granting a pension to D. M. C. Dilbeck; to the Committee on Invalid Pensions.

Also, a bill (H.R. 8150) granting a pension to Mary F. Smith; to the Committee on Invalid Pensions.

By Mr. CANNON of Wisconsin: A bill (H.R. 8151) for the relief of Ray Markey; to the Committee on Claims.

Also, a bill (H.R. 8152) for the relief of Arthur John Ford; to the Committee on Naval Affairs.

By Mr. DISNEY: A bill (H.R. 8153) granting a pension to Elizabeth Jane Catron Mills Young; to the Committee on Pensions.

Also, a bill (H.R. 8154) granting a pension to Sarah Hammons; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H.R. 8155) for the relief of Lona Etheredge; to the Committee on Claims.

By Mr. GLOVER: A bill (H.R. 8156) for the relief of Mrs. W. L. Carr; to the Committee on Claims.

By Mr. GOODWIN: A bill (H.R. 8157) for the relief of First Lt. Walter T. Wilsey; to the Committee on Claims.

By Mr. HOEPEL: A bill (H.R. 8158) for the relief of the widow and five minor children of Arturo Guajardo; to the Committee on Claims.

By Mr. KNUTSON: A bill (H.R. 8159) for the relief of J. M. Lynch; to the Committee on Claims.

By Mr. LAMNECK: A bill (H.R. 8160) for the relief of Lovaura Schmidt; to the Committee on Claims.

By Mr. McFARLANE: A bill (H.R. 8161) for the relief of I. H. Martin and Sarah Jane Tilghman, legal heirs of Benjamin Martin, deceased; to the Committee on War Claims.

By Mr. SCHAEFER: A bill (H.R. 8162) granting an increase of pension to Mary E. Straube; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H.R. 8163) for the relief of Jessie Taylor; to the Committee on Claims.

By Mr. WOLFENDEN: A bill (H.R. 8164) for the relief of Cora G. Schrader; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2421. By Mr. AYERS of Montana: Petition of Harlon Milligan, of Billings, and sundry other citizens of Billings, Laurel, Roberts, Joliet, and Red Lodge, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

2422. Also, petition of G. W. Fenton, of Laurel, and sundry other citizens of Laurel, Great Falls, Coffee Creek, and Deer Lodge, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

2423. By Mr. AYRES of Kansas: Petition of citizens of Newton and Wichita, Kans., protesting against Senate bill 2000, a measure introduced by Senator Copeland, and House bill 6110; to the Committee on Interstate and Foreign Commerce.

2424. By Mr. BACON: Petition of 32 residents of Long Island, urging prohibition, by legislation, of any interference with religious broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

2425. By Mr. HOEPEL: Petition of the East Whittier Friends Church, urging favorable consideration of House



bill 6097; to the Committee on Interstate and Foreign Commerce.

2426. By Mr. KENNEY: Petition in the nature of a resolution of the General Council of Parent-Teachers Association of Teaneck, N.J., petitioning the Federal Government to grant financial emergency aid to schools, such as it has by precedent granted to industry; to the Committee on Education.

2427. Also, petition in the nature of a resolution of the New Jersey Senate and House of Assembly, that the Congress of the United States be, and it hereby is, requested to appropriate sufficient funds to carry out the provisions of the National Defense Act of 1920 and its accompanying legislation so that the program of the War Department may be effectively carried out; to the Committee on Appropriations.

2428. Also, petition in the nature of a resolution of the Rotary Club of Teaneck, N.J., approving Federal emergency aid for public schools and petitioning the Congress of the United States to take such steps as possible to provide an appropriation sufficiently substantial to meet the present crisis quickly and effectively; to the Committee on Education.

2429. By Mr. KVALE: Petition of the Malta Local of the Farmers Co-operative Educational Union of America, Minnesota Division, urging passage of the Frazier bill, Thomas-Swank bill, Wheeler bill, and Patman bill; to the Committee on Agriculture.

2430. Also, petition of members of the Young Woman's Christian Association of Minneapolis, Minn., protesting against the increasing of armaments; to the Committee on Naval Affairs.

2431. Also, petition of 100 citizens of the agricultural section of Minnesota, urging passage of the Frazier bill; to the Committee on Agriculture.

2432. Also, petition of members of the Bethlehem Presbyterian Church, of Minneapolis, Minn., protesting against the increasing of armaments; to the Committee on Naval Affairs.

2433. Also, petition of 91 citizens of Douglas County, Minn., urging passage of the Swank-Thomas bill, the Frazier bill, and the Wheeler bill; to the Committee on Agriculture.

2434. Also, petition of 178 citizens of the cities of St. Paul and Minneapolis, Minn., opposing Senate bill 885, and recommending consideration of House bills 1643 and 1659; to the Committee on Interstate and Foreign Commerce.

2435. Also, petition of 20 citizens of Alexandria, Minn., urging passage of Swank-Thomas bill, the Frazier bill, and the Wheeler bill; to the Committee on Agriculture.

2436. Also, petition of 95 citizens of Douglas County, Minn., urging passage of the Swank-Thomas bill, the Frazier bill, and the Wheeler bill; to the Committee on Agriculture.

2437. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Winchester, Kans., urging the passage of House bill 6097; to the Committee on Interstate and Foreign Commerce.

2438. Also, petition of Dr. K. W. Fielder and 27 other citizens of Leavenworth, and Mrs. Bertha O. Seal and 19 other citizens and Harry Thorpe and 30 other citizens of Topeka, all of the State of Kansas, protesting against the passage of the Tugwell-Copeland bill; to the Committee on Agriculture.

2439. By Mr. LINDSAY: Petition of Barnes Soap Co., Brooklyn, N.Y., concerning the excise tax on coconut oil; to the Committee on Ways and Means.

2440. Also, petition of Andrew J. Gonnoud, president Kings County Lighting Co., Brooklyn, N.Y., opposing the passage of the National Securities Exchange Act of 1934 in its present form; to the Committee on Interstate and Foreign Commerce.

2441. Also, petition of Brotherhood of Railway Trainmen, Albany, N.Y., urging support of House bills 7399, 7430, 10023; to the Committee on Interstate and Foreign Commerce.

2442. By Mr. McFARLANE: Petition of Texas Legislature, requesting Texas delegation in Congress to oppose any bill carrying any tax on natural gas discriminating in favor of any other fuel; to the Committee on Ways and Means.

2443. Also, petition of Texas Legislature, requesting the Members of Congress from Texas to use their influence to secure the issuance of set of commemorative stamps for Texas; to the Committee on the Post Office and Post Roads.

2444. By Mr. MALONEY of Connecticut: Resolution of the Second Congregational Church of Waterbury, Conn., relative to the trade practices of block booking and blind selling which prevails in the motion-picture industry resulting in a denial to neighborhood exhibitors and patrons of the right to select their own pictures; to the Committee on Interstate and Foreign Commerce.

2445. By Mr. POLK: Petition transmitted by Mr. A. R. Drake, secretary of the Farmers' Institute at Hamersville, Ohio, unanimously adopted by its 1,608 members, favoring a tax of at least 10 cents per pound on all oleomargarine before any processing tax be placed on milk or butter, and restrictions on importation of fats or oils of every kind; to the Committee on Agriculture.

2446. By Mr. RUDD: Petition of Andred J. Gonnould, president Kings County Lighting Co., Brooklyn, N.Y., opposing the passage of the national securities exchange bill in its present form; to the Committee on Interstate and Foreign Commerce.

2447. Also, petition of the Brotherhood of Railroad Trainmen, legislative branch, State of New York, favoring the passage of House bills 7399 and 7430; to the Committee on Labor.

2448. By Mr. SABATH: Petition of the Associated General Contractors of America, urging relief and adjustment of Federal construction contracts entered into before the adoption of the national recovery program, and for other purposes; to the Committee on Banking and Currency.

2449. Also, petition of Associated General Contractors of America, urging the passage of legislation authorizing long-term loans for various public and private constructions works; to the Committee on Banking and Currency.

2450. By Mr. SADOWSKI: Petition for the immediate payment of the soldier's bonus; to the Committee on Ways and Means.

2451. By Mr. SMITH of Washington (by request): Petition of protest signed by R. P. Taylor, of Centralia, Wash.; to the Committee on Labor.

2452. By Mr. SUTPHIN: Petition of Epsilon Sigma Phi, Alpha Xi Chapter, Rutgers University, New Brunswick, N.J., pertaining to the naming of two arches connecting the main Agricultural Building and the South Building in Washington, D.C., for Dr. Seaman A. Knapp and Hon. James Wilson; to the Committee on the Library.

2453. Also, concurrent resolution adopted by the Senate and House of Assembly of the State of New Jersey, requesting Congress to appropriate sufficient funds to carry out the provisions of the National Defense Act; to the Committee on Appropriations.

## SENATE

WEDNESDAY, FEBRUARY 21, 1934

(Legislative day of Tuesday, Feb. 20, 1934)

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

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6574) to make applicable in Puerto Rico and the Virgin Islands certain Federal laws relating to intoxicating liquors; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr.