

in the amount of \$100,000 to enable the War Department to make a survey and study of beach erosion, tide and wave action, and sand flow of the shore line of these counties; to the Committee on Rivers and Harbors.

9496. By Mr. FORD of California: Resolution of the board of supervisors, Los Angeles County, and the supervisors of the counties of San Diego, Orange, Ventura, and Santa Barbara, asking the Seventy-fourth Congress to appropriate to the War Department \$100,000 for the study and survey of beach erosion in the counties mentioned; to the Committee on Flood Control.

9497. By Mr. HOOK: Petition of citizens residing in towns served by star route no. 37148, asking that Congress enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9498. Also, petition of citizens residing in towns served by star route no. 37125, asking that Congress enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9499. By Mr. JOHNSON of Texas: Petition of R. O. Whiteaker, chief engineer of Texas State Parks Board, Austin, Tex., favoring House bill no. 6594, providing adequate facilities for park, parkway, and recreational-area purposes, and for the transfer of certain lands chiefly valuable for such purposes to States, etc.; to the Committee on the Public Lands.

9500. Also, memorial of R. H. Smith, of Corsicana, Tex., favoring Senate bill 3055; to the Committee on the Judiciary.

9501. Also, petition of Bernice Mallory, chairman legislative committee, Texas Home Economics Association, the University of Texas, Austin, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9502. Also, petition of Irene Hollis, Opal G. Jackson, and Estelle Hays, of the home economics department of the Waxahachie city public schools, Waxahachie, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9503. By Mr. KRAMER: Resolution of the board of harbor commissioners of the city of Los Angeles, relative to House bill 3263; to the Committee on Merchant Marine and Fisheries.

9504. Also, resolution of the board of port commissioners, city of Oakland, relative to the acquisition of a site for a naval air base, etc.; to the Committee on Naval Affairs.

9505. Also, resolution of the Hotel Greeters of America, relative to prohibiting the overthrow of the Government, etc.; to the Committee on Foreign Affairs.

9506. By Mr. MAPES: Petition of the Social Service Bible Class of the First Methodist Episcopal Church of Grand Rapids, Mich., recommending the passage of the Pettengill-Neely bills to outlaw compulsory block booking and blind selling of movie films; to the Committee on Interstate and Foreign Commerce.

9507. By Mr. MICHENNER: Petition signed by G. B. Gunnison and 21 other residents of Jackson, Mich., urging legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9508. By Mr. PFEIFER: Petition of Bricklayers' Union, Local No. 9, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9509. By Mr. RUDD: Petition of Local 176, Amalgamated Clothing Workers of America, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9510. Also, petition of the Bricklayers' Union Local of Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9511. By Mr. SCOTT: Petition of the American League Against War and Fascism, demanding the Government of the United States to stop shipment of arms and ammunitions to the Fascist Cuban Government, and to demand the recall of American Ambassador to Cuba, Jefferson Caffrey, who does not represent the interests of the American people but

those of the financial powers of the United States, and to insure the appointment of a real representative of the American people as his successor; to the Committee on Foreign Affairs.

9512. By the SPEAKER: Petition of the Motor and Equipment Wholesale Association, Chicago, Ill.; to the Committee on Interstate and Foreign Commerce.

9513. Also, petition of the New York Young Democratic Club; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 15, 1936

The House met at 12 o'clock noon.

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

We beseech Thee, O Lord, our God, that Thou wilt be pleased to remember today our needs. Grant, our Father in Heaven, that each of us, in aspiration, in hope, and in gladness, may receive that help which human nature and circumstances require. Turn bad habits into good ones; change selfishness into benevolence; convert unloveliness into loveliness; and lead us on where love divine most richly glows. Remind us, dear Lord, that it is only under Thy guidance that we find our true selves. In the name of our Savior. Amen.

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

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 15, 1936.

JOSEPH W. BYRNS,

Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby resign my membership from the following committees, to take effect immediately: Education; Election of President, Vice President, and Representatives in Congress; Printing.

Respectfully submitted by,
Very truly yours,

RICHARD J. TONRY,
Eighth District, New York.

The resignation was accepted.

APPOINTMENT OF MEMBERS OF STANDING COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 393

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House, as follows:

Appropriations: Louis C. Rabaut, Michigan. Judiciary: Sam Hobbs, Alabama. Merchant Marine and Fisheries: Frank W. Boykin, Alabama. The Post Office and Post Roads: Richard J. Tonry, New York; Edward W. Creal, Kentucky. Patents: William B. Barry, New York; Frank W. Boykin, Alabama; Graham A. Barden, North Carolina; John L. McClellan, Arkansas; J. Hardin Peterson, Florida. Public Buildings and Grounds: Frank W. Boykin, Alabama. Education: William B. Barry, New York. Printing: William B. Barry, New York. Labor: Edward W. Curley, New York. The Civil Service: Edward W. Curley, New York. Election of President, Vice President, and Representatives in Congress: Edward W. Curley, New York.

The resolution was agreed to.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The SPEAKER announced the following appointments:

Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as members of the Board of Visitors to the Naval Academy the following Members of the House: Mr. CARY, Kentucky; Mr. DARDEN, Virginia; Mr. FORD, California; Mr. POWERS, New Jersey; Mr. CARLSON, Kansas.

JACKSON DAY ADDRESS

Mr. DRISCOLL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an

address of Governor Earle, of Pennsylvania, made on January 8, Jackson Day, in Philadelphia.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to know whether it is the custom to permit the remarks of Governors of States to be included in the RECORD. I do not know whether it is or not, and I am asking the question for my own information; and I hope someone on the majority or minority side will inform me as to the custom.

Mr. WOODRUM. Certainly the Governor of such a great State as Pennsylvania ought to have the right to have his remarks incorporated in the RECORD.

Mr. SNELL. They so seldom have a Democratic Governor in that State I certainly think he should be allowed to have his remarks included in the RECORD.

Mr. WOODRUM. Even on the general state of the Union.

Mr. RICH. I appreciate, of course, that Pennsylvania is a great State, and I just wanted to know the custom.

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

There was no objection.

Mr. DRISCOLL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. George H. Earle, Governor of Pennsylvania, in Philadelphia on January 8 in observance of Andrew Jackson Day:

We are here tonight to pay tribute to a man of the people, a figure who stands out against the skyline of our history. Andrew Jackson, "Old Hickory", hero of New Orleans, was every inch a man—a fighting man, a man of principles and convictions, a man of indomitable courage, above all a man who loved his country deeply and sincerely. He was a Democrat in the highest and finest sense of the word, and he brought to American democracy a new meaning. He swept aside the shabby pretenses of the liberty leaguers of his day, scorned their hypocrisy, and took his orders direct from the people.

We need not point to the fact that Jackson was the Franklin Roosevelt of his day. He, too, found that the rich and powerful were using the Government for their selfish purposes.

Let me quote for a moment from one of his speeches: "Many of our rich men", said Andrew Jackson, "have besought us to make them richer by acts of Congress. By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, and man against man, in a fearful commotion which threatens to shake the foundations of our Union."

As we gather here tonight the battle lines are tightening for the coming campaign. Big business is "ganging up" on President Roosevelt. Without candidates or program, without principles or any clear conception of where it is heading, big business is determined to smash liberal democracy in the United States, to save the country for the utilities, the big bankers, and the Wall Street stock-exchange plungers.

We know what they mean by "ganging up." We have seen big business gang up on the workingman. We have seen big business gang up on the utility rate payer, on the small merchant, on the farmer, and home owner.

They say they are ganging up on the President. Actually they are ganging up on America. They are ganging up on the American system of living. They are ganging up on the American ideal of democracy. Their attack is more than a fight against a political party—it is a deliberate and unscrupulous attempt to put the money changers back in the temple, to create an autocracy of wealth more tyrannical than any people have seen since the dawn of history. It makes no difference to them what party is in power so long as their supposedly divine right to exploit the American people is not disturbed.

They have sworn to destroy President Roosevelt not because President Roosevelt is a Democrat; not because he is Franklin D. Roosevelt; simply because they hate and dread the things he stands for.

They would rather have the poorhouses any day—for someone else—than a decent system of social security.

They would rather have bread lines on every corner—for their victims, of course—than permit decent legislation which would protect the man who earns his bread by the sweat of his brow.

They would rather have American citizens starve—and before President Roosevelt stepped into the White House they did let them starve—than have the Budget unbalanced to pay the bill for relief.

These are the people who talk about the Constitution. I tell you American people cannot eat the Constitution. They cannot clothe or shelter themselves with the Constitution. People are not interested in legal technicalities. They are concerned with the intent and purpose of the Constitution—to promote the general welfare. That is why the Constitution was established. That is the end it was written to achieve and must achieve if it is to be a living charter of liberty.

The very people who attempt to hide their greed, their lust for money and for power behind the cloak of the Constitution are doing more than anyone else to destroy it.

America entered upon a new era with the rise of Jacksonian democracy, just as it is today under the leadership of President Roosevelt. Before Jackson the Tories of his day had been in the saddle. They held the great masses of the people in contempt, and operated the American Government as they would an exclusive club. Andrew Jackson swept all of that away, as he had swept away the British before him at the Battle of New Orleans. He went forth as the people's champion, fighting their battle against the truthless money power that was squeezing the lifeblood from the young nation. He fought for the farmers, the mechanics, and laborers, who had neither the time nor the means to secure special favors for themselves from their Government.

He believed in the sovereign rights of the States, but apart from and above that was his deep and abiding devotion to the Federal Union. When the rich planters of South Carolina tried to nullify the Federal tariff law—as some interests today are trying to nullify other Federal laws—he gave them their answer in the challenging toast that he flung in the face of Calhoun: "Our Federal Union—it must and shall be preserved."

President Roosevelt is giving the same answer today to the would-be autocrats who are attempting to set up a monopoly of power over the people of the United States. Men of wealth are carping today about Federal expenditures. Why? Because that money is going to the hungry and shelterless, to the needy and underprivileged—instead of into their own pockets, as it always had in the past. That money represents the shocking price that America has had to pay for years of heartless exploitation of her people.

You will find no mention of that simple fact in the flood of printer's ink that pours from the luxurious offices of the Liberty Leaguers and their friends. Do they mention the fourteen billions of American dollars—your dollars—that they sent over to Europe and down to South America, never to return? Do they mention the eighty billions of inflated 1929 valuation that withered away? Do they mention the billions spent by Herbert Hoover to bring back prosperity by lining the pockets of the rich and by bolstering the shaky structures built up by the financial and industrial barons? Of course they don't. They would like to have America forget. They would like to have the mantle of oblivion dropped charitably over those tragic years from Harding to Hoover.

There is only one answer that America can and must make—"This Nation is not for sale."

Our people must not be sold back into economic slavery. Against the power of millions of dollars we must marshal the rights of millions of our people. We have had enough of the rugged individualism of Charlie Mitchell and Sam Insull.

Everyone who has given the matter a second thought knows why Wall Street and Big Business hate President Roosevelt. He has taken away the fat profits of exploitation. He has thrown a bright light into the dark corners of business morality. He has exposed the crooked and unscrupulous financial gamblers who preyed upon the American public.

In the old days, the golden days just before the bubble burst, Wall Street dictated the financial and foreign policy of the United States from New York. Those were the days of Andrew Mellon, the only Secretary of the Treasury under whom three Presidents served.

Can it be that the well-fed men in exclusive clubs are disappointed because President Roosevelt has not consulted them, as Hoover did?

Can it be that their pride is hurt? Or is it merely the pocket-book nerve that twinges when they see relief funds going to save the unfortunate unemployed from starvation?

Whatever the reason may be, there can be no doubt that their ingratitude would be amazing if we did not know them so well. We all remember how they ran to President Roosevelt like so many frightened children when their house of cards came tumbling down. We remember their pathetic pleas for help. They were penitent and humble in those days.

They cheered when President Roosevelt launched his recovery program. They applauded when his strong hand reorganized a ruined banking structure, when he restored the faith and confidence of the multitudes.

Those policies, carried out through the agencies of the New Deal, have brought real and substantial recovery to our Nation. They have also established principles which cannot be abandoned, no matter what party comes into power. Guaranties for labor as established in the National Recovery Administration, the farm adjustment of the Agricultural Adjustment Administration, the real-estate protection of the Home Owners' Loan Corporation, the bank-deposit insurance of the Federal Deposit Insurance Corporation—all these are today a part of the American system and will be for years to come, no matter how many agencies set up to make those policies effective are ruled out by the Supreme Court of the United States.

The attacks of the Tories of today upon our fundamental principles of government are a serious threat to our institutions, and yet recent developments lead me to believe there is another greater threat.

I do not think Democracy has much to fear in these days from the Liberty Leaguers. I believe it has much more reason to be concerned by the attitude of some members of the United States Supreme Court. I say this advisedly. When the Supreme Court

ruled that the National Recovery Act was unconstitutional and liberals felt the decision was a tragic blow to labor and industry. Now a majority of the Supreme Court has ruled that the Agricultural Adjustment Administration is unconstitutional.

Yet we find three Justices dissenting, which means that the nature of the decision apparently depended upon the economic and political convictions of the individual Justices, rather than upon any hard and fast abstractions of the law. If there had been two more Justices holding the same views as Justices Stone, Brandeis, and Cardozo, the Agricultural Adjustment Administration would have been ruled constitutional. It therefore is demonstrated that the constitutionality of any Federal legislation rests upon the uncertain basis of private opinions held by a few men.

The vote was 6 to 3 against. If only two men had changed, it would have been 5 to 4 in favor. The result is that we find the opinions of two men, who are mortal and fallible just as the rest of us, thwarting the expressed will of the executive branch of our Government, as exemplified by the President, and the expressed will of the legislative branch of our Government, the Congress of the United States.

From the brilliant and historic dissenting opinion of Justice Stone we learn that the right of Congress to levy a processing tax was not questioned by the Court. Nor was there any question of the right of Congress to spend the tax revenues to promote the general welfare. The Court held instead that in its opinion the use of the processing taxes for the purposes specified by Congress was unwise.

Justice Stone most appropriately pointed out that the courts are concerned only with the power of Congress to enact statutes, not with their wisdom. All of us agree with him that "for the removal of unwise laws from the statute books appeal lies not to the courts, but to the ballot and the processes of democratic government."

In its majority decision the Court asserts the right to declare statutes unconstitutional simply because the Court believes them unwise, and not because of any constitutional limitation. We can view this only as establishing a precedent for control of the entire Government by the Supreme Court, without regard for the Constitution.

I cannot subscribe to that belief. I believe, with Justices Stone, Brandeis, and Cardozo, that within the limits of the Constitution the people themselves are the sole judges of the wisdom of their legislation.

With due respect for the dignity of the Supreme Court, we cannot stand by idly and see our entire system of democracy thrown into chaos without a word of protest. Personally, I cannot, and will not, remain silent while the Supreme Court dismembers our Federal Union.

I use the word "dismember" in all sincerity. The decision of the Court in the N. I. R. A. case drastically limited the powers of the Federal Government. The more recent decision virtually destroys that Government and sets up a loose federation of 48 separate countries. It requires each State to legislate for the handling of its own problems. Pennsylvania, for instance, if it enacts laws to protect labor, must meet the competition of a State such as Delaware, which is controlled by the Du Ponts, the angels of the Liberty League, and the bitter foes of labor.

The Supreme Court grants Pennsylvania its "freedom" to pass labor laws. Yet the Supreme Court will not permit Pennsylvania to interfere with interstate commerce by keeping out sweatshop products from other States. What does that mean? Simply that Pennsylvania is not permitted to protect the interests of its own people by excluding from its trade those commodities made in Delaware. With the one hand the Supreme Court grants Pennsylvania sovereignty—with the other it takes it away.

The majority decision of the Supreme Court is a challenge to democracy. How that challenge is to be met remains to be seen, but it is most important that the full implication of that decision be brought home to all the people of America. While the Tories gloat over the fact that another recovery measure has been obliterated, we must look beyond the immediate results and consider the future of our democratic Government. In all our history it has never been in more danger than it is today.

In his own day, Old Hickory annihilated the forces of reaction and special privilege which threatened the liberties of the American people. Today F. D. R. faces the same sinister enemies, faces them with undaunted courage, the same unflinching will to win through.

My reason, my heart tells me that F. D. R., the Andy Jackson of our own day, fighting the battle of the American citizen, will smash through to epoch-making achievement and glorious victory.

ADDRESS OF POSTMASTER GENERAL FARLEY

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by the Postmaster General in my county of Westchester on January 13.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address of Postmaster General James A. Farley, Democratic national and State chairman, over station WOR, New York City, the Yankee network of 11 New England stations, and CKLW, Detroit-Windsor, Monday evening, January 13, 1936, at the dinner

of the Westchester County Democratic committee, Murray's Bronx River Parkway, Tuckahoe, N. Y., as follows:

This deferred celebration of Jackson Day by the Democracy of Westchester County augments the host of other celebrations which occurred on the 8th of January, when thousands of champions of real American liberty gathered in their communities to listen to the President's clear, precise, and eloquent definition of what is the real issue of the national campaign already under way.

I am glad that circumstances made it necessary for you to hold your celebration tonight, because it gives me the opportunity of being present and at the same time has made it possible for the message which I bring to you to be heard on the air over a number of radio stations, for whose cooperation I am extremely grateful.

I might say that I am grateful also to the radio industry as a whole, because it has become evident that the broadcasting systems have fully sensed their responsibility to the public at large and intend to give freely and impartially of their facilities to both sides, so that listeners will be fully informed of every phase of the issues on which will rest the outcome of November's crucial election. I congratulate these great broadcasting systems on their fair-mindedness and their freedom from domination, and along with them I congratulate that portion of the public press which senses the fact that they owe their readers an uncolored presentation of the news. That portion of the press like the radio broadcasters know that the twin right of the freedom of speech and the freedom of the press, constitutionally guaranteed in this country, carries with it the responsibility to present the news of the day without discolored it by omissions, deceiving headlines, or artful insertion of language to distort the truth.

In the statement that I have just made I fully realize that I have singled out certain newspapers and have accused them of being dominated by the interests which seek to undermine every structure of the Government that has been set up to protect the rights and liberty of its citizens. I wish time would permit me to call these newspapers by name and to show unmistakably the extent of their interests and to prove to you that instead of being the champions of liberty, which they profess to be, that they are either themselves a vast industry seeking special privileges or that they are controlled by that selfish group of industrialists and financiers who were the first to run to cover in 1929, and who now wish to profit from the prosperity of progress by getting into the game with the dice loaded in their favor.

Happily in this great country of ours the self-professed gangsters of big business constitute only a small minority of the people engaged in finance and industry. Unhappily, because they operated under the special privileges in vogue under the Republican regime of the twenties, they were able to get out from under before the crash, and they are still in possession of practically all of the material power which they built up when the public at large was holding the bag and these United States were governed by a small coterie of unprincipled brigands ensconced in luxurious offices in the skyscrapers of Manhattan, Pittsburgh, and Chicago.

Those were the days when you heard little about the Government of the United States and much about the House of Morgan, the Du Pont dynasty, the Insull empire, and the Mellon merry-go-round. Those were the days when the foodstuffs of the Nation were the pawns of speculation, when the securities of the Nation were watered so heavily that they finally sank, swamped by the very weight of their waterlogged structures. Those were the days when the banks of a nation were changed from depositories for the protection of the peoples' savings into the mediums by which the peoples' wealth could be transferred into the coffers of the greedy and the people themselves left bankrupt.

These are the ones who today are crying that they can solve the problem of unemployment, which is the legacy of Hoover misgovernment. They in these very claims show their hypocrisy. If they can perform the miracle of bringing about the much-desired economic balance, why did they not do it in 1930, 1931, and 1932, when they were in control of the Government? If they have the solution of the problem now, why do they not operate it immediately or make known their plan so that the people can understand it? I challenge them to do so; but I know full well there will be no answer, for the simple reason that they are still in the same haze that they were in the days of the crash of their own making. Their stock in trade is talk. They have no plan. They are obstructionists bent only on destruction, and in their stupidity they are blind to the gains that have been made by logical government, gains which have benefited not only all our people but also these very moguls of commerce who now are turning on the Government which saved them when they could not save themselves. Instead of being grateful, they have become the die-hards who would wreck their rescuers, and unless they can have the lion's share they would drag to ruin a great structure built, not to benefit any one class but all classes. If anyone is guilty of setting class against class, they are, and their cry is wholly in the interest of that small class which knows not the meaning of the words "sportsmanship, gratitude, and patriotism."

We in this State can thank God that we have a business man for Governor, one whose successful business career has not warped his conscience. There has been no better picture drawn of the situation which confronted the present administration at its outset than the one given at the Jackson Day dinner in New York last Wednesday night by Herbert H. Lehman. For economy of time, I quote him with omissions.

In part, Governor Lehman said:

"I come here as a former business man for the purpose of laying before you * * * facts with regard to the recent economic crises * * * and our recovery from it.

"None of us will readily forget the situation in this country at the beginning of 1933.

"We cannot forget the critical run on the banks * * * the situations of our great life insurance companies * * * the thousands upon thousands of people out of employment and in need * * * the position of manufacturers and merchants * * * forced either to shut down or substantially to reduce their working forces.

"Corporation after corporation showed deficits instead of the usual profits.

"It looked as if the entire railroad system of the country inevitably would rapidly move into receivership.

"Home owners and property owners in larger and larger numbers were being foreclosed and dispossessed. The situation of agriculture was desperate. Prices were so low that the farmer could not get back even the money he had put into the production of commodities.

"New York City and many of the other large cities * * * were powerless to finance even their current needs.

"No honest person can deny the existence of almost complete economic paralysis. The country was sick well nigh unto death and our people were without hope.

"If we were to survive * * * it was necessary to replace distrust, suspicion, fear, and panic with a spirit of hopefulness and a deep determination to fight on. New leadership * * * that would rally the fighting qualities of the American people, was needed. That was the situation on March 4, 1933, when into the office of the President of the United States stepped Franklin D. Roosevelt."

Governor Lehman's picture is underdrawn rather than overdrawn. It was at that time that those who now would "gang-up" on the Government were hoarding their gold, hiding through fear in the inner recesses of their well-stocked castles, or fleeing from our shores like rats from a sinking ship. This small group, running true to form, now brazenly have assumed the language as well as the methods of the racketeers.

During Governor Lehman's crime conference the methods of the organized gangsters were vividly brought out. In their mad scramble for wealth and power they adopt for their own protection the strategy of penetration. Through the free use of money they penetrated into the offices of respectable lawyers, of holders of public office, of weak leaders of political groups, some labor unions, some newspapers, and some businessmen. They buy protection with wealth and use it for further increasing their devilish power. They organize paper associations with high-sounding names and, if possible, put at the head of them spokesmen who are paid well to front for the power behind the throne. These ordinary gangsters have proven that, human nature being as it is, there are plenty who would submerge their convictions for a price.

How little did the roughnecks of the alleys ever think that their practices would be emulated by men already powerful and rich but lustful for more power and more wealth. Yet such has been the case. There are those who would gang up on the Government. What government would they gang up on? The present Government of the United States, which, in the words of Governor Lehman, that I will again quote, has changed the discouraging picture of 1933 to this picture that he draws of the present:

"Three years have passed since March 1933 * * * progress, real progress, has been made all along the line. The record speaks for itself.

"Our financial institutions are happily stronger than ever.

"Deposits have grown each year since 1933. Our insurance companies are today as strong as ever in their history. Manufacturers and merchants are in the main making money, and the outlook is promising.

"Electric power consumption * * * is now at its all-time high.

"Wool consumption * * * is at an all-time high.

"Production and sales of automobiles throughout the year 1935 not only surpasses all the depression years but in many instances former records of 1928 and 1929.

"Crude oil production is now in the highest point since 1929.

"The production of shoes is today at the highest for all time.

"Copper * * * is now at its highest point since 1931.

"Our railroad companies * * * are showing profits instead of deficits.

"The New York Times Business Index rose from 63 in March 1933 to 96 in November 1935.

"The position of agriculture has completely changed since 1932. Farm cash income for October is placed at \$851,000,000, the highest * * * since 1929.

"There was not a single failure on the New York Stock Exchange during the entire year of 1935. The market average of listed securities is 30 percent higher than a year ago.

"The pages of every newspaper * * * show improvement. No one who lived through 1932 and the first half of 1933 can possibly doubt that the situation today is entirely different from what it was in those terrible days."

In the face of the above facts, which I have quoted in the very words of a man who has your confidence and who himself is recognized as a great banker and a great businessman, isn't it a sad commentary on the intelligence of some other business leaders that they in their stupidity would wish to cripple a Government

which has saved them in their hour of need. It is worthy of note that they only attack those New Deal enactments which do not directly benefit themselves. They have the means to attack through the courts, laws that were formulated to make them play the game on the level, and every one of these laws that has been set up to give the average man and woman a chance to better their conditions have been fought to the last ditch by the few who have not the courage to enter the arena of commerce under rules that insure a fair deal to all. Look over the list of laws that they have attacked and you will find that every enactment made for the protection of the little man and the medium-class man and the honest and patriotic-minded businessman has been attacked from scores of sources.

Why do they not attack the legislation which benefited them directly? They do not because they are perfectly willing to be on the receiving end. They are too stupid to see that pending the solution of unemployment it is necessary by means of public works to provide employment, which in turn safeguards and raises the values by which they rate their wealth. Despite the fact that the security markets have again regained the confidence of the investors by reason of the S. E. C., they are too stupid to see that this great enactment, set up for the protection of all, has benefited them by increasing the wealth of the Nation in terms of security values. But their stupidity is not to be wondered at in the light of the history of their wild speculation in the twenties and in the light of their brazen call to all of their ilk to "gang-up" on the Government.

The attempt of these arrant demagogues and the hirelings of the privileged element, which, under Roosevelt's New Deal faces the certainty of having their special favors taken away, to make it appear that the reforms being adopted are destructive of American institutions, is having hard going.

Their favorite sophistry is that Roosevelt is working for socialism, the more shameless or the most ignorant insist for communism, and now and then someone like Mr. Hoover thinks it is for fascism. The notorious truth is that fascism in America has had its sole support among the short-sighted big businessmen who associate fascism with the denial to workers of the right of collective bargaining.

And the truth is, as the more enlightened and intelligent among the big-business group well know, that in the collapse of the privileged system in the dying days of the old deal under Mr. Hoover we were in dire danger of a social revolution which brought us perilously near the utter destruction of American institutions.

Millions on the farms had been driven to desperation, until in some sections the most naturally conservative and law-abiding of our citizens were terrorizing courts and dragging judges from the bench.

Millions in industrial centers were jobless and penniless, and because of the apathy of the Government and the cold indifference of the very rich many of these were in despair and hopeless of the future under the American system. Had they not been told when they begged for work or bread from their Government that charity was the "American way"?

The great middle class was being slowly but surely exterminated, and these had their faith in the American system seriously shaken.

He who did not realize in the summer of 1932 that we were on the verge of a grave social upheaval that might easily take the form of a revolution was living in a fool's paradise.

But not all representatives of big business and big money were living in this fool's paradise; they knew.

They knew the danger, but because of their training, environment, and lack of initiative and constructive capacity, they did not know what to do. Some of them were trying to get their money out of the country to save themselves.

And then came Roosevelt, who had an idea what to do, and who had the courage to do it.

In the beginning he was hailed even by the privileged crowd as a savior. There was no criticism. They were willing to be saved, even by him.

But in the beginning they thought he merely proposed to cover the leakage of the roof with a smear of mud; to tinker a bit with the machine to make it serve a little longer until it would collapse again.

They did not have vision or intelligence enough to know that such patching would make another collapse inevitable, nor imagination enough to realize that another collapse would certainly be the ruin of American institutions.

And when they found that Roosevelt was going to the heart of the trouble, was going to rid organized society of the system and the methods that led unerringly to the collapse, they became alarmed.

It was the privileges of this small favored class that brought the collapse of 1929; but the moment Roosevelt's revival of a little confidence gave them a breathing spell, they deliberately concluded that they should rally for the perpetuation of the social and industrial and financial wrongs that had wrought the ruin.

Now, all great social or political upheavals, such as those in France during the last days of the eighteenth century and in Russia in the early days of the twentieth century, have come from the wrongs afflicted on the average man by a privileged system. Privilege is the golden path to revolution.

And Roosevelt proposes to make a clean workmanlike job of reform; and because he knows that only through reforms that end the exploitation of the many by the few can American institutions be preserved.

He knows that since every element has suffered from the wrongs, the reforms must touch every element in the Nation, the farmer, the industrial worker, the miner, the toiler incapacitated by age, the small-business man, the professional man, the white-collar worker.

That is what is making his administration one of the most significant and stupendous in all history.

In the light of the progress that has been made, the destiny of this country rests upon the continued war that has been made in the interest of the people of this country. This war started as a war against depression. The war against depression has been won, but the forces which have so successfully attained this victory cannot yet be demobilized, because we are faced with another enemy, an enemy who would snatch the fruits of our victory and use them to undermine again the foundations on which we are striving to build a permanent prosperity. These are the ones who would "gang-up" on the Government.

There is only one answer: "Keep Roosevelt in, and keep the gang out."

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate may be continued throughout the day, the time to be equally divided between myself and the gentleman from Massachusetts [Mr. WIGGLESWORTH], and in this connection, Mr. Speaker, I may say that it is the purpose of the committee, after consulting with the minority, to close all debate today, with the exception of my speech and the speech of the gentleman from Massachusetts, explaining the bill, after which we shall hope to proceed to read the bill.

Mr. BANKHEAD. Mr. Speaker, I reserve the right to object in order to make the statement that it was our expectation and hope to be able to take up another appropriation bill this week, but I understand from the gentleman from Virginia and other members of the committee that this will be the only appropriation bill it will be possible to consider this week.

Mr. WOODRUM. It is our hope that after having had such liberal debate on the bill we can read it with dispatch and finish its consideration early Friday, at which time, I understand, it is expected the House will adjourn over.

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

There was no objection.

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. BOLAND in the chair.

The CHAIRMAN. The House is now 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 of the bill.

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I am presenting a resolution to the House today for the investigation of the Communications Commission, and I ask unanimous consent that this resolution may be read for the information of Members.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Resolution to appoint a select committee to investigate the charges of irregularities in the granting and renewals of radio licenses, the broadcasting of alleged obscene and indecent utterances by radio stations, the charges of alleged monopolies, and to investigate and report on charges made or which may be made as to charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with said Commission, and to investigate the acts and activities of said Commission

Whereas on April 5, 1935, 16 Members of the House of Representatives, whose attention having been directed to a broadcast over the N. B. C. network, which broadcast contained alleged obscene and indecent utterances, and which program was in the interest of and paid for by a foreign government, filed with the Federal Communications Commission a protest against such programs and, in addition, petitioned said Federal Communications

Commission for an immediate investigation of the charges contained in said protest, and, further, requested a public hearing on the results of such investigation; and

Whereas the Federal Communications Commission, in reply to said petition, stated that an investigation was being made; and

Whereas the Federal Communications Commission later replied to the petitioners setting forth that said program was not obscene within the rule laid down in a court decision cited by said Commission, which citation quoted language which is not to be found in the specific decision cited; and

Whereas the CONGRESSIONAL RECORD of July 31, 1935, contains a full and factual history of this failure on the part of the Federal Communications Commission to properly enforce the Communications Act of 1934, and in addition contains excerpts from affidavits which alleged that competent officials of the said N. B. C. admitted that the program complained of contained obscene and indecent utterances; and

Whereas the Chairman of the said Federal Communications Commission, in testifying before the House Appropriations Committee, admitted that the property of the Government, namely, radio broadcasting licenses or franchises, were the subject of profiteering on the part of individuals and others; and

Whereas charges have been made that certain vested interests are alleged to be receiving large sums of money due to the leasing to others of licenses or franchises issued by said Federal Communications Commission; and

Whereas it is well known that a monopoly exists wherein a few control all of the valuable franchises or licenses issued by said Commission, while educational, labor, religious, and other non-profit-making organizations are denied opportunities of securing favorable consideration for radio broadcasting facilities from said Federal Communications Commission; and

Whereas the said Commission, as a result of charges apparently placed before it by the Chairman of said Commission, has now created a committee of five of its seven members to investigate charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with the said Commission; and

Whereas it is in the public interest that a thorough and exhaustive investigation be made of these and other alleged irregularities: Therefore be it

Resolved, That a committee of five Members of the House of Representatives shall be appointed by the Speaker, which committee is hereby authorized and directed to inquire into and investigate the allegations and charges that have been or may be made relative to irregularities in the granting and renewal of licenses and other matters coming within the jurisdiction of the Federal Communications Commission or pertaining in whole or in part to the functions of the said Federal Communications Commission; be it further

Resolved, That the said committee shall make a thorough and exhaustive investigation of all allegations and charges that have been or may be made in connection with any and all matters pertaining to the Federal Communications Commission and shall report in whole or in part at any time to the House of Representatives, together with such recommendations as it deems advisable; and be it further

Resolved, That for the purpose of this resolution the said committee is authorized to hold such hearings, to sit and act during the sessions and the recesses of the present Congress at such time and places, either in the District of Columbia or elsewhere, and to employ such expert clerical and stenographic services as may be found necessary, and to require by subpoena or otherwise the attendance of witnesses, to administer oaths, to compel the production of books, papers, and documents by Government or private agencies, and to take and record such testimony as the committee may deem advisable or necessary to the proper conduct of the investigation directed by this resolution.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to insert a factual history of the elimination of Mexican radio programs described as obscene and indecent paid for by the Mexican Government.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

FACTUAL HISTORY OF THE ELIMINATION OF MEXICAN RADIO PROGRAM DESCRIBED AS OBSCENE AND INDECENT PAID FOR BY THE MEXICAN GOVERNMENT—SERIES Poured weekly into American homes by the NATIONAL BROADCASTING CO.

AN INDICATION OF THE POWER AND INFLUENCE OF THE RADIO TRUST AND THE UNWILLINGNESS OR THE INABILITY OF A GOVERNMENTAL AGENCY TO PROTECT AMERICAN HOMES FROM FILTHY RADIO PROGRAMS AND ALIEN PROPAGANDA—HAS THE SERVANT BECOME THE MASTER?

JULY 1, 1935.

The Honorable CORDELL HULL,

Secretary of State, Washington, D. C.

(Attention R. Walton Moore, Assistant Secretary.)

MY DEAR MR. SECRETARY: Complying with your request enclosed herein, you will find a factual history, with copies of correspondence, which is self-explanatory, indicating the unwillingness or the inability of the Federal Communications Commission to force the National Broadcasting Co. to comply with the provisions of the Communications Act of 1934 or to prosecute the Mexican

Government for its open and flagrant violation of the provisions of that act.

The protest and request which 16 Members of the House of Representatives, including the undersigned, made to the Federal Communications Commission pertaining to an obscene, filthy, and vile radio broadcast originating in the New York studios of the National Broadcasting Co. and broadcast over a network of radio stations, which broadcast was put on by or for the Mexican Government and paid for by that Government, has been virtually ignored by the Federal Communications Commission.

The Federal Communications Commission has, either in a futile effort to protect the Mexican Government or the officials of the National Broadcasting Co., or both, from proper prosecution for this openly flagrant violation of the Communications Act of 1934, which act specifically provides: "Section 327. * * * No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication", revealed their impotency or their subserviency to either those in control of the National Broadcasting Co. or the Mexican Government.

Further, the penalty for such violations, as provided for in the Communications Act of 1934, is as follows: "Section 501. Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this act prohibited or declared unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than forfeiture) is provided herein, by fine of not more than \$10,000 or by imprisonment for a term of not more than 2 years, or both."

The Federal Communications Commission, either as a result of only a casual investigation, if any investigation was really made, or, in an attempt to deceive those who had, in writing, asked for an investigation, either failed to secure or ignored the results of the investigation made by officials of the National Broadcasting Co. is revealed in part in affidavits, the substantial contents of which, with names temporarily deleted, are herein quoted:

(1) "The undersigned testifies that on the program broadcasted on Thursday, March 21, at the WJZ Station at 9:30 p. m., under the title of 'Mexican Program', there was a recitative, with music, which we qualify unfitted for the radio. It was an account of the love affairs of a man with several girls, and then told of the exquisite of those love affairs with the girl he loved, and spoke of their songs, their kisses, at the shore of the lake, and finally, when the girl disrobed herself and offered him her beauty, which he began to describe in an indecent way."

(2) "I further state that * * * stated that his investigation disclosed the fact that the second number of this program was a poem, recited in Spanish and backgrounded with music; that the narrator reached into his vest pocket, withdrew a sheet of paper, and recited in Spanish a poem which was entirely different from that rendered or used in the rehearsal, and also in the regular dress rehearsal held immediately prior to the actual broadcast; that the program had not been recorded; and that in order to find out what was actually broadcasted * * * was obliged to call into his office for separate examination, first, the narrator who recited the poem, and, secondly, the leader of the orchestra, who was also present at the time in the studio, and that in each instance he had them give their individual version and report of what had been transmitted 'over the air.'"

"I further state that * * * also stated that as a result of the individual reports which he received from the narrator and the orchestra leader, and on account of the indecent, obscene, and suggestive remarks contained in the poem, he was recommending on that same day * * * that the contract entered into with, and paid for in advance by, the Mexican Government should be canceled immediately."

"I further state that * * * also stated that his investigation of the other songs and poems, used in the first and also the second broadcasts of this series for the Mexican Government were also suggestive, but not as openly obscene as the second number, or poem, of the first broadcast, and that all of these old thirteenth century Spanish and Arabic songs and poems seemed to 'convey suggestive meanings', as he expressed it, and were not, in his opinion, in line with good taste and 'public interest.'"

(3) " * * * we conferred with * * * officials of the National Broadcasting Co.

"I further state that the said * * * stated that 'with all due respect to the Catholic Church, should he be requested to rebroadcast the Mexican Government program of March 21, 1935, he would not hesitate to approve the request.'"

"I further state that the said * * * stated that 'all of the programs of the National Broadcasting Co. sent out over their networks were recorded, and that this also included the Mexican Government program of March 21, 1935.'"

You will note that one official of the National Broadcasting Co., in the presence of other officials of the National Broadcasting Co., states to those they had invited to the offices of the National Broadcasting Co. to discuss the results of the investigation which the National Broadcasting Co. itself had made of the charges of obscenity contained in the program broadcasted for or by the Mexican Government on March 21, admitted that "on account of the indecent, obscene, and suggestive remarks contained in the poem he was recommending on that same day * * * that the

contract entered into with and paid for in advance by the Mexican Government should be canceled immediately." Also you will note that the same official recounted how he had to call in different individuals in order to secure a definite picture of what had occurred, while another official stated that the program was recorded.

Exhibit no. 1. Copy of my letter to Hon. Anning S. Prall, Chairman, Federal Communications Commission, under date of April 1, 1935.

Exhibit no. 2. Copy of reply from Hon. Anning S. Prall, under date of April 2, 1935, to my letter of April 1, 1935.

Exhibit no. 3. Copy of translation and original Spanish text furnished to me by the Federal Communications Commission. Also copy of translation made for me by an authority on and one familiar with the Mexican language. The translation furnished to me by the Communications Commission, incomplete in itself, also seeks to hide or "clothe" the indecency which, I understand, a true translation reveals.

Exhibit no. 4. Copy of petition, signed by 16 members of the House of Representatives, sent to the Federal Communications Commission on April 15, 1935.

Exhibit no. 5. Copy of letter of April 30, acknowledging receipt of the petition above referred to and stating that "a full and complete investigation is being made of the subject matter * * *"

Exhibit no. 6. Copy of my letter of May 11 to Hon. Anning S. Prall, Chairman, Federal Communications Commission.

Exhibit no. 7. Clipping from, or marked page of, the May 1, 1935, issue of Broadcasting, a radio magazine, the editors of which, according to statement made by Rev. Joseph F. Thorning, S. J., in the presence of Commissioners Prall, Sykes, and Case (see exhibit no. 8), are credited with being quite intimate with the Chairman and other members of the Broadcast Division of the Federal Communications Commission.

You will note that this news story indicates—to those engaged in operating radio broadcasting station—that the Communications Commission had already, before May 1, 1935, completed such investigation as they had made and had arrived at a decision.

Exhibit no. 8. Quotations taken from the address delivered by Rev. Joseph F. Thorning, S. J., at public hearing, held by the Broadcast Division of the Federal Communications Commission May 16, 1935, at which were present Commissioners Prall, Sykes, and Case, and which statement includes contents of letters sent to me by Chairman Prall on May 14, 1935.

You will note that no refutation was made at this or any other time of the accuracy or inaccuracy of the contents of the news story of May 1, 1935, or the letter of May 14, 1935, which letter stated very specifically that the investigation had not been concluded or a decision arrived at.

Exhibit no. 9. Copy of letter of May 27, wherein the Federal Communications Commission, "after careful study," finds that the program complained of was not obscene under a ruling made in 1883 before radio broadcasting had been called to the attention of Congress.

The letter of May 27, referred to as exhibit no. 9, specifically cites a ruling made in the case of *Duncan v. United States*, decided in 1931, and supposedly cites language to be found in the decision of the court in that case. Incidentally this case, *Duncan v. United States*, dealt with a violation of the Radio or Communications Act, and was brought as a result of an indictment returned for a violation of the radio laws. The rulings of the court are very appropo of the program which the Mexican Government put on or had broadcasted from the New York studios of the National Broadcasting Co. on March 21.

In looking through the findings of the court in the case, *Duncan v. United States*, specifically cited, we note that the language, such as is quoted in the letter of May 27, was very much different than that found in the court's findings.

However, it is worth noting that in the case cited by the Federal Communications Commission, *Duncan v. United States*, the court held:

"The test is as to whether or not the language alleged to be obscene would arouse lewd or lascivious thought in the minds of those hearing or reading the publication.

"In construing the word 'obscene' as used therein, it has been uniformly held that, if the matter complained of were of such a nature as would tend to corrupt the morals of those whose minds are open to such influences by arousing or implanting in such minds lewd or lascivious thoughts or desires, it is within the prohibition of the statute, and that whether or not it had such a tendency was a question for the jury."

Exhibit no. 10. Copy of letter from the Federal Communications Commission of June 6 attempting to correct the obvious deception contained in their letter of May 27. The citation they refer to in this letter of June 6, in an attempt to justify their findings contained in their letter of May 27, is found in cases dealing with violations of the postal laws and handed down in 1883, many years before radio broadcasting was seriously thought of.

Other affidavits similar to those quoted from are available and substantiate the contention that the program which we complained of, broadcasted by or for the Mexican Government, over the network of the National Broadcasting Co., was obscene.

Trusting that the enclosed is in the form and is the type of material you requested and that we will be favored with action and an early decision on the part of the State Department.

Sincerely yours,

WILLIAM F. CONNERY, JR.

EXHIBIT No. 1

APRIL 1, 1935.

HON. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I shall greatly appreciate your furnishing me with a copy, with translation, of the broadcast sponsored by the Mexican Government, delivered over the National Broadcasting Co. network on March 21.

I have received several protests as to the filthiness of the songs sung on this program. I understand the songs were sung in Spanish. I shall appreciate the copy in the original text and also the translation thereof.

I trust that you will comply with this request, and that the matter herein requested will be furnished me within the next day or two.

With all good wishes,
Sincerely,

WILLIAM P. CONNERY, JR.

EXHIBIT No. 2

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., April 2, 1935.

HON. WILLIAM P. CONNERY, JR.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Replying to your request of the 1st instant for a copy, with translation, of the broadcast sponsored by the Mexican Government and delivered over the National Broadcasting Co. network on March 21, I beg to advise you that the Commission, through its legal department, is making an investigation of this broadcast. Upon receipt of a report I shall be glad to furnish you with the information you request. It will be impossible, however, to furnish it within the next day or two.

With kind regards, I remain,
Sincerely yours,

ANNING S. PRALL, Chairman.

EXHIBIT No. 3

(In part only)

Greetings to Silves, friend,
And ask her if she has
Memory of my love
In her sweet abode.

Oh, how many nights I passed there
Beside a girl
Of well-shaped and graceful form,
Of firm and wide thighs!

Oh, how many women wounded
My soul there with loves!
Like sharp arrows were
Their sweet glances.

Oh, how many nights also
I passed by the side of the water
With the lovely singer
In the solitary meadow!

Then was she wont to sing to me
Between kisses
Some warlike song
To the sound of my guitar;
And my heart then
Shook with ardor
As in battle is heard
The shock of arms.

But, my greatest delight
Was when she stood naked
Of her flowing garments;
And, like a bending branch
Of a willow, uncovered to me
Her beauty, an unfolding rose
Which breaks its bud
And displays all its loveliness.

EXHIBIT No. 4

APRIL 5, 1935.

HON. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Washington, D. C.

DEAR CHAIRMAN PRALL: Your recent radio address indicating the Federal Communications Commission, under your leadership, would protect the American home from radio broadcasts of an obscene, unclean, and offensive nature meets with the unqualified approval of every self-respecting American.

Last week your attention was called to the broadcasting of a radio program by the Mexican Government which is described in the April 8 issue of America as a "filthy piece of unabashed pornography."

Assuming that your recent radio declaration will be carried out, we feel quite positive that program as described in such a reliable and responsible publication as America comes within the category of your declaration.

Believing that it is the intent of your Commission to treat all radio broadcasters alike, without granting undue favors to the National Broadcasting Co., we, members of the House of Representatives, respectfully suggest that your Commission indicate the sincerity of its purpose by penalizing those radio stations which violated the rules of your Commission, and offended the hospitality extended to radio by the American home, in broadcasting a program that can be described as "a filthy piece of unabashed pornography" by the cancellation of the broadcasting licenses of these radio stations or, at least, by immediately suspending the licenses of those stations until a thorough investigation can be made by your Commission and a public hearing held.

Trusting that your Commission will immediately take action upon this request and notify the undersigned of your action.

Respectfully submitted,

William P. Connery, Jr., Arthur D. Healey, J. Buttwood Daly,
Joseph L. Pfeifer, John W. McCormack, Michael J. Stack,
Joseph E. Casey, J. Joseph Smith, William M. Citron,
Herman P. Kopplemann, Emmet O'Neal, M. L. Igoe, John
P. Higgins, James M. Fitzpatrick, Richard J. Welch,
John J. McGrath.

EXHIBIT No. 5

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., April 30, 1935.

HON. WILLIAM P. CONNERY, JR., M. C.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN CONNERY: The receipt is acknowledged of your letter of April 16, 1935, with which you transmit a petition signed, jointly, by 16 Members of Congress, and with which you also transmit a page from the magazine America, dated April 6, 1935. All of these concern a complaint against the action of station WJZ in broadcasting an allegedly offensive song during a program which was sponsored by the Government of Mexico.

In reply thereto you are advised that a full and complete investigation is being made of the subject matter of your complaint, and upon the completion of the investigation such action will be taken in the premises as is appropriate under the law.

Very sincerely yours,

ANNING S. PRALL, Chairman.

EXHIBIT No. 6

MAY 11, 1935.

HON. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Post Office Building, Washington, D. C.

MY DEAR CHAIRMAN PRALL: Your letter of April 30, which acknowledged my letter of April 16 enclosing petition of myself and 15 other Members of the House of Representatives, contained the information that your Commission had instituted an investigation of the program broadcasted over the National Broadcasting Co. network by the Mexican Government on March 21.

In view of the fact that this obscene program was called to your attention on March 25, I am assuming that your Commission has, by this time, ascertained the accuracy of the charges contained in the petition filed by myself and 15 other Members of the House of Representatives, as well as those protests which we have since learned were filed by many individuals.

Our petition not alone directed your attention to this obscene program but, in addition thereto, requested the cancellation or suspension of the licenses of those radio broadcasting stations which carried this obscene program, and also a public hearing to discuss the findings of your Commission.

As several of those who are vitally interested in this matter will meet in Washington on Wednesday, May 15, I trust I am not asking too much when I request that you favor me, prior to that time, with some definite statement as to the results of your investigation, the action of the Federal Communications Commission on our request for the cancellation or suspension of the licenses of those radio stations which broadcasted this obscene program and the date your Commission has set for a public hearing, as we requested.

Trusting that I may be favored with the information requested and with every good wish,

Sincerely yours,

WILLIAM P. CONNERY, JR.

EXHIBIT No. 7

[From Broadcasting, May 1, 1935]

"PROTESTS AGAINST SERIES BY MEXICAN GOVERNMENT ARE REJECTED BY F. C. C.

"Finding nothing improper or in violation of the radio regulations, the F. C. C. has passed over the protest registered by a group of Congressmen against the program sponsored over an NBC-WEAF network by the Mexican Government and designed to stimulate tourist travel, it was learned April 25. The protest asked for punitive action against NBC on the ground that the initial program, broadcast March 21, contained a poem in Spanish, which allegedly was offensive to Catholics. In addition to the protest signed by 16 Congressmen, Father John B. Harney, Superior to the Paulist Fathers, New York, also asked for disciplinary action."

EXHIBIT No. 8

Excerpts taken from address of Rev. Joseph F. Thorning, S. J., at hearings before Broadcast Division of Federal Communications Commission, on May 16, 1935:

"We do not know whether or not this same publication, Broadcasting, the editors of which, we understand, have entries to and are presumed to have a rather intimate relationship with, members of this Commission, were justified in their comments and their advice of May 1 to the radio industry, but we do know that there has been no repudiation on the part of this Commission of this rather unusual prophesy as to the attitude of this Commission. And if there is any formal repudiation of this statement in the press, you may be sure it will be welcomed by those who are making the present protests.

"We also know that as late as May 14, the chairman of this Commission, in a letter to Congressman WILLIAM P. CONNERY, Jr., stated very definitely the following:

"You are advised that the Commission is studying all of the evidence involved and as yet has not reached a decision with regard thereto. I will be pleased to advise you of the Commission's action just as soon as the course thereof has been determined."

EXHIBIT No. 9

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., May 27, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN CONNERY: The Commission has had under investigation the broadcast of a program sponsored by the Mexican Government which was originated by station WJZ and carried by other members of the blue network of the National Broadcasting Co. on the evening of March 21, 1935. The portion of this program referred to in your letter to the Commission was a song entitled "En Elogio de Silves", sung in Spanish.

The question as to whether a matter which is broadcast is obscene or indecent must be determined by the application of the rule announced in *Duncan v. U. S.* (48 Fed. (2d) 128), and other leading cases, which is as follows:

"The true test to determine whether a writing comes within the meaning of the statutes is whether its language has a tendency to deprave and corrupt the morals of those whose minds are open to such influences and into whose hands it may fall by arousing or implanting in such minds obscene, lewd, or lascivious thoughts or desires."

The Commission, Broadcast Division, after careful study of all the facts and circumstances in connection with this broadcast, has reached the conclusion that the program does not fall within the above definition.

The Division desires to express its appreciation for your cooperation in directing its attention to this matter. Because of the large number of broadcasting and other stations, letters, such as yours, are very helpful in the duties of the Commission.

Yours very truly,

E. O. SYKES,
Chairman, Broadcast Division.

EXHIBIT No. 10

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., June 6, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CONNERY: Please be referred to our letter addressed to you on May 27, relating to a broadcast program sponsored by the Mexican Government which originated over station WJZ.

The exact language of the quotation of the rule in that letter is taken from the case of *Knowles v. U. S.*, Circuit Court of Appeals, Eighth Circuit, 170 Federal, pages 409-412. This case is cited in the *Duncan* case referred to in our former letter.

Sincerely yours,

E. O. SYKES,
Chairman, Broadcast Division.

Mr. CONNERY. Mr. Chairman, the resolution is the ordinary resolution for an investigation that is to be thorough and far-reaching. I have received complaints from all over the United States with reference to radio—complaints from labor, from profit organizations, and from nonprofit organizations which have been denied radio broadcasting licenses and time on the radio.

This is not something which has just come up at the present time. It is something upon which I have been working since last April, when 16 Members of Congress, in writing, made a request to the Communications Commission for action on the part of the Commission and for a public hearing.

On the occasion when the Mexican Government entered into a contract with the National Broadcasting Co., for which broadcasting they paid \$40,000, it struck me as peculiar that a foreign government should make a contract with the

National Broadcasting Co. in order to broadcast foreign propaganda into the United States.

During at least one of these broadcasts an obscene song was sung.

Affidavits and statements were presented showing the exact words that were sung, affidavits from persons who heard the broadcast. Officials of the National Broadcasting Co. have related how the narrator took a piece of paper out of his pocket and sang this song which was allegedly obscene. All of this the Federal Communications Commission has, or should have, full knowledge of.

Now, we—not just I, but we, 16 Members of Congress—signed a petition asking for a thorough investigation and public hearing.

In response to those requests we received a letter saying that they, the Commission, had investigated the matter, and that as far as they could see, under the law, they could not do anything about it, quoting the case of *Duncan v. United States* (48 Fed. (2d) 128), and in that quotation describing what has been ruled as obscene. Looking up the case the Commission cited, I discovered there was no such language in that decision as the language they gave me in the letter. Some days later they discovered that themselves, and wrote me a letter telling me that in the case of *Duncan v. United States* (48 Fed. (2d) 128) the language which they had used referred to another case, and they went back to 1883 to find a case with which to whitewash the National Broadcasting Co. *Duncan v. United States* (48 Fed. (2d) 128) was a case alleging a violation of postal regulations. This case was acted upon some 40 years before Congress regulated broadcasting.

Mr. Chairman, there have been plenty of complaints. Take the case of a labor station in New York City, one of the first stations in New York. This station attempted to get increased facilities so that it could reach up into New York State and into additional sections of Connecticut, New Jersey, and Pennsylvania. Other people put in petitions at the same time, and as a result of those petitions, as I recall it, the Federal Communications Commission gave the time which should have been given to the labor station, which is broadcasting an educational and instructive program not duplicated in that area, and which would have rendered some service to the people of the United States, when men like Senator WAGNER, and others, men prominent in public life, could have told the American people the situation in Congress in respect to labor matters and progressive legislation. The examiner for the Commission in his report called attention to the service rendered by this labor station, but the Federal Communications Commission gave that time to the Brooklyn Eagle, a newspaper published in Brooklyn, which will simply duplicate existing programs and which had no need of the time, because Brooklyn is well covered as far as radio broadcasting is concerned.

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

Mr. MORAN. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. CONNERY. Mr. Chairman, I have received these complaints from all over the Nation. The Commission refused to take away a license from WJZ after an obscene song had been sung, and yet there was the incident in the Middle West where the engineer of a broadcasting station, without the knowledge of the owner, pushed up the power so that it reached out a little farther than the Federal Communications Commission felt they should go, and the Commission was going to take that license away completely on the ground that nothing of that kind should occur. Here was a man, the owner of the station, who did not know what his engineer had done; and they were going to penalize him and take that license away. That was a small station, but when the National Broadcasting Co. comes in and puts a foreign government on the radio for the sum of \$40,000 and sends insidious propaganda and obscene and indecent songs into the homes of the American people—songs not fit to be

recited anywhere—we have a different story. The National Broadcasting Co. must be and is whitewashed. Why? Does this monopoly control the Commission?

Mr. Chairman, I think the American Congress and the American people are entitled to know what is going on in that Commission, how they are allocating radio facilities, and why they are allocating them as they do—why they will not take away a license from those broadcasting companies when those companies permit the broadcasting of an obscene and indecent song into the homes of the American people. I think the people are entitled to know what it is all about and who really controls this governmental agency. I have filed this resolution here today for that reason.

There is no politics in it; there is no partisanship about it. The radio can be used for the most insidious propaganda, as was evidenced in that Mexican Government program, and I want to see that this great avenue is still to be controlled by Congress. I want to see that these radio facilities are allocated properly. I want to find out why it is that education, labor, religion, the veterans, farm and other non-profit-making enterprises cannot get radio facilities or proper time on the radio. I want to find out everything that is going on there in a thorough investigation, in order that the people of America may be apprised of the workings of the Commission. If they have nothing to hide, we will be glad to hear their story. If they want to tell everything that goes on there, we will be glad to hear their story. If there is anything wrong over there which should be shown up, and I personally think there is plenty of wrong, then the people of the United States should be apprised of these facts, and the only way to do that is by an official, unbiased committee of this House, conducting a thorough and complete investigation of the Commission, with a proper report to the House.

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

Mr. CONNERY. Yes.

Mr. DIRKSEN. Are the complaints which the gentleman has received based on the fact that the radio station has refused them free time?

Mr. CONNERY. Oh, no.

Mr. DIRKSEN. Or time for which they were willing to pay?

Mr. CONNERY. Oh, no. I want to make that clear. When I say time and radio facilities should be allocated to education, labor, religion, veterans, farm, and non-profit-making enterprises, I mean that they should be permitted to go in and secure radio facilities or they could buy their time, and that the National Broadcasting Co. or the Columbia Broadcasting Co. should not have the right to say, "No; we will not let you have the time." The influences of this monopoly should not be allowed to deprive these nonprofit organizations of facilities they should have.

Mr. DIRKSEN. The gentleman does not contend that the Federal Communications Commission has any authority over any individual radio station or chain to compel them to give free time?

Mr. CONNERY. Oh, no.

Mr. DIRKSEN. Or to give time to anyone if their time schedules are filled?

Mr. CONNERY. No. But their time schedule can be very conveniently filled if the Veterans of Foreign Wars or the American Legion want to talk of the bonus, or if you want to make some labor speech or some speech in which they—the radio monopoly—are not interested. They can be conveniently filled, and we do not want them conveniently filled. We want the educational, the religious, the labor, the farm, the veterans, and other non-profit-making bodies to be able to secure radio facilities they can operate themselves, permitting the stations to be self-sustaining but not profit making, instead of being dependent on the charity or good will of the radio monopoly.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RICH. I was wondering whether we do not have farm hours on the radio. I listen to the radio every once in a while, and I have heard somebody making a speech about the farms, and then I have heard other speeches being made.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I hope we will soon have an opportunity to get this resolution passed and find out what is really going on. [Applause.]

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

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 20 minutes to my colleague from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am in entire accord with the resolution introduced by the gentleman from Massachusetts [Mr. CONNERY] for an investigation of the allotment of time by broadcasting stations. Much has been said about these broadcasting stations contracting more time to one party than the other. I am willing to admit, of course, that when the President speaks, he should have a radio hook-up; and I venture to suggest that if we go back to Republican Presidents we would find that they, too, had radio hook-ups and that they were allowed more time than the opposition party.

I had not expected to speak on this issue, but in view of the speech of the gentleman from Massachusetts [Mr. CONNERY], I thought I would make a few observations dealing indirectly with the partisan issue involved.

As a minority party we cannot object to the fact that the President has radio hook-ups when he speaks, but I feel that the question is one of degree, and that prominent Republicans, when they speak, should likewise have at least one of the Nation-wide hook-ups. I have reference now to a speech that Senator BORAH is to make in Brooklyn, possibly the first speech he has made before a large mass meeting of the American people for a considerable time, which is to be delivered on January 28. Senator BORAH was unable to get time from either one of the national networks that would be convenient for the audience. The President, perfectly rightly and justly, received time at 9 o'clock here in the House. Naturally Senator BORAH, who will be the only speaker at that mass meeting, cannot keep his audience until 10 o'clock or 11 o'clock at night to begin his speech. The Columbia broadcasting station offered time at 11 o'clock at night. The National Broadcasting Co. offered time at 10 o'clock at night.

I am probably the last person in this Congress to complain against either the Columbia or National Broadcasting Cos., because they have invariably been fair with me and have offered me time and given me time when I wanted to speak 15 minutes at their studios. All I am asking—and I am sure the Democrats will go along with me—is not that we have exactly the same time as the President of the United States, but that when men like Senator BORAH or other leaders of the Republican Party are going to speak at a great mass meeting, they have at least one of the Nation-wide hook-ups, or that they have at least part of one of those hook-ups. The National Broadcasting Co. has two networks—the blue and the red. The result is that Senator BORAH will speak in Brooklyn on the 28th over WOR, a local New York broadcasting station.

Mr. CONNERY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CONNERY. I noticed in this morning's paper an article where Governor Landon said that on the 29th of this month in Topeka, Kans., he is to speak on a Nation-wide hook-up.

Mr. FISH. The gentleman is correct; and I could add quite a number of others. I have been trying to be fair. I could give you a list of a number of other Republicans who have received 15 minutes to speak, but what I am interested in in this case is a national hook-up for half or three-quarters of an hour to carry Senator BORAH'S speech to every fireside in the country. I could go further and mention the National Radio Forum, sponsored by the Evening Star of Washington, a splendid paper, that has been going on for a number of years, but three out of every four speakers have been Democrats since March 4, 1933, and that is not either fair or proper for an alleged nonpartisan forum where both sides of issues are supposed to be presented. This forum has, in my opinion, become largely a sounding board for New Deal propaganda.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I hope the gentleman will not interject any partisanship into my remarks. [Laughter.]

Mr. BLANTON. Could they not say all they have to say in 15 minutes?

Mr. FISH. If you ask me, I could not say all I have to say about the New Deal in a couple of hours.

Mr. BLOOM. Will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. BLOOM. Is it not a fact that before either of the large broadcasting companies can give any time to anyone, such as time for the President's speech or Senator BORAH's speech, or anyone else, they must first get permission from the people to whom this time has been sold? In other words, if it is the Chase & Sanborn "dated coffee" hour at that time, they must first get permission from the person to whom that time is sold.

Mr. FISH. Now, the gentleman is asking me a question and not making a speech. I would say I do not know the procedure, but let us assume that the American Liberty League had the same time that the President wanted, I do not know what action they would take, but I think even in courtesy they would yield to the President, and I think likewise, they should yield to Senator BORAH or some other prominent spokesman for our party.

Mr. BLOOM. But the broadcasting company has no discretion in the matter at all.

Mr. FISH. Oh, they have plenty of discretion. They have a contract with every one of them that they can cancel themselves in an emergency, and the gentleman knows it.

Mr. BLOOM. Oh, I beg the gentleman's pardon. Nothing like it.

Mr. FISH. They have definite understandings, whether it is a contract in writing or not.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. Yes; I yield. Of course, I want to be corrected, if I am wrong.

Mr. O'CONNOR. When the President spoke, both stations had to get consent to cancel two programs.

Mr. FISH. That is right.

Mr. O'CONNOR. And at a great expense; and they could not have given that hour to the President unless those customers had agreed to cancel their programs.

Mr. FISH. I think the broadcasting companies have not only a certain amount of moral suasion in such matters but actual cancellation power if the broadcast is sufficiently important to the American people.

Now, let me proceed. I now approach another subject, with charity for all and malice toward none, because I believe in freedom of speech on both sides, even within my own party.

A prominent member of my own party, Dr. Nicholas Murray Butler, took occasion a few days ago to make an attack on the record of Senator BORAH in a letter and had it published in the New York newspapers. Now, I believe in his right to hold any views he wants to; but I do not believe in the right of anyone, whether he be Republican or Democrat, to misrepresent the views of any individual, to tell half truths, or to reach plausible deductions from false premises; and for this reason I am going to answer the statements made by Dr. Nicholas Murray Butler, merely to correct the record on facts that are easily ascertainable and show that Senator BORAH has not supported the unsound and unconstitutional New Deal measures and that any such implication is most unfair.

It is true Senator BORAH supported, I assume, the regulation of the stock exchange bill, the regulation of the security exchange bill, the social security bill, the Home Owners' Loan Corporation Act, the bank-deposit insurance bill, the Farm Loan Act, and other needed legislation of this type; but that does not make him "a hopeless reactionary" or a supporter of the New Deal or the Roosevelt administration any more than any other Republican, including myself, who voted for the same measures.

The statement issued by Nicholas Murray Butler in opposition to Senator BORAH is good for a million votes

throughout the country. Dr. Butler, who admits that Senator BORAH "is much the ablest and has by far the best understanding of the fundamental principles which are at stake of any Republican mentioned for the nomination for President", takes a violent exception to his candidacy on the ground that he is against the League of Nations, the World Court, and entangling alliances.

It is well for the American people to know that Dr. Butler is chairman of the board of the Carnegie Endowment for International Peace and as such he has been promoting for many years our entrance into the League of Nations either through the front door or the back door on every possible occasion and receives large sums for traveling expenses to Europe, where he has been visiting several times a year for the purpose of promoting our entrance into the League of Nations and the World Court and informing European statesmen that we are about to do so.

In spite of Dr. Butler's fulminations against Senator BORAH for opposing the World Court, in all fairness it is but right to point out that there were only eight Republican Senators who voted for our entrance into the World Court in the last session of Congress. At that time Dr. Butler stated that all Republicans who voted against it were "cowardly and ignorant."

Dr. Butler goes on further to denounce Senator BORAH because he opposed, along with practically every other Republican in the House and Senate, turning over power to the Secretary of State to write tariff schedules and to enter into reciprocal trade treaties. It is true that Senator BORAH voted against the reciprocal trade agreement bill and issued a statement opposed to the recent Canadian bargaining pact, which is detrimental to the interests of the farmers of the East and of the West.

In the next campaign three of the greatest issues that will be upheld by the Republican Party will be the preservation of constitutional and representative government, for which Senator BORAH has been the most outstanding spokesman in the country; opposition to entangling alliances and entrance into the League of Nations through the back door; and protection of American wage earners against the low standard of wages and living in foreign countries. On all these issues Senator BORAH has voted not only with the Republican Party but has been the leader in most of these fights.

As Al Smith often says, "Let's look at the record." In spite of inspired and prejudiced propaganda against Senator BORAH's nomination, emanating from big interests, which have no control over him, and repeated by Nicholas Murray Butler, to the effect that Senator BORAH has voted for most of the New Deal measures, the actual answer to that kind of propaganda is the record of his votes. Dr. Butler's attack on Senator BORAH for supporting the Roosevelt administration measures is laughable, as on numerous occasions on his return from European visits Dr. Butler has released to the press, on landing, the most glowing endorsements of President Franklin D. Roosevelt and his administration.

The actual record of Senator BORAH's votes shows that he voted "no" on the passage of the National Industrial Recovery Act, which has already been declared unconstitutional. He voted "no" on the Bankhead cotton-control bill, which will probably be held unconstitutional within a very short time. He voted "no" on the reciprocal trade agreement bill, which ought to be held unconstitutional, as it delegates the legislative powers of Congress to the President in violation of the Constitution. He voted "no" on the so-called Guffey coal bill, which likewise will probably be declared unconstitutional, and there was no record vote on the potato amendment, but he gave out a statement that he was opposed to it and has on file numerous letters in which he has answered his constituents who favored the bill that he was opposed to it on constitutional grounds.

A few more attacks such as that made by Nicholas Murray Butler on the record of Senator BORAH and his strong views against the League of Nations and entrance into ancient foreign blood feuds and boundary disputes will mean the nomination of Senator BORAH by the Republican Party on the first ballot and his overwhelming election.

While Dr. Butler was for the Versailles Treaty, Senator BORAH opposed it; while Dr. Butler was for cancellation of the war debts, Senator BORAH opposed it; while Dr. Butler has for all these years been trying to involve us in every kind of foreign commitment, war sanctions, and the League of Nations, Senator BORAH has opposed them all.

Dr. Butler called Senator BORAH a reactionary for being opposed to internationalism. No, Dr. Butler; it would have been fairer to have called him a great American and follower of the precepts of George Washington. Senator BORAH, it is true, is a "stand-patter" for American principles of government, the Constitution, and Americanism as opposed to internationalism. [Applause.]

I hope all Republicans in the House will pay attention, because it will be for their benefit later on to know what Senator BORAH's record is; and I ask the minority leader, in particular, if he will kindly pay attention. [Laughter.]

Mr. LAMBETH and Mr. BANKHEAD rose.

Mr. FISH. I yield first to the gentleman from North Carolina. I hope he does not want to ask an embarrassing question.

Mr. LAMBETH. My only purpose is to keep the record straight. The gentleman is talking about keeping the record straight.

I want to ask the gentleman, in view of the attacks that have been made by him and other members of his party upon the President and this administration for not carrying out to the letter the Democratic national platform of 1932, whether it is not a fact that the Republican platform of 1928 and the Republican platform of 1932 each declared for adherence to the World Court?

Mr. FISH. If the gentleman from North Carolina says so, I will take his word for it.

Mr. LAMBETH. I have the document right here in my hand.

Mr. FISH. I will take the gentleman's word for it, and it is a good point. It is true that only eight Republicans voted for it in the Senate. I do not blame them for changing their minds in view of the refusal of our former allies to even pay interest on the money we loaned them after the armistice.

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

Mr. FISH. Certainly.

Mr. BANKHEAD. Some of us are rather curious to know why the gentleman from New York in occupying the floor is so anxious to have the attention of the minority leader to this statement. [Laughter.]

Mr. FISH. Well, if the gentleman asks me that, I must say only to enlighten him on this subject; that is all. [Laughter.]

I wanted also in this discussion to answer the charges of Secretary Ickes against President Hoover for signing, as he alleged, three unconstitutional bills. I propose to put the facts in the RECORD, and it is very easy to present the facts, because the record speaks for itself. But the gentleman from North Carolina brought a somewhat political issue into my nonpartisan remarks.

Mr. LAMBETH. Oh, no; I was only keeping the record straight.

Mr. FISH. He wanted to keep the record straight, and so do I. Your national chairman, Mr. Farley, issued a statement a few days ago deploring mud slinging and saying that this was to be a very dirty campaign. I want to point out to Mr. Farley and the members of his party that the main critics of the New Deal administration have not been Republicans, but that the most vigorous and vituperative critics have been members of the Democratic Party. I refer to Governor Talmadge, of Georgia; to the late Senator Long, of Louisiana; to Governor Ely, of Massachusetts; to Governor Ritchie, of Maryland; and to Alfred E. Smith, of New York; to Senator Reed, of Missouri; to John W. Davis and Bainbridge Colby, of New York. They have gone much further than any Republican in criticizing the New Deal administration and have not minced words or pulled their punches.

I would further point out to my friend that a year or so ago, when any Republican raised his head and had even the

temerity like my friend, DEWEY SHORT, of Missouri, to criticize the administration, he was immediately denounced by Mr. Farley as a traitor, a witch burner, and a pirate. This was only a year ago. These are the words of Mr. Farley, who now predicts that this is going to be a mud-slinging campaign. So far as I am concerned, and I hope the Republican Party—we cannot control the members of the Democratic Party from expressing their sentiments—but I hope at least the members of the Republican Party will not indulge in any kind of mud-slinging campaign. [Laughter.] There is plenty to be said from our side against the unsound, un-American, unconstitutional, and socialistic New Deal measures, and I hope that from now on that all Republicans will not pussy-foot and indulge in shadow boxing, but will criticize and denounce without fear or favor the unsound and unconstitutional New Deal measures that have destroyed business confidence and prolonged the depression.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. FISH. So much for that.

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

Mr. FISH. Certainly; I yield to my leader.

Mr. SNELL. As long as my colleague is trying to give me information, I especially request that he include in his remarks the entire letter of Mr. Butler's from which he has quoted.

Mr. FISH. I shall be very glad to do so.

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

Mr. FISH. With pleasure.

Mr. MAY. The gentleman from New York has listed a few of the measures which Senator BORAH voted against, measures proposed by the New Deal. Can the gentleman tell the House how many out of the 16 measures that passed the last Congress were voted for by Senator BORAH?

Mr. FISH. Well, Senator BORAH voted for a lot of the good measures of the New Deal, and I am very glad he did. [Applause.] So did I. The Republicans would make a terrible mistake if they start this campaign [applause] condemning and indicting every New Deal measure. They would not get to first base if they went out and attacked the stock-exchange regulation bill, the securities-exchange regulation bill, the social-security bill, and the Home Owners' Loan Corporation bill, which, by the way, emanated originally from President Hoover. Those you claim as New Deal measures. Many Republicans voted for them, and we did it because it was meritorious legislation.

Mr. BANKHEAD. Why does the gentleman exclude the A. A. A. program?

Mr. FISH. Because Senator BORAH voted for it and I voted against it, and I do not want to disagree with my leader. [Laughter.]

Mr. BOILEAU. Will the gentleman yield?

Mr. FISH. The gentleman always asks me embarrassing questions.

Mr. BOILEAU. I should like to ask the gentleman whether he and Senator BORAH agree with reference to expansion of the currency?

Mr. FISH. That is the same question the gentleman asked me the other day.

Mr. BOILEAU. No; I asked the gentleman the question whether he and Senator BORAH agreed on it.

Mr. FISH. I will talk at length on the stabilization fund next week and answer the gentleman's question at that time.

Mr. Chairman, I must proceed. Secretary Ickes made the statement, which has been repeated a number of times, that President Hoover signed three unconstitutional measures which were passed under his administration. What are the facts? This is not the first time that a Democrat has made that charge. Secretary Ickes made it. Mr. Michaelson, head of your publicity bureau, has made it. Senator LEWIS made a similar statement. Mr. Charles West, former Member of the House, in two debates with me made the statement, and it has been passed out up and down the line by the Democrats that President Hoover signed unconstitutional measures.

What does the record disclose? Out of hundreds of bills that were passed under his administration and signed by him, not one single bill has been held unconstitutional. Yet Mr. Ickes refuses to recall his statement and apologize, as he should do in all fairness, because he made a misstatement of fact. Not one single bill signed by President Hoover has as yet been declared unconstitutional, and there have already been eight declared unconstitutional under this New Deal administration.

Mr. FORD of California. Will the gentleman yield?

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

Mr. FORD of California. Will the gentleman cite one of those bills which was for the general interest of the people of the United States and not for some particular interest in which that administration was interested?

Mr. FISH. If the gentleman and the other Democrats had not sabotaged the sound recommendations of Herbert Hoover after 1930, there would be confidence in the country today and we would know which way we were going.

Mr. BLANTON. Will the gentleman yield for one question?

Mr. FISH. I decline to yield.

Mr. BLANTON. Just one question. I will ask a genial question.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FISH. Mr. Chairman, I ask unanimous consent to insert in the RECORD the names of the three bills which it is claimed were passed under the Hoover administration and held unconstitutional. As a matter of fact, they were not under the Hoover administration at all. One of them was passed under the Wilson administration, one of them as far back as the Grant administration. Just to save time, I ask unanimous consent to insert the names of those three bills in the RECORD, in order to prevent any further distortion of the facts.

Mr. BANKHEAD. Just the names of the bills?

Mr. FISH. Yes; and the dates.

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

There was no objection.

The matter referred to is as follows:

Supreme Court decisions holding laws unconstitutional: No. 61, May 25, 1931, *Indian Motorcycle Co. v. United States* (283 U. S. 570); No. 62, March 21, 1932, *Heiner v. Donnan* (285 U. S. 312); No. 63, April 11, 1932, *Burnet v. Coronado Oil & Gas Co.* (285 U. S. 293).

Mr. FISH. Mr. Chairman, Secretary Ickes has up to date refused to withdraw his statement that President Hoover had signed unconstitutional measures during his administration.

It is only fair in these days when the Constitution is rapidly becoming the paramount issue of the national election to be held this year that the record be fairly presented, and, of course, it is a matter easily ascertainable.

The Democrats are floundering about in view of the increased number of New Deal measures being held unconstitutional by the Supreme Court and do not know in what direction to proceed; whether to come out and ask legislation permitting the Congress to control agriculture and industry through national economic planning, to do which it will be necessary to amend the Constitution, or to attack the Supreme Court by packing it or reducing its powers in other ways.

Pending that final decision it has become the unfortunate habit to make sweeping statements without any basis of fact that President Hoover's administration had passed and he had signed unconstitutional measures, and then when challenged by President Hoover himself, Secretary Ickes refused to retract or admit the record, which is undeniable, so that he who runs may read. [Applause.]

The following is a copy of a telegram sent to Hon. J. HAMILTON LEWIS, United States Senator from Illinois, by Hon. William D. Mitchell, Attorney General under the Hoover administration, from St. Paul, Minn., on Friday, August 30, 1935:

The CONGRESSIONAL RECORD of August 1 quotes you as saying under President Hoover three specific administration acts carrying

the policies of the Government were declared by the United States Supreme Court to be unconstitutional. This statement has been construed to mean that the invalid statutes were enacted during the Hoover administration. Senator ROBINSON so construed it in his radio address of August 22, and Charles Michaelson (publicity man for the Democratic National Committee) has issued a general press release that the Supreme Court has declared void three acts of Congress signed by President Hoover.

The three acts of Congress declared invalid during the Hoover administration were tax statutes passed in previous administrations, one being as far back as the Wilson administration. No act signed by President Hoover has ever been declared unconstitutional by the Supreme Court. On the contrary, he vetoed a deficiency bill because it contained an unconstitutional delegation of Executive authority to a congressional committee.

I am sure you intended to state merely that the three decisions referred to were rendered during the Hoover administration and not that the unconstitutional acts had been approved by him. Would you kindly confirm this publicly?

And I am also including a copy of telegram to Secretary Ickes from President Hoover at New York on January 10, 1936:

My attention has been called to an untruthful statement made by you at Rochester, N. Y., January 3. You said: "Under Mr. Hoover * * * Congress passed laws which were held unconstitutional."

Not one of several hundred acts of that period has been held unconstitutional. I never signed a law without bearing in mind the special obligation which rested upon the President to protect the Constitution.

The falsity of this statement, which originated with Mr. Michaelson and other New Deal sources, was promptly and publicly exposed by former Attorney General Mitchell on August 13 last. Its falsity has been repeatedly pointed out in the press. At a time like the present your action calls for an apology to the public.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Chairman, I desire to express my deep appreciation and profound gratitude to my distinguished colleague from the State of Washington [Mr. KNUTE HILL], who has so generously given up 10 minutes of his time in general debate in order that I might have a small pittance of the time I should like to have to discuss a subject in which the country is so vitally interested today, namely, old-age pensions. May I say at the outset that I shall not yield to anyone, because I have not the time.

There is on the majority leader's table a statement by the American Institute of Public Opinion—which might well be a subsidiary of the American Manufacturers Association, the Liberty League, or the Chamber of Commerce—that the American people are 9 to 1 for old-age pensions.

It is stated that the Townsend plan is sectional and confined to the West. That statement may be disproved in two ways: First, there is the steering committee selected from the 63 who signed the petition to bring the Townsend plan to a vote by my good friend the author of the bill embodying the Townsend plan, the gentleman from California [Mr. MCGROARTY].

M'GROARTY BILL, H. R. 7154, TOWNSEND PLAN STEERING COMMITTEE

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You will note not only is the West included but also the Middle West, the East, and the South; such States as New York, of which the gentleman from New York, Mr. MARCANTONIO, is the member on the steering committee for the Townsend plan; the State of Pennsylvania, of which the gentleman from Pennsylvania, Mr. MORITZ, is the member; the State of Florida, of which the gentleman from Florida, Mr. PETERSON, is the member, and the State of Tennessee,

of which the gentleman from Tennessee, Mr. TAYLOR, is the member. The Townsend plan is not sectional and non-political, as a glance at this committee will indicate.

Further in contradiction of the fact that the Townsend plan is merely sectional, I cite to you the following statement written by Dr. Irving Fisher, that renowned and erudite economist who does not believe that the Townsend plan is workable. He says in part:

DR. TOWNSEND'S PROSPECTS

(By Irving Fisher, professor emeritus of economics, Yale University)

Inconspicuous in the news of last week was the second slight rumbling of a great national menace, all the more serious because so seldom taken seriously.

The first slight rumbling was in Michigan a month ago, when a follower of Dr. Townsend won the nomination for Congressman in the Republican primary in Kalamazoo.

The second rumbling was in Alabama a few days ago, when a follower of Dr. Townsend based his candidacy for Congress, in part, on his support of the Townsend old-age-pension plan, "or one similar to it."

These straws show the political wind is blowing in the direction of Townsend. Other candidates will come out for Townsend if they think they can win thereby.

It is reported that Dr. Townsend claims 30,000,000 supporters. This is probably an exaggeration, but there can be no doubt that the true number is a huge one. It must run into the millions if not the tens of millions. Why such prodigious support?

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a letter and data sent to me by Dr. Fisher.

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

There was no objection.

Mr. MONAGHAN. Mr. Chairman, I read Dr. Fisher's letter.

NEW HAVEN, CONN., December 31, 1935.

Congressman JOSEPH P. MONAGHAN,

House Office Building, Washington, D. C.

DEAR CONGRESSMAN MONAGHAN: I have read with interest that you intend to vote for the Townsend plan, and am sending you enclosed an article on the subject. I hope the report is erroneous. Economically, the plan is, I think, certainly unsound. I believe that it would do the country very great harm indeed should Congress enact it.

As you are reported in favor of it, I should, however, be glad to have you tell me in what respect you believe that the arguments of my article are invalid and to learn your reasons for wanting to have the Townsend plan enacted.

I may add that when the plan collapses it cannot but hurt those who have favored it.

Very sincerely,

IRVING FISHER.

This great, renowned economist makes three misstatements of fact in his mimeographed sheet against the Townsend plan. He first says that Dr. Townsend, who happens to be seated in the gallery today, merely answers the opponents of the Townsend plan with a wave of the hand, stating that economists are theorists. In this connection, Professor Fisher also says:

DR. TOWNSEND'S MAGIC

Last week among the numerous newspaper references to the Townsend plan was a statement by Dr. Townsend that "the economists have no answer to our plan. They don't know whether it will work or not because it is new, but they haven't been able to convince me that it won't work. I have talked with a number of them, including Irving Fisher, of Yale, and all they can say is that the plan would create a scarcity of commodities and raise prices. The trouble with these men is that they are not economists; they are so only in theory. This is a practical thing."

In other words, Dr. Townsend has no support from economists and so concludes that economists are not economists except in theory. On this "practical thing" we should put our faith in a retired dentist, whom the economists "haven't been able to convince that it won't work."

Consult Congressman WERNER, of South Dakota, your colleague, and you will find that the learned and distinguished economist, Irving Fisher, errs with respect to the man whose plan he is attacking. Dr. Townsend is not a dentist. He is a physician of renown, whom Congressman WERNER, at a table in the House dining room, lauded most highly for outstanding, unselfish, and humanitarian work in riding through the Dakota blizzards bringing aid and succor to the sick and helpless. This heroic work places him so high above the level of paid economic advisers that they are not worthy "to touch the hem of his garment."

As a professor emeritus of Yale University, Dr. Fisher should be a master of English. Permit me to point out a grammatical error in his remarks. He says, to quote him exactly:

How can a national income of only \$50,000,000,000 per annum afford to spare about twenty billions for the old aged?

Redundancy is bad grammar. A dictionary states that "old" and "aged" are synonymous. Since either "old" or "aged" is superfluous, the double term probably is used disparagingly, in which event we should not give ear to his lack of respect for the aged. Otherwise he was ignorant, in which event his arguments are not worthy of our consideration. Again I cite a discrepancy of logic. How can an inanimate object be guilty of "affording to spare"? Again a superfluity of language, two superfluities in the same sentence.

I believe he was intoxicated by the exuberance of his own verbosity, which simply means that he was full of a lot of redundant statements, "full of sound and fury signifying nothing." That is why I asked that statements of this profound and outstanding economist be placed in the RECORD, that you may carefully weigh them yourselves.

I find not one valid refutation of the Townsend plan in Dr. Fisher's statement. On the contrary I find insinuations against the merit of the soldier bonus bill recently passed by this Congress by such an overwhelming majority. I find that the N. R. A., which was likewise equally passed by an overwhelming majority in the first session of the New Deal Congress, condemned by him as being fallacious in principle. I find that the A. A. A. he believes to be unsound and fallacious, perhaps because the Supreme Court, above the power of control of the people, declared it unconstitutional. But he says the Townsend plan, almost alone among the many panaceas which the great depression unearthed, merely naively represents economic fallacies. This, Mr. Chairman, is the statement on the Townsend plan of one of the outstanding economists of this country:

Economists are convinced already and hope they can convince Congress before the country is experimented on and nearly wrecked, as it would certainly be.

No economist sponsored the N. R. A., and many economists opposed it; but it was tried and failed. It retarded recovery.

The soldiers' bonus proposal, wrong as it is, has, or at any rate had, in the form presented by Congressman PATMAN, the merit of creating new purchasing power. The N. R. A. and A. A. A., though representing, fundamentally, wealth limitation or destruction, could put up plausible arguments, and the latter could even boast of some support among professional economists.

All of the monetary policies of the present administration, even the worst, namely, the silver purchases, had some modicum of economic justification.

Father Coughlin's monetary program has been very largely sound. Even Huey Long's vague proposals for sharing the wealth had a certain degree of soundness, so far as the inheritance of wealth is concerned.

But the Townsend plan, almost alone among the many panaceas which the great depression unearthed, merely and naively represents economic fallacies.

There never was a time when sound economic instruction was more sorely needed than now to combat such economic illiteracy.

This abuse of the mentality of the public, of the Congress, and of the President is his only answer to the Townsend plan. Note the mistakes in English, as well as the mistakes of fact with respect to Dr. Townsend, which I pointed out in his remarks and letter, and then say whether or not you believe this intellectual giant, who is so careless about his facts and English, is worthy to dictate the economic policies of our country. In his letter he states:

I think it is certainly unsound.

Analyze that language, "I think it is certainly unsound", a woeful contradiction in terms. A man cannot "think" a thing is "certainly unsound."

Dr. Fisher states:

No economist sponsored the technocracy mania. In that case, too, there was only one sponsor, but one who nearly captivated the whole country. That mania also did harm.

What harm, pray tell, Dr. Fisher?

It is amusing to hear the paid economists of Wall Street prate. Consider the Townsend plan with respect to the amount of the annuity, \$200 a month. Is such an amount

ridiculous in the extreme as we have been led to believe? By no means.

I have enumerated cost items, and I am going to talk facts and figures and not just make the carte blanche assertion that Dr. Fisher, because he does not know what he is writing about and about whom he is talking, is therefore wrong. I shall present facts and figures to you if I have sufficient time.

What amount can the average individual of America live upon?

Now, at the outset, I challenge any Member of the House to indicate what items which I have set forth alongside the amounts that have been stipulated he would want any member of his constituency to be denied. I have not set forth what I think should be the standard of living for the aged. I am setting the barest minimum of what they should get.

Now, here is that minimum: Rent, \$12; electricity, \$2.25—of course, the rates are too high—phone, \$2.50—it is also too high in rates—laundry, \$4. Some of you perhaps would have the aged woman do the washing herself. Newspapers, \$1.50; fuel, \$15; insurance, \$10. The aged people have spent a lifetime contributing to insurance and should not be expected to drop it either on their lives or homes. Food, \$30.

That is very small. My secretary, Miss Ford, informs me that she and her mother cannot live on less than \$50 a month as far as food is concerned. Clothes, \$10.

Carfare, \$4; drugs—that includes razor blades, tooth paste, shaving creams, and cosmetics, \$5; water rent, \$2.

That makes \$103.25.

The rent should be increased by \$12 to provide fairly decent living quarters for the aged American people. That would be \$24. Then food, \$50 at the minimum, and with the other enumerated increases would amount to \$135.25.

Now, there are other items that are not included in the general household expense. There is tobacco, and automobiles, which have come to be recognized in this day and civilization as a necessity, and a radio, which many aged people have not been able to buy.

Then there is \$5 for entertainment, so that they may entertain old-time friends or attend the theater. Then, outside of newspapers, I have included \$3 for magazines and books. Mr. Fisher says that these people are economic illiterates. Go to the American public and tell them that they are illiterates and many of you will not come back. [Laughter and applause.]

Yet, here is what Dr. Fisher evidently thinks of the public, millions of whom he says are for the plan as above stated:

One can easily understand why a large fraction of the 10,000,000 people over 60 years of age favor Congressmen who claim to favor a plan by which all over that age will be assured an income of \$200 a month.

But why should the probably still greater number of those not yet 60 years old favor a plan by which they must bear the cost in higher taxes?

The answer undoubtedly is to be found in the economic fallacy of "purchasing power."

Frank Vanderlip once said that this Nation is a nation of "economic illiterates." The popularity of the Townsend plan proves it. It is the best example, on a large scale, of an economic fallacy, unadulterated.

When I finished that and totaled it up, I found that I had \$175.25, and I again issue a challenge to any Congressman to state in what particular amount he would have reductions made. There is a balance of \$29.75. This would permit merely \$1.49 increase in the total of each item that I have enumerated. Since there were 20 items enumerated, the total would be \$200 a month. I ask unanimous consent to place in the RECORD at this point the enumerations.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

	Minimum standard	A slightly more decent standard
Rent.....	\$12.00	\$24.00
Telephone.....	2.50	2.50
Electricity.....	2.25	2.25
Laundry (\$1 per week).....	4.00	4.00

	Minimum standard	A slightly more decent standard
Newspapers.....	\$1.50	\$1.50
Fuel.....	15.00	15.00
Insurance.....	10.00	10.00
Food.....	30.00	50.00
Clothes.....	10.00	10.00
Doctor bills.....	5.00	5.00
Carfare.....	4.00	4.00
Drugs and cosmetics.....	5.00	5.00
Water.....	2.00	2.00
General household repairs, including replacement of outworn furniture and paints, wallpaper, etc.....		5.00
Upkeep of an automobile.....		5.00
Radio (which many aged do not own today), replacing outworn tubes and other accessories.....		2.00
Emergency travel, not pleasure trips, by any means, to southern California, but sickness, death and health trips.....		15.00
Entertainment, including occasional entertaining of old-time friends, shows, tobacco, cigars, cigarettes, candy. Whatever might appeal to a woman in the nature of entertainment.....		5.00
Just included newspapers for a family, no magazines or books.....		3.00
Total.....	103.25	170.25

Mr. MONAGHAN. Mr. Chairman, my strong advocacy of income, gift, and inheritance taxes is vindicated by the following statements in two reports that came out recently, one from the Government and one from Wall Street, showing a contrast which should be of interest to everyone concerned with national affairs, and I ask unanimous consent that this may be placed in the RECORD at this point in its entirety.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

The first report came out in December, and was made by the F. E. R. A. on the basis of an investigation conducted in Winston-Salem and Durham, N. C., and in Richmond, Va. It says: "This study shows the situation of the tobacco workers on relief in the Virginia and North Carolina regions. Nearly half of them were receiving relief at the same time that they were receiving wages.

"Most of them had been on relief for considerable periods—more than half for 3 months or more. Three-fourths of them came on relief in less than 8 weeks after the loss of jobs.

"The factor most significant in bringing tobacco workers on relief is underemployment. Workers in the families studied averaged only 91 days' work out of the normal work period of 200 days in the year. Low wages are also an important factor. Average annual earnings were \$144; only 12 percent of the single-worker households made as much as \$300.

"Perhaps the most striking fact disclosed was that the average weekly income from earnings of the 477 families in the 'sample' studied was \$3.02. For households containing only one wage earner the weekly average was \$2.35, and for households with two or more workers the average was \$4.97."

The other report, the one coming from Wall Street, gave the net earnings of the R. J. Reynolds Tobacco Co. This company, one of the "big four" group in the tobacco industry, has its factories in Winston-Salem, N. C.

In 1935 the net profits of this company amounted to \$23,896,398, or \$2,000,000 more than in 1934. This sum is nearly 50 percent greater than the entire wage bill of the entire cigarette and smoking-tobacco industry, as reported by the Census Bureau for 1933.

The R. J. Reynolds Tobacco Co. was formed in 1899 with a par value of outstanding stock of \$2,100,000. There is no record of subsequent addition of capital from the outside. Today's profits are, therefore, more than 1,000 percent on the original investment. Capitalization, of course, has been increased by reinvestment of profits and through the exploitation of the workers.

This contrast between wages, on the one hand, and profits, on the other, which is largely duplicated by the other member companies of the "big four" group in Durham and Richmond, is not the only contrast existing in the tobacco industry. Louisville, Ky., which is the center of the two leading competing independent companies, namely, Axton-Fisher Tobacco Co. and Brown & Williamson Tobacco Corporation, both of which conduct 100 percent union shops, showed one of the lowest relief records in the United States. Last July only 5.4 percent of total families in Louisville were on relief, compared with a load of 20 and 30 percent in many other cities throughout the country. The burden for the State of Kentucky as a whole was approximately 20 percent.

These contrasts are worth pondering because of the light they throw on monopolistic practices.

Little wonder that the "big four" strenuously oppose a reduction of the tax on 10-cent cigarettes, as proposed in several bills before the House. The "big four" do not manufacture 10-cent cigarettes, but the independent companies do. The tax on all cigarettes is 6 cents per package, whether they sell for 10 cents or 15 cents. This inequitable tax squeezes the independent companies, and the "big four" do not want it changed. Their im-

pregnable position in exploiting labor, and no less the farmers might be threatened if the small competing companies were given a chance.

Mr. MONAGHAN. Exploitation of the workers and this failure to pay these people adequate salaries that would give them a chance to provide for their old age is the answer to those who see no immediate need for old-age pensions. Derelict Representatives and Senators and derelict Presidents who have failed in the past to protect them is the answer to the *raison d'être* for that condition.

Let us be sensible about this Townsend plan. Why is it necessary to give these people an adequate pension today? Because they were not paid \$750 or \$800 a month. Aye, not even \$200, \$150, or in many cases \$100 a month. They were not paid \$200,000 a year, and were not able to provide themselves an annuity, as have the executives of industry, who no doubt have sponsored all this propaganda against the aged people of this country. Consider the argument about the great cost of such a plan. I have not nearly adequate time to answer the objections raised. Let us consider other costs—the cost of war alone, for example. It is all right to spend billions to destroy the youth of this country. Sure, they say, go ahead and destroy them. That is the theory of those men who would not protect the aged. If it would add one penny of profit, they would tomorrow plunge America into war. But, thank God, the good sense of the American public will not permit them to do so. If they put guns on the shoulders of soldiers again, they better beware where the firing is done. Let us spend some of those billions wasted in battleships and airplanes in the advancement of happiness for the aged people of this country. Let us spend some of the billions that have been wasted in futile works in W. P. A. in taking care of the aged people of this country. Then young men and women will find permanent employment. That is the answer to the question raised by Dr. Fisher about Peter Young and Paul Old, which you may read in his remarks.

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

Mr. MONAGHAN. In a moment. Peter Young has to remember that unless something is done about taking care of these aged people and taking them out of industry, these men who 6 years ago were about 14 years of age and who are now 20, will find themselves with nothing to do. Think of the number on the market today without an opportunity of employment. The answer to that, as Dr. Townsend so well stated yesterday in an address to the Optimist Club at the Mayflower Hotel, is an adequate old-age pension, and I ask unanimous consent to insert at this point what Dr. Townsend said.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to is as follows:

The machines are becoming idle because there are too few buyers. That presages a revolution of some sort. It is for us to decide what sort of revolution we want. It may be violent and bloody if we do not exercise judgment and tact and make immediate changes in our industrial and financial world.

An ever-lessening number of workers from the present onward into the future will be required to do the world's work.

Unless our thinking men and our lawmakers recognize this social phenomenon and make provision to meet its consequences by establishing a more abundant and equitable distribution of our easily created wealth, there will be speedily brought about one of two things, either a government ruled by the rich and powerful with the masses in virtual serfdom, or a violent revolution of the poverty-ridden masses with its unguessable results.

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

Mr. MONAGHAN. Will the gentleman grant me 5 minutes more?

Mr. WOODRUM. I am sorry, but all the time has been allocated. I can give the gentleman 1 minute.

Mr. MONAGHAN. I yield now to the gentleman from Massachusetts.

Mr. CONNERY. We made a present of \$22,000,000,000 to Europe, did we not?

Mr. MONAGHAN. Yes.

Mr. CONNERY. A kind of a Christmas present of \$22,000,000,000, and when a question comes up, even should it cost \$24,000,000,000 to try out this plan, what do we find? There was not any turmoil about the \$22,000,000,000 that we gave to Europe, but there is a lot of excitement about spending \$22,000,000,000 on the American people.

Mr. MONAGHAN. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

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

Mr. LEMKE. Mr. Chairman, I shall not discuss the political situation, because as a nonpartisan I have discovered that there is very little, if any, difference between the liberals on the Democratic side and the progressives on the Republican side. Their hopes and aspirations for the future of this Nation are virtually the same. I have also observed that there is very little difference between the conservatives on the Democratic side and the conservatives on the Republican side. They are both satisfied with things as they are; glad that they are not worse. I shall, however, discuss the agricultural situation as it exists today.

After having wandered around in the wilderness, led astray by Mr. Harriman, of the United States Chamber of Commerce, and a few inexperienced professors, we are back today where we were 3 years ago, at the beginning. There is absolutely nothing left of what we have done or had attempted to do for the farmers, because we got tangled up with the Supreme Court of the United States. The decision of the Supreme Court, whether it guessed rightly or wrongly, is still the supreme law of the land, so we are back at the beginning, and we must do something for agriculture. Every Member on either side of this House is free now to use his own judgment to do something for agriculture. Therefore we are back again to the original Farmers Union program, cost of production for that part which is consumed in America [applause] and the Frazier-Lemke refinance bill. [Applause.]

My friends, do not get the Frazier-Lemke refinance bill mixed up with the Frazier-Lemke moratorium. It is true the Supreme Court did make a mistake in its decision on the original moratorium bill, and we passed a second one, complying with all the mistakes of the Supreme Court, if you please, and that one will be held constitutional. But a moratorium means to stand still, and the American farmers are old enough. They will be 3 years older when that moratorium is over. The farmers do not want to stand still. They want to be refinanced, pay their creditors, and go ahead. Let us therefore do something intelligent, something that will benefit not only the American farmer but the American businessman. Let us refinance all existing farm indebtedness under the Frazier-Lemke refinance bill. That bill has now been before this Congress for over 5 years, and there never was a day within those 5 years, I am satisfied, but what that bill would have passed the House of Representatives by an overwhelming vote if we had been able to get a yea-and-nay vote, as your Chief Executive said that we could get in this House. Why can we not get it? May I say it is because of the obsolete system of rules and regulations of the House and the ancient and corroded patronage system. I say to you that we must discard those. We must become citizens of the United States—not Republicans or Democrats for the time being—and do that which is for the best interests of the American people.

The Frazier-Lemke refinance bill has nothing in it that is not constitutional. There is no constitutional question involved. It provides that the existing farm indebtedness shall be refinanced at 1½-percent interest and 1½-percent principal on the amortization plan by the Government of the United States of America, not by issuing more tax-exempt, coupon-clipping bonds for the international bankers, but by issuing \$3,000,000,000 of Federal Reserve notes. Oh, yes. Now I hear my banker friends say, "That is fiat money." Again may I say to you we have issued today over \$4,006,000,000 of Federal Reserve notes on

nothing except hot air, if you please—a bond—a debt of the Government of the United States. A bond is only hot air, a promissory note of the Government. We have given this \$4,006,000,000 to the international bankers for only seven-tenths of 1 cent per bill. It makes no difference whether that bill is a \$1 bill or a thousand-dollar bill. All the international bankers give for that money to your Uncle Sam is to put up a bond from which they clip the coupons and pay seven-tenths of 1 cent to get it printed, simply the cost of printing. Under the Frazier-Lemke re-finance bill the farmers of this Nation will pay 1½-percent interest each year and the Government of the United States in 47 years, the time required to amortize those loans, will make \$6,345,000,000 net profit. Do you see now why the international bankers and coupon clippers are opposed to that bill? There is no question why we have that opposition. But the Congress of the United States must give voice to the American people's mandate. We are going to a vote eventually, why not now? The sensible and reasonable thing to do is to give us a vote on that bill.

We have at the Speaker's desk Resolution 123, known as petition no. 7. That resolution provides that this bill be brought on this floor for 6 hours' general debate and then under the 5-minute rule for amendment. No Member, whether he is for the bill or against it, can stand here as a believer in the American form of government and deny us that right. They may refuse to sign, but they cannot but admit that our cause is just; that we have a right to have this bill brought onto the floor of the House and disposed of on its merits. We do not care whether you vote for or against it, but we have a right to bring it up here for 6 hours of debate, and then with the right of amendment, and have it disposed of by a yea-and-nay vote, so the world may know where we, as Members of Congress, stand on that legislation.

The Agriculture Committee in both the House and Senate reported this bill out for passage favorably. Thirty-two State legislatures, the Territory of Hawaii, and, in addition, the lower houses of New York, Pennsylvania, and Delaware have asked Congress to pass this bill. It has the militant support of the National Farmers' Union and of the National Union for Social Justice. It has the endorsement of many State and local farm bureau and grange organizations. It has the support of labor leaders and officers of the Veterans of Foreign Wars. It has the approval of over 90 percent of the people of this Nation as well as of every intelligent banker, business and professional man and woman.

The Farmers Union has been back of this bill since 1930, yet we have not been able to get a vote on it. Ninety-five percent of the farmers of this Nation demand that this bill be passed. Many of the small bankers of this Nation have passed resolutions asking that it be passed; and if any of you doubt it, you can come to my office, and I will show you letter after letter where these bankers say it is the salvation of agriculture and that the bill should be passed. Yet, for some strange reason, we cannot get a vote on it. What is the power behind the scenes that can prevent that bill coming to a vote? There is not a Member who has ever opposed this bill on this floor, because they know they cannot answer its logic. Yet we can beg in vain. We have tried every way possible, and we still are being blocked in getting a vote on this bill, when the Chief Executive has told us that every bill that has that backing ought to be disposed of on the floor of the House upon a yea-and-nay vote. I think the time has come when we must realize that we are just the hired men of the people of the United States, their Representatives.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. DUNN of Pennsylvania. How many farmers of the country would your bill affect if enacted into law?

Mr. LEMKE. It will save over 2,000,000 farm homes. The general impression is that the Federal land bank is meeting the situation. I talked last night to this group of farmers that Mr. Wallace brought here, and they tell me there are more foreclosures now than there were a year ago.

They tell me the Federal land bank has become even more strict and is tightening up the ropes.

Mr. DUNN of Pennsylvania. I am for the gentleman's bill.

Mr. LEMKE. I know the gentleman is.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. LEMKE. Now, the Federal land bank absolutely is not helping any farmer who really needs help, who is in real danger of losing his farm, and I am not criticizing them, because under the legislation we have passed they cannot do it. I will go even further and say that only about one-eighth of the farmers in distress can ever get help from the Federal land bank under the present bill. In my own district, of 64,000 applications where commitments were made, 38,000 were canceled because the commitment was not sufficient to meet the requirements. Were you a mortgagee would you want to cut your mortgage 25 percent below the actual value of the property? You would not.

Therefore, I beg each and every Member of the House who has not yet signed petition no. 7 to sign it. I appeal to your sense of fairness and justice. I appeal to you as a believer in representative government and a square deal. I appeal to you in the name of 30,000,000 men, women, and children who live on farms. I know you will not disappoint or fail us. [Applause.]

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I rise today to speak on the circulation of money or currency expansion, which is another way, a polite way, of talking about the Townsend plan. I did not want to say I was going to talk about the Townsend plan primarily, because it is obnoxious to some Members, so I shall talk instead about the circulation of money.

A short while ago I came across an old issue of the magazine called Real America, the issue being that for December 1933. In this magazine I was delighted with an article on money. I showed it to a gentleman whom I consider the foremost authority on money in this Congress, the gentleman from Nebraska [Mr. BINDERUP], and we read it together. I want to read you now a quotation from this article. It is as follows:

CIRCULATION OF MONEY

We have had demonstrated to us in the last year that control of the amount of money in the country or bank credit, whichever you want to call it, can no longer be trusted to Wall Street financiers or to bankers. These gentlemen were allowed to run things very much as they pleased from the passage of the National Banking Act in 1863 until they finally succeeded in busting nearly every bank in the United States on March 3, 1933. We are going to have some startling reforms in money and banking. Whether they will take the form of a new and thoroughly sterilized and fumigated gold standard, with rigid control over the export and import of gold, or whether the Government will adopt a "rubber" or "accordion" commodity dollar which will be changed every 30 or 60 days in value so as to keep prices and wages steady has not yet been determined.

But one thing is certain—we are not going back to the worship of the golden calf and to the rule of the magicians and witch doctors of Wall Street, who made money and credit into a kind of black magic, a mystery not only to the people they skinned but even a mystery to themselves. The reason why we are not going back to that condition is not that we are so much wiser or more moral than our fathers and grandfathers, but simply because conditions have so changed that the old hit-or-miss money system is impossible any longer. That system fitted the age of oxcarts and sailing ships fairly well, although it was not perfect even then.

It simply will not work today. Modern civilization can only be kept going by a continuous increase in the spending of money by all groups of society. The whole set-up of the old banking and money system was to encourage hoarding rather than spending. We have got to make money easier to get and create more and more inducement to spend it rather than save it or our whole business system will blow up. This may be good or bad, who knows?

But good or bad it is a condition, not a theory, and the reason we cannot go back to the old system of finance was well put by J. P. Morgan, Sr., father of the present "J. P.," when he said 25 years ago, "You can't unscramble eggs."

THE CIRCULATION OF MONEY

This, Mr. Chairman, was written by Harper Leech in an article in the *Real America*, December 1933, long before the Townsend plan was known. I do not know whether the Townsend plan, as it is set up in the McGroarty bill, is 100-percent perfect, but I do know that the spending theory is sound and is the only assurance we have of permanent recovery. Dr. Townsend has stated before the Ways and Means Committee that if the age of 60 is not practicable to start out with, he would be willing to start at the age of 75. He has told me personally the reason he has advocated \$200 per person per month is that no politician can come along and raise the "ante."

Just as sure as the human body cannot live without the circulation of blood, and vegetation cannot live without moisture, so society cannot function without the proper circulation of money. The scoffers and those that are shallow minded shout that if a certain sum of money will bring back prosperity why not magnify that sum fivefold and bring back a "boom." The circulation of money must exist and it must be adequate, but it should not be superfluous. No housewife would think of pouring a barrel of salt on the Sunday dinner roast. The circulation of money is to society what correct seasoning is to food.

I should like to ask you learned Members of Congress who scoff at everything that is new to consider this example: A card game is in progress and the sum of money that all the players have amounts to \$100. Each player has a different amount but the sum total equals \$100. By mutual consent they agree to throw 2 percent of each play in the common fund; this fund is not the rake-off for the benefit of the house, as was done heretofore, but it is to be used by the player who gets "broke."

Suppose this fund should at one time equal \$20. Then the sum total that the other players have is only \$80. But as long as they all have money the game continues. The harm is done when one player succeeds in getting all the chips, to the detriment of the other players, just as in the case of J. P. Morgan.

I should like also to call to the attention of the learned and superior-complex Members of Congress that the college professors and economists of Columbus' day scoffed at Columbus and predicted that the world was flat. If Columbus had paid attention to these so-called learned men, we would not now be associating the discovery of America with the name of Columbus.

I should like also to call your attention to the fact that every man that possessed an original idea had to be content to "suffer the scorns of outrageous fortune" before they were hailed as heroes. Note the example of the inventions of the steamship, the telegraph, the telephone, the airplane, and radio—things now we look upon as commonplace.

I should like to call your attention to the years it took to get the Patman soldiers' bonus bill in the present status. The vote yesterday was 218 to 100 to discharge the Committee on Ways and Means on the Patman bonus bill. What would have been the result 7 years ago?

Is there anybody who would contend that the money put in circulation at present by the \$5,000,000,000 appropriated by Congress is not responsible for the betterment of the present conditions? Is there anyone who would contend that the \$5,000,000 put out by General Motors as a Christmas gift was not responsible for the big Christmas boom in Detroit, Flint, and Lansing, Mich.? Would anybody contend that when the soldiers are paid their bonus that prosperity will not be given another boost?

These appropriations, Mr. Chairman, are merely shots in the arm, and yet they have a temporary prosperity effect. What, then, is obnoxious or repugnant in a permanent recovery plan—a depressionless United States? It is easy for you who are making a comfortable salary to scoff at an original idea, but if you should unfortunately be plunged into the despair of no earning capacity because of a depression, your minds would change; your points of view would slightly color.

Your duty, then, is to unite under a committee of the whole and to work out this idea. If you do not like the

transaction tax, cooperate with Dr. Townsend and show him how he could obtain the funds from the strictly luxury commodities tax, from stock-exchange transactions tax, and from tax on gross returns of corporations and from huge estates of over a billion dollars, and from the revenue of absentee landlords who live outside of the United States or who live outside of the community from whence they draw their wealth.

In conclusion I wish to read you a communication from Father Cox, who lead an army of 25,000 jobless men to Washington in 1932 and who proposed then to appropriate \$5,000,000,000 for public works, and was scoffed and scorned at, just as Dr. Townsend is today. And yet it is a fact that this Congress has appropriated that sum. It is this same Father Cox who relates, when he interviewed President Hoover on that march, President Hoover remarked, "They were doing too much then for the unemployed."

To the Members of the House of Representatives of the United States:

HONORABLE GENTLEMEN: The world has come to the end of an era. The industrial age has revolutionized the condition of mankind. We can produce easily more than man can use for his present necessities according to the economic set-up in vogue.

We will always have 12,000,000 unemployed in the United States of America. They cannot be annihilated or neglected.

We have laws protecting and caring for the birds of the air, the beasts of the field, and the lilies of the valley. We must have a fundamental solid method of caring for these 12,000,000 people. Eight million are men and women over 60 years of age. We cannot care for them by the methods of an era that is passed. The old tools and the oil and gasoline that made the economic motors spin up to 1929 can no longer perform the task.

The profits from machines are greater than from the labor of men and women and children. These profits must be so distributed as to care for those whose places have been taken by mechanical devices.

If a war should come tomorrow involving America, \$40,000,000,000 could immediately be appropriated to carry it on. We feel that a rearrangement of the profit system in America that will reach out and care for these 8,000,000 old people over 60 years of age and these 4,000,000 unemployables not yet 60 should be the care of our democratic form of government.

The only liberal, up-to-date, feasible plan that has been proposed to care for the victims of the economic order, that has been permanently put out of joint by changing conditions, is the Townsend old-age revolving pension plan.

The \$200 a month would be spent in much the same way as the inhabitants of Coxtown, who were paid in Coxtown currency, which entitled them to furniture, clothing, and food, which was in the commissary at headquarters.

The commissary, according to my idea, would be the combined products of mill, mine, and farm, which should not be destroyed while people are starving.

The Government, in order to prevent production for necessities, has paid for nonproduction because the people had no money to buy the things they needed which are so bountifully provided by the Almighty.

We present this petition in the name of thousands upon thousands of young and old, of both sexes, of every race, color, and religion, from western Pennsylvania, Ohio, and West Virginia, who have written me asking me to present to the President of the United States, the Senate, and the House their attitude with regard to the Townsend old-age revolving plan.

Unless something is done—and speedily—the people cannot much longer have patience with the slow functioning of age-worn constitutions and laws that do not meet present-day requirements.

A speedy, radical change is imminent in our system of government unless the people, who are the Government, are satisfied.

The Government alone, according to the Constitution of the United States, has the power to print and issue money. There must be enough in circulation to make it an effective medium of exchange. We need money. The Government can and should give it. What is money? Who can explain it?

Respectfully submitted.

REV. JAMES COX.

MR. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

THE DESTRUCTIVENESS OF WASTE AND EXCESS OVERHEAD BURDEN

MR. CRAWFORD. Mr. Chairman, information comes to me from the Department of Agriculture that about 14.5 percent of the gross income of farmers operating mortgaged farms is required for the purpose of paying interest charges alone. If we add to this the running tax charges and, on those farms which are operated by sharecroppers and tenants, the amount of rent they must pay for the use of the land, we immediately see a great proportion of the gross income is dissipated before the farmer thus burdened can go into the consumers' goods market and acquire prod-

ucts turned out by what might be termed "industrialized specialized producers."

Yesterday afternoon we had the privilege of listening to the wise words of the gentleman from Texas, whom we all love. Running true to form, he told us some things which were good for our political souls and made some suggestions which, if carried out, might be very conducive to a higher level of spiritual life. He was dealing in a general way with factors which have to do with imports, exports, home production and consumption, and trading ability and buying power. When it comes to horse trading, he is no novice. And when a man with this rare ability adds a great understanding of national and international law and an outstanding legislative and political record and then speaks, we can well afford to weigh carefully his words; and when I say "we", I refer specifically to the new Members of this body, into which class I must fall.

In business or in active politics; at home or away; in the continental United States or abroad in other lands; walking, traveling overland, on train, or in the air—there constantly hovers about me a realization of the presence of an utterly unbearable overhead burden in the form of unreasonable interest charges, high taxes, excess commissions, depreciation, obsolescence, uneconomical planning and execution, transportation charges which cannot be justified, and numerous other ruthless charges applied which the producer cannot bear. It is waste, extravagance, exploitation against the primary producer on every hand, until the whole scene becomes sickening. Any intelligent man or woman knows the 1935 industrial, economic, and political machine cannot perpetuate itself unless the masses have buying power.

FOREIGN NATIONS PROFIT BY OUR WASTE

Foreign countries are taking note of this great overhead burden which rides the air and strangles the primary producers of this Nation. Other countries realizing our helplessness in the situation are industrializing against our waste and staggering excess burden and are now invading our markets in a most deadly manner. At the same time their profits are unbelievably high and effective wages have increased as much as 60 percent, and still they can undersell our processors as much as from 25 to 75 percent. Excess overhead burdens are rampant in our daily personal lives, in our homes, in our shops, banks, on our transportation lines, in our politics, and in every activity and walk of life. Anyone who cares to take a stopwatch, a pad and pencil, and go out and make observation can find so much proof in support of these statements that before he has spent 72 hours at the job he will become sickened with the heathenish waste which pervades and permeates our every thought and step in life.

Between what the primary producer receives for his labor and what the specialized producer-consumer can pay for what he consumes there is a margin. At the top there is a price beyond which the specialized producer-consumer cannot go. From this top price there is first deducted the cost of this excess overhead burden to which I refer. After this deduction is made, which, of course, includes the profit of the processor and the cost of the exchange machine, the primary producer receives the balance, or what is left. As usual, the deducts get most all there is, and the farmer particularly is left without purchasing power.

No nation of wastrels can stand up against one which operates with an economic sense of balance in its national and international activities. Heathenish practices are not restricted to the spiritual world. If cleanliness is next to godliness in the world of spiritual and physical action, then through economical living must be found that cornerstone on which rests a social life which eliminates crime and promotes cleanliness and godliness. No individual and no nation can justify waste. It is a mark of savagery in its most destructive form. Observation of wildlife in its natural state convinces us such life does not waste its resources either before or after capture. No man and no nation can fairly claim a high degree of civilization if he or it is a wastrel. Nowhere in the realm of civilized man is there a proper niche for the factor of waste. It is unethical; it approaches the

immoral even if it be unmoral; it is a violation of trusteeship; it is wrong. The administrative officers of a small or large unit of government are unfaithful if they practice waste. The head of an organized business ceases to be a real leader of men and workers when his administrative policies smile upon and encourage waste. In doing so he robs the capital structure of his organization and violates his trusteeship. He helps to break down the social structure of organized society, because through setting the example of waste others follow his example and general collapse is the ultimate result. Waste is a malignant growth, highly destructive, whether it operates in the spiritual, physical, material, or economic world. No nation and no individual should condone it and every intelligent man and woman should oppose it in philosophy and in practice. It is bad for every citizen. It is good for no one.

Dr. Will Durant, noted writer on philosophical subjects, speaking at a town hall audience last Sunday evening, made the observation that four basic problems confront the American people, three of them being the decay of our moral life, our economic system, and the political system. With him millions of our people will agree without argument to the contrary. The press reports his suggested panacea in part as the economic problem could be solved if the able minority in power could learn to discipline itself sufficiently to permit such a distribution of wealth as would keep the purchasing power on a level with production capacity. As one member of the minority I desire to go on record as agreeing with Dr. Durant in this statement. To me it is very fundamental to the economic welfare of our people, to the protection and maintenance of our so-called capitalistic system, to the preservation of our present Constitution and our form of government generally.

In line with the thought expressed by Dr. Durant and with an eye to reinstating the buying power of the primary producers of this land, the elimination of waste, and the decrease of overhead burden which is now utterly impossible for the mass of our people to bear and make progress under, I yesterday introduced a bill—H. R. 10195—which I trust will give some food for thought in the solution of definite problems the Congress and our people are struggling with today.

Mr. Chairman, at this point I ask unanimous consent to extend my remarks in the RECORD on this subject, and to include a copy of the bill which covers two pages.

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

There was no objection.

Mr. CRAWFORD. Mr. Chairman, the editorial challenge to the Congress appearing under date of January 12, 1936, in the Washington Herald, and doubtless all other Hearst papers, should be given attention. It calls emphatically for definite and firm congressional action, and it would seem that the American people would stand almost unanimously with the Congress on a policy of such action. In part, it reads as follows:

Fortunately the Supreme Court is not composed of small, timid souls as Congress is.

The Supreme Court has a duty to perform under the Constitution and has the courage and ability to perform it.

It is not a collection of white rabbits like the Congress, timidly blinking their pink eyes and tremblingly scurrying off to their burrows at the sound of the Presidential voice.

The Congress has not enough courage to maintain American traditions and sustain American institutions.

The Supreme Court has the courage. It is serving the American people.

It is saving the Nation. * * *

The preparation and submission of a bill to the Congress, if such a bill is of far-reaching importance, is of vital interest to the public, legislators, and many others.

The delays and changes, the support and opposition by groups and individuals prior to its formal and public consideration may be of vital importance and may or may not be in furtherance of truly democratic government.

The bill is given here following; and thereafter a brief explanation of its provisions, necessity, justice, and effects.

A bill to provide revenue, and for the general welfare of the United States; to establish an economic balance in the relations between the people, ownership, and the Government; to reestablish the priority rights of the people to their production; to remove certain economic barriers which tend to restrict trade and commerce; to restore and increase production, trade, and employment, and increase the enjoyment of the benefits flowing therefrom; and to provide for the proper administration of this act, and for other purposes.

Be it enacted, etc., That this act may be cited as the "Ownership Act of 1936." The provisions of this act shall apply on the 1st day of the first calendar month following the passage of this act and succeeding taxable months and years.

SEC. 2. A tax is hereby imposed at the rate of 5 percent per annum on the value of all ownership and/or possession of lands, waters and their contents, ships and boats, bridges, tunnels, roads, means of transportation and communication, mines, wells, goods, chattels, bonds, stocks, shares, mortgages, contracts, notes, promises to pay or accomplish, agreements in writing or verbal, vested patent and/or leasehold rights, goodwill, buildings, equipment and furnishings, and all other ownership, personal and real, and including moneys, domestic and foreign, and all the ownership of other things of value used and of use in shelter and the general enjoyment and maintenance of life, comfort, and safety, and all the ownership used and of use in production, mining, manufacturing, service, commerce and trade, both foreign and domestic, wherever located or transacted within the boundaries of the United States or of its Territories, colonies, or possessions, by whomsoever owned and/or possessed, whether such owner and/or possessor shall or shall not be resident in or a citizen of the United States or its Territories, colonies, or possessions, to be paid to the United States Treasury: *Provided, however,* That this taxation shall not be in force as against and shall not apply to owned and/or possessed goods or properties and contracts or other values and rights as afore and hereafter said and described in general terms and is intended to be inclusive of all ownership and/or possession of all types and classes of any value whatsoever:

(A) If such ownership and/or possession together and concurrently be actually in the exclusive current and continuing enjoyment, service, and/or reasonable use of—

(1) (a) A natural person having residence and citizenship in the United States or of its Territories, colonies, or possessions, and subject solely to the laws thereof; or

(b) A natural person as said and described in (1) (a) above, who from reasonable conditions and circumstances, either wholly or partially is dependent upon such owner and possessor for shelter, support, and/or gratuity of the given and accepted amount, kind, or class, reasonably in that condition, and not for the means and purposes of evading, lessening, or changing the force and effect of this tax imposed:

(B) If such ownership and/or possession be used solely and exclusively by a person or persons, natural, corporate, or a firm or organization of lawful designation, not of necessity completely as to amount or time, but reasonably, in the mining of metal, coal, salts, or kindred products, or in the production of oil, gas, or water from wells or other sources, stone from quarries, or in the production, generation, distribution, and sale of power, or in manufacture, trade, service, commerce, transportation, or exchange, or for other purposes, by and under the direction of the legal owners and/or possessors and/or legally constituted and designated managers, directors, and/or trustees;

(1) Under the condition that such owners, possessors, and/or legally constituted and designated managers, directors, and/or trustees shall legally hold and possess written authorization as duly and properly issued by a legally constituted or chartered community, city, State, or Federal authority, certification evidencing and in evidence of the public convenience and/or necessity of such activity and functioning in manufacture, trade, service, commerce, or exchange, or other activities, to be or being transacted at such time and place by the owners and/or possessors, managers, directors, and/or trustees; or

(C) If ownership and/or possession be in such form and condition that the possession or use must be and naturally and reasonably is partial, not for the means and purposes of evading, lessening, or changing the force and effect of this tax imposed, then the proportionate extent of exclusive use is the measure and proportion of exemption from the provisions of this taxation hereby imposed, and the share and proportion not exclusively used by such owner and/or possessor shall be subject to the taxation provisions of this act; or

(D) If a specific ownership and/or possession, by the contract of its separate possession, and in fact, shall not operate to return to its owner and/or possessor as an effect of such ownership and/or possession any sum or benefit beyond and in addition to the reasonable and/or actual depreciation, maintenance, repairs, taxation, insurance, and/or other reasonable costs and charges to which the specific ownership and/or possession is reasonably and/or actually subject and/or liable only during such separate possession.

SEC. 3. A true return shall be prepared, signed, and forwarded by the taxpayer or his duly accredited or authorized agent to the Treasury Department of the United States, before midnight of the 5th day of the month, listing, together with its value, the ownership subject to this taxation as of the last day of the preceding month not a Sunday or a legal holiday nationally recognized in the United States, including therewith the sum of one-twelfth of 5 percent per annum tax hereby imposed, in lieu of which payment at said time collection shall be made by the Department of the Treasury in the manner of other delinquent taxes and sums due

the United States: *Provided, however,* That if, as of the date of the return, the liability under the terms of this bill has not existed for the entire calendar month, there shall be included therewith, in lieu of the sum of one-twelfth of 5 percent per annum, one three-hundred and sixty-fifth of 5 percent per annum for each day on which liability to this taxation did in fact exist.

SEC. 4. The undeclared ownership and/or possession of specie or of any recognized medium of exchange of the United States or of any foreign nation held in an uncommon, unusual, or evidently hidden and secret manner, which has or may have the result and effect of evasion of the provisions of this bill, shall subject such owner and/or possessor to any or all of the penalties provided in and by the so-called gold-hoarding provisions of Treasury Order No. — and/or any other provisions of law applicable.

SEC. 5. Ownership and/or possession, as contemplated by this act, shall not be removed from or maintained outside the jurisdiction of the United States, its Territories, possessions, and colonies, unreasonably in amount, time, or place for the purpose, means, and intent of avoidance of the terms and provisions of this bill; and for the purposes of this act such removal and/or maintenance is a defrauding of the United States and/or a conspiracy against the United States; and upon proof and conviction, in addition to such other penalties as the court may impose, may operate to remove all or such specific exemptions from this general taxation of ownership and/or possession as the court may direct for a period of not more than 5 years.

SEC. 6. The Department of the Treasury of the United States is authorized to collect this tax and to expend from unencumbered funds the amounts necessary for the collection of these taxes, and to prosecute in the United States or other courts claims arising under this enactment.

AN EXPLANATION OF THE OWNERSHIP ACT OF 1936

People, individually or as a group, may be presumed to be able to protect themselves. When it is considered that fleetness of foot, or the ability to promptly change locale, is actually a protective factor of immense importance, this defensive power of people as regards their personal safety is seen as quite impressive, although not necessarily heroic.

Property ownership, and wealth in general, may or may not have this natural defense of mobility; and the common defense to which people may agree as to their persons cannot be extended to property ownership with equal ease or justice.

The common protection of life also is naturally of individual concern and fairly equal benefit—each individual possessing an equal share. But the common defense of property or ownership, especially if unequally divided, where many of the common defenders may actually have less than nothing to defend—or be in debt—and where others may have much greater ownership than they could possibly defend, and which in fact they may never have seen, must lead to a situation and condition where many contribute their defense, even at the risk of their lives, to the benefit of such property ownership but receive absolutely nothing in return for this service; while for an exactly equal contribution toward this essential and actual ever-present common defense another individual is receiving a vast amount of this valuable protection essential to the privilege and continuance of private ownership.

It may be surprising that ownership actually has obligations; and this one of defense is one of the greatest. That an army or a navy should be considered as the largest and most important part of a national defensive force, even when that force is expanded to its utmost in time of war, is an important error.

The correction of this inequality of contribution and receipt of benefits is well within the powers and responsibilities of the Congress, should its correction become advisable, and it should be apparent that now it has become desperately advisable; and the mechanics of this equalizing are a part of this bill.

That it is actually of vital importance is plain historically. The establishment of the present form of government following the American Revolution was made possible by the fact that the Armies of this country were composed of men defending their own farms and homes. The rather feeble and quite abstract government was not a part of the daily lives of the general population—whether they would have a king, in their own right, they did not know—and they were not defending any abstract governmental theories or policies but, in a very natural, historic, and time-tested manner, individually and collectively, with their lives, they were defending their own property, as people always have done; and if the overwhelmingly vast proportion had not then owned their

homes and farms there would have been no war—or at least no successful war—and there would not now, probably, be a United States.

The fact that the population today, both rural and urban, lacks this individual ownership is of monumental and immediate importance, vital to national safety. The rented or mortgaged farm or house, or even the high-priced apartment, do not and cannot supply the necessary impetus to justify their protection at risk of life; and this plain and definite fact constitutes and is an immediate and present threat to domestic tranquillity and to the continuation of an independent form of government.

The placing of a Federal tax assessment upon all ownership as a definite, justified, and firm step toward the correction of this dangerous condition is not subject to reasonable criticism. It may well be called "national defense." As a permanent measure, the adoption of a firm policy to prevent the recurrence of the present condition is an evident constitutional responsibility of the Congress and involves no transgression of any personal right of any citizen. This action is the first part of this bill.

The second step of this bill completely exempts from this tax the ownership—by the individual and his natural or actual dependents—of his home, his farm, his furniture, even his private golf course, or his private polo field. This is certainly a broad exemption.

The third step exempts all ownership used in business holding a certificate of public convenience and necessity issued by a city, State, or the Federal Government. The Constitution certainly did not confer upon its citizens complete irresponsibility as one of its many blessings; and it did not confer it upon business, or business activities, or property of any nature, or upon the Congress itself, or upon any branch of the Government. The people are responsible to each other, to their communities and to their States, and to the Federal Government; Congress itself is responsible to the people; and ownership and business which demands or feels the need of complete irresponsibility certainly is not entitled to their free protection. The 5 percent a year tax is not confiscatory and it is not punitive.

It should be apparent that the economic and commercial factors and elements upon which people depend for their economic welfare should in justice be responsible to the people.

The next step is section c, which gives complete exemption to partial ownership and use in that proportion.

Section d, the next step, in fact, gives wide exemptions from this taxation to ownership which does not receive a net return.

Although this subject of a return to ownership has been given remarkably little specific attention in history and economics, apparently being considered a natural, necessary, and not particularly undesirable condition incident to and a part of private ownership, a close study brought to light many rather astonishing facts and conditions of terrific economic and governmental import. Among them those factors suddenly stand out in bold relief for the purposes of this bill.

Under no conditions does a return actually accrue to the ownership which the owner himself uses, even the investment in his own business by the businessman. It has been an exclusive privilege of a type of absentee ownership. With an admittedly rough but brief classification of rich and poor it has been and is a privilege only of the rich, which the poor have not and could not possibly have, because they use all they own and probably more of necessity, and it is not actually a possibility even to the comparatively prosperous.

The farmer resident upon a \$10,000 farm or a \$20,000 farm, for example, receives no income from that ownership; yet even at the low rate of 6 percent a \$5,000 mortgage would return to its ownership \$300 per year, which might exceed the entire earnings of the farmer during that period.

The businessman, the craftsman, the farmer, the artist, the artisan, the professional man all stand actually in very similar relations. The agriculturist farms his acres; the

businessman farms his business; the professional man his knowledge and skill; the craftsman, the artist, the same. The income and reward of each ceases when their personal efforts cease; and no income whatever accrues to any of them from their respective ownerships.

The farmer's farm, the urban dweller's home or tools, the businessman's \$10,000 investment in his buildings, equipment, and stocks; the professional man's \$20,000 or more invested in education, highly specialized training, books, equipment, and place of business; and even city, State, and governmental ownership of buildings or battleships return no income to ownership and do not lead to the receipt of any unearned income whatsoever; and these respective ownerships have in fact no privileges whatever over the ownership of the farm in that respect.

No ownership should have rights superior to the basic ownership of the farm. Economically it is suicidal in its eventual effects; and it is continually unjust in every instance at all times, although the injustice has been and is deeply hidden to a remarkable degree; and the results not only almost impossible to trace to their real source, but apparently traceable to some other source. Briefly, an income to ownership in the economy of a nation leads directly to destruction of internal markets, centralized ownership, unemployment, general bankruptcy, a break-down of the monetary system, and eventual dissolution of the governmental structure, and, of course, the loss of all ownership of every nature so far as the protection by government guarantees the ownership.

As an illustration of how deeply hidden: Consider the United States as a new country; no large fortunes, and even those fortunes receiving actually no income as a result of ownership; the people generally self-supporting; and a popular fear of indebtedness and mortgages—which has only disappeared quite recently—and the businessmen owning their own buildings, stocks, and equipment. In such a group there was practically no return to ownership.

The Constitution was written specifically eliminating every rank or condition or possibility, almost, which might then or in the future lead to irresponsible power; safeguarding to everyone their ownership—which was the benefit of their production in general—in every manner they could imagine.

After the new Nation was organized, in actual practice the Constitution worked. There was a testing period of substantial time; and then arrived the natural complications of foreign trade, some mechanization, trade, money and coinage, and foreign imports, taxation—and after the testing period and after the approval of the machinery of government, and after these other complications arrived to hide its results, this income to ownership began its operations, and not until then.

Moreover, it appeared absolutely just in every particular. There was an existing legal structure in the English common law, largely unquestioned, handed down from the ancient Romans. It was one of the immovable things which courts could safely tie to and forget; and it apparently was only reasonable that if one man rented another man's extra house—or extra money—that the owner should receive a reward for his industry, thrift, and foresightedness in having the house or the money available. Certainly the two parties, in conference and agreement and without undue pressure, would arrive at a satisfactory agreement, and the law of supply and demand would operate to insure justice in general from such transactions.

Every part of the workings of an absolutely firm economic law—that there must be no return to ownership—was hidden as deeply as that.

The difficulty of finding the error should be apparent; but an important fact is this: Those people had left a social system where the error was present, and the benefit of their productivity went to someone else—apparently justly, true; but they left that situation, even if it was justice; and left their friends and relations and safety and came to the new country, where their productivity was to

their own benefit. The present population of the United States would quickly migrate in large numbers to that original condition, if that were possible.

In fact, those early Americans left a place where the economic error was present, where ownership was taking the benefit of their production, and came to a place where the economic error was not present and their production, little as it might be or as much as it might be, under the new conditions would belong to them; and they never left the new condition to return to the older country, where the economic law was being broken. Actually the conditions in the new country were just to them and unjust in the old country. They were productive people, and those conditions were unjust to productive people, as they are now.

They were not seeking a location where their ownership would give them an unearned income. They were seeking a place where their efforts and industry and enterprise would give them an earned income; and they found it in the new country. This bill returns that honest condition which has been lost. Honest people and an honest nation should welcome such a change.

There is no unearned income. The common use of the term indicates a condition where the one who actually earns does not receive the benefit of his effort and enterprise, but, instead, the benefit is received by someone who had no part in its earning.

Passing lightly over such a condition as involving a property right, therefore to be enforced by government and consented to, is governmentally unwise, at least. If such income is not a property right, what then? This conclusion cannot be escaped: that if unearned income is not a property right, then Government—the Congress—might be accused of being at least an accessory to a very unsavory performance.

Present laws quite completely protect those who have from the depredations of those who have not. Briefly, the present legal structure justly protects the rich from having their accumulations taken from them by the poor.

This bill accomplishes a duty which should not be necessary in a civilized country; it protects those who have not from those who have. It protects the poor from the rich; it protects productive people from the depredations of a type of ownership which has wrongfully and unjustly claimed and received the benefits of their production and enterprise and has impoverished productive people and bankrupted and ruined able and enterprising businessmen.

In brief explanation of the claimed purpose of this bill to remove economic barriers, restore production, distribution, and employment.

Business is, of course, primarily the exchanging of people's production. Capital charges are not a normal or necessary part of the overhead of a businessman in his owned business, with his own equipment and buildings and financing himself. There is under such a condition no return to ownership.

In a group of productive people owning their own homes and farms and businesses there is no return to ownership, and their production belongs to them, to consume or trade as they see fit. Despite their productive capacity, if they must pay to ownership—only the ownership of this surplus over use type of ownership—they themselves are impoverished to a greater or lesser degree and destroyed as buyers and consumers to a remarkable extent.

Ownership does not consume, it does not use, and it is entirely dependent upon who receives this unearned income as to whether and how completely it is to be expended for shoes or groceries or whether it is to disappear entirely from circulation and become available only for investment or loan. The percentage of this unearned income disappearing from circulation in this fashion is, of course, vastly greater than in the case of earned income; and with centralization of ownership and many other conditions which have arisen and increased governmental, individual, and commercial indebtedness, that factor is largely responsible for freezing the economic system.

Increasing the capital charges of business, to be passed on to the producer in lower wages and the consumer in higher

prices, further blocks and decreases trade; and the combination naturally forces the unfortunate businessman to borrow from the bank, or some other source, on such terms as he can. With not enough business to pay the interest on his present loans, or reduce his present indebtedness, or pay his taxes, his position may be understood as somewhat difficult.

Removing from ownership—solely, of course, this surplus over use ownership, its unearned income, and bringing its privileges down to those of the farm—no more and no less—has these effects immediately.

Higher wages and salaries, lower prices, lower rents, vastly increased employment naturally result from the higher wages and lower prices and rentals; these are urgently necessary and possible by these means.

New internal buying, by the creation of new internal markets; new foreign buying, through the lowering of costs to reasonable agreement with world competitive levels, decreased overhead to an amazing degree, with the cutting off of capital charges in loans and rents, increase of transactions by a suddenly developed new buying market; these should interest any businessman.

Although these natural effects may appear somewhat startling, suddenly ending the breaking of the most vital and basic of economic laws can be depended upon to furnish many pleasant surprises, and a host of economic evils apparently due to some other causes disappear with astonishing celerity. Believing that it is a step which might have hidden dangers is, to say the least, uncalled for. There will be instead a certain appearance of hidden benefits. It is hardly necessary to "taper off" when ceasing to break an economic law; it is economically safe, one may be sure, to cease breaking it immediately.

It should be quite clear that the economic law—ownership is its own reward; it must have no income—is a very reasonable and just law. The breaking of it will eventually wreck any monetary system, political economy, or governmental structure which could be designed. No compensatory scheme for favored or selected classes, such as the recently banned A. A. A.—no matter how worthy the groups selected—or any Townsend movement, demanding \$200 per month minimum, or other similar nostrum, can possibly correct the condition or even cause the present economic tailspin to hesitate.

The ownership of a man's farm, his home, his business, does not take, or even attempt to take, anything unearned, or the benefit of anyone's production, from anyone. Taking or receiving unearned income is not a property right. It is the breaking—or attempting to break—of an absolutely adamant and unbreakable economic law; and the cleverest schemes of financiers, lawyers, and economists have been broken by that law, which is still untouched.

By a sufficiently complete uncovering of many elements involved in the unsuccessful attempts to break this economic law means have been uncovered and designed to cease breaking it, and to cease in an orderly fashion, without taking from the present owners any part of their present ownership—all of which they most certainly would lose with the continuation of the present conditions.

On its face it is a difficult problem—how to rent a house, or business place, or how to have a mortgage on your home, or borrow or loan money, or buy goods on credit or open account—without permitting to any ownership privileges and rights which the farm does not have—and complying with the economic law means only that.

In short, how to change the direction of income without changing or even placing a strain upon the existing capital structure, but instead, strengthening it immeasurably at a desperate time. This bill does that.

No amendment to the Constitution should be necessary to accomplish the purposes of this bill. It would almost be insulting to the memory of those who ably produced the Constitution to hold or believe that it was their intent that there should be in the United States any ownership with rights superior to the ownership of a man's own farm and a man's own business. Such interpretation of the Constitution and its intent would seem to be patently unreasonable—and yet

no courts can be held at fault for having placed some confidence in rulings as to property rights which have come down from ancient times, and which appeared to be so reasonable.

This economic power that has grown up—what is it? Is it the ownership by an individual of his home or his farm? No! Such ownership has no economic power whatever. By the process of elimination it can be seen immediately that "economic power" to some extent is the unregulated and irresponsible business ownership, but chiefly the unlimited ownership and control of this surplus over use type of ownership.

Under long unquestioned interpretations of the Constitution property ownership has been held to have what is actually a complete irresponsibility. The Congress, the President, the Supreme Court, and the people themselves were held to a complete and definite responsibility under that same Constitution. The laws of inheritance transmitted this economic power from father to son—under the protection of the Constitution.

There, in short, is a combination of a complete, inherited, absolute, and irresponsible power—from which the American people once revolted—and that revolt from that type of irresponsible power furnished the cause and the foundation for the American system of Government under the Constitution.

The existence of irresponsible power in the United States would seem to be, from this reasonable viewpoint, blatantly unconstitutional; and although this bill removes from ownership that irresponsible power, yet it leaves intact all the ownership and all the rights and privileges which the ownership of the farm and the home have.

But mainly and primarily this is a revenue bill that will produce large revenue even at this time without becoming an additional barrier to trade and commerce. It taxes for the first time a new kind of property—income property—and it is not a tax easily passed on to the wage earner as taxes have been passed on in the past.

It should be evident that it is not a confiscatory tax, and that it is not a punitive tax. It has good and necessary social effects, but evil social effects never have been the test for constitutionality.

Strange, certainly, that it is somewhat of a relief bill without carrying a huge Federal appropriation, but it is a relief bill to productive people who in the past have been forced to pay two and three times for their homes and for everything which they might have to purchase for themselves and their families—at the same time faced with only intermittent employment at low wages—to furnish unearned income claimed as a property right by this surplus over use type of ownership.

It is a relief bill for the farmer. It removes the interest from his mortgage at the same time it removes the interest from the city man's home and from the businessman's business, and in the same fashion, although it does not select the farmer for any special favors or charity; it restores his lost markets, reduces his costs, and reduces the prices for the things which he buys; in the great majority of instances its direct benefits to him exceed the amount of his former A. A. A. checks, or of any similar scheme which might be devised.

It is a relief bill for all productive people, relieving them from the payment of an unjust tribute—which seemed just—to a type of ownership which has accepted the charity of their protection, and in return for that favor has almost destroyed them.

The good effects are accomplished in a safe, natural way, not by artificial means. The sun does not chop the ice from a river or dynamite it to force the water to flow again. It shines on it for a short time, and the river begins to flow, very naturally and smoothly and very quickly.

The present economic structure is frozen. This bill melts the ice and leaves the structure free and able again to perform its necessary and natural functions.

It is a vital bill in this unquestionably terrific emergency, and should be carefully considered.

Until it becomes a law there can be no suitable or permanent or honorable place in the American economic structure and system for the army of young people who never

seem necessary until the bugles start to blow, at which times their importance is quite apparent and outstanding, and then they must protect it—a system and structure which a moment before, perhaps, had denied any use or need for their services, actually refused to allow them to enter into or benefit from that economic structure.

This bill, in its effects, takes care of their situation because they are really important people; it is a bill to restore to people their natural rights which have been taken from them by a certain type of ownership, and this was a very unjust taking away of their natural rights.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Chairman, the farm problem is the biggest one that this Congress has to settle. Farmers have had experience with two plans, the Hoover plan and the Roosevelt plan, the Farm Marketing Act, or Farm Board, and the A. A. A., or Agricultural Adjustment Act. Fortunately, a Democratic Congress repealed the one, and, unfortunately, the Supreme Court has just put aside the other. As a result of the Supreme Court decision, and because industry continues to share in subsidies, this Congress must find some way, within constitutional boundaries as marked by the Court, to provide substantial farm aid.

Before suggesting legislative possibilities I desire briefly to refer to past plans. Presidential plans, they might properly be called. The Hoover Farm Marketing Act had its birth in a special session of Congress, pledged by, or for, Mr. Hoover in the 1928 Presidential campaign. The call referred to legislation to aid agriculture and to bring about a limited revision of the tariff. Just here I would especially stress the word "limited", for at the end of some 17 months there had been practically a complete revision of the tariff. The Hawley-Smoot bill, the printing of which made a great "joke book", a tragic joke book of several hundred pages, resulted.

Congress met in special session on April 15, 1929. The House Agriculture Committee, of which I was a member then, as now, spent 2 busy months in writing a farm bill, in all respects pleasing to President Hoover, and which became a law on June 15. On that date eggs were selling at 27 cents a dozen; sweet cream at 44 cents a pound; hens at 23 cents; hogs, on the St. Louis market, at \$11.15; cattle, \$14.75; and sheep at \$15.25. July wheat in Chicago was \$1.08; corn, 92 cents; and oats, 45 cents. Compare those prices with what followed: Top hogs at \$2.80 in Kansas City, eggs at 6 to 8 cents, butterfat at 11 cents, wool at 11 cents, wheat at 25 and 30 cents, and corn at 10 to 15 cents.

To be specific, I quote prices from the Daily Drovers Telegram of Kansas City. In December 1932 hogs in Kansas City sold at \$2.75, and in January 1933 at \$2.80 per hundred-weight, while in 1929 they had reached \$15. In April 1932 the top price of sheep in Kansas City fell to \$3.25, instead of \$15, as in April 1929. In the same month the top price of native steers was \$7.75 instead of \$16.75 in 1929.

Such were the price reductions under the Hoover plan. Special attention is called to these results because of a statement to the effect that tomorrow night, in Lincoln, Nebr., Mr. Hoover is expected to make known his farm plank for the Republican platform of 1936. Of course, I do not know what Mr. Hoover may propose. It is safe to say, though, that it will be quite as clear as a statement which he gave out on the subject of farm relief about a dozen years ago. I quote:

Evolution of economics as applied to problems of the American farmer cannot be accomplished by legislation, but must be accomplished by scientific investigation of facts followed by application and cooperation of forces involved.

"Clear as mud," you say; and I agree.

But let us get back to a comparison of what took place under the Hoover and Roosevelt farm-help plans. For purposes of comparison I have had compiled by the Division of Statistics and Historical Research of the Bureau of Agricultural Economics, United States Department of Agriculture, figures showing average farm prices received by farmers on June 15, 1929, when the Hoover farm plan had its beginning, and on March 15, 1933, the approximate date of its demise.

Then, in addition, and in order to complete the comparison, prices at the beginning and near the end of the Roosevelt plan are given. Never have I seen more startling or convincing figures. Here they are, showing the drop in prices from the start to the finish of the Hoover farm plan and the rise from the latter date to the time the Supreme Court put an end to A. A. A. activities:

From June 15, 1929, to March 15, 1933, average cattle prices fell from \$9.67 to \$3.42 per hundred pounds, while under the A. A. A. they advanced from \$3.42 to \$6.14. Hogs under the Hoover plan fell from \$9.80 to \$3.22, while under the Roosevelt plan they went up from \$3.22 to \$8.72. Sheep under the Hoover plan fell from \$7.86 to \$2.18, while under the Roosevelt plan they advanced from \$2.18 to \$4.21. Corn under the Hoover plan fell from 86.9 cents per bushel to 20.6 cents, while under the Roosevelt plan it went up from 20.6 cents to 53 cents. Wheat under the Hoover plan fell from 86.8 cents to 34.5 cents, while under the Roosevelt plan it advanced from 34.5 cents to 90.1 cents. Oats under the Hoover plan fell from 42.5 cents to 13.7 cents, while under the Roosevelt plan they went up from 13.7 cents to 25.5 cents. Butterfat under the Hoover plan fell from 43.6 cents per pound to 15.1 cents, while under the Roosevelt plan it advanced from 15.1 cents to 33 cents. Eggs under the Hoover plan fell from 26.1 cents per dozen to 10.1 cents, while under the Roosevelt plan they went up from 10.1 cents to 28.7 cents. Wool under the Hoover plan fell from 30.2 cents per pound to 8.9 cents, while under the Roosevelt plan it advanced from 8.9 cents to 23.3 cents. Cotton under the Hoover plan fell from 17.9 cents to 6.1 cents, while under the Roosevelt plan it went up from 6.1 cents to 11.4 cents.

In other words, farm prices under the Hoover plan fell to one-third of what they had been, while under the Roosevelt plan prices were more than doubled. Surely the American farmer does not want any more dark days "Hoovering" over him.

Frankly, and in fairness, I would say that all the losses under the Hoover plan should not be charged to the Farm Board. The robber Hawley-Smoot tariff bill, representing Grundyism and greed, was in part responsible. Just here I digress to say that there can be no complete plan of farm relief which does not include tariff reduction and adjustments. Never was a high protective tariff as indefensible as now, when a restoration of world trade is so greatly needed.

My Republican friends may say that a part of the advance in farm prices under the Roosevelt plan was due to drought. This I concede, if you, with equal frankness, will confess that the imports of agricultural products, such as corn, have been due solely to the 3,000,000,000-bushel shortage of grain caused by drought. Under these circumstances it is surprising that imports have not been greater. Further, I would call attention to the fact that prices had advanced before the drought. Again, it was the drought that demonstrated the value of having in the White House a President who possesses sympathy for and understanding of the farmer. Because of his agricultural program, the actual losses and suffering experienced by farmers were far less than in other droughts more severe and more prolonged. The farmers' livestock was not allowed to starve and die, as had been the case in other droughts. Instead, provisions for purchase were made, feed was provided, and emergency loans authorized to the extent of many millions. Truly it was a new deal.

So much for the past. Today those of us who are, first of all, interested in farming stop to take stock of our strength. How and in what direction should we proceed? What do I, a member of the House Agricultural Committee, have to say? My answer is that in expressing any views I speak for myself alone. No doubt we shall have more helpful and constructive ideas from others.

First, as I see it, this is a time for working rather than weeping; for renewed faith and fight, not for faltering and faultfinding. We are fortunate that if the blow had to be struck agriculture, it was delayed until now, when farm prices are so much higher and agricultural conditions so

much better than at the beginning of the Roosevelt administration. In any farm help plan it should be remembered that we are dealing with two groups of very wise men—farmers and the Supreme Court. I mention farmers first, but neither can be fooled.

The first "must" that I mention is that an appropriation sufficient to pay in full every contract signer must be made. This is putting first things first, as the Good Book recommends. [Applause.]

In the next place, the constitutionality of every legislative step should, insofar as possible, be assured. There is a desire for certainty and assurance on the part of producers and all others. It is important that mistakes be avoided.

Any plan should call for cooperation but not coercion. For instance, if land rental as a means for withdrawing land from production is approved, the farm owner should be left free to use the remaining part of his farm as he sees fit. Just here I wish to express my approval of a proper land-rental plan. It means a step in the solution of one of the Nation's biggest problems—that of soil conservation. The fertility of the soil must be saved. We must prevent farm tragedy. As has been written:

Hordes of gullies now remind us,
We should build our lands to stay
And departing leave behind us
Fields that have not washed away;
When our boys assume the mortgage
On the land that's had our toil,
They'll not have to ask the question,
"Here's the farm; where's the soil?"

In addition to land rentals and a soil-saving program, we may, in an effort to repair losses sustained by the Supreme Court decision, consider the farm-allotment or export-debenture plans; strict enforcement of all antitrust laws; means of lowering the cost of production, including prices charged by manufacturers of farm machinery; the levying of small widely distributed processing taxes, the receipts to go directly into the Federal Treasury and later to be appropriated, as needed, for the general welfare or any other proper purpose as the Supreme Court decision seems not to deny; and, finally, I suggest restoration of foreign markets, either by a congressional revision of the tariff or through trade agreements, as advocated by the State Department.

Regardless of what we may think of subsidies, and I wish we could be rid of all "stilts", there is no prospect of complete and immediate clean-up. So just as long as industry, through a high protective tariff, enjoys a thinly disguised subsidy, agriculture is clearly entitled to something effective. Incidentally, industry, if wise, will understand that the well-being of agriculture is to the advantage of all. The Supreme Court, in passing upon the Agricultural Adjustment Act, did not even suggest to Congress any laws which could not be repealed. In that direction, even though comparatively distant, a way is open. Through tariff reductions and reciprocal trade agreements there is suggested a start to reestablish a parity between agriculture and industry.

As to the life and death of the A. A. A., under which farmers received checks amounting to much more than a billion dollars, it might be said that it was truly a great godsend. These checks, which went to pay interest and taxes, made it possible for millions of farmers to hold on, to continue to live on the home farm, until today the outlook is far better for them. Despite the mistakes that were made, and it is freely conceded that neither the plan nor the administration was perfect, I feel that the average farmer is thankful for the benefits which he derived under the Roosevelt plan of farm help.

In reviewing the passing of the measure it is interesting to note that the case which finally resulted in the adverse decision by the Supreme Court had its origin in Boston in October 1933, when William M. Butler and James A. McDonough, receivers of the Hoosac Cotton Mills, refused to pay \$81,000 in processing taxes to the Federal Government. Mr. Butler, it will be remembered, is a former Republican Senator from Massachusetts, while Mr. McDonough is the private secretary to Frederick H. Prince, of Boston, railroad financier and one of the country's wealthiest men. I say this

to show that the step to be rid of the Agricultural Adjustment Act did not originate in the great food-producing sections of the country, nor was the end favored by farmers.

In conclusion I would make it plain that the farmer is not whipped. He is not whining. Whether the orders be "gee" or "haw", to the right or to the left, or ahead, he is ready for a long and strong pull. It is morning; not noon, not night. There is work to do. Now is no time to "take out." [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, my only purpose in asking for this time is to preface a request for extension of remarks.

A few days ago a young friend of mine who has considerable original knowledge and innate ability and capacity for research placed in my hands an unusual document. It has merit; it is informative and has material which I think every thinking Member of this body will want to read.

I was asked to use it as my own speech. I was unwilling to let my name cover the mental effort of another person, and for this reason I am asking to extend my own remarks by including this material which has been presented to me by a friend who, for personal reasons, prefers to remain unknown. It concerns the subject of aviation.

Whether it is for commercial or financial or industrial or patriotic reasons, every one of us is interested in aviation. This statement, incidentally, also concerns one of the most romantic branches of aviation, one that has the greatest potentialities, perhaps, of any branch at the present time, and that is the autogyro.

For these reasons I hope no Member will feel constrained to object to my request. Mr. Chairman, I renew the request to extend my remarks in the RECORD as indicated.

The CHAIRMAN (Mr. BEAM). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The matter referred to follows:

Probably at no time in the history of our country have we felt more keenly or urgently the need for new industrial activities and the development of new and useful products or implements which will not only add to our creature comfort, increase our national security, strengthen our resources for national defense, and provide us with more efficient means of accomplishing our daily duties, but will also be the means of relieving more of our fellow Americans from the distressing conditions of forced idleness and dependence on charity which now exist.

Congress has figuratively racked its brain to stimulate national industrial recovery in every way possible, and the soundness of this policy is questioned by no one.

In this connection, and lying in one of the most interesting and, in the world of today, important fields of development open to our imagination—aeronautics—we find a new and radically different development, with probably untold possibilities, worthy of our most serious consideration. It is the autogyro.

Invented 13 years ago by a Spaniard, few of us probably realize that autogyros have now flown somewhere between seven and ten millions of miles with never in all these years a fatal accident due to structural failure of the machine itself. Such a record is so far superior to records achieved by any other form of flying machine as to be almost unbelievable, but true it is. Not only that, but the autogyro as it exists today can land with no forward speed whatever, it can hover in the air like a bird, it can operate from restricted areas, and can be flown by people who could never hope safely to pilot an airplane.

Thousands of our people, including many outstanding aviation authorities, have echoed the famous Thomas A. Edison's statement when he saw the giro fly: "That is the answer." Yet, while all agree regarding its tremendously promising future, autogyro development is proceeding all too slowly at the present time.

The autogyro, in spite of the remarkable flying qualities it already possesses, still needs improvement and perfection along certain lines to achieve the broader field of usefulness it will some day fill. It must be safer, it must carry larger loads, and full knowledge must be obtained of the intricate technical workings of the revolving rotor system upon which the efficiency and flying qualities of the autogyro entirely depend, inasmuch as the autogyro now has no wings whatever.

Only a mere handful of engineers in the entire United States—perhaps a dozen—are experienced in these autogyro problems, a woeful quantity of brain power to tackle such a tremendous task. Only four wingless autogyros have been built here to date—meaning that the invaluable development knowledge and experience gained from actual operations is sadly limited.

The fine military and transport airplanes we have today are the result of experience gained from the designing, building, and actual operating of nearly 100,000 airplanes.

Obviously the situation is clear and the problem an important one, but what to do about it? The answer is extremely simple and logical: First, put the autogyro to work immediately in the fields of utility, and there are many, where it can actually be of invaluable service as it exists today.

Second, expedite and encourage experimental research development in the various governmental departments which are charged with these functions in the science of aeronautics.

The autogyro as it now exists can render valuable service in many fields of utility, both civil and military.

The Field Artillery wants autogyros to replace the obsolete, costly, and vulnerable sausage balloon. Several years ago, as chairman of the House Subcommittee on Military Appropriations, the Honorable Ross A. Collins recognized this need and the potential possibilities of the autogyro. It is a matter of record that he called the attention of Congress and the military authorities to this subject at that time.

It is likewise a matter of record that in February 1935 our Field Artillery formally requested 21 autogyros for these purposes.

It is likewise a matter of record that the French Army, after service demonstrations, is now replacing all sausage balloons with autogyros and is also using them for general army cooperation work.

Our Coast Artillery believes the autogyro is just what they want for observation of fire under certain conditions.

Our Infantry wants to try the autogyro for communications and cooperation work immediately.

Our Cavalry wants the autogyro immediately in connection with their operations with the modern mechanized Cavalry units.

Many of our National Guard units throughout the country are anxious to obtain giros. Some National Guard authorities believe every guard squadron should have at least three of these machines.

Unquestionably this type of aircraft would be extremely valuable in operations of our Army Medical Corps for evacuation of wounded, as well as emergency delivery of supplies and medical assistance.

Our growing and efficient Coast Guard Air Service needs autogyros for certain types of patrol work, which it is believed can be more efficiently accomplished by giro than by any other means.

Our Bureau of Investigation, Department of Labor, wants to try giros for carrying out certain patrol duties with which they are charged.

Our Department of Justice is extremely anxious to obtain autogyros to assist them in the remarkable work they are doing in apprehending dangerous criminals.

Our Bureau of Biological Survey is tremendously anxious to obtain giros to conduct operations which can be accomplished in no other way.

Our Bureau of Meteorology considers them promising for carrying out all-important weather observations.

Our Bureau of Air Commerce would like to put giros in the hands of their field inspectors, their engineering and regulations divisions, thus obtaining actual operating experience, which, strange as it may seem, they have never had with this type of aircraft—though this Bureau is specifically charged with the regulation and licensing of autogyros.

Our Navy, if it is to keep abreast of the experiments now being conducted by the navies of all principal foreign powers, should place a reasonable number of autogyros in experimental service operations.

And several other of our Federal departments are anxious to obtain autogyros immediately, believing this equipment will render to them valuable service in the performance of their duties.

Autogyros recently landed on the roof of the new Philadelphia post office, delivering mail from the outlying airport and proving this type of service entirely practical. Chicago, Detroit, Philadelphia, and other cities are intensely interested in this service. The Post Office Department could immediately put such service into effect in some localities. Its development will probably lead to the development of autogyros carrying passengers between outlying airports and central city areas—a valuable addition to our famous air-transport system, an outstanding aeronautical achievement in the world's history.

Turning to research, our National Advisory Committee for Aeronautics, handicapped by lack of funds and personnel, has already contributed greatly to autogyro development. Provided with means to carry out the program they desire, this body could not only expedite perfection of the autogyro by several years, but would assure our country a leading world position in this development—which is receiving wide attention in France, England, Germany, Italy, Russia, Japan, and other countries, where autogyros are already actually in use in the armies, navies, and other services.

Our Army Air Corps, by being provided with means to become actively interested in giro engineering development, could not only contribute skillful engineering brains to the problem involved, but could assist in technical development of equipment meeting the ultimate desires of the ground troops, as determined by these ground troops (Artillery, Infantry, Cavalry) from their actual experience and tactics developed in the operations of their initial autogyros.

Our naval air-service engineers could likewise contribute brain power toward the development of this equipment for naval uses.

Lastly, but perhaps most important of all, our Bureau of Air Commerce, if provided with the means, could undoubtedly hasten development of the autogyro to such a point as to open up new

fields of civilian aeronautic activity of inestimable value to our industrial well-being.

We all know that our American military aviation industry now depends, and always must depend, entirely upon the Federal Government for its continued existence. Our world-famous air transport industry has in the past, and must for some time to come, depend partially upon Federal Government support for its continued operation. Without this Government support and encouragement the United States would possess neither the outstanding military airplanes nor the outstanding air transport systems of which we are so proud today.

So with the autogiro. If we are to keep pace with its development by foreign powers abroad, if we are to obtain the advantages of its great possibilities in our own industrial life, we must extend to its use and development recognition, encouragement, cooperation, the same as we have done to the airship and the airplane.

The autogiro is neither an airship nor an airplane, but is quite distinct from either. It requires its own specialized engineers, designers, operating and piloting personnel. Our airship and airplane personnel cannot, without proper assistance, perfect the autogiro for us—they cannot in fairness be expected, or asked to do so, for the very good reason that their time is already fully occupied with the multitudinous duties already assigned to them. This can only be done by personnel primarily assigned to and devoted to autogiro development as distinct from airship and airplane development.

How can this program be accomplished? First, by making it possible for every interested Government department to obtain and put to work without delay the autogiros needed and desired to render better service in the performance of its assigned functions. Every congressional committee member can render service in this regard by cooperation with the Government departments under his jurisdiction.

Secondly, by ascertaining that the established Government research and engineering sections (National Advisory Committee for Aeronautics, Army, Navy, and Bureau of Air Commerce) have the means and personnel and are devoting their active attention to autogiro development.

Thirdly, by seeing that all future legislation provides distinctly for the autogiro instead of simply for the airship and the airplane.

In addition, in view of the widespread interest in this subject by such a large number of different independent governmental departments, the establishment of a small congressional committee to study this matter is highly advisable. Such a committee could determine and coordinate the needs of all the various departments interested, survey the present state of the autogiro industry, and recommend legislation, if any, needed to properly advance the progress of this new art. Or the subject could be assigned for action by some present standing committee of the House.

One thing is certain: If even 1 percent of our present total aviation appropriations could be devoted to the autogiro, its development will progress with amazing rapidity. Then, in place of an industry which is now so weak it just barely holds the thread of life, we shall have a new industry employing thousands of useful citizens and shall have added an important asset to the strength of our national defense.

Mr. MORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DUNN.]

Mr. DUNN of Pennsylvania. Mr. Chairman, according to statistics which I have obtained from the American Federation of Labor, there are about 11,000,000 people out of employment in the United States. Since the decision of the Supreme Court pertaining to the N. I. R. A. the unemployment situation has increased. Large industrial associations and business establishments, such as chain stores, have increased the hours of work and have decreased the salaries of their employees. I have said many times if President Roosevelt had done nothing else in the 8 years he will be President [applause] than to have been instrumental in passing the N. I. R. A., he would go down in history, in my opinion, as one of the greatest Presidents that ever sat in the White House. [Applause.] Of course, we know that he sponsored many other progressive and humanitarian measures which did benefit the laboring people of our country. It is true that all of the legislation which was sponsored by the President did not solve all our economic problems, but if he would have had the cooperation of the big-business men of our country whom he had saved from financial ruin, the unemployment situation today would not be so grave.

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

Mr. DUNN of Pennsylvania. I gladly yield to the gentleman from Pennsylvania.

Mr. MORITZ. I hope that the gentleman from Pennsylvania [Mr. DUNN], and the many friends here who are like him, will be returned to this body for the rest of their lives, because we need them here.

Mr. DUNN of Pennsylvania. I thank the gentleman for his friendly remarks, and I hope that he and all the other Congressmen who believe in progressive and humane legislation will be returned to Congress regardless of their party affiliations.

I have said many times that if we could get the majority of the Members of Congress to support humane and progressive legislation, our economic problems would be easily solved.

I firmly believe in adequate pensions for the aged, widows who have dependent children, and all others who cannot obtain employment because of physical disability. Poor-houses and slum districts should be eradicated from the United States. I believe in the public ownership of all public utilities and natural resources. Of course, I believe we should purchase them at a reasonable price and not confiscate them.

I hope the time is not far distant when we will be able to pass progressive and humane laws which will not be declared unconstitutional by the Supreme Court. I believe that the elected representatives of the people should be the ones to determine what kind of legislation should be enacted into law. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, I desire at this time to present to the House my observations on the Constitution and the New Deal.

One hundred and forty-eight years ago our forefathers, in the old historical Convention at Philadelphia, adopted the Constitution of the United States, and for a period of 146 years, beginning with the administration of Washington, this great document has been the guiding law of this Nation of ours.

During that time we have developed from a small nation of 13 States and approximately 3,000,000 people to a great Nation of 48 States and 130,000,000 people.

The great purpose of this Constitution was to assert the eternal verities of liberty and justice, and our living generation should pay heed in this respect to the tested wisdom of a mighty past, just as we do to the noble beauty of a gothic cathedral which is not less inspiring because its builders are dead.

Our Constitution, therefore, is enduring because it is the definite expression of a higher law. The Constitution itself only deals in this great principle of government, which remains, to a large degree, unchangeable, and is, in itself, a broad and accurate political philosophy which goes far to state the "law and the prophets" of free government. Our Constitution is enduring, therefore—

First. Because it establishes the doctrine of representative government.

Second. Because it establishes a dual form of government, under which the National Government has certain delegated powers and prerogatives, and "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

Third. Because the guarantee of individual liberty through constitutional limitations is clear and definite. Under individual liberty I mean such great principles as freedom of the press, liberty of speech, property rights, and the right to worship God according to the dictates of one's conscience. These rights can never be taken away from the people without amending the Constitution.

Fourth. Because our forefathers wisely imbedded in the Constitution the principle of an independent judiciary. Through the 146 years of constitutional life our great Supreme Court has been the balance wheel of our Government. William Wert wisely said:

If the judiciary be struck from the Constitution, what is there of any value that will remain; for Government cannot subsist without it.

Fifth. Because our forefathers wisely inserted in the Constitution a complex system of checks and balances seeking to

prevent the concentration of power in any one man or body of men.

For 146 years our Constitution has been accepted by the citizens of our country, who had an abiding faith in that great document. Since the advent, however, of the New Deal, with its socialistic and communistic tendencies, a change of sentiment has been manifested among many who have accepted the New Deal doctrines and who look upon the Constitution as an antiquated document. The New Deal philosophy is antagonistic to the Constitution. It appeals to mass psychology and is endeavoring to change the concept of our fundamental law.

The Constitution wisely provided a way by which it could be amended, but the New Dealers, as such, do not desire to change the Constitution by amendment. That way is too slow for them. They would rather adopt the doctrine of nullification, and for that reason have urged and whipped through Congress many bills which are unconstitutional, unwise, uneconomic, and unfair. Congress for the first time in many, many years has become subservient to the President. The old theory of three independent parts of government has been to a great extent annihilated. Our forefathers wisely provided for the legislative, executive, and judicial departments of government, but under the New Deal philosophy the Executive, not being satisfied with performing the functions of his Executive office, has endeavored to subvert the true functions of the legislative department and to make the Congress subservient to the President. For that reason nearly every major bill that has been passed by Congress has delegated to the President new powers, new authority, new rights to create departments, until Congress has fallen from its high estate and become truly subservient to the executive department.

In the case of *Schechter Poultry Corporation et al. against the United States of America*, known as the N. I. R. A. decision, the Supreme Court wisely decided that the N. I. R. A. was unconstitutional because of the attendant delegation of legislative power and the attendant regulation of intrastate transactions which affect interstate commerce only indirectly.

In the recent Potato Act of 1935 we have an illustration of the New Deal philosophy. This legislation is arbitrary, unreasonable, and uneconomic because:

First. The act attempts to control production of potatoes through a punitive tax of questionable validity.

Second. It is intended to benefit large commercial growers of potatoes, but will harass several million small growers and burden the entire consuming population.

Third. To present excessive costs of many articles of food will be added higher prices for a staple commodity upon which the poorer classes are absolutely dependent.

Fourth. Regimentation of farmers who produce potatoes is compulsory rather than voluntary.

Fifth. Even a small garden patch maintained by a housewife and producing only a few bushels for sale is subject to control.

Sixth. Regulations which will annoy both producers and consumers include requirements that all potatoes must be packed in closed and stamped containers of special design.

Seventh. Provision is made for an army of snoopers through severe penalties imposed on persons who fail to tell of violations by their neighbors.

Eighth. Bootlegging will be unavoidable despite fines up to \$1,000 and jail sentences up to 1 year.

Ninth. Buyers of bootleg potatoes are made equally guilty with sellers.

Tenth. An expanded bureaucracy, made possible by blanket authority to the Secretary of Agriculture to appoint officials and employees, without regard to civil-service and classification laws, will meddle in the affairs of some 3,000,000 potato growers.

We have other acts of Congress, namely, the Public Utility Holding Act of 1935, the Tennessee Valley Authority, and the Guffey Coal Act, which, in the judgment of leaders of both parties, are unconstitutional and unsound. But the President of the United States, with the aid of his tremendous majority in both Senate and House, was able to force the passage of

these bills against the rights of the common people of this country and clearly against constitutional government.

I am a great believer in the Supreme Court of the United States. To me it is the crowning feature of the Constitution. It has long been the balance wheel of this Government of ours. The right of the Supreme Court to declare an act of Congress unconstitutional, in my judgment, is unquestioned. This great principle was decided in 1801 by Chief Justice Marshall in the famous case of *Marbury against Madison*, in which case it was determined to be not only the right but the duty of the Supreme Court, under their oaths, to pass upon the constitutionality of an act of Congress. In this decision Chief Justice Marshall used the following very pertinent language, which every citizen today should read:

Why does a judge swear to discharge his duties agreeably to the Constitution of the United States if that Constitution forms no rule for his government? Thus the particular phraseology of the Constitution of the United States confirms and strengthens the principle, supposed to be essential to all written constitutions, that a law repugnant to the Constitution is void, and that courts as well as other departments are bound by that instrument.

I am particularly opposed to the New Deal efforts to disparage the great Supreme Court; I am opposed to their efforts to belittle the great Constitution of the United States; I am opposed to the New Deal philosophy of nullification by acts of Congress, thus seeking to subvert the Constitution. If constitutional amendments are necessary, then we do not have to use the doctrine of nullification, but the only courageous way is that of using the constitutional method itself, of amendment.

The Republican Party stands flat-footed upon the preservation of the Constitution. It still maintains that it is the greatest political document ever made by man. It still maintains that the happiness of 130,000,000 people rests directly upon the preservation of that great document.

How frequently on the floor of the House have we heard Congressmen, sworn to support the Constitution, attack that instrument bitterly and with malice.

How frequently have we heard these same Congressmen attack the Supreme Court of the United States, willfully forgetting the fact that this Supreme Court during the existence of our Government has been its guiding genius.

Thank God for the Supreme Court, for their wonderful ability and integrity, for their unswerving loyalty to the Constitution. And now some Members of Congress would take from the Supreme Court their right to pass upon the constitutionality of a law of Congress. Who then would have that right? Why Congress, of course, say the attackers of the Constitution.

While I have the utmost regard personally for my colleagues in the House, yet I fear for my country if they and they alone could determine the constitutionality of a law. Who is to blame for the undesirable and unconstitutional laws passed? Why, Congress, of course. Under the whip of the "brain trust" Congress passed many laws unwisely, unthinkingly, and supinely. Why then blame the Supreme Court? The blame belongs to Congress and to Congress alone.

The Supreme Court in the *Agricultural Adjustment Act* decision recently declared this act of Congress unconstitutional on the ground, among others, that—

This act invades the reserved rights of the States.

In the language of the Supreme Court—

The *Agricultural Adjustment Act* is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but a means to an unconstitutional end.

In this decision the Court said:

From the accepted doctrine that the United States is a Government of delegated powers, it follows that those not expressly granted, or reasonably to be implied from such as are conferred, are reserved to the States or to the people.

In my judgment, the decision of the Supreme Court declaring the A. A. A. unconstitutional was simply a reaffirmation that here in America we live under a constitutional form of

government. In these days when men's minds are clouded by every conceivable ism, we should thank God that apart from the political departments of the Government—the legislative and executive—there is one department of government—the judicial—that stands apart from politics.

In conclusion let me state that the Constitution is not self-perpetuating. If it is to survive, it will be because it has public support.

The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression. To live under the American Constitution is the greatest political privilege that was ever accorded to the human race. [Applause.]

Mr. MORAN. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, yesterday on the floor of this House the distinguished gentleman from Oregon [Mr. MOTT] called attention to the fact that the so-called Literary Digest poll which is being taken over the country shows an adverse opinion on the New Deal. In the State of California that poll shows 60 percent against the New Deal, but in the State of California a reregistration is going on. We had a permanent registration law, but a Republican legislature canceled it and started a new registration. I submit that a registration of the voters of a district or a State is a fairly authentic referendum as to their views, and that registration, my friends, today is running two and a half Democrats to one Republican. That is the registration record that California is piling up today in spite of the Literary Digest's unfair questions that make it possible to get an adverse vote.

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

Mr. FORD of California. Yes.

Mr. McCORMACK. I do not think it is fair to say that the returns show an adverse state of mind. I am not questioning the motives of the Literary Digest, which is a very reputable magazine, as we all agree, but I think the first question is very deceiving. If one more question were asked, as to whether or not the person answering intended to vote for the reelection of President Roosevelt, the result would be different. Furthermore, it is rather unfair to ask a voter what he is going to do in the absence of the other party's convention and the other party selecting its nominee. All other ballots, without regard to the Republican Party, showed that President Roosevelt is receiving from 53 to 55 percent of the votes. It seems to me that this poll is worthy of slight credence, without in any way attacking the magazine or impugning its motives, but making a statement as to what would constitute in the minds of fair persons a reasonable and proper conclusion.

Mr. FORD of California. Mr. Chairman, speaking for California, I merely want to say that I consider a registration the most authentic referendum on the subject that we have.

Mr. RICH. Will the gentleman yield?

Mr. FORD of California. My time has expired.

Mr. FITZPATRICK. Will the gentleman yield for an observation?

Mr. FORD of California. If I have any more time, I will be glad to yield.

Mr. FITZPATRICK. The State of New York, according to the Literary Digest, is against the New Deal. There were two Congressmen elected in the city of New York 8 weeks ago and they received the largest vote ever given to any candidate on the Democratic ticket for Congress. That was in the Second and the Twenty-second Congressional Districts of New York.

Mr. RICH. Will the gentleman yield now?

Mr. FORD of California. My time has expired.

Mr. RICH. Oh, the gentleman's time has not expired.

Mr. FORD of California. That is all I have to say, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I demand the regular order.

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

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, the President of the Philippine Islands has been inducted into his high office. Gratifying it is to many of us that a large congressional delegation attended the induction ceremony. There were many Members of this House in attendance, including the Speaker and the chairman of the Ways and Means Committee, that committee which has to do with the raising of revenue for the maintenance of our Government. More than once I thought I should like to be a member of that group, sail over the seas, and be present there in Manila Bay on such an auspicious occasion as was epitomized by the inauguration of the first President of the new independent Republic. As I visualized that delegation going over there, and thought of our renewed struggle for economic independence in this country, I wondered how many of that delegation took along with them a history of the life of Alexander Hamilton, the first Secretary of the Treasury of the United States.

Mr. CRAWFORD. Will the gentleman yield for a question?

Mr. KENNEY. I prefer to yield a little later. The Members will perhaps recall our history, where, after we gained our political independence, Alexander Hamilton persisted it was incumbent upon the new Nation to undertake to establish our economic independence. In this connection he had uppermost in his mind always the foresight to provide for deficits, actual and potential. He proposed the establishment of a center of industry in my State of New Jersey where manufactures would be carried on, but he was sufficiently apprised of the possibility of failure from deficits arising out of operations. How did he provide against deficits? That is a well-known matter of history, and as the Members of this House sailed the seas and went into that land which had been under the protection of the American flag, I wondered if any of them would go out of their way to find out how the Philippine Islands raised a large portion of their revenue. I thought I should like to be in that distinguished party, and for one purpose, namely, to point out the efficacy of the lottery in the Philippines and, at the same time, remind them of its service to our own country in the days of the new Republic. I wondered then and I wonder now if any of them would resolve at this session of Congress to see the light of the way open to us to wipe out our governmental deficits. Would they determine to do what was done under the American flag in the Philippine Islands? Would they declare themselves according to that determination; would they declare for what people want in this country, a national lottery? [Applause.] The delegation of this House, together with a body of Senators headed by Vice President Garner of the United States, sailed on over the seas into China and went into the city of Shanghai; as they did so, I wondered if any of their group, when they viewed the great public buildings of that city, some of them even more beautiful than our own in this great Nation, took it upon themselves to inquire of the Chinese how it was possible for them to erect their outstanding public buildings, models of modern architecture. I wondered if they did.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. FITZPATRICK. Did the lottery which put up those beautiful buildings in China also bring about the living conditions in China?

Mr. KENNEY. The lottery has improved living conditions in China, as it has wherever it has been instituted. Without the lottery China would not have her enviable buildings. I wondered and still wonder if any of the delegation was moved by this method of raising revenue practiced not only by China but employed at the present time by every known form of government. As our representative delegation came home by way of the Panama Canal, I wonder if any of them looked around there and observed the lottery conducted

weekly in the city of Panama. That lottery incidentally is supported and made possible by the patronage and support of our citizens resident in the Canal Zone—Americans. Even you and I and our countrymen in the various States are sustaining and contributing to the lotteries of other foreign countries. There is a drawing down there in Panama every Sunday morning. About \$90,000 a week is involved. Sixty thousand dollars goes to awards. A portion is used in expenses, but \$25,000 every week goes to sustain the hospitals in the Isthmus of Panama.

I wondered if our congressional delegation learned of this lottery and its operation which assures the maintenance of its hospitals without deficits and fear of their closing for lack of revenue not obtainable from ordinary sources; and if they did, I wonder if they gave thought to wiping out the deficits in our own National Treasury by this means. I wonder now if any of them took along a history of the life of Pitt, the great English Prime Minister. I wonder if they went back with Pitt to the eighteenth century when, with the rest of Europe bankrupt, he, as the financial genius of England, was able to sustain the Empire of Great Britain, even to paying off the Florida colonists, through and by means of his use of the lottery, which, as always with the people, received the support of his people. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. KENNEY. Certainly.

Mr. RICH. Does the gentleman believe that the lottery was the means of raising the funds in the Philippine Islands to pay for this party that went to the Philippine Islands? Also, does the gentleman believe that those who went over to see the Philippine Islands on this trip or jaunt would vote for their independence today, if they had it to do over again?

Mr. KENNEY. The gentleman has crowded his questions into one, but I will pick out one and answer it.

Mr. RICH. There were only two questions.

Mr. KENNEY. The lottery funds kept the hospitals open in the Philippine Islands, and there is no fear of their closing. Appalling to relate, however, I was present at a meeting in New York a short time ago where one of the leading physicians of New York City said that unless something drastic was done to raise funds from other than ordinary sources, three of the leading hospitals in New York City would close their doors.

Mr. RICH. I was not trying to say that the raising of funds for hospitals was not a good motive, but I wondered whether the raising of the funds in the Philippine Islands by lottery was the means they took to pay for the jaunt that the Members of Congress had to the Philippine Islands.

Mr. KENNEY. The gentleman knows differently, I believe. All the moneys collected in the Philippine Islands from the lottery go directly for charitable purposes. The moneys which were expended for our delegation, through the generosity of the Philippine Government, were raised from other sources. Sources of revenue are drying up, however, and our sources are well-nigh exhausted. So, I may say also to the gentleman and to the Members of the House, since we must be looking about for a new source, that when the First Congress met—and this reminder may come as a telling rebuke—when the First Congress met under the Constitution in the city of New York at the invitation of that city, repairs and additions to the City Hall were made necessary. After they were done, there was a deficit remaining of something like £13,000, or \$65,000. There was no way of raising this money from ordinary sources. So the city went to the legislature of the State, obtained permission to conduct a lottery, and thus the deficit was readily met.

To make up the deficits we are incurring and to reduce the ever mounting national debt, are we going to break the broken backs of our taxpayers with more taxes, or are we going to do as has been done in our greatest emergencies, harness the huge supply of treasure which is open to us by the popular and much desired lottery? [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, one of the vital problems facing this session of Congress is the enactment of farm legislation. As far as I can learn, there is a disposition on the part of every Member of Congress to assist agriculture, but even with this sentiment it will no doubt be weeks, and possibly months, before a bill can be drawn and enacted into law. In the meantime, I believe there are three things this Congress can do that will not only temporarily assist but be of permanent value.

Shortly after the Supreme Court decision in regard to the constitutionality of the A. A. A., my colleague, Hon. CLIFFORD HOPE, of the Seventh District of Kansas, introduced H. R. 9968, which provides for the making of rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture. The farmers made these contracts in good faith, and this resolution provides that where compliance can be made previous to January 6, 1936, the obligation on the part of the Government should be paid. This is a moral obligation on the part of our Government, and I hope this bill can be reported shortly by the Committee on Agriculture for consideration by the House. In conferring with many members of both parties I have yet to find one that is not in favor of the passage of this resolution. The immediate passage of this would materially assist the farming sections of our Nation.

Second. The farmers, through a crop-reduction program, have taken 30,000,000 acres of land out of production during the past year, and should have the cooperation of the Federal Government by limiting importation of agricultural products, of which we produce a surplus. Surely no one can consistently ask the farmers to curtail production on the one hand and on the other hand encourage the importation of farm products through reciprocal-trade agreements. Let this has been the policy of the present administration. In the recent reciprocal-trade agreement with Canada our farmers' home market is opened to world competition through the favored-nation clause, which automatically grants to all competing countries, except Germany, the same concessions we have made to Canada. Statistics show we have no shortage of cattle or beef products, but the records show we imported last year 230,581 head of cattle and 7,346,000 pounds of fresh beef and veal. The dairy farmers are not getting cost of production, and yet we imported 22,710,000 pounds of butter last year. Our farmers took out of production approximately 5,000,000 acres of wheat land, and the records show we imported 28,085,000 bushels of wheat. During this same period we imported 34,630,064 bushels of corn. All of these imports were brought into this country previous to the making of the Canadian reciprocity agreement. No one can foretell what our farm imports might be with this treaty in effect and a favored-nation clause.

It is unfortunate that the Secretary of State, Hon. Cordell Hull, dismisses the importation of farm commodities with the statement that the percentage of imports is small compared to the total of the products produced in the United States, and leaves the inference that the amount is so small that it makes little difference. Using this same argument, it might be said that despite the fact that we have 10,000,000 unemployed in this country, it would not be objectionable to admit several thousand alien laborers or admit them on a quota basis. No one would seriously consider this, yet it is what we do for agriculture.

To protect agriculture we should immediately rescind the Canadian reciprocal-trade agreements and other similar trade agreements.

Third. The Department of Agriculture and the Department of the Interior, through the Reclamation Service, should have a coordinated land-use policy. The Department of Agriculture has embarked upon a program of land-use curtailment, while on the other hand the Reclamation Service has, through great Federal appropriations, adopted a policy of bringing into use several million acres of arid land through the application of water by the construction of reservoirs. I am not opposed to all reclamation work, but I am opposed to spend-

ing hundreds of millions of dollars of the taxpayers' money in order to bring into production strictly arid land. There are many sections of semiarid land in our country that should be taken care of before vast new areas of arid land are opened up. In an article appearing in the Spokane Chronicle of December 25, 1935, it was suggested that many States in the United States were being indirectly benefited by the construction of the Grand Coulee Dam and reclamation project through expenditures for products used in its construction. It was interesting to note in this article that the State of Kansas received benefits totaling \$10.73. In view of this benefit to the State during the period of construction, I am wondering what the loss will be to the farmers of Kansas when 1,200,000 acres of fertile soil come into production. This is one of the many projects under construction, and I believe Congress should limit the expenditures for reclamation work until we have a definite coordinated plan of land use.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CARLSON. I yield.

Mr. CRAWFORD. I find in the announcement of brokers representing certain processors of the country that since the Supreme Court decision these processors are insisting and demanding that the retail grocerymen pay the processing tax to them on their invoices, which taxes have been held illegal. If this money is thus collected, does the gentleman agree with the proposition that this money might be used for the purpose of meeting these unfinished contracts?

Mr. CARLSON. I certainly am not in favor of returning it to the processors.

Mr. CRAWFORD. The gentleman means by the retailer?

Mr. CARLSON. Yes.

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

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the newspapers of the morning carry some exceedingly interesting information. The Secretary of the Treasury seems to have told a committee of the Senate that during the next 17½ months we must finance something like \$11,300,000,000. On yesterday the ranking minority member of the Committee on Appropriations revealed some very startling figures which interested me, because on the floor of this House last year on several occasions I quoted figures showing that the national debt in 1937 would be about \$40,000,000,000. At the time this seemed to be an extravagant statement, but my prophecy now appears to be borne out by others, and even sooner than I expected.

Before I forget it I wish to comment on a question which was presented to the House this afternoon. Who were the bankers who told the President of the United States that this country could stand a debt of \$50,000,000,000 or more? Who were those anonymous bankers whom the President refuses to name or whom up to this time he has not named? We must assume that there were such bankers. We must take the President at his word, and in the absence of real information we may look back and see what bankers might possibly have said it. On the floor of this House last year I stated that, under questioning by the Committee on Banking and Currency, one very prominent banker did say to the committee:

I do not worry about a debt of \$40,000,000,000.

This man now, Mr. Chairman, is the Chairman of the Federal Reserve Board and probably the chief adviser to the President on financial matters.

Are we to be blamed for assuming that he was one, at least, of those bankers who so advised the President of the United States? Is it wrong sometimes to assume things which appear to be logical? Is it wrong to assume, as some of us did on the floor of this House yesterday, that the Federal Communications Commission, appointed by the President, might have taken the advice of the big generals of this administration when they made an important decision with reference to political broadcasting? Is it not to be expected that we would assume this without making definite charges? No; we have at least the right of assumption

sometimes; and in the absence of definite information, certainly we have a right of assumption when it is based on good reasons. Naturally we have cause to think it highly probable that consultations were held with political strategists in a matter of this nature.

The ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER], brings in figures that are most startling. In 1933 we gullible Congressmen, believing that the expenses of the country were going to be cut 25 percent, voted for the economy bill.

In 1933 we had statements from the President himself giving us assurance that if this Economy Act were passed there was reasonable prospect that within a year the income of the Government would be sufficient to cover the expenditures of the Government. That was the "long-range planning", of which we have heard so much. Yet a message was received only about 10 days ago, when the Budget was presented, stating that the deficit this year would be \$1,500,000,000. Of course, the decisions of the Supreme Court and the bonus, taken together, will set it back about \$3,000,000,000 more; and the gentleman from New York [Mr. TABER] yesterday, in presenting his figures, said this:

I think it is safe to say that the appropriations asked for by the Executive for relief will not be less than \$3,500,000,000.

So the total deficit for the fiscal year 1937 will be \$6,866,000,000—not \$1,500,000,000. The country was to have been reassured by believing that the deficit would be \$1,500,000,000, whereas now figures which really can be depended upon show it will be \$6,866,000,000.

The gross debt at this time is about thirty and one-half billion dollars, exclusive of the bonus. Taking into consideration the bonus to be payable in 1937, counting a deficit of three and one-half billion dollars for 1936, at the end of 1937 there will be a debt of \$40,000,000,000. The Congress spent more than \$10,000,000,000 last year, which was about \$6,000,000,000 more than we knew we could raise. When and where was that \$6,000,000,000 to be accounted for, when the country was told we were in debt only thirty and one-half billion dollars? That was the indebtedness for loans outstanding at the moment only. But there were \$10,000,000,000 to be spent, and much will have to be financed very, very soon after that statement was made.

Now we find it. There seems to be a deficit of three and a half billion dollars for 1936, which, in conjunction with the bonus, will create a debt at the end of 1937, as is stated, of about \$40,000,000,000.

Now, ridicule, if you can, the figures we gave you a year ago when we talked about a \$40,000,000,000 debt. And the end is not yet! I do hope that those bankers of the country will either confess, or we may be told who they were, because those from whom we have heard in the past have advised that a debt of \$40,000,000,000 is a highly dangerous one. Now, Mr. Morgenthau states that in the next 17½ months he will have to borrow \$11,000,000,000, or more. We have been canceling the long-term bonds because of the higher rate of interest. We have been getting money for 10 years at the rate of 2½ percent. If we are to continue to pile up the debt, and the public is fully informed as to what has transpired, especially in the last 2 weeks, will it help the credit of the country? Will they continue to be able to sell 10-year bonds at 2½ percent? Extremely doubtful! When, as happened this morning, there are recorded on the floor the names of many prominent Democrats of the country who are criticizing the New Deal, I say, "Page Lewis W. Douglas" on the financial phase of the Government. He should know. What does he say? If you have not acquired the last two or three issues of the Atlantic Monthly, you certainly should do so. Buy those numbers and read what Lewis W. Douglas, the man the administration trained in the budgetary and financial affairs of this Government, has to say about the present financial conditions.

Is business really confident? Are the banks now loaning money freely? There were \$49,000,000 less loaned last week to business than the week before. There is plenty of money in the banks, but the graph shows no increase in loans, but

a constant increase in reserves. To be sure, business is better, but that is in spite of present inimical legislation rather than the result of assurances of helpfulness.

We find here today in this bill a request for a large sum of money for the Securities Commission, of which you on the other side boast so much. I do congratulate the President on the selection of its personnel, for much consternation might have resulted if it had been more radical. I have looked through these hearings and I find the answer to a most important question is not there.

About \$5,000,000,000 has been presented for registration with the Securities Commission. How much of that has been for new business? We shall find that nearly all has been for refinancing and taking advantage of these low-interest rates. At the end of the first 6 months of the past year, as I recall it, about a billion and a quarter of registrations had been received, but less than \$30,000,000 of that was for new activities.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. Mr. Chairman, follow this business graph and it will be seen that in the summer of 1932 business greatly increased. An election was coming on, however. The graph goes down. Of course, all elections cause business disturbance to some extent. Then there came the fateful interregnum from November to March. I shall wish to say much more about that later. Recall those fateful 4 months after a new President had been elected. Nobody knew what he would do, and he was silent; oh, so silent! If the country had not met with that tremendous setback, there would not have been any such unhappy situation as existed in March 1933. It can be likened to the 4 months which followed Abraham Lincoln's election. He could not take his seat until March. Recall the happenings of those 4 months!

In March 1933, after the President made the speech asserting that he would balance the Budget in a year and income would equal the disbursements, business took an abrupt upturn until the middle of that year. Then the graph goes down, and since then there has been a very slow upturn—this despite existing threats of punishment, with merely "breathing spells", permitted at the whim of the ring-master. Gradually we are getting used to these things, however, and business, heartened by the Supreme Court, goes slowly ahead. After all, little businesses feel that they are closely related to big business.

They rather feel they are second and third cousins to big business, and they take the cursings as though they were meant for them, too. They are frightened. The Democrats say, "Do you want to go back to March 1933?" No; we do not. No one knew where we were then; not the Democrats themselves. They knew absolutely nothing of their leader's plans or his abilities. The country did not know. Such a question is ridiculous. It is not an argument.

Mr. Chairman, I rose at this time just again to remind the Members of the House that we are approaching a national debt of \$40,000,000,000 and to justify the figures which I gave a year ago. I suggest also that it would not take many guesses to determine who at least one of the great bankers was who told the President not to worry about a forty or fifty billion dollar debt. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I should like to call the attention of the House to that which is already recorded so fully in the newspapers this morning and this afternoon with respect to the untimely death of air-line passengers and the pilot and copilot and stewardess of a plane on a westward journey from New York to Los Angeles, the tragedy occurring last evening in Arkansas, and taking a toll of lives to the extent of 17 persons, making it perhaps the greatest tragedy in the history of American commercial aviation.

I call attention this afternoon to this tragedy simply for one purpose. Those who have pioneered in science, indus-

try and business in this country and in the world have always had to stand out in the forefront and take their chances of success or failure. Those who fought their way westward over this country in the early days when we pioneered through the mountain passes and over the plains had their toll of death. Those who pioneered across the waters and beneath the seas have also had their bitter experiences.

Commercial aviation in America and in the world today has been dealt a stunning blow, but only temporarily so, because in the future those who are charged with carrying on this great industry will continue to so improve the planes in which men and women fly, so improve the airports where the planes land and take off, and so improve all conditions necessary to successful continued progress in aviation that they will lessen greatly the number of casualties just as those who pioneered in railroad transportation were called upon to do.

I have been deeply interested just now in reading the figures from American Airlines officials in New York City showing that 186,000,000 passenger-miles have been flown by this company until last night without a single accident; and that 240,000 passengers in the last year and a half have flown over this line without a single fatality.

I comment on this tragedy with its lesson for us as Members of Congress to encourage in every way, and not discourage, these improvements and the advancement that will take away from commercial aviation in this country certain of the hazards and dangers which still exist.

The pilots of progress in this outstanding transport system will continue to carry it forward, and especially in America do I feel we shall lead the way in continued improvement and success in this great industry. Not only the pilots who fly the planes but all those connected with this great enterprise are truly pilots of progress in the onward march of American civilization.

How prophetic are the lines written in 1842, almost a hundred years ago, by Tennyson when he said:

For I dipt into the future, far as human eye can see,
Saw the vision of the world and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales.

[Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, as one of the gentlemen here has said, "Where are you going to get the money?" I think this is probably the best way for me to begin and end my address that I may make here, because I want to impress it upon the minds of the Members of the Congress. Again I say, where are you going to get the money? [Laughter and applause.]

I want to call the attention of the Members of the Committee at this time to the address made by the President of the United States on January 3, 1936, at 9 o'clock p. m., in the House of Representatives before a joint session of the House and Senate, in which he stated:

We are about to enter upon another year of the responsibility which the electorate of the United States has placed in our hands. Having come thus far, it is fitting that we should pause to survey the ground which we have covered and the path which lies ahead.

I want to call the President's attention to some of the ground he has covered, and then I am going to suggest something with respect to the path that lies ahead.

"Consistency, thou art a jewel." I have always been interested in any man when he points out a particular road to travel and then travels it himself, but I certainly lose my respect for an individual when he points out a road to travel and then takes another course.

I wish to read to the Members of this Congress extracts from the message to Congress by President Roosevelt on March 10, 1933:

The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself, which requires equally courageous, frank, and prompt action.

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was \$462,000,000.

For the fiscal year 1932 it was \$2,472,000,000.

For the fiscal year 1933 it will probably exceed \$1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed \$1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of \$5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

Remember, this was the President's address of March 10, 1933.

WHERE WILL YOU GET THE MONEY?

I wish to call the attention of the Members to the fact that the deficit of the Federal Government on June 30, 1934, was \$3,989,000,000; that the deficit of the Federal Government June 30, 1935, was \$3,575,000,000; the deficit on June 30, 1936, estimated to be \$3,234,000,000; and the estimated deficit, according to the President's message, for June 30, 1937, is to be over a billion ninety-eight million dollars. This does not include anything for relief nor does it include the bonus bill passed by this House several days ago, amounting to \$2,000,000,000.

The attention of the Members of Congress is called to the fact that the expenditures from July 1, 1933, to June 30, 1937, are estimated to be \$28,879,000,000, and the receipts about \$16,981,000,000. That will leave an operating deficit of \$11,898,000,000; and for work relief for 1937 about a billion dollars, estimated; and for the soldiers' bonus payments about \$2,000,000,000, estimated; or a net deficit for the 4 years of Roosevelt's administration of \$14,898,000,000.

When you think of the expenditures of the Roosevelt administration, what encouragement do you Members of Congress see in the statement made in the President's message of March 10, 1933:

For 3 long years the Federal Government has been on the road to bankruptcy.

And when he said:

I am not speaking to you in general terms; I am pointing out a definite road.

It looks to me as if he must have felt at that time that spending would eventually lead to bankruptcy. In the name of all that is sensible and sane, if the President wanted to criticize expenditure of funds for the 3 years previous to his administration, I wonder what the man thinks of himself and his administration at this time.

Mr. Roosevelt—call him, if you will, the Democratic President, elected by the Democratic Party to carry out the Democratic platform—has fooled every leader of the Democratic Party, the members of that party who are in Congress, and the American people. The Congress should be most careful, in my judgment, in carrying out any recommendations that may be made by him which are, in my opinion, proposed by men not qualified in the affairs of government, men who

do not know the value of a dollar, men who do not know how to put 10,000,000 men to work and on the pay rolls of the manufacturing establishments of this country.

At this time I wish to state to the Members of Congress that if you will tax improved machinery, the manufacturers of the Nation will be compelled to absorb this unemployment and the unemployed will be taken care of by the pay rolls of manufacturers, and not by the Federal dole, as at present, and which has created this great national deficit. I so recommend that you take definite action through proper laws overseen by the Department of Labor for the immediate taxation of improved machinery—or mass production, as we call it—in order to get the workers off relief and onto the pay rolls of industry. I have suggested this numerous times in the past several years, but no action has been taken.

Let us pass laws at this session of Congress that will get us out of this deplorable position we are in; let us stop this enormous increase of our national deficit, or we are soon faced with national bankruptcy, and when we are compelled to repudiate our debts then we repudiate all our obligations and America loses its form of government and its freedom.

Where will you get the money? [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. RICH. I yield.

Mr. McCORMACK. Has my friend introduced a bill to carry out all that?

Mr. RICH. No; I have not; but I understand there are Members on the Democratic side who have. I would introduce a bill, but you know that any bill introduced by me would be thrown into the scrap basket by this majority Congress. If you will get behind a bill of that kind I will do everything I can to help enact it into law.

Mr. McCORMACK. My friend from Pennsylvania is unnecessarily sensitive. My friend has made a constructive recommendation, and whether I am for it or against it I should like to see it introduced. When he makes the recommendation he can introduce a bill, and whether or not it is considered is not his responsibility. I should like to have the gentleman introduce a bill. Will he introduce it?

Mr. RICH. The gentleman from Massachusetts can introduce the bill and I will help him put it through. I would introduce such a bill, but in this Congress it would be scrapped; so why should I waste my time when I know it would not be considered? I am pointing the way to you. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, I shall devote the time allotted to me to a discussion of the two farm bills that are pending before this Congress—the Frazier-Lemke refinance bill and the cost-of-production bill. I do not know how it appears to most of you, but to me, as has been stated here, and during all time today and yesterday in this general debate, the thing most urgent for the consideration of the Congress is some kind of farm relief. I do not believe that the people of the United States are much concerned, nor do they give much heed to the attacks made on the President of the United States on the one hand, or on the other of having the political undertaker wheel President Hoover's corpse out here in the well of the House. The people are interested in trying to do something for the farming class in America. I agree with one statement made here this morning by the gentleman from New York [Mr. FISH] when he classified the farming industry as a non-profit-making industry. If there has been anything established in the arguments that have been made in regard to agriculture and the condition in which it finds itself today, that is the outstanding fact.

I have been getting a lot of letters and telegrams from down in my country. It is a farming district. Everyone in that district is either a farmer or directly interested in farming. This Congress does not want to imagine itself secure by any means in ignoring their demands for recognition here. There are only about 30,000,000 farmers in America, or people interested in farming, and the people of America, according to my judgment and the contacts I have had with them down

in my portion of the world, are losing confidence in parliamentary legislation, and they are losing it because of the attitude that the Congress as a rule assumes.

Democracy is regarded down there as a mockery, so far as the accomplishments of Congress are concerned. I do not care whether a man is a Democrat or a Republican. The people are not interested in your politics, but they are interested in the thought that you have and the votes that you cast in this House.

We have had this Frazier-Lemke refinance bill here for a number of years, I am told, and you cannot blast it out of the committee because of various arguments made in regard to inflation. We have had the cost-of-production petition filed here for nearly a year. We cannot get signers to that program because of that same conservatism. I do not blame a man for being conservative, but I do say this, that in the Congress of the United States the people have a right to a hearing, and you are not giving it to them. [Applause.]

I make this observation, that after having talked with the representatives of this bunch of farmers which have been assembled in Washington for the last week we had better mind just what we are going to do in Congress. I am a Democrat. I agree with you as strongly as possible that the country ought to insist upon and demand the reelection of President Roosevelt—not so much because, perhaps, of his standing on this farm legislation, but the people of America have confidence in the humanitarian aspects of the man. I believe the people know that if the administration was behind this farm program you could get consideration of it. No consideration has been had, and probably none will be had unless we reconsider what we are doing now.

Where do we find ourselves? The Democratic platform in 1932 provided for the cost of production, the very bill that we are trying to petition out here now. For some reason or other, I do not know why, the President ignored it; and the Republican platform in 1932 provided for a control of production. That was the Triple A, and the Democratic administration operated under the triple A and the Supreme Court held it unconstitutional. We now hear rumors to the effect that a committee is going to report another bill providing for a reduction program in agriculture. If they do, under the decision of the Supreme Court of the United States in the Triple A bill, we are facing a head-on collision again. Why not adopt something sensible and reasonable, in which there is a hope of having it sustained on constitutional grounds?

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

Mr. MASSINGALE. Yes.

Mr. McCORMACK. Does the Frazier-Lemke bill provide relief for the home owner in the city?

Mr. MASSINGALE. No.

Mr. McCORMACK. Why not?

Mr. MASSINGALE. I am talking about the cost of production.

Mr. McCORMACK. The gentleman did refer to the Frazier-Lemke bill.

Mr. MASSINGALE. Yes.

Mr. McCORMACK. That does not carry relief for the home owners in the city?

Mr. MASSINGALE. No; but Congress passed the Home Owners' Loan Act and did its best to relieve conditions in the metropolitan areas. Here is the situation the way the farmer views it and the way that I view it. The farmer is down and out. Statistics show that for the last 8 or 10 years he has been operating at a loss. He has not been getting what it cost him to produce his stuff. There is a relief, a promised relief, in this cost-of-production program. I do not see why a Republican cannot come up here and sign these petitions. I hear it rumored around that in 1936 the Republicans are going to have as a part of their platform the cost-of-production plan that the Democrats had in 1932. Here is the way this thing will operate, according to my information. If we adopt the cost of production as an aid to farmers, then the farmer will get for the stuff that he produces for domestic consumption in the United States

what it costs him to produce it on the basis of a proclamation of the Secretary of Agriculture.

In addition to that, he will have surplus crops. He can take those surplus crops and do what he pleases with them, or the Government of the United States can do it with appropriate provisions in the law. If these hard-pressed New England industries or textile mills of the country are complaining, the Government can dispose of that surplus cotton, for instance, to those mills at such a price as will put them on their feet and let them compete with the textile manufacturers of other countries in the world. There is no reason why we should not try to do something for this class of farmers, and the Democratic Party is going to be held responsible for it if we do not. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MASSINGALE] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, while we are in Committee of the Whole House on the state of the Union I want to call attention to the Members of Congress who are always here, and to the country at large, that we have a great number of citizens in this country in great distress. I refer to the American Indians. We have 340,000 Indians in this country today, and while I am speaking to you at least 100,000 of them are almost destitute. I spent about a month with them this summer, and I found a great many families of Indians on the Sioux Reservation living in tents in the cities, eating off the dump grounds.

I made an effort to get some money allocated for the immediate relief of those Indians. I succeeded in getting a commitment of \$5,000 for the immediate relief of that reservation. Since that time I understand the Director of the Budget refused to O. K. the expenditure of those transferred funds.

We have declared those Indians to be citizens, yet they are not citizens. This Government, contrary to the wishes of the Indians, has made every Indian who has any allotment under the allotment system of this country and every Indian who is entitled to land under the tribal land grants a ward of the Government, and the Government has assumed to act for him both in the matter of his life and his property. Inasmuch as the Government, as early as 1887, against the wishes of those Indians, deprived them of the right to operate their own business, and they now appear today as wards of the Government, is there any just reason why this trustee of the Indians—the Government—should permit those Indians to starve?

Mr. Chairman, I ask unanimous consent to revise and extend my remarks to give a full report in regard to this Indian question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Chairman, under leave to revise and extend my remarks made on the floor of the House on the subject of the condition prevailing among the Indians of the Northwest, permit me to say that it is my purpose here to give the Members of Congress and the country at large a brief outline of conditions prevailing among the Indians of North Dakota, South Dakota, and Montana as I personally found them to be on my personal visit among them in October and November just passed.

First, may I say that I have lived among the Sioux of Dakota for more than 50 years, and I believe I have a broader acquaintance among them than anyone at present in the city of Washington. In the area of my acquaintance are the Sioux, Mandans, Gros Ventres, Arikaras, Crees, Chippewas, and Blackfeet. The entire population of these tribes numbers about 41,000.

These tribes at one time in the long ago occupied the territory of the United States far to the east, but as the white population pushed over the Allegheny Mountains, and crossed the valleys of the Ohio and the Mississippi, these tribes were driven westward beyond the horizon of the white man's civilization.

During this trek across the continent countless numbers of treaties were made with these Indians, and in every instance the Government of the United States solemnly promised the Indians land to west if they would give up the dominions they then occupied. As soon, however, as the white population reached the "Indian country", reserved for the Indians, they occupied it. Financial pressure was that never ending force which drove our forefathers westward to undergo the dangers of Indian wars and massacres. The Indians were fighting for their homes in the only way they knew—the frontier settlers were fighting for the chance to build a home which they could not do in the East that had denied them the opportunity to own a home.

No sooner was a treaty made with the Government before that Government found a way to either break it or circumvent it.

The Indian department was established in 1832 by an act of Congress, acting under the general supervision of the War Department. Later the supervisory control of Indian affairs was lodged with the Secretary of the Treasury. In 1868 by an act of Congress the supervisory control of Indian matters was placed under the direction of the Secretary of the Interior, where it still remains.

In 1871 by an act of Congress all further treaties with Indians were prohibited, but all treaties made prior to that date were validated.

The last great treaty made with the Sioux was made at Fort Rice, Dakota Territory, in 1868, and among other things this treaty provided—

In article 2 that the future home of Brule, Oglala, Minneconjue, Yanktonai, Hunkpapa, Blackfeet, Cut Head, Two Kettle, San Arcs, and Santee Sioux should be in that territory described as follows:

Commencing on the east bank of the Missouri River where the 46th parallel of north latitude crosses the same—

which would be at or near Fort Yates, Dakota Territory—thence along low-water mark down said east bank to a point opposite where the northern line of the State of Nebraska strikes the river thence west across said river and along the northern line of Nebraska to the 104th degree of longitude west from Greenwich (104th degree)—

The same being the west boundary of Dakota—

thence north on said meridian to a point where the 46th parallel of north latitude intercepts the same thence due east along said parallel to the place of beginning.

This provision embraces all of what is now South Dakota and a strip approximately 10 miles wide across the southern boundary of what is now North Dakota. In addition to this tract the Government added thereto all existing reservations on the east bank of said river. And the Government in said treaty said:

And the United States now solemnly agrees that no person except those herein designated and authorized so to do and except such officers, agents, and employees of the Government as may be authorized to enter upon Indian reservations in discharge of the duties enjoined by law shall ever be permitted to pass over, settle upon, and reside in the territory described in this article and in such territory as may be added to this reservation for the use of said Indians, and henceforth the Indians will and do relinquish all claims or right to any portion of the United States except such as is embraced within the limits of the aforesaid.

The territory ceded to the Indians in this treaty included the Black Hills. Gold was discovered there in 1874 and the white prospectors and settlers moved in in violation of this treaty and the Government of the United States was responsible for this trespass.

Another provision of the treaty provided that the Indian should be educated by the United States Government. Article 13 of the treaty provided:

The United States agrees to furnish annually to the Indians the physicians, teachers, carpenters, millers, engineers, farmers, and blacksmiths herein contemplated, and that such appropriations shall be made from time to time on the estimates of the Secretary of the Interior as will be sufficient to employ such persons.

This article does not authorize Congress to appropriate this money with the Indian funds, but it is a direct appropriation during the civilization period of the Sioux Indians, but that provision, as every Congressman knows, has never

been kept. The treaty further provided in article 16 that the United States hereby agrees and stipulates that the country north of the North Platte River and east of the summits of the Big Horn Mountains shall be unceded Indian territory, and also stipulates and agrees that no white person or persons shall be permitted to settle upon the same without the consent of the Indians first had and obtained. This provision of the treaty was not kept. The Black Hills were taken away from the Indians absolutely, and they were never paid either for the gold obtained or for the country itself, and after all of this bad faith are we to forget the Indian today when he is starving by following the white man's ways which we have compelled him to follow?

During the entire period in which these tribes were wending their way westward in the vanguard of approaching pioneers, the Indians were in the main treated as prisoners of war or as fugitives from justice. Whole communities of Indians were broken up, their land taken away from them, and they were transferred to distant parts of the United States and compelled to live in reservations, far from their native haunts. Longfellow's story of Acadia was enacted time without number among the very tribes of whom I now speak. The deliberate and uncalled-for transfer of the Idaho Indians under Chief Joseph from their native homes in Idaho to Indian Territory is more pathetic to read than the story of Acadia.

In 1887 the allotment system of handling Indian lands and Indian lives was adopted through an act of Congress. Allotments of land in reservations were made to the Indians, but the control of that property and the control of the lives of the Indians was not left to the Indians, but assumed by the United States Government. Today in the "Indian country" the Federal courts of the United States have complete jurisdiction of all Indian matters and of all crimes committed within the "Indian country" whether committed by Indians or whites. While the Indians are no longer treated as prisoners of war, they are not permitted to have their independence. An Indian is termed a ward of the Government. He can do nothing—the Government is his agent, his protector, his advisor, his trustee, and the Government, acting through the Bureau of Indian Affairs, is complete master over the destiny of the American Indian.

The Government has assumed this stewardship as guardian of the American Indian. Not only does the Government control the Indians in all of their affairs but the Government controls their money, keeps it on deposit for them, under this trust, and spends it in appropriations by Congress as it sees fit, without the Indians' consent. It is no exaggeration to say that the Government of the United States has expended out of Indian trust funds, to support the machinery that governs the Indian, and against the plain provisions of this trust, more than \$500,000,000.

Today the Indians of the Northwest are slowly but surely starving. They live in homes unfit for human habitation, sanitary conditions are at the lowest ebb, and sickness and disease, at least among the Sioux, are allowed to go unchecked.

During the past 6 years one of the unprecedented droughts of history has visited these reservations. Their gardens dried out, and the shortage of grass compelled them to sell their cattle. The pride of ownership of any Indian was his horses, and today on the Standing Rock Indian Reservation the horses have perished, and the Indian is on foot.

In the P. W. A. and the Indian works program, many young Indians have been employed, but even those must measure up to standards of health and fitness. The sick Indian, the aged Indian, the husbandless widows are left to the tender mercies of the Great Spirit.

I found family after family with nothing to eat except a few beans furnished by the agency. Occasionally I saw a small portion of sowbelly, but the rations dealt out for a whole month for a family of five could have been devoured by two hungry men at one meal. The wild fruit, always a source of food for these Indians, failed to mature. Through the anxiety of the Indian Department to do something, the prairie dogs were poisoned, and other wild game such as prairie chickens were destroyed by the same agency. Prairie-

dog meat has always been a natural Indian menu, and this poisoning process was a serious matter with the Indians.

I visited Indian homes and saw for myself their destitute situation. As far as my means would permit, I fed them, but one Member of Congress cannot feed many distressed Indians. I took up collections among the white people; I wired to the Secretary of the Interior, the Indian Bureau, and the President of the United States, setting forth their deplorable condition. At first these reports which I sent in were denied by some, and the unfriendly newspapers in North Dakota belittled the reports I made and printed statements that I was evidently out canvassing for Indian votes. I found the most deplorable conditions at Bull Head and Little Eagle, S. Dak., among the Hunkpapa Sioux, the bravest of all the Indians on the American continent. I surely could not be looking for votes in South Dakota. I trust I may be given credit for having more political judgment than to be out "cooning" for votes where there are no votes. All the Indian vote in the Northwest would not determine the election of any Member of Congress. No; I made this investigation because I have lived with them for half a century and they are my friends.

I was advised by wire from the Indian Bureau that \$5,000 had been made available for the relief of aged Indians on the Standing Rock Indian Reservation. I felt somewhat relieved. The Commissioner of Indian Affairs also made the statement in the press of the country that out of a total Indian population in the United States of 340,000, at least 100,000 were in distress.

That \$5,000 has never been sent to the reservation, because the Comptroller General will not O. K. the transfer of the fund from which this money was to come, and the Indians are in more distress than ever.

Foreseeing this condition, and acting upon information received from the Indian Bureau, I introduced in the first session of this Congress a resolution providing for the appropriation of \$175,000 as an immediate emergency fund for the relief of these Indians. This was House Joint Resolution No. 263. Nothing more modest in amount could ever have been suggested. The Bureau of the Budget reported to the Committee of Indian Affairs of the House that the resolution was not in harmony with the financial policy of the President, and that was the last of that resolution.

Senator NORBECK, of South Dakota, introduced in the Senate, and Congressman KNUTE HILL, of Washington, introduced in the House a bill to provide \$30 per month pension for the aged Indians. This was done for the reason that the social-security bill does not apply to Indians. No general law for relief applies to Indians unless the act itself so declares, and there is nothing in the Social Security Act that makes it applicable to Indians. That bill was also turned down as not in harmony with the financial policy of the President.

While these measures were said to be in conflict with the financial policy of the President, at the same time the Government was building golf courses at Fort Yates for the benefit of the employees of the Indian Bureau. At the same time men from Arkansas were engaged in the important work of shooting jack rabbits in North Dakota. This is not put in here as an idle joke—it is the truth. At the same time, when we had no fund to feed hungry Indians, the Government was building steel towers in North Dakota and erecting on them houses to house observers put there to see that the wild duck were not molested. At the same time the Government was spending money in the building of a scenic highway through the Bad Lands of North Dakota by men armed with picks, shovels, and wheelbarrows. This is still going on and the most modern type of road machinery lies idle. I am just wondering what the key is to the President's financial policy that will approve such nonsensical operations and at the same time will leave 100,000 Indians in distress.

I desire to point out one further fact, and that is that these destitute Indians are wards of the Government, made so through no act of their own. The Government of the United States is their trustee, their protector. The Government cannot escape this responsibility to care for these Indians. They are duty bound to do it because of this trust

relationship. It is inhuman to avoid this responsibility. Some way must be found by this Congress now to feed these Indians, to clothe them, to provide them with houses, to take care of them in sickness, no matter what the financial policy of the President or anyone else may be. Some way out must be found to permit and demand that this Government discharge its obligations to a class of our citizens who have been held in subjugation since the beginning of this Government. I will venture this prediction—that if this Government will pay the Indian what is due him under validated treaties and under acts of Congress and let him take care of himself he will be infinitely better off than he is cooped up on a restricted reservation, with all power to take care of himself taken away, while his money is being spent by Congress without his consent, and he allowed to starve by the very agency that is responsible for his helplessness.

We made the Indians citizens of the United States, but we qualified it by saying that he was only a limited citizen. He still remained under the control of the Government. He cannot transact his own business and cannot get his own money until Congress gets through spending it in the grand process of civilizing the Indian.

It surely is a sad commentary to have to say that the first inhabitants of this great country are still under the protecting care of the Government and that when dire need comes that the Government should say it cannot discharge the trusteeship which it has assumed.

It is repudiation of the solemn terms of ratified treaties for this Government to refuse now to make its word and promise good.

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

Mr. CULKIN. Mr. Chairman, I asked for this time to discuss an issue that is of vital interest to the welfare of the entire country. I am going to get away from the spirit of partisanship. We have heard a great deal along that line the last few days. Today I wish to discuss the subject of transportation in its related fields. I wish to discuss, within the limits of time allowed me, the attempt that is being made to merge rail and water transportation in the United States and to place it under the complete regulation and jurisdiction of the Interstate Commerce Commission. This is the proposition embodied in Senator WHEELER's bill—S. 1632—which has already been reported from the Committee on Commerce in the other body.

THE PROPOSED MERGER IS VICIOUS

I desire to voice my vigorous objection to the suggested procedure. The prime necessity of America today is adequate low-cost transportation. In some sections of our country we have great surpluses of products of the farm and factories for which there is no market. In other sections there is distress because of the need of these commodities which cannot be transported to the area where they are needed by reason of the prohibitive, and, I may say, excessive costs of transportation. It is my honestly considered opinion that the development of our internal waterways and of our coastal harbors is now beginning to solve this acute and distressing problem. A feature in this solution is the 3,000,000 miles of public roads and highways which we have improved. Over these the development of transportation by truck is already furnishing a needed and necessary method of transportation.

We have about 15,000 miles of canalized rivers suited to navigation within these United States. I am informed that we have 250,000 miles of railroads in the country. As at present constituted, these various methods of transportation are not meeting the problems of the people. May I say that I am somewhat familiar with these problems. I have served on the Rivers and Harbors Committee for 8 years and have been fairly diligent in my attendance at all hearings. I have come to know the national picture and have been greatly impressed with the measure of relief which water transportation has brought to the people.

PRESENT RAILROAD RATES DESTRUCTIVE OF NATIONAL INTEREST

I am firmly convinced from my examination of the subject that the present rate structure of the railroads is a definite and complete handicap to the farmer and industrialist who

wishes to get his goods to the market. As time has gone on, these railroad rates have become more and more oppressive. I have in mind sections of the East and West which are virtually marooned where water transportation is not present by reason of the fact that the freight rates on the product to the large metropolitan markets are greater in amount than what the farmer receives for his produce.

I have in mind certain areas of the West, where it costs more to carry a bushel of wheat 100 miles than the wheat is worth. Congress has attempted to solve this vital and growing problem by the creation of the Interstate Commerce Commission and has granted to this body certain quasi-judicial powers.

I do not wish to cast any aspersions on that body, but it is obvious to all who have looked the situation in the face that the Interstate Commerce Commission has definitely become railroad-minded. It has forgotten the purpose for which it was created, and I am somewhat of the opinion that it were as well if this body had never been created. Edmund Burke once said that "refined policy was the parent of confusion." The present situation of the railroads is an evidence of that. It may be that the railroads, by reason of the sins of the past and the fact that they were once subject to the financial piracy of the Jay Goulds and Jim Fisks of a past generation, are in fact suffering from a condition for which there is no cure. The management of the railroads since the creation of the Interstate Commerce Commission have remained moribund and have been content to make an annual pilgrimage to the Interstate Commerce Commission, where they asked for and usually received an increase in freight rates.

RAILROADS HAVE HAD GENEROUS SUBSIDIES

America owes much to the railroads, but America has been and is being good to the railroads. I mention this in connection with the claim that the waterways of the country are being subsidized by the Government. According to the records of the Interior Department, Federal land grants to the railroads have amounted to 158,293,376 acres. The value of this land is indicated by the fact that much of it was located in such States as Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, and Kansas. The monetary value of this land, plus the donations from other sources by localities, both State and townships, amounts to the handsome sum of \$950,000,000. They have had the use and enjoyment of these gratuities for over 60 years. At 4 percent simple interest the present value of these railroad bonuses is over \$3,000,000,000. The Reconstruction Finance Corporation since its inception has loaned the railroads approximately \$400,000,000. The repayment of much of this is doubtful. We are paying many millions of dollars in subsidies on mail contracts to the railroads.

WATERWAYS ARE EFFICIENT

It is my honest judgment that waterways are today giving substantial service to the people at a greatly decreased cost. The cost of maintaining all of the rivers and harbors is annually about \$25,000,000, and represents a cost of about 3½ cents per ton of commerce. The cost of maintaining the railroads ranges from one billion to one and a half billion dollars per year, as stated by the Interstate Commerce Commission. This represents an average cost of \$1.50 per ton of freight handled. The railroads, according to Chairman Eastman, are carrying a capitalization of approximately \$24,000,000,000. One billion of this structure represents the capitalization of public gifts. It is fair to state that due to the part that the financial piracy of the olden days played in the railroad management that \$6,000,000,000 is water and never went into property at all. Much of the railroad property has been permitted to become obsolescent; yet the public, in the theory of Mr. Eastman, is supposed to pay freight rates based on this exaggerated and fantastic capitalization.

I am fully aware that the investment in bonds of the railroads make up a considerable part of the investment of banks, insurance companies, and investment trusts. I realize that many widows and orphans are dependent upon

their income from this source. But I do not believe that investments in this type of security are threatened by any write-down of railroad valuation.

The fact is that America will be tied hand and foot if we permit the present policies of the Interstate Commerce Commission to include water transportation. The rates fixed by this body carry in themselves the seeds of destruction of the railroads. I am in strong sympathy with the type of investors I have described. I am in strong sympathy with the men who are employed on the railroads of America. For the protection and future of all concerned it is vital that there should be some write-off in the present volume of securities. For myself, I am willing to vote proper Federal aid to the railroads, but I am unwilling to weigh down water transportation with the past sins of the railroads and to consign them both to ruin and destruction.

WATERWAYS DO NOT INJURE RAILROADS

Both water and rail transportation should be kept independent, and there should be no monopoly in transportation. Judge MANSFIELD, who is chairman of the Rivers and Harbors Committee of the House and an expert in the field of waterways, has repeatedly stated on the floor of the House that waterways do not injure the railroads. He has stated that 90 percent of the harbors that were improved in America were improved at the request of the railroads themselves. The city of Pittsburgh is evidence of the fact that movement by low-cost water transportation resulted in the building up of one of the greatest industrial and railroad centers on the American Continent.

The fact is that every locality in America that is alive to the situation is against the proposed merger. And the record displays an absence of abuses of water transportation such as call for a remedy through regulation. On the contrary, the record shows that the public which furnishes the tonnage and pays the freight urges that this legislation be not passed.

FARMERS AND BUSINESS OPPOSE MERGER

The great farm organizations, such as the American Farm Bureau Federation, the National Grange, the Northwestern Farmers Union, the Farmers National Grain Corporation, and the American Cotton Cooperative Association, are fighting tooth and nail against this proposed merger. The fact is that every organization of shippers in the United States and many representatives of organizations of commerce and industry have presented facts and arguments which justify the defeat of this measure when it comes to the floor of the House. Nor should anyone be surprised at the popular uprising against the proposed legislation.

Mr. Fred Brenckman, Washington representative of the National Grange, in an article in the January 1936 issue of the National Grange Monthly, protests in the name of agriculture against this unholy alliance. It is his view that the enactment of this measure into law inevitably means the increase of charges of water-borne commerce to or near the level of what the Commission considers normal rail rates. Mr. Brenckman goes on to state:

Such increases in water rates must be drastic or the obvious purpose will fail. All of this extra burden will have to be borne by the shipper and consuming public. All water carriers and the public benefits resulting from their service will be thrown into the discard.

RESOLUTION OF THE NATIONAL GRANGE

The last annual convention of the National Grange, held in Sacramento, Calif., in November 1935, adopted a resolution in opposition to the so-called water carriers' bill. The resolution in full reads as follows:

Whereas the so-called water carriers' bill, introduced at the last session of Congress, would subject all common and contract carriers by water operating on our inland waterways and in the coastwise trade to the absolute domination of the Interstate Commerce Commission, giving the Commission wholly unwarranted powers that are intended to be used for the benefit of the competitors of the water carriers and not in the interest of the people as a whole; and

Whereas agriculture has a vital stake in the matter, since millions of tons of grain and other farm products find their way to market by water, not to mention farm implements, machinery, and other supplies and equipment that farmers buy, and which are transported by boat: Therefore be it

Resolved, That the National Grange go on record against the enactment of this proposed legislation, which is without a counterpart in any other nation in the world.

Mr. KVALE. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. KVALE. In the course of the gentleman's remarks or his extension will he point out, apropos of what he has been saying, what good purpose will be served if, after completion of the construction of waterway transportation, through mergers or through some other elimination of competition, instead of reducing rail rates or making available water transportation, water rates are lifted to a point where the construction of waterways is ridiculous and futile?

Mr. CULKIN. The gentleman's request is very pertinent. If this iniquitous merger is accomplished, water rates will be raised to the general level of freight rates. No one has any illusions about that who has watched the course of the Interstate Commerce Commission and its findings. It has been the theory of the Commission for many years that they could bring about a rehabilitation of the railroads by increasing freight rates. The fact is that the contrary was true. The freight rates they fixed were so high that the farmers could not pay them and other groups seeking transportation outlets were driven into other modes of transportation. The effect of this merger would be to create a monopoly of transportation which would throttle agriculture and industry. Our salvation so far has been, in large part, the relief afforded by water transportation.

COMPARISON OF RATES

A comparison of rail and water rates will be helpful and illuminating on the point I am attempting to make. For example, the unregulated water rate on grain from Duluth to Buffalo, approximately 1,000 miles, is normally 1½ cents per bushel, or 50 cents per short ton. The rail rate from Duluth to Buffalo, known as a depressed water influenced rate, is 18½ cents per bushel, or \$6.16 per short ton. However, from Shelby or Livingston, Mont., to Minneapolis, approximately the same distance, but without water competition, the grain rate is 25 cents per bushel.

The Pittsburgh Steel Co. is now shipping steel products, including rails, wire, and pipe, from Pittsburgh to the Pacific coast and saving \$3 a net ton under the usual rail route to the Atlantic seaboard and reshipment by steamer. It came to my notice several years ago when investigating the transportation cost of onions from Egypt, a distance of over 6,000 miles by water, and by rail from my home county of Oswego, N. Y., that the water cost per bushel for over 6,000 miles was less than the rail cost for 360 miles.

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

Mr. CULKIN. I yield.

Mr. DONDERO. Is it not true that a ton of coal can be moved from Buffalo, N. Y., to Duluth, Minn., by way of the Great Lakes for about the same price it would cost one to move a ton of coal from the curb to one's cellar window, or about 50 cents? This could not be done by rail.

Mr. CULKIN. I think that is an excellent illustration. I thank the gentleman for it.

As I said before, I make no war on the railroads. I wish to give them their place in the sun, but their place in the sun will not be gained by a merger with water transportation. Their relief should come from some other source, if need be, even out of the Federal Treasury, but water transportation belongs to the people and is for the people and for the benefit of the people.

Its merger with rail transportation would maroon large sections of the country and destroy them. I speak for a free and unfettered America when I ask Congress to stop this unholy merger. [Applause.]

Mr. WOODRUM. Mr. Chairman, this concludes the general debate on this bill. I should like to call the attention of the House to the fact that everyone who has requested time has been accommodated. Several gentlemen on this side of the House who requested time were not here to claim the time, and I understand my colleague from Massachusetts on the other side has had a similar ex-

perience. But, lest it should at some future time be said that the Appropriations Committee does not permit Members to talk on the state of the Union, we vouch these facts as evidence that we have tried to be liberal in debate.

I want now to say that tomorrow, as soon as the House convenes and business on the Speaker's table is disposed of, I shall endeavor, if I may, to make a few remarks I hope will be pertinent to the bill. My colleague from Massachusetts [Mr. WIGGLESWORTH], and perhaps our colleague from Ohio [Mr. BOLTON], will do likewise, and then we shall hope that the membership of the House will cooperate with us in permitting the bill to go through in the regular and expeditious manner.

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

Mr. WOODRUM. I yield.

Mr. SNELL. I want to say that the gentleman from Virginia has been fair in allowing discussion and handling general debate on this bill. We appreciate his kindness in this matter. [Applause.]

Mr. MORAN. 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. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 9863, the independent offices appropriation bill, 1937, had come to no resolution thereon.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

JANUARY 15, 1936.

HON. JOSEPH W. BYRNS,

Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: With the highest personal regard for the chairman and members of the great committee I have had the honor and pleasure of serving on during 1935, I hereby tender my resignation from the membership of the Post Office and Post Roads Committee because of my election to the membership of the Committee on the Judiciary.

Most respectfully,

SAM HOBBS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

RETURN OF SENATE BILL

Mr. COOPER of Tennessee. Mr. Speaker, I rise to a question of privilege of the House and offer the following resolution.

The Clerk read as follows:

House Resolution 396

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

NEW DEAL SPENDING AND THE FUTURE TAX BURDEN

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a radio address I made last night.

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

There was no objection.

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio January 14, 1936:

Present and prospective taxes will be one of the most important issues in the approaching national election. No question more directly or more vitally affects the Nation as a whole.

The money the Government spends must necessarily be collected from the people in taxes of one form or another, imposed at one time or another. No one escapes their burden. Those taxes which

we do not pay directly are hidden in the cost of the things we buy. When the Government resorts to borrowing to meet current expenditures, it does not thereby avoid the necessity of taxes; it merely postpones the evil day.

Inasmuch as the present New Deal administration has been the most prolific spending administration in peace times in all our history, it follows that the taxes which must be imposed to pay for its unprecedented spending must be higher and more burdensome than ever before.

We can only realize the enormity of the administration's reckless extravagance when we consider that it has cost the people as much as was spent during all the administrations from President Washington to President Taft, inclusive. The annual reports of the Treasury Department show that the expenditures of the Government in this 125-year period were \$24,521,845,000. President Roosevelt has spent an equal amount since March 4, 1933.

The numerous income and excise taxes now imposed by the Federal Government are only sufficient to pay one-half the cost of the New Deal's profligate spending program. In the first half of the current fiscal year the Treasury has collected \$1,902,000,000 and disbursed \$3,782,000,000. This practice of spending \$2 for each \$1 collected in taxes has been going on ever since the present New Deal administration took office and will have resulted in an accumulated deficit of \$11,000,000,000 in the 3-year period between July 1, 1933, and June 30, 1936.

With Federal, State, and local tax collectors now taking one-fifth of the national income, the tax burden already is too great. But if we think we are heavily taxed at present, then let us consider what our burden will be when Congress starts levying the taxes necessary to pay for the wild, wanton, and wasteful spending spree of the New Deal. When that day arrives—and it is not far off—we will really have something in the way of taxes to complain about.

Moreover, we may expect this tax load to continue for many years to come. Even future generations will be called upon to help pay for present-day extravagances in addition to assuming the burdens which their own times will bring.

In his annual message to Congress on January 3 the President stated that "we approach a balance of the National Budget" and asserted his "belief" that no new taxes would be necessary. How the President can feel justified in making such a statement I do not know. In the fiscal year 1934 the Budget was \$4,000,000,000 in the red; in 1935, \$3,600,000,000; and this year's estimated deficit will be in the neighborhood of \$3,300,000,000. The President's Budget message for 1937, which has recently been presented, indicates a further deficit of as much as \$3,000,000,000. Thus it does not appear that there will be a balance of receipts against expenditures for some time to come.

Every year since he has been in office President Roosevelt has kept postponing the date for balancing the Budget. It has now gotten to the point where he is only willing to say that we are "approaching" a balance. All idea of a definite date seems to have been abandoned.

Even when a balanced Budget has been realized, whether by decreased expenditures or increased taxes, the taxpayers will still have to pay off the accumulated national debt, which now stands at the unprecedented total of \$30,500,000,000. It will take more than a Presidential smile to wipe out this tremendous obligation. The interest on the debt alone amounts to \$800,000,000 annually, which is more than it cost to run the entire Government when I came to Congress some 23 years ago.

So far as the President's promise of no new taxes is concerned, we have only to recall that he made a similar promise in his annual message a year ago, and then, 6 months later, demanded the enactment of his so-called share-the-wealth tax bill.

In his recent annual message to Congress the President referred to the increasing national income and pointed out that tax receipts based upon that income would increase without increasing the rates. However, it must not be forgotten that a large part of the present recovery is artificial, being based on the New Deal's lavish spending, and that when this spending ceases there will be a consequent shrinking of the national income. The same spending program which has created a measure of artificial recovery has at the same time resulted in a definite drag on real recovery, since it tends to impair the Nation's credit and create uncertainty in the public mind.

The assertion of Democratic leaders that new taxation is unnecessary is as insincere as it is ridiculous. It is being made for purely political purposes, just as the Democratic platform of 1932 was made to run on and not to stand on. The fact is that new and increased taxes are inevitable unless we are going to turn to the issuance of printing-press money, which, by inflating prices to the sky and thus destroying purchasing power, would still be taxation in another and more destructive form.

Taxes are naturally unpopular. No one likes to pay them, and the Democrats don't dare to antagonize the voters just before the election. They want to continue playing Santa Claus and forget all about taxes—at least for the time being. Possibly in the coming campaign we may find them using the slogan "Billions for expenditures, but no new taxes in payment thereof." However, it will be just as false as was the slogan "He kept us out of war", on which President Wilson campaigned for reelection in 1916; then asking Congress to declare war on Germany.

In this connection, it is significant that administration leaders have been careful not to make a definite promise that there will be no new taxes levied after the election. They know better than to do this, because that is when the day for beginning to pay the

piper will come. Even if they did make such a promise, their word could not be relied upon in view of their failure to carry out the solemn pledges of their 1932 platform, which they so piously referred to as a "covenant with the people to be faithfully kept by the party when entrusted with power."

Many Democrats are insisting that it would be unwise to balance the Budget at the present time. This is perhaps because of the fact that it would be absolutely impossible to do so at the present level of expenditures, which amount to nearly \$8,000,000,000 annually. New Deal extravagance has so run riot that it would necessitate the doubling of the present tax burden, and the people simply could not stand the load. The Democrats have apparently lost sight of the fact that there are two sides to a Budget—the income side and the expenditure side—and that if they can't make their revenues equal their expenditures, they might try making their expenditures equal their revenues.

We may expect the Democrats during the approaching election campaign to use every effort to convince the people that they have been very lenient in the matter of new taxes, but such is not the case. Actually, the New Deal administration has imposed heavy burdens on the taxpayer, particularly on those of small means.

In his Albany speech of July 30, 1932, Candidate Roosevelt said: "Our party sees clearly that not only must government income meet prospective expenditures but this income must be obtained on the principle of the ability to pay. This is a declaration in favor of graduated income, inheritance, and profits taxes, and against taxes on food and clothing, whose burden is actually shifted to the consumer."

In spite of this declaration, one of the first legislative enactments of the Roosevelt administration was the law under which over a billion dollars in processing taxes have been unconstitutionally imposed on bread, meats, cotton goods, and other necessities of life. Regardless of the merits or demerits of the A. A. A. program, it cannot be denied that these processing taxes bore most heavily upon those least able to bear them, and that they have resulted in an enormous increase in the cost of living while salaries and wages remained the same. Fortunately, the Supreme Court has now invalidated these iniquitous levies.

The administration also has continued for 3 years beyond their intended expiration date, the so-called nuisance taxes, which cost the taxpayers nearly \$500,000,000 annually. Under the Social Security Act, two separate pay-roll taxes are imposed, the rates of which will eventually aggregate 9 percent on employers and employees and result in increasing the present tax burden by \$2,700,000,000 annually. I call attention to the fact that none of these taxes are based upon the principle of ability to pay.

The suggestion has frequently been advanced by New Deal apologists that when the time comes to pay for the present spending program the burden will be thrust chiefly upon the well-to-do. However, the President discovered last year, when he secured the enactment of his share-the-wealth tax bill, that even by increasing taxes on the rich to the point of confiscation, the present revenues could only be increased by \$250,000,000. This sum lacks exactly \$3,325,000,000 of being sufficient to offset the deficit for the last fiscal year, and is only 3 percent of the estimated expenditures for the current year. It would pay the running expenses of the Government for less than 2 weeks.

The great masses of our citizens—those of moderate and meager circumstances—must, therefore, realize that it is upon them, and not alone upon the wealthy, that the New Deal must rely to pay for its reckless spending. Every man, woman, and child in the country, whether realizing it or not, has had a stake in the administration's orgy of extravagance and waste. All the time it has been going on it has been not alone the income and property of the wealthy that has been squandered but also the future earnings of the man on relief, the clerk in the store, the stenographer, the shopkeeper, the farmer, the factory worker, and others of small means, even including generations yet unborn.

Since we will all be taxed to pay for the New Deal's spending, it is up to each of us to ask ourselves whether we are satisfied with the way our money is being used and whether we consider we are getting value received for the taxes we will ultimately be compelled to pay. The fact that there are more than 10,000,000 still unemployed, that some 20,000,000 people have been forced to rely upon relief for an existence, and that the New Deal has had to abandon as worthless one grand spending scheme after another should furnish a ready answer.

What is the remedy for the condition in which we find ourselves today?

So far as the obligations which have already been incurred are concerned, there is no remedy. The cost of the New Deal's reckless spending must simply be charged up to experience. But there is a way to avoid still further taxation, or its alternative—ruinous inflation. The New Deal spendthrifts can be turned out of office and a sane and economical government restored. What we need is wise spending, not wasteful spending. This can be secured through the election of a Republican President and a Republican majority in Congress.

In the coming election the people will have an opportunity to choose between Roosevelt profligacy and Coolidge economy. They have had experience under both. I am confident that they have seen the error in placing the present Democratic administration in control of the Government, and that next November they will return to power the party which reduced the wartime public debt by \$10,000,000,000 in 10 years, while at the same time making four separate reductions in the tax burden. I thank you.

THE FARM PROBLEM

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I delivered by radio on October 17, 1935, over a national broadcasting hook-up.

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

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on October 17, 1935:

In order to understand the problem which I have been asked to discuss this evening it is necessary to know something about the history of American agriculture and about the conditions which made the expansion of America's farm area possible. The first half of the nineteenth century saw the beginning of two significant and history-making movements, one of which took place in Europe and the other in the United States. First in England, and then on the Continent, the invention of the steam engine caused handicraft production to be superseded by power-driven machines. The result was the industrialization of western Europe and a movement of people from the farms to the factories.

Whenever a European acre was withdrawn from cultivation it became profitable to break and put into production another American acre. It was opportunity to produce food for a European population that had shifted its emphasis from agricultural to industrial production that made possible the development of the Middle West and the extension of America's agricultural frontier.

Without a large export market it would not have been possible for 30,000,000 people to engage in agriculture in this country, and without the restoration of a large export market it will never again be possible for 30,000,000 people to be engaged profitably in agriculture in the United States.

American agriculture was established on an export basis, and its prosperity can be restored only to the extent that it again becomes an export industry. Failure to understand that basic fact is responsible for the short-sighted and even suicidal agricultural policy of the Roosevelt administration.

I am not attacking the Agricultural Adjustment Act as such, for I grant that, however inadequate it may be and however bad some phases of its administration have been, it has done some good as an emergency measure. But I am attacking an administration that has stooped to the folly of regarding it, and the policy of acreage reduction which it embodies, as a permanent solution of the farm problem. That the President himself so regards it he stated in his recent speech at Fremont, Nebr., where he said, "I like to think of the Agricultural Adjustment Act not merely as a temporary means of rescue for a great industry but as the expression of an enduring principle."

It is to be an "enduring principle" that agriculture must forego foreign markets and limit its production to domestic needs. It is to be an "enduring principle" that the farmer shall be required, by means which may seem voluntary but are in fact coercive, to keep a substantial part of his acreage fallow, receiving as rent for his retired land a miserable pittance supplied by a processing tax. It is to be an "enduring principle" that farmers must obey orders from Washington telling what to raise and how much; that they must submit to inquisition by official snoopers and run the risk of heavy penalties if they evade bureaucratic regulations.

INTELLIGENCE UNDERESTIMATED

The President mistakes the temper and underestimates the intelligence of the farmers of America. They have accepted the agricultural adjustment program as a temporary expedient, but they will not accept it as a permanent policy. They realize, even if the President does not, that it is not a solution of the farm problem but, at best, a stopgap; that, as the very name implies, it is a means for meeting an emergency—a device to be used until measures of permanent adjustment have been put into effect. They know that the future of farming in this country calls for increased, not reduced, production; for the development of markets rather than restriction of output. They condemn the administration for pursuing a policy that has resulted in flooding this country with foodstuffs from abroad and for failing to take even a single step intelligently directed toward the reopening of closed export channels.

There has been another impediment to commerce which I haven't mentioned—the demoralization resulting from currency depreciation. When European nations, led by England, sought to remove that impediment by stabilizing currencies, the United States assumed the role of obstructionist. By abruptly withdrawing from the London Economic Conference President Roosevelt frustrated a plan wisely conceived to reopen the avenues of world trade and took a step that has definitely prolonged the depression.

There are certain opportunities for foreign trade which, if wisely exploited, would make it possible to develop elsewhere markets that would compensate for our losses in Europe. In other words, we are in a position to use our buying power as leverage for a profitable reciprocity. Has the administration so used it? On the contrary, it has thrown away our opportunity. When Cordell Hull negotiated a trade agreement with Haiti and agreed that her coffee should enter this country without duty, he placed Brazil, which had a treaty containing the "most favored nation" clause, in a position

where she could claim the same privilege for her coffee without giving anything in return. The adoption of the Haitian trade agreement deprived the United States of the means with which to force trade concessions from Brazil.

We buy more rubber, sisal, silk, tea, and cacao than any other nation, and can wield a heavy leverage. Let the countries which produce these and other noncompetitive agricultural products find here a free and profitable market, but only on the condition that they take in exchange those of our agricultural commodities which they do not produce, and the American farmer will manage to get by without subsidies from his Government.

SUBSIDIZING A DEFICIENCY

To restore the balance in agriculture it is necessary not only to find foreign outlets for farm products but also to save the farmer from destructive competition in the home market. This the present administration has not even tried to do. On the contrary, it has resisted and obstructed every effort made to protect American agriculture against the rising tide of imports.

Last year Congress, in an effort to help the dairy farmer, placed an excise tax on coconut oil. The President not only tried to cajole Members of Congress from agricultural States into voting against the levy; he not only threatened to veto the bill in which it was incorporated; but, failing by obstructive tactics to defeat the tax the farmers demanded, he proceeded to secure from his subordinates an interpretation of the tax provision which evaded its plain meaning and partly nullified what Congress had tried to do.

Within 8 months 22,000,000 pounds of butter has come into this country from abroad. Not until imports had completely demoralized the butter market did the administration even make a gesture of disapproval. More loyal to the fetish of free trade than to the interests of the American farmer, the President stood by while the great dairy industry, the very bulwark of our agriculture, was being destroyed by bombardment from abroad.

Within the same 8 months 4,000,000 tons of foreign sugar was permitted to enter the United States. Instead of giving the domestic grower of beets and cane an even chance to compete in the home market—which was the very least a government could do for its own people—the administration and its instrument, a supine Congress, established quota restrictions limiting the amount of cane and beets the American farmer is permitted to produce for the American market.

Within the same 8 months 10,000,000 bushels of rye has entered the United States, most of it from Poland, which makes a practice of subsidizing exports. Time and again the President has refused to exercise his power to increase the duty on rye 50 percent. Twice the Treasury Department has declined to invoke the antidumping provisions of the tariff act. Instead of taking the obvious course of stopping imports, the administration last week announced the adoption of a 4-year program intended to reduce the domestic production of rye 25 percent. To finance the program there is to be imposed a processing tax of 30 cents a bushel. In other words, the American people are to be taxed in order to curtail the production of American rye, presumably in order to make room for more Polish rye in the American market.

During the first 7 months of this year more than 23,000,000 bushels of corn was brought into the United States from abroad. During the same period we imported 7,000,000 bushels of wheat, 10,000,000 bushels of oats, and 5,000,000 bushels of barley. We imported 28,000,000 pounds of beans, 122,000,000 pounds of cottonseed oil, and 176,000,000 pounds of tallow. Our imports of canned meats were 44,000,000 pounds, and of other meat products 67,000,000.

At a time when we were holding millions of acres of our own land out of cultivation we admitted from abroad the products of millions of acres of foreign soil.

THOSE 6,000,000 PIGS

Two years ago the administration killed 6,000,000 pigs in order to raise the price of pork. Last week Secretary Wallace, stampeded by protests from consumers, announced that he would seek a 30-percent increase in hog production next year in order to reduce the price of pork. He should have announced at the same time that experience has proved that it is impossible by "economic planning" to balance the supply and demand of farm products. Rains and winds, drought and rust, are unpredictable elements that confound the wisest among the smart young men who are now directing the Nation's destinies from Washington.

In order to avoid scarcity in lean years it is necessary to maintain an acreage large enough to yield a surplus in fat years. Therefore the only wise agricultural policy, the only "economic plan" that will work is: (1) To let the farmer operate on a surplus basis, as he always has done in the past; (2) to provide him with outside markets with sufficient elasticity to absorb the surplus, be the same great or small; and (3) to protect him in the home market against the competition of cheap lands and peasant labor.

Recently the country was shocked by the disclosure that in 3 years under Roosevelt there will be spent as much public money as was spent by all the Presidents from George Washington to Woodrow Wilson. That revelation should be of extraordinary interest to the farmer, for he, of all men, is most heavily burdened by taxation. The taxes on what he buys he cannot pass on, and the taxes on what he sells are charged back to him.

The unprecedented expenditures of the administration, which this year aggregate \$10,250,000,000, will be reflected not only in burdensome taxes but in high interest rates. I assume that it has occurred to very few farmers, and in fact to very few bankers, that

the financing of huge Government deficits is responsible in a large degree for the failure of interest rates on mortgages and other long-term obligations to follow prices and general incomes downward.

DEBT DEEPENING

The annual flotation of billions of dollars in Government bonds has given men of wealth—men in the higher income tax brackets—opportunity to invest all their funds in securities the income from which is tax-exempt. I want to say to you farmers that when the volume of Government securities offered is great enough to absorb all the new capital available for investment there is no inducement to buy farm mortgages.

There can be no substantial relief for the owner of a mortgaged farm, nor for any other person struggling with a heavy debt, until the Government either stops issuing additional bonds or begins to tax the interest income from its own securities.

The present administration, far from accomplishing recovery, is plunging the country deeper and deeper into debt. It is increasing expenditures and piling up deficits in a way to make its promises to balance the budget sound like childish chatter.

It has already brought us to the brink of a dangerous inflation. It is regimenting the people, scuttling their bill of rights, and sneering at what it calls their "horse and buggy" Constitution.

How much further the President intends to go in his self-appointed task of remaking America we cannot know. For those who believe that the American system is basically sound and who wish to chart the Nation's future within the American pattern the course of duty is clear. It is to elect in 1936 not only a President who is satisfied to be President but a Congress that will insist upon its prerogatives as such, refusing to be a rubber stamp, refusing to yield to the Executive the powers reserved to the representatives of the people.

THE NEW DEAL'S TARIFF AND EFFECT UPON FARMERS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by printing an address I made over the radio on October 16 last.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on October 16, 1935:

The American people no longer are under the spell of New Deal hypnotism. For some little time past now they have been weighing the policies of President Roosevelt and their disastrous consequences. They have analyzed congressional action and have come to the conclusion that many of Mr. Roosevelt's experiments could not have been enacted into law had it not been for a completely servile New Deal majority in both Houses of Congress. They are rapidly coming to the conclusion that New Deal policies furnish the greatest inconsistencies in American history.

Our people already are aware of the scandalous waste and the extravagances of the Roosevelt administration. This record of the greatest-spendthrift administration in all history will be impressed still further upon them when, as is inevitable, they are called upon to foot the bill. Then, if they have not done so before, this land will resound with the cry "turn the spendthrifts out."

While there is hardly a single phase of Mr. Roosevelt's long record of violations of the trusts imposed upon him that does not lend itself to constructive criticism, I wish tonight particularly to speak about the tariff and its ruinous effect upon the American farmer. We in the East, especially in New England, have seen the dire consequences to industry. Despite this, and because of the A. A. A. Government checks to agriculturalists, our farmers have been temporarily lulled into the belief that the New Deal administration is helpful to them. Unfortunately, they have a day of awakening coming, and the New Deal tariff policy will have much to do with hastening that day.

Although we heard broadsides of criticism against the Smoot-Hawley tariff law in Congress, and the New Deal statesmen told us it was conceived in iniquity, there has been no open attempt by this administration to repeal it.

Mr. Roosevelt, in his 1932 campaign, indicated that there would be a change in our tariff schedules, that this would be effected by Presidential power through the regularly established United States Tariff Commission and its staff of experts, and only after long and due deliberations.

Little did we know that we were to be changed from a protective tariff into a free-trade nation by indirection. But indirection seems to be the order of the day. Congress, through its tremendous and subservient New Deal majority, was induced to turn over to the executive department its tariff-making powers so that our tariff rates would be made the football of foreign negotiations.

DETERMINED DESTRUCTION

Let me remind you that when it was decided to destroy the protective tariff through mining and sapping, the best engineer for the job was put in charge of the work. Mr. Cordell Hull, of Tennessee, an honest and sincere man, but a confirmed internationalist and a free trader, was named Secretary of State. It would seem that for tariff negotiation which would turn American markets over to alien producers, Mr. Hull is perhaps the best

qualified man in America. For years as a statesman and stump speaker he has been asserting to all who would listen, that a protective tariff is immoral and indecent, that an American standard of living, higher than that in alien lands, established by tariff differentials, is a sham and a fraud. Mr. Hull remained firm in his faith, even though the world seemed to hold against him. As a tariff expert he belongs not to the horse and buggy days but to the era of the ox cart and the pillion.

There have been rumors abroad that there is disagreement in the ranks of the New Dealers, that some of them advocate American nationalism, while the calm Mr. Hull stands out for worldwide economic brotherly love. We are told that the export surplus theory of the Secretary of State mixes about as well with the burn the surplus theory of the A. A. A. as do shoes and ships and sealing wax, and cabbages and kings.

Although this may be true in practice—and it is true—it is by no means the case in theory. For we have it from his own words that Mr. Wallace himself, Secretary of Agriculture and kingpin of the A. A. A., is inherently an internationalist. He would sacrifice some of our industries and many of our workers if he could bring prosperity to others. That it may be impossible to destroy one organ of a national body without seriously injuring the entire system he ignores as a practical suggestion. But let me read in part what he says in his much exploited book, *America Must Choose*: "Traditionally the Democratic Party is the party of low tariffs. Actually Democratic administrations have never made changes in the tariff structure great enough to increase foreign purchasing power to the extent demanded by the present world dilemma. If we are going to increase foreign purchasing power enough to send abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars' worth more goods from abroad than we did in 1929 * * * that will involve radical reduction in tariffs that might seriously hurt certain industries, and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to wool growers and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically there may have to be some definite planning whereby certain industries or businesses will have to be retired."

Passing for the moment the painful fact that some of Mr. Wallace's dire prophecies have already come true, it may be seen from this quotation that the Secretary is by no means a staunch nationalist. Theoretically he is willing to follow Mr. Hull.

Armed with his authority for tariff treaty making, Mr. Hull has gone busily forth striking at American tariff barriers at every opportunity. His great purpose is to welcome foreign goods, whether they be made by peasant worker or coolie. His announced effort is to find a market abroad for the surplus of American farmers.

NO EXPORTABLE SURPLUS

But, alas, Mr. Wallace and the A. A. A. have seen to it that there is no farm surplus to export. More than 6,000,000 pigs and hundreds of thousands of potential porcine mothers were slaughtered and consigned to the funeral pyre or dumped into middle western rivers to become tidbits for unappreciative catfish. Fields were plowed under, and we were propagandized into believing that the way to become wealthy was to destroy wealth. Ideals of thrift were laughed down as principles of the jungle days, which could not stand for a moment before the theorems of Professor Tugwell and the logarithms of Prof. Mordecai Ezekiel. Then Providence, flaunted by the New Deal, took a hand and man-made fire and slaughter was followed by drought and failure.

The professors had worked greater wonders than they knew. Not only was the surplus destroyed, but a deficit was created. We have sacrificed our home market in a vain effort to sell abroad a surplus when there is no surplus.

If the purpose of President Roosevelt and his administration was to destroy the protective tariff, and the acts of the free trader Mr. Hull under administration-sponsored legislation clearly indicate such a purpose, then the purpose is rapidly becoming realized. Mr. Hull has had powerful assistance. Retribution has come more quickly and in deadlier fashion than through the reciprocal tariff treaties, most of which are still in the making.

The artificial increase in the costs of American production by Government regimentation and regulation both in the factory and on the farm, plus the A. A. A. program of planned scarcity, have just about wiped out any protection which most American producers enjoyed before these hectic days of the New Deal. These higher American costs and planned scarcity have so helped the alien producer that he has been able to scale the American protective wall and undersell his American competitor in the American market.

Imports of food to the United States are showing a tremendous rise, with wheat, corn, and cattle in the lead. Wheat imports during the first half of 1935, according to the report of the United States Chamber of Commerce, have increased 117 percent, while imports of corn have grown 11,462 percent. Cattle imports have increased 356 percent, canned meat products 122 per cent, butter 7,446 percent, sugar 29 percent.

Lard and other pork products are being imported from Canada, while in the great packing centers of America the supply of hogs is the lowest in more than a half century. Thousands of men have been thrown out of work around the packing plants because there is nothing to do. Let us remember, too, that this is only the beginning. The shortage of home products and the importations from abroad will continue increasing in volume as Mr. Hull succeeds in bringing in more of his reciprocal treaties and as the shortage of our farm products becomes more acute.

ALIEN FARMER CHUCKLES

Money spent for agricultural products is now pouring from our consumers into Canada, Australia, and the Argentine. It is now the alien farmer who is chuckling up his sleeve. Taking advantage of the A. A. program of reducing production in America, he has increased his own production. This enabled him not only to take possession of the foreign market with his cheaper products, but to override the American tariff and capture a big portion of the richest market in the world—that of our own people.

Meantime Mr. Hull is not discouraged. He is going forward bravely, reducing American tariffs, inviting in foreign goods to take the place of the products of American workers, providing, as he so fondly thinks, a market for an American farm surplus which can now only be expressed in terms of algebra—as a minus quantity.

It would seem that nothing so becomes Mr. Hull as his courage. He is a crusader for imports, the "builder-upper" of the coolie worker and the peasant farmer. A fainter hearted internationalist might become discouraged by the results of the past 10 years. For example, he might believe that nations who fail to pay their debts might fall also in keeping tariff agreements. There are many examples of repudiation. Then there is the later case of Russia. Who does not remember how the Roosevelt administration welcomed Moscow to the family hearthstone when the versatile Mr. Litvinov promised us hundreds of millions in foreign trade and an entire cessation of Russian-inspired propaganda against the American Government? The increased foreign trade failed to materialize and the propaganda so increased in its intensity that the State Department, to save its face, felt impelled to send Moscow a protest which evoked an almost audible chuckle. One of those reciprocal trade agreements was entered into with Russia whereby Moscow agreed to buy \$30,000,000 worth of goods a year in return for a freer American market. Yet in August Russia's purchase fell to \$826,000 from \$5,520,000 in July.

Another reciprocal agreement has been entered into with Cuba. Cuban exports to the United States, according to the Chemical Foundation, have increased \$31,025,000 in 1935. Yet in turn Cuba has bought from us only \$18,551,000 more. Once more Uncle Sam is on the little end. The rest of the balance has gone elsewhere. But one of Mr. Wallace's predictions will doubtless soon prove true. He told us that American beet-sugar growers would have to be sacrificed in the quest for foreign trade. With our greatly increased import of Cuban sugar this calamity is already coming true.

THE REMEDY

But, we may ask, is there no remedy? Yes; there is a remedy, but it is an old-fashioned one, a remedy as old as the Nation itself, a remedy which was applied in the first Congress of the United States and was hailed as our second Declaration of Independence. It is the remedy of tariff protection, properly and sensibly applied, based not on foreign agreements or diplomatic intrigue but on the broad conception of protection to American industry, in the factory, and on the farm. It was by applying such a principle that we grew to be potentially the richest nation on earth. It was with this guiding principle that the American market became the coveted objective of every nation which profits by cheap labor and a living standard ground down to the bare subsistence level—a market which normally absorbs more than 90 percent of all our products, providing ample prosperity for the American worker and the American farmer.

WAR DEPARTMENT AIRCRAFT PROCUREMENT

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. McSWAIN] have permission to extend his remarks in the RECORD on the manner of purchasing aircraft by the Army, together with a letter from the Secretary of War attached.

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

There was no objection.

Mr. McSWAIN. Mr. Speaker, the investigation carried on by the Committee on Military Affairs into War Department business transactions during the Seventy-third Congress and also during the Seventy-fourth Congress up to date has been of very great benefit to the Army and to the cause of national defense and therefore to the country. Among the many matters brought under investigation was that of the manner of buying airplanes for the use of the Army. It was discovered that the spirit, purpose, and provisions of the act of July 2, 1926, were being ignored and disregarded in a large measure. Instead of holding frequent design competitions and instead of buying aircraft in quantity only after due advertisement and open competitive bidding, in accordance with the law as frequently expounded by the Judge Advocate General of the Army and later by the Attorney General of the United States, aircraft was purchased by private negotiation.

After this situation was called to the attention of the Secretary of War and of The Assistant Secretary of War, they became convinced not only of the true interpretation of the

law but that the purpose and intent of the law was wise, and would protect the Government from a financial point of view, and at the same time insure progress and rapid development in the designing and construction of military aircraft.

It is a source of great gratification to the Committee on Military Affairs to learn that the War Department, in the administration of the procurement law with reference to aircraft, after the same originated in this committee and was finally enacted into law on July 2, 1926, is meeting with so much success. This success is justification for the confidence that the Committee on Military Affairs of the House of Representatives had in the advantages of competition after public advertisement and full and free opportunity for all manufacturers and designers to present their products to the War Department. Undoubtedly competition is not only the life of trade, but it is the life of progress in all lines. The evolution of aircraft is the history of generous and aggressive rivalry between individual designers and groups of designers, and between individual manufacturers and groups of manufacturers.

Many friends of progress in aviation have asserted that only certain individuals could design certain types of military aircraft, and only certain manufacturers could succeed in manufacturing certain types of military aircraft, but this has been shown to be unsound. It would be a sad day for the cause of national defense if only one person could succeed in designing a particular kind of aircraft, and if only one manufacturer could manufacture and sell only a particular kind of airplane. Upon the death of such person and upon the failure for any reason of such manufacturer, the national defense would be left in the lurch.

The experience of the War Department since a whole-hearted and sincere effort has been made to apply the principle of advertisement and open competitive bidding is gratifying. The kind of craft being produced as a result of this policy is a great advance over previous types. Undoubtedly the continuation of the present policy will result in continued progress, and the ultimate result will be, just as the sponsors of the act of July 2, 1926, have always claimed, that America will keep in the forefront of all the other nations in the matter of aircraft. Undoubtedly American engineers have the skill and American inventors have the genius and American manufacturers have the material, the tools, and the skilled laborers to turn out the very best fighting craft in all the world. When the present policy shall have prevailed for a few years longer we will see the full fruition of what now promises to be a great forward movement for the cause of national defense.

I herewith offer for printing in connection with these remarks two letters from the Secretary of War giving a report as to progress being made in the matter of purchasing aircraft.

WAR DEPARTMENT,
Washington, January 13, 1936.

HON. JOHN J. McSWAIN,
Chairman, Committee on Military Affairs,
House of Representatives.

DEAR MR. McSWAIN: Aware of the keen and continued interest of yourself and your committee in the matter of procurement of aircraft for the Army Air Corps, I wish to take this opportunity of further elaborating upon my letter of August 15, 1935, to you and of presenting such additional significant facts as have occurred since that time. You will recall that the War Department has consistently maintained that the present policy of procurement by competitive bidding, which policy I interpret as the underlying purpose and principle of the act of July 2, 1926, would have to be in operation at least 2 years before a final conclusion could be reached as to its efficacy. With approximately 18 months behind us and with the accomplishment of certain results, which are set forth below, I feel all the more certain that the procurement policy as now operated will more than justify the enthusiasm which has been had for it by its sponsors.

Since the present policy was put into effect the War Department has contracted for and now has on order a total of 685 airplanes. The first contract of this group was let on June 23, 1934, and to date 10 airplanes have been delivered thereunder. In addition, the first airplane under each of several of the other contracts has been delivered and accepted. Inasmuch as this delivery may at first glance seem small, I wish to emphasize here that the major problems creating delay in the delivery of aircraft arise in connection with the test and acceptance of the first airplane under the contract and that thereafter the delivery of the

remaining planes is accomplished at a very much accelerated rate. This is significantly borne out by the fact that deliveries of aircraft under the afore-mentioned contracts will total more than 500 during the year 1936, commencing at the rate of approximately 20 for the month of January and increasing progressively each month thereafter.

I am going into the matter of the time factor in some detail because one of the chief criticisms against the War Department has been the length of time between the inception of an airplane design and the delivery of airplanes of this design in quantity to the tactical units in the field. Since the present procedure has been put into effect, constant efforts have been made to reduce this elapsed period. One step taken is to issue circular proposals to the trade sufficiently far in advance of the availability of funds to permit the awarding of contracts almost immediately after appropriated funds become available to the Department. For example, circular proposals have already been issued to the trade covering 1937 requirements. Another step taken is the submitting of the airplane of the successful bidder to an "accelerated service test" for a period of 90 days, which procedure will reduce to a minimum the necessity of change orders with the delays incident thereto. I am pleased to be able to inform you that under the new policy of competitive bidding and the subsequent improvements which have been made therein, quantity deliveries of aircraft are now being made for tactical use within something less than 2 years of the date of advertising. For example, the circular proposal for attack airplanes was issued on May 28, 1934, and delivery of 6 airplanes has already been made, with delivery of approximately 40 more due by May 1936. Such a rate of delivery compares most favorably with that of foreign powers on which such information is available.

Another objection which the opponents of the present procurement policy offered against its adoption was the fear that procurement by competition would lessen the sources of supply, whereas the War Department contended that the opposite results would be obtained. I commented upon this matter, and the favorable results which had been obtained, in my letter of August 15, 1935. I wish to inform you that the results of the bidding during this past fall substantiate the contention that sources of supply will increase rather than decrease as a result of the opportunity offered to all bona fide manufacturers to compete for the War Department business. Furthermore, I feel that the stimulation of a creative interest in engineering and development places industry in a better position to meet the needs of the Army Air Corps in case an emergency should arise.

I wish to further reassure you with regard to the performance of the aircraft which are now being procured. Improvements in performances are extremely gratifying and in some instances far beyond even those hoped for. As an example, I think I can assure you that the very near future will see the single-seat pursuit airplane with a top speed of over 300 miles per hour, with proportionate improvements in the other types of airplanes with which the Army Air Corps is equipped.

Another matter in which you and your committee are particularly interested is that of design competition. I alluded to this in my letter of August 15, 1935, but at that time I had no definite information to furnish you. I now wish to advise that in two instances the design submitted was sufficiently advanced to warrant an award and a contract with the winners, and as a result the Wedell-Williams Air Service Corporation, Patterson, La., is manufacturing a single-place pursuit airplane, and the North American Aviation, Inc., Baltimore, Md., is manufacturing a three-place observation plane for the Army Air Corps. The War Department expects to continue the holding of periodic design competitions and has hopes that they will not only result in advances in design and engineering but will serve to produce additional sources of supply for military airplanes in the future.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

WAR DEPARTMENT,
Washington, August 15, 1935.

Hon. J. J. McSWAIN,
*Chairman, Committee on Military Affairs,
House of Representatives.*

DEAR MR. McSWAIN: At the time of the adoption of the present War Department policy for the procurement of aircraft the Assistant Secretary of War took the position that the policy would have to be in operation at least 2 years before sufficiently definite results could be obtained to render final judgment upon its efficacy. Although this policy has been in effect only 1 year, I feel that sufficient progress has been made to warrant a report to your committee at this time, and I am therefore setting forth below the results obtained to date, and my opinion of what may reasonably be expected in the future.

Briefly the policy calls for the placing of contracts for quantity procurement of airplanes as a result of competitive bids submitted by the industry. Advertisements submitted to the trade are on a performance-specification basis and require each competing manufacturer to submit with his bid a sample airplane complete and ready to fly. A period of from 8 to 12 months is allowed between the issuance of the advertisements and the opening of the bids to give the manufacturers adequate time in which to design, construct, and submit the sample airplanes for test. Award is made on the basis of a predetermined method of evaluation of

which the bidders are made cognizant in the advertisement. This evaluation places a premium upon improvement in performance and award thereunder is made to the highest evaluated airplane, thereby assuring the Government obtaining the finest available aircraft. The advertisement further contains certain minimum performance requirements which are based upon the maximum performance of the finest known airplane at the time of issuance of the particular advertisement, and provides that no consideration will be given to any airplane that does not at least come up to these requirements.

This policy gives full rein to the inventive genius and engineering ability of the manufacturer and permits the incorporation in the sample to be submitted of all worth-while developments practically up to the actual date of opening. For example, a certain manufacturer arrived at Dayton, Ohio, with the airplane which he proposes to submit on a particular proposal about a month prior to the date of opening of bids. After arrival at Dayton he apparently decided that the plane could be additionally improved, and consequently has had a crew working upon it consistently since its arrival. If advertising had been based upon detailed specifications and drawings, with no incentive for turning out the finest possible type of airplane, it is fair to assume that proposals would have been received offering airplanes meeting only these detailed specifications and drawings, and not including therein the engineering developments which have taken place since their issuance many months before.

The making of awards under this system on the basis of a tested article, rather than on a "paper promise to perform", has an additional marked advantage. It enables the War Department to make contracts for quantity procurement with the knowledge that the manufacturer has actually demonstrated his ability to construct the finest available type of airplane, thereby eliminating the service test of an article, which would be necessary if samples were not required. This factor alone reduces by at least a year the elapsed time between the inception of a design and delivery of airplanes in quantity to troops in the field and eliminates to a great extent past criticism to the effect that airplanes are becoming obsolescent by the time they reach the hands of tactical organizations.

The War Department is gratified at the response of the industry to the new procurement policy. On standard equipment competition has been keen and has resulted in a great deal of engineering work on the part of manufacturers. It is fair to say that progress in the art has been materially advanced, moving ahead according to the belief of some people intimately connected with the industry as much as 3 to 5 years. Furthermore, manufacturers are offering airplanes whose performance exceeds expectations. For instance a basic training airplane now in service has a top speed of about 125 miles per hour while the basic trainers contracted for under the present system have a top speed of over 200 miles per hour. It appears reasonable to assume that no such advance would have been made at one stroke without the incentive of competition and the assurance that award would be made to the manufacturer offering the most advanced airplane.

When the present policy was originally adopted it was felt in some quarters that it would result in reducing the available sources of supply for the different types of airplanes. It was the opinion of the War Department that a competitive policy of procurement would give the opposite results and I am gratified to be able to state that such is apparently the case. For example, six manufacturers offered basic training airplanes in the last competition while four manufacturers entered observation airplanes. I am informed that three manufacturers will offer bombardment airplanes in that competition, bids on which are to be opened the 22d of this month. Reliable press reports indicate that each of these three companies has built and has ready for test a bombardment airplane which will far exceed the performance of any bombardment plane now known, with speeds ranging over 200 miles per hour, cruising range exceeding 3,000 miles and with greater useful loads than have heretofore been thought possible. Press reports further indicate that the Glenn L. Martin Co., which is now manufacturing a quantity of bombers for the Army, is offering a newly designed airplane in the competition under discussion. It is fair to assume that had procurement continued along the lines previously followed this company probably would have offered for this year's consideration the present type of Martin bomber with certain refinements and improvements rather than an airplane of completely new design and development.

In addition to quantity procurement competitions, the War Department is holding design competitions on many types of aircraft. These competitions were opened May 6, 1935, and resulted in 17 manufacturers entering the competition for pursuit airplanes and an average of 3 manufacturers in each of the other competitions. The necessity of giving preference to the work involving contracts for quantity procurement because of present shortage of airplanes in the Army and the amount of detail work necessary to evaluate the design competition have precluded any final determinations to date. It is expected to announce the winners of the design competitions at an early date, and it is hoped that the designs submitted will be sufficiently advanced to warrant the manufacture of experimental airplanes in accordance therewith.

I regret that the present procurement policy has not been in effect sufficiently long to enable me to furnish your committee more concrete information, but I feel certain that the progress and development outlined above are sufficient to enable you to

conclude with me that the success of this policy is most promising and that nothing should be placed in the way of continuing the present method for a sufficient period to determine definitely its net worth.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

OUR OWN WILL ROGERS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by me recently.

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

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my tribute to our own Will Rogers, delivered through the facilities of the National Broadcasting Co. before the Oklahoma State Society November 14, 1935, as follows:

Friends, Oklahomans, Americans, paraphrasing Mark Antony, I come not to bury Will Rogers but to eulogize him.

If I were an artist, I might paint a picture too beautiful for the eye of man to behold. If I were an architect, I might plan an edifice too magnificent for human hands to construct. If I were a musician, I might compose a hymn that only angels could sing; but God alone could create a character equal to that of Will Rogers, Oklahoma's most beloved son, America's most noble citizen, and the world's greatest humanitarian friend since the Master of all Good Works sent His Son to earth to minister to mortals.

Men may joke and jest. Women may laugh and cry. Will Rogers undoubtedly was the only man of contemporary time who could truthfully utter the philosophy, "I never met a man I didn't like." His life was a mold of that practical wisdom. His very deeds manifest the logic of this association of his personality with this human viewpoint, "I never met a man I didn't like." No one but Will Rogers could have made this statement. The world could not in becoming manner express the same sentiment of any other character. Doubtless there is no living mortal who could not with utmost sincerity bear witness that "he never met a man who didn't like Will Rogers."

He endeared himself universally because he was everybody's friend. His homespun philosophy, fun-loving nature, and adventuresome cowboy spirit glorified Oklahoma and typified America. Will Rogers never joked about a man who was down. He always directed his shafts of humor at those who were riding the crest of public favor. He was severest critic and warmest friend at one and the same time. He could thrust a ripping barb at men holding high positions of state for the afternoon newspapers, but when the same papers brought him news of that man's personal or public difficulty he would fly across the continent and offer counsel at the next morning's breakfast table. Will Rogers would give his entire earnings to the Red Cross, crippled children, and other charities and borrow necessary expense money from his banker. Many Oklahoma children who are healthy and strong today are indebted to Will Rogers, who tore up a check or diverted his fee to some babies' milk fund. He did this in Oklahoma; he did it in every other State. Many men of the East, the West, the North, and the South, ranchers, ex-cowboys, artists, actors, newspapermen, have been given a new start and a new courage because the friendly hand of Will Rogers pressed a huge roll of paper money into their pockets.

Will Rogers presented the world a new type of humor. The news of the day was his workshop. He fashioned truth, wisdom, and philosophy with humor, criticism, and repair.

If I live for a century I could have no more profound hope, I could wish for no better demise than to come to the end of time and utter the philosophy expressed by the poet and lived by the man whose name I bear, our own Will Rogers, the most beloved son of Oklahoma, the most outstanding super-American, the most beautiful character to tread the globe since Christ came to earth and dwelt among men. Let my life be as his was, so that I can say, when my summons comes to join that innumerable caravan that leads to that mysterious realm from whose bourne no traveler returns, I approach my grave not like the quarry slave at night, scourged to his dungeon, but sustained and soothed by an unflinching trust I can wrap the draperies of my couch about me and lie down to pleasant dreams. Long may the memory of Will Rogers live in the hearts and minds of men.

JACKSON DAY ADDRESS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by me recently.

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

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me before the Intercollegiate Democratic League of New York on Wednesday, January 8, 1936:

Mr. President, members of the Intercollegiate Democratic League, ladies and gentlemen of the radio world, I want to thank you for this opportunity to speak to you. The Intercollegiate Democratic League has my profound gratitude and my best wishes for a successful year's work. I want to commend both your organization and the intercollegiate organization of America, with which you are affiliated and which has branches in 38 States, with a membership of more than a fourth of a million, for the fine work you are doing. You are building character, improving citizenship, and training the youth of today for leadership for tomorrow. I am sure you have the interest of all those seeking better government.

The history of the world commits itself to a distinct, self-evident tradition that in times of great national emergency there has invariably arisen a forthright leader able to command the loyal obedience of his countrymen by the sheer genius of his personality and the profoundness of his program. Since the birth of our Nation, tracing our progress by the landmarks of critical emergencies overcome, we can pause and reflect in the security that America has, without fail, been equal to the exigency of every occasion. Whether it has been righteous reform or crucial revolution there has always emerged some American who by masterful precision, patriotic compassion, and keenness of intellect has wrested calm out of chaos and order out of confusion. Whether it has been "taxation without representation", "imperialistic infringement" of other nations, "secession from the Union", "autocracy or democracy", or war against economic bondage, as now engages our attention, America has steadfastly been able to produce on every occasion "the man of the hour."

If I were called upon to list the greatest men our country has produced, I would want to include the names of George Washington, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Woodrow Wilson, and Franklin D. Roosevelt. I come to you this evening to speak of only two of these outstanding American citizens, Andrew Jackson and Franklin D. Roosevelt. Jackson, though the son of penniless Irish immigrants, exemplified the true American citizen in his every work and deed. He was born on the frontier 2 years after his parents landed in North Carolina. As a soldier, "Old Hickory" saved a vast territory for his country. This implacable champion of the dignity of America and preserver of the Union was a soldier, Congressman, Senator, judge, and President of the United States. This hero of the Battle of New Orleans never turned his back on a friend nor his face from a foe. He knew not the meaning of fear. He was stern and unyielding in his determination to serve the American people and to maintain the dignity of the United States. He was the idol of the common people because he was one of them. No man can read the story of Andrew Jackson and not be a better citizen. No man can emulate his life without becoming a better American. On one occasion Jackson wrote: "The first duty of a soldier or good citizen is to attend to the safety and interest of his country. The next to attend to his own affairs wherever they are rudely or wantonly assailed."

Jackson was at all times ready to defend his country. You will remember his toast when he said, "Our Federal Union, it must be preserved." Andrew Jackson was a patriot and he loved his country, as evidenced by the following lines from one of his letters: "I know the writer to be a patriot, and possessing virtue such as every citizen ought to possess, who the God of nature has intended to live in a land of freedom and to enjoy the blessings of a Government like ours, and which alone can perpetuate to the Nation of America its freedom and independence." Jackson was proud of his birth as an American citizen. On March 7, 1812, he said: "We are the free-born sons of America; the citizens of the only Republic now existing in the world; and the only people on earth who possess rights, liberties, and property which they dare call their own." Old Hickory believed in a government of the people, by the people, and for the people. He wrote the following lines to his Cabinet on September 18, 1833: "The conduct of an American administration may not only be subjected to the control of its own citizens, entrusted as a corporate body with the management of its finances, but through them to the influence of the foreign capitalists with whom they may have identified their interests."

If the spirit of Andrew Jackson had not prevailed, we could not today revel in the satisfaction that in America personal freedom is enjoyed in a measure not comparable to that in any other nation; that free speech and freedom of the press are prerogatives unquestioned; that the right to orderly redress the Government for its shortcomings is guaranteed by the Constitution; that trial by jury is irrevocable; that religious worship is dictated by individual volition; that wise conservatism embodies a watchful readiness to modify, and even to replace, outmoded institutions and practices; and that intelligent liberalism incorporates a cooperative spirit in keeping with national perspective.

The work of Andrew Jackson in leading the people of America boldly forward along an unfamiliar road sets precedent for today's actions of President Roosevelt. Americans of today may ask "Are we not departing from the wisdom of the founders of this Republic? Are we not forgetting and ignoring the philosophy of Andrew Jackson?" If we are to interpret the deeds and spirit of Jackson correctly, we must conclude that his example is pointing the way for Roosevelt. The only contrast between the two lies in past and present machinery. As Roosevelt accelerates the facilities of the Government of the United States in its present form, meeting with precision the emergencies of the moment, so did Jackson apply the whip and spur to the new Government to speed forward the strengthening of the Union. Jackson and his colleagues were the boldest of experimenters. He opposed the powerful and long-established imperial governments of Europe. He waged a success-

ful campaign entailing war and bloodshed. He was foremost in overthrowing the old order of things. He burdened his shoulders with the exacting and difficult duties of formulating a new principle of government, and he assumed the responsibility of launching forth a campaign for its acceptance by the people.

Jackson's age was an economic order of localism. His every act was devoted steadfastly to a program of economic and political betterment. When it became apparent to him that the old system was inadequate to the needs of a changing world he dared to experiment with new and untried systems. He strengthened the new cooperative democracy, destined to world leadership.

It is not idle illusion or presumptive fantasy to compare the present with the past. The Nation 3 years ago was caught in a maelstrom of devitalizing confusion and prejudice, with the forces of construction vesting their welfare in the sympathetic and responsive personality of Roosevelt. The President has launched forth in a manner comparable to Jackson, to check and overthrow a political imperialism and a capitalistic oligarchy. Like Jackson, he has promulgated ideas and changes that are revolutionary. The spirit of each was conceived in an ever-watchful and an ever-responsive attitude to safeguard American welfare.

America, with Franklin D. Roosevelt in the White House, entered upon a new path of national destiny. From the proclamation ordering the bank holiday to the personal message by the President to the heads of 54 nations, Mr. Roosevelt advanced from a vigorous and compelling national leader to a wise and humane world leadership. Behind this phenomenon lies a series of facts—issues, events, personalities—upon which the fate of a man and the destiny of a nation rests. The circumstance of Mr. Roosevelt's nomination and election is too profoundly a part of America's present survival and future progress to be left loosely spread over the incoherent reportings of the daily press and ephemeral reflections of periodical comment. Even today we cannot see clearly whither events are leading nor how far we may be carried before equilibrium is reached and this sliding civilization of ours shall once more come to rest.

Of one thing we are sure, that the great man in the White House today is bending his every effort for the betterment of his country, and we know we are safe in his hands. Franklin D. Roosevelt is a great President, but he is a greater American citizen. In 1932 he said: "It is time for redoubled, yes, heroic, measures to save, not only for the immediate future but for generations to come, the human values of our citizenship." Of all our eminent Presidents, not one has been more interested in the youth of the land than the present incumbent. On his fifty-second birthday he said: "Modern medical science has advanced so far that a very large proportion of children who for one reason or another have become crippled can be restored to useful citizenship." President Roosevelt is a real scout, and he believes in organizations for character education and citizen training. On February 8, 1935, he said, "The value of the Boy Scout organization in building character and in training for citizenship has made itself a vital factor in the life of America." Later in the same address he said, "The Boy Scout oath is the basis of good citizenship." On August of the same year we find him saying, "You boys, old and young, in every part of this broad land—present Scouts and former Scouts, your numbers running into the millions—constitute a very real part of our American citizenship. Even before you become of voting age you actually have a part in civic affairs and you bear responsibilities in your home communities. We older citizens are very proud of the many contributions that individual Scouts and Scout organizations have made to * * * the furtherance of good citizenship and good government. * * * Just as you are individually a necessary part of your patrol or your troop today, so will you become necessary parts of the citizenship of your communities."

No President has ever been more considerate or more thoughtful of the women of this great Republic. Quoting from Mr. Roosevelt's statement in October 1935, we find: "The women of America, as their responsibilities of citizenship have greatly expanded, are turning with intense earnestness to measures which are aimed at eliminating or alleviating the effects of these imperfections of our society. * * * My task and the task of all those others who are associated with me in the official life of the country can be made easier if the citizenship of the Nation, and particularly the women citizens of the Nation, seek the truth and a wise application of the truth." What better tribute could be paid to the wives and mothers of the sons of this great Republic? Our country has not produced a more affable, courteous, friendly leader than Franklin D. Roosevelt. His broad smile, his kind words, and his winsome ways have given him a place in the heart of every American citizen approached by no man of his day or of past generations; yet with all this, he is a "two fisted" fighter, as has been evidenced many times during the past few years. You will remember his aggressive, forceful address "on the state of the Union" delivered to the Congress only a few days ago. President Roosevelt is a peace-loving man, but he does not believe in "peace at any price." Andrew Jackson in all his glory showed no more aggressive, forceful spirit than did President Roosevelt when he delivered the above-mentioned message. Some 3 years ago Roosevelt said, "I believe in the fundamental obligation of citizenship to don the uniform of our country, to carry arms in its defense when our country and the things it stands for are attacked."

No man can succeed without the help of his coworkers. As a true American citizen, President Roosevelt realized this and he has been quick to acknowledge this fact. In 1935 he said: "I

have reason to remember the past 2½ years that have gone by so quickly, reason to remember the fine spirit of the average of American citizenship which made my task lighter."

Andrew Jackson has left his imprint upon American civilization. President Roosevelt is now making his. Let us all continue to cooperate in the hope that we may make his burdens lighter.

Members of the Intercollegiate Democratic League, I commend to you two of our country's most eminent sons, Andrew Jackson, second to one, and Franklin D. Roosevelt, second to none.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCHANAN, for 1 week, on account of illness.

To Mr. PLUMLEY, for 3 days, on account of important official business.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 44 minutes p. m.) the House adjourned until tomorrow, Thursday, January 16, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

590. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for November 1935 (H. Doc. No. 391); to the Committee on Banking and Currency and ordered to be printed.

591. A letter from the Secretary of War, transmitting draft of a bill to validate payments and to relieve the accounts of disbursing officers of the Army on accounts of payments made to Reserve officers on active duty for rental allowances; to the Committee on Military Affairs.

592. A letter from the Secretary of War, transmitting draft of a bill to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

593. A letter from the Secretary of War, transmitting draft of a bill to authorize the settlement of individual claims for personal property lost or damaged arising out of the activities of the Civilian Conservation Corps; to the Committee on Claims.

594. A letter from the Secretary of War, transmitting draft of a bill for the relief of George Rabcinski, which the War Department presents for the consideration of the Congress; to the Committee on Claims.

595. A letter from the Secretary of War, transmitting draft of a bill for the relief of certain disbursing officers of the Army of the United States for settlement of claims approved by the War Department; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9871. A bill to amend an act entitled "An act providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes; without amendment (Rept. No. 1913). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on the Public Lands. H. R. 10104. A bill to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; without amendment (Rept. No. 1914). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10228) granting a pension to Hannah Pressler; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9795) for the relief of Mary McCormack; Committee on World War Veterans' Legislation discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 10261) providing for the examination and survey of Orowoc Creek, Long Island, N. Y.; to the Committee on Rivers and Harbors.

By Mr. BROOKS: A bill (H. R. 10262) to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. DISNEY: A bill (H. R. 10263) 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 16 to 23, 1936, inclusive; to the Committee on Foreign Affairs.

By Mr. HESS: A bill (H. R. 10264) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth (golden) anniversary of Cincinnati, Ohio, as a center of music, and its contribution of the annual May festival to the art of music for the past 50 years; to the Committee on Coinage, Weights, and Measures.

By Mr. McSWAIN: A bill (H. R. 10265) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937; to the Committee on Military Affairs.

Also, a bill (H. R. 10266) to amend that provision of the act approved March 3, 1879 (20 Stats. L., p. 412), relating to issue of arms and ammunition for the protection of public money and property; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL: A bill (H. R. 10268) to provide for the extension of the Home Owners' Loan Act; to the Committee on Banking and Currency.

Also, a bill (H. R. 10269) to amend section 2 of the National Housing Act, as amended, so as to permit the insurance of financial institutions making certain loans and advances of credit subsequent to March 31, 1936, and prior to April 1, 1937; to the Committee on Banking and Currency.

By Mr. DOXEY: A bill (H. R. 10270) to provide that the minimum pension rate for totally and permanently disabled World War veterans shall be the same as for the Spanish-American War veterans; to the Committee on World War Veterans' Legislation.

By Mr. CLAIBORNE: A bill (H. R. 10271) to reduce the maximum interest rate on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. KNUTSON: A bill (H. R. 10272) to increase the processing tax on certain oils, to impose a tax upon imported

soybean oil, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 10273) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

By Mr. CONNERY: Resolution (H. Res. 394) to appoint a select committee to investigate the charges of irregularities in the granting and renewals of radio licenses; the broadcasting of alleged obscene and indecent utterances by radio stations; the charges of alleged monopolies, and to investigate and report on charges made or which may be made as to charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with said Commission, and to investigate the acts and activities of said Commission; to the Committee on Rules.

By Mr. MAVERICK: Resolution (H. Res. 395) creating a select committee of the House to investigate the problems of urban, suburban, and agricultural housing, and for other purposes; to the Committee on Rules.

By Mr. WEST: Joint resolution (H. J. Res. 456) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico; to the Committee on Foreign Affairs.

By Mr. ROGERS of Oklahoma: Joint resolution (H. J. Res. 457) defining the jurisdiction of the Court of Claims under the act approved April 25, 1932 (47 Stat. L., p. 137), and for other purposes; to the Committee on Indian Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, favoring immediate payment of the bonus; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 10274) granting a pension to Agnes I. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10275) granting an increase of pension to Henry Frederick; to the Committee on Invalid Pensions.

By Mr. COLMER: A bill (H. R. 10276) for the relief of Alney E. Robinson; to the Committee on Claims.

Also, a bill (H. R. 10277) for the relief of George E. Wilson; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 10278) granting a pension to Julia C. Messamore; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 10279) for the relief of the Pocahontas Fuel Co., Inc.; to the Committee on Claims.

By Mr. GILLETTE: A bill (H. R. 10280) granting an increase of pension to Ellen E. Smith; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 10281) granting a pension to Lizzie E. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10282) granting a pension to Rosa M. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10283) granting a pension to Peter Cuddy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10284) granting a pension to Alvesta Otto; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10285) granting a pension to Sadie Hainline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10286) granting an increase of pension to Rose R. Corner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10287) granting an increase of pension to Ella M. Tansey; to the Committee on Invalid Pensions.

By Mr. KEE: A bill (H. R. 10288) granting a pension to Sarah M. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10289) for the relief of the trustees of the Baptist College at Blue Sulphur, W. Va.; to the Committee on War Claims.

By Mr. KELLY: A bill (H. R. 10290) for the relief of Joseph Nicholas Lusson; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: A bill (H. R. 10291) for the relief of Edwin L. McCulloch; to the Committee on Claims.

By Mr. PLUMLEY: A bill (H. R. 10292) granting a pension to Clara L. Garvin; to the Committee on Invalid Pensions.

By Mr. SCHAEFER: A bill (H. R. 10293) granting a pension to Antonia Kuehn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10294) granting a pension to Sarah E. Linder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10295) granting an increase of pension to Mary E. Straube; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10296) granting an increase of pension to Katharina Reis; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10297) authorizing the President of the United States to appoint Corp. Robert Slover as a first lieutenant in the United States Marine Corps and place him on the retired list; to the Committee on Military Affairs.

Also, a bill (H. R. 10298) granting a pension to Clellia S. Irvin; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10299) granting a pension to John Charles Inglee; to the Committee on Pensions.

Also, a bill (H. R. 10300) granting an increase of pension to Fannie McGuire; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 10301) granting a pension to Helen R. Pitney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9514. By Mr. BACON: Petition of sundry residents of Nassau County, N. Y., favoring the restoration of prohibition in the District of Columbia; to the Committee on the District of Columbia.

9515. Also, petition of the membership of the Nassau Independent Citizens Club, Rockville Centre, Long Island, N. Y., protesting against any American association with League of Nations sanctions activities; to the Committee on Foreign Affairs.

9516. Also, petition of the Crusaders of Nassau County, N. Y., urging the rescission of Russian recognition, the deportation of aliens belonging to any group proposing change or overthrow of this Government by force or violence, and the deportation of all aliens of illegal entry; to the Committee on Immigration and Naturalization.

9517. By Mr. CULKIN: Petition of Beaver Falls (N. Y.) Grange, Patrons of Husbandry, No. 554, petitioning Congress to annul the Canadian reciprocal trade agreement; to the Committee on Agriculture.

9518. Also, petition of Isabella Council, No. 873, Knights of Columbus, urging that 50 percent of wave lengths or frequencies be allotted to labor and similar non-profit-making and human welfare associations; to the Committee on Interstate and Foreign Commerce.

9519. Also, petition of the National Camp, Patriotic Order Sons of America, petitioning Congress to grant no further governmental relief to unnaturalized aliens, and to deport all aliens who are deportable under our laws; to the Committee on Immigration and Naturalization.

9520. By Mr. KENNEY: Petition of the Patriotic Order Sons of America, advocating the registration of all unnaturalized aliens in the United States, etc.; to the Committee on Immigration and Naturalization.

9521. By Mr. O'CONNELL: Resolution petitioning Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9522. By Mr. PLUMLEY: Petition of the Franklin County Pomona Grange, protesting against the Canadian treaty; to the Committee on Foreign Affairs.

9523. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of the immediate cash payment

of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

9524. By Mr. WERNER: Petition of 52 citizens of the Second Congressional District, South Dakota, patrons of star route no. 61201, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9525. Also, petition of 62 citizens of the Second Congressional District, South Dakota, patrons of star route no. 25229, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9526. Also, petition of 103 citizens of the Second Congressional District, South Dakota, patrons of star route no. 59271, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9527. By the SPEAKER: Petition of the county court of Bledsoe County, Tenn.; to the Committee on Foreign Affairs.

9528. Also, petition of the National Annuity League of California; to the Committee on Rules.

SENATE

THURSDAY, JANUARY 16, 1936

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

Blessed Savior, who at this hour didst hang upon the cross stretching forth Thy loving arms: grant that as we thus behold Thee we may love Thee more and more, and loving Thee may hate those sins from which Thou hast redeemed us. Have mercy upon all who are in want; comfort those who are in sorrow; enlighten the perplexed; strengthen the faint-hearted; and by Thine own example kindle in us all the flame of true devotion to our country and our God.

And when life's golden days have winged their flight and we no longer barter time for good, nor have the power to heap up life or buy one added hour, do Thou then receive us unto Thyself that where Thou art there we may be also. We ask it for Thy sake, who died to save us all. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Monday, January 13, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

The message also announced that the House had passed the bill (S. 1277) to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills